

CALL TO ORDER

Mayor Alvin D. Osterback called the Aleutians East Borough Special Assembly Meeting to order by teleconference in each community on September 14 , 2023 at 3:00 p.m.

ROLL CALL

Mayor Alvin D. Osterback	
Brenda Wilson	Present
Jim Smith	Present
Chris Babcock	Present
Dailey Schaack	Present
Josephine Shangin	Present
Paul Gronholdt	Present
Warren Wilson	Present

Advisory Members:

Samantha McNeley, Nelson Lagoon	Present
Tom Hoblet, False Pass	Present

Quorum was present.

Staff Present:

Anne Bailey, Administrator  
Talia Jean-Louis, Assistant Administrator  
Ernie Weiss, Natural Resources Director  
Charlotte Levy, Natural Resources Assist. Director  
Beverly Ann Rosete, Borough Clerk  
Jacki Brandell, Finance Director  
Seward Brandell, Accounting Clerk

*ADOPTION OF THE AGENDA*

CHRIS move to Adopt the Agenda, seconded by WARREN

Paul commented about the Next Meeting dates. Mayor Osterback corrected that there will be a meeting on September 20, 2023, A financial Works Session and a Special Meeting at 5:00 pm

Hearing no objections, the Agenda will stand as Amended.

*COMMUNITY ROLL CALL AND PUBLIC COMMENTS ON AGENDA ITEMS*

The communities of King Cove, Sand Point, Akutan, Cold Bay, False Pass, Nelson Lagoon and the Anchorage office were participating by teleconference. Also broadcast on KSDP radio.

*CONFLICT OF INTEREST*

Mayor Osterback asked for any potential **Conflict of Interests** to discuss. There were no conflicts on agenda items.

**PRESENTATION:**

- FY23 Audit presentation by BDO

Joy Merriner of BDO said the audit for FY2023 just started and wanted to update the Assembly on what is going on with it. For Audit Strategy, they are looking for areas with higher risk of misstatement. The biggest thing they look at are the new or unusual, also things that are susceptible to risks like people who have access to IT systems and financial software, who can sign checks and enter vendor or vendor changes. They use risks to identify what they needed to do for procedures. They have done a lot of electronic auditing and use an online portal to track what they have requested and what has been given to them. They are also using data analytics where they can get the entire ledger and dump it into a Microsoft AI, it will do the analysis for them. Then that data analytic will pull a needle out of a haystack. It is a lot easier if they have a data analysis tool doing that for them. In terms of Planned Scope, one thing that is new is the GASB 96. Last year they spent a lot of time with GASB 87, which is the new lease standard. It was a ton of work to implement. This year, we have to update those for the new leases and revisit the lease schedule we have to make sure there are no changes in assumption. On top of that is this year's GASB 96, which is very similar. It addresses accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. Standard is based on the standards established in Statement No. 87, Leases. It defines a SBITA as a contract that conveys control of the right to use a SBITA vendor's IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. It requires governments with SBITAs to recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability (with an exception for short-term SBITAs—those with a maximum possible term of 12 months). It provides guidance related to outlays other than subscription payments, including implementation costs, and requirements for note disclosures related to a SBITA. Overall timeline, they already started on planning procedures, interim fieldwork, year-end fieldwork and release reports of financial statements by December.

**MINUTES**

August 17, 2023 Regular Assembly Meeting Minutes

**MOTION**

JOSY moved to accept the August 17, 2023 Assembly Meeting Minutes, seconded by DAILEY

Hearing no correction, Minutes will stand as presented.

**ROLL CALL**

Yeas: Chris, Dailey, Jim, Josy, Paul, Warren, Brenda Advisory: Samantha, Tom

Nay: None

**FINANCIAL REPORT**

July 2023 Financials

**MOTION**

BRENDA made a motion to approve the July 2023 Financials Report and second by DAILEY

Administrator Bailey this is the 1st month of the fiscal year. Few things to point out is the Interest Revenue, we made \$113K and the Raw Fish Tax, in July, we received \$414K which is about 41.1 % lower than the 5year average. Other than that, everything is tracking along as they should.

PAUL asked when we receive the fish tax from the processing companies. Administrator Bailey responded, funds are received on the 15<sup>th</sup> of the following month via wire transfer.

BRENDA thanked the administration for the report. Said it looked good.

**ROLL CALL**

Yeas: Warren, Brenda, Paul, Chris, Josy, Dailey, Jim Advisory: Tom, Samantha  
Nay: None

**MOTION CARRIES**

*INVESTMENT REPORT*

APCM July 2023 Investment Report

*CONSENT AGENDA*

- **Resolution 24-07**, Appointing Election Judges for the October 3, 2023 Regular Borough Election
- **Resolution 24-08**, Appointing the Canvas Committee for the October 3, 2023 Regular Borough Election

Borough Clerk said these are routine resolutions to establish our election judges and canvass committee for the October 3, 2023 Regular Election. Resolution 24-07 states the election judges for the communities of Sand Point, King Cove and Akutan. Resolution 24-08 is for establishing the canvass committee. Corrections on election judges names were stated by the clerk.

**MOTION**

BRENDA made a motion to amend the Resolution 24-07 to remove April Pelkey and Antoinette Gauen and replaced with Evdokia Lott as election judge in Akutan and replace Bobbi Newman to Bobbi Dushkin, second by JOSY

**ROLL CALL on amendment**

Yeas: Paul, Chris, Jim, Brenda, Josy, Warren, Dailey, Advisory: Samantha, Tom  
Nay: None

**MOTION CARRIED**

**ROLL CALL on main Motion**

Yeas: Dailey, Warren, Josy, Brenda, Jim, Chris, Paul Advisory: Tom, Samantha  
Nay: None

**MOTION CARRIED**

JIM asked about the ballots that were not counted last election. The clerk responded that this was addressed last year. That we have a deadline for receiving ballots and if the ballot was received past the deadline then it will not be counted.

*PUBLIC HEARINGS*

- **Ordinance 24-01**, Amending the Operating and Capital Budget for FY24

& King Cove Runway Resurfacing – Design Services. The State has reviewed the proposals and selected DOWL for the work and will begin negotiating on the price soon. The State would like to have DOWL conduct a site visit in False Pass and King Cove in October 2023. The Borough continues to encourage the State to look at engineering options to lengthen the runway; and if a feasible option is identified, the Borough and City would like DOT/PF to consider incorporating that solution into the project scope of work.

**Cold Bay Terminal** - Repairs to the Cold Bay Terminal have been identified. A work order has been drafted and the scope of work has been sent out to 2 of the Borough's term contractors.

On August 25, 2023, the Borough engaged Wired AK to conduct electrical repairs at the False Pass School. The cost of the work was \$73,033.40 and work includes work on the fire alarm system, replacing expired self-luminous tritium exit signs, providing exterior emergency lighting, and replacing a non-GFCI receptacle in the crawl space with GFCI receptacle.

Laura Tanis' last day with the Borough was September 1, 2023. We wish her the best in her new endeavors. Laura was able to complete the Annual Report prior to leaving. The report was mailed on September 7, 2023. Thanked Laura for all her hard work for the Borough.

Upcoming assembly meetings were listed in the report.

Tom asked if there is a timeline when DOWL is coming to False Pass. Administrator Bailey responded she has been told they are hoping to come out in October.

JOSY asked about the possibility of Zoom meetings. Administrator Bailey responded yes, all the video equipment has been ordered. Once received in the Anchorage office, it will be then shipped to each community and have someone in each community to have it installed.

**Assistant Administrator's Report in packet. Highlights below:**

**Alaska Department of Education & Early Development (DEED) Grant – Capital Improvement Project (CIP)** applications and associated documents were successfully submitted to the Department of Education & Early Development (DEED). It will go through review process. November 5th, 2023, DEED will publish their initial FY25 Priority Lists (Major Maintenance and School Construction) and notify districts of any project adjustments. Once the review was received, we will have 2 options, accept DEED's Priority List or Request reconsiderations. With Reconsideration, the Borough will work with SERCC to draft a Supplemental Application to substantiate the technical cost difference of the project.

**Healthy & Equitable Communities (HEC) Grant** -The Borough is partnering with Eastern Aleutian Tribes to implement the purchase and installation of a 2-Body Morgue for the City of False Pass and the Village Nelson Lagoon. Currently the State of Alaska is reviewing the required documents. I anticipate to hear from them around October 10.

**Councilman-Hunsaker** - June 12th and 13th, 2023 Councilman-Hunsaker conducted a site-visit of the Sand Point Pool. July 26<sup>th</sup>, Councilman-Hunsaker is ready to move onto the maintenance plan phase of their scope of work. On August 31st, 2023 Councilman Hunsaker completed their first draft of the sand Point Pool Maintenance Plan which is currently in the review process.

**LONG Boiler Update** - August 22, 2023, LONG arrived to the Cold Bay Terminal and successfully completed maintenance and inspection to the boilers on Cold Bay Terminal and King Cove School on August 23<sup>rd</sup>. September 6, 2023, LONG arrived in False Pass and both boilers were successfully installed. LONG is scheduled for boiler maintenance and repair September 18th, 2023 for Sand Point School and 25<sup>th</sup> on Akutan School.

**ICE Services Server Update** - On August 30, 2023, the Borough signed an agreement with ICE Services for two servers. One will be in Anchorage office and will have Sand Point Connected to it. King Cove Office will have their own server.

**Maintenance Connection** - Administration is planning to have me travel out to the region to do Maintenance Connection training with the appropriate school Personnel the first week of October 2023.

PAUL asked what are the 2 servers being replaced? Assist. Administrator Jean-Louis responded, the old servers because they are currently on the end of its lifespan and needs to be replaced.

Mayor Osterback commented that he received an email that all the materials are here in Sand Point.

**Natural Resources Director Report in packet. Highlights below:**

**Alaska Board of Fisheries** - The Agenda Change Requests (ACRs) submitted for the 2023/2024 Board meeting cycle were posted. There are 2 that would impact South Peninsula fishing, ACR 2 And ACR 3. In our opinion, ACRs 2 & 3 do not meet the criteria for accepting agenda change requests. The Board will only accept an ACR: for a fishery conservation purpose or reason; to correct an error in a regulation; or to correct an effect on a fishery that was unforeseen when a regulation was adopted. However, if an ACR is accepted by the Board, consideration of the proposal will be scheduled for one of the three meetings this cycle. Comments on the ACRs are due September 27<sup>th</sup>.

**North Pacific Fishery Management Council** - The NPFMC, the AP and SSC meet beginning October 2 at the Anchorage Hilton. The Crab and Groundfish Plan Teams will meet this month. In October, the Council will set BSAI crab specs and preliminary groundfish specs for the upcoming seasons, review the observer deployment plan for 2024, make a preliminary review of a chum salmon bycatch analysis, and take final action on local knowledge/traditional knowledge/subsistence (LKTks) protocols. The Council will also review the workplan for the BSAI Crab Program review. A review of the AFA program (BSAI pollock) is tentatively scheduled for some time in 2024.

**Fishery Disaster Declarations** - ADFG is still developing the spend plans for fishery disaster funding allocated in May, including for the 2021/2022, 2022/2023 BB Red King crab and Bering Sea Snow crab (\$94.5 million and \$96.6 million), 2021 Chignik salmon (\$4.9 million) and 2021 Kuskokwim and Norton Sound salmon (\$1.3 million). The AEB submitted recommendations this summer for both the crab and Chignik salmon disaster spend plans. The 2023 salmon season has been an economic disaster according to many Alaska fishermen due to small harvests and low prices paid by processors. More information is in the report. A list of meetings attended, and upcoming meetings are also in the report.

PAUL asked about the crab meeting details in Seattle, Natural Resources Director Weiss responded he's not sure what meeting Assembly Paul is talking about but he's been monitoring crab meetings.

TOM asked about the Bairdi in South Alaska Peninsula, , Natural Resources Director Weiss responded no, he has not heard anything.

PAUL asked about if the Natural Resources Director heard about Tustamena replacement, Weiss responded there was 2 meetings, one on Sept 14<sup>th</sup> and another one on the 15<sup>th</sup>.

**Assistant Natural Resources Director Report in packet. Highlights below:**

**Electronic Monitoring - WGOA3/EPF** - pollock is off to a slow start and we expect an extended season. We have had a few minor issues come up that I deal with as needed. Saltwater technicians traveled to Sand Point and King Cove prior to the season. NMFS confirmed HQ/Murkowski funding will cover GOA data review and EM system costs for 2024 and 2025, \$700k each year. We are awaiting estimates from respective contractors

on costs for observer services and EM maintenance/service and will make the final proposal available to the Assembly. The proposal is due October 16, 2023. NMFS has provided the draft outline for Catch Monitoring Control Plans (CMCP) which I will review and discuss with processors. NMFS has committed to doing in person walkthroughs of WGOA plants prior to 2025 implementation.

**Salmon** – I am assisting the Seiners Association with a report for Board of Fisheries members prior to the October 12th work session outlining performance of the June Adaptive Management Program and portal. I met with Chordata to discuss building standardized metrics into the portal, with basic summary statistics but also exploring additional analytic tools for reporting using historical harvest data.

**AFSC Cod Tagging Project** - The project team has reinstated our weekly meetings after the close of NMFS summer bottom trawl surveys. There were many logistical challenges in both the BS and GOA surveys making it difficult to release tags as planned. No tags were released on the BS survey, and only 3 were released around Kodiak on the GOA survey. We have discussed collaborating with BS vessels similar to our winter WGOA charter, which would be more effective for releasing tags and significantly cheaper than buying survey Days. From the 2023 winter releases, we have had 20 early popups of which 4 fish moved to the BS (3 Sanak and 1 Shumagins). Preliminary data shows there is possible exchange between the 610 and 620 management boundary, however there is too much error to say conclusively. The remaining 34 tags are scheduled to popup in the next week. I met with Chordata to begin developing the outreach website. It will be interactive.

**Other** - I attended my first North Pacific Research Board. I still have not receive the representation letter from Sue Sullivan. With Trawl EM winding to a close soon I am looking into two possible projects that I repeatedly hear

concerns from stakeholders, the cooperative pollock acoustic survey and the Cold Bay Russell Creek crossing erosion. Both projects are outlined in more detail in the financial workshop presentation.

Mayor Alvin Osterback commented that maybe Fish and Wild Life may want to donate or help fund the Cold Bay Rusell Creek.

**Finance Director Report in packet. Highlights below:**

**Audit**- I am still working on compiling the audit needs for FY 23. There are only a handful of tasks to complete to get the year wrapped up, such as depreciation, amortization and fund balance transfers. The auditors will be conducting their field work on site the last week of September.

**Caselle** – Caselle is working on mapping the BDS data. I am currently working on creating the chart of accounts. The set up of accounts in BDS is chaotic and is taking some time to align them with a more conventional and commonly used set up. With the right set up, compiling and analyzing data becomes more efficient as it eliminates the current need to research in multiple locations and combine reports manually.

**Financial Work Session** – This past month also included work preparing for the financial work session. This required researching old and current data, compiling and preparing presentations.

**Financial Policies and Procedures** – I am about three-fourths of the way through with the tasks for the year on the financial policies and procedures project. Currently working on editing the draft of the policies and procedures for payroll processing and new hire documentation. The procedures currently in practice for payroll processing have the necessary internal controls, so it is just a matter of formalizing it in writing.

**ASSEMBLY COMMENTS**

CHRIS asked about the Per diem. Finance Director Brandell responded that it is a flat rate of \$374 every overnight but if you decide to leave earlier or stay longer but we go based on the day of travel, purpose of the travel and day after.

WARREN when we have to be in Anchorage during summertime, can we get reimburse for lodging? Finance Director Brandell responded that the best to do is to modify the ways Assembly get paid when you are being reimbursed for the cost and getting a meal rate only and not get a flat rate.

Mayor Osterback commented that if the Assembly wants to have another discussion on per diem rates, we can schedule it.


*PUBLIC COMMENTS*

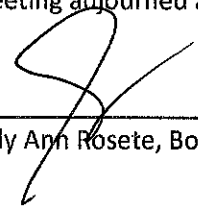
*NEXT MEETING DATE*

Regular Assembly Meeting September 20, 2023

*ADJOURNMENT*

JOSY moved to adjourn seconded by. Hearing no more, the meeting adjourned at 4:29 p.m.

  
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Mayor Alvin D. Osterback

  
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Beverly Ann Rosete, Borough Clerk

Date: Oct. 16, 2023

