

CALL TO ORDER

Mayor Alvin D. Osterback called the Aleutians East Borough Special Assembly Meeting to order by teleconference in each community on January 11, 2024 at 3:00 p.m.

ROLL CALL

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

Advisory Members:

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

Quorum was present.

Staff Present:

Anne Bailey, Administrator
Talia Jean-Louis, Assistant Administrator
Glennora Dushkin, Administrative Assistant
Ernie Weiss, Natural Resources Director
Charlotte Levy, Fishery Analyst
Beverly Ann Rosete, Borough Clerk
Jacki Brandell, Finance Director
Seward Brandell, Accounting Clerk
Others In Attendance: Melvin Larsen
Julian Manoes

ADOPTION OF THE AGENDA

Warren moved to Adopt the Agenda, seconded by Brenda

Hearing no objections, the Agenda will stand as Written.

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.

MINUTES

December 14, 2023 Special Assembly Meeting Minutes

MOTION

Brenda moved to accept the December 14, 2023 Assembly Meeting Minutes, seconded by Chris

Hearing no correction, Minutes will stand as written.

MOTION CARRIED

FINANCIAL REPORT

November 2023 Financials

MOTION

Chris made a motion to approve the November 2023 Financials Report and second by Warren

Administrator Bailey said this a 41.6% into our Fiscal Year. The Borough received about \$ 7K of raw Fish tax for November 2023, \$1,500 of that is from the seafoods processor for November fisheries and the remainder was from smaller processors from the prior month. Basically the \$1,500 that we received is about 1.4% of the 5 year average of the November fish tax which is typically around \$104,000. On the plus side, Interest Revenue continues to grow, on November 2023, we received \$146k in interest , which is great. We already have exceeded our expectation of \$500K, we are at \$612K through November. Other than that, everything is tracking along as it should.

PAUL asked which principal are we collection interest revenue. Financial Director Brandell responded, those accounts are the AMLIP accounts, split between grants funds and funds that are general use like operation reserves, transportation funds, funds that we set aside for projects, Fund 41, Fund 20 and Fund 24 are all generating interest. Paul asked if all processors are caught up on the taxes due. Finance Director Brandell responded yes.

ROLL CALL

Yeas: Brenda, Chris, Jim, Paul, Warren Advisory: Samantha

Nay: None

MOTION CARRIED

INVESTMENT REPORT

APCM November 2023 Investment Report

CONSENT AGENDA

PUBLIC HEARINGS

ORDINANCES

- Ordinance 24-02, Amending Title 2, Chapter 2.04 Section 2.04.050 of the Aleutians East Borough Code of Ordinances

MOTION

Brenda made a motion to approved Ordinance 24-02, second by Jim

Borough Clerk said The legislative power of the Aleutians East Borough is vested in the Borough Assembly under Alaska State Statue 29.20.050. The Borough has adopted a Borough Municipal Code of Ordinances which includes filling a seat vacancy for an Assembly Member and desires to amend the Code to establish a process for filling a vacant Assembly seat. The Borough Code Section 1.04 provides that the Code may be amended by the act of the Assembly. The administration worked with Levesque Law Group to update the Code and suggest adding the following subsections that are listed in the packet.

PAUL asked what drove the introduction of the ordinance? Mayor Osterback responded, as they were going through the codes, we noticed that we do not have a set procedure to fill a vacant seat. The clerk researched what other boroughs have. The Borough Clerk added that right now our code only says if a vacancy occurs in the Assembly, the Assembly by vote of a majority of is remaining members shall designate a person to fill the vacancy within thirty days.

ROLL CALL

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

MOTION CARRIED

RESOLUTIONS

- Resolution 24-22, Amending the Aleutians East Borough Employee Handbook

MOTION

Brenda made a motion to approved Resolution 24-22, second by Warren

Administrator Bailey said that the employee handbook is something that came up in the Strategic planning years ago and every year we try to go back to look through it, improve it, change it and make things better. We started reviewing this and per Alaska Statute authorizes municipalities to create and implement personnel systems to govern the terms of municipal employment. Pursuant to that authority, the Aleutians East Borough enacted Section 7.10.020 of the Aleutians East Borough Code of Ordinances, which directed the Borough to adopt a personnel policy. The Employee Handbook went through a comprehensive review in early 2023 and was updated and approved on March 9, 2023. What we are proposing as changes is to add 2 employee classifications. Section 2.4.1. we would add probationary and contract employees. We currently have a contract employee in Cold Bay but there was not definition if their position on our handbook. The other section is 3.3.1 which is for internal appointments, we are proposing adjustments to the section. The new language does not require administration to publish notice or to take applications for vacant positions if the administration intends to fill it with the qualified individual whole already currently employed by the Borough. There is an area in the handbook with a chart of all the employee benefits. We added a few footnotes to COBRA. Currently we do not offer COBRA to our employees then they leave , because we are employer of 20 or less. There was also a footnote for family medical leave. Another one is the Floating Holidays which is 5.3.2 Changed some of the verbiage to ensure that floating holidays are scheduled in advance

Fishery Analysts said Commercial fisheries are critically important to AEB communities, serving as a primary source of local employment and comprise a large portion of AEB fish tax revenue. The Borough has seen firsthand the devastating effects that the seafood market can have on the *economic viability of our local fishing fleet, local processors, and our communities dependent on fish tax revenue*. Alaska seafood currently faces exceptional national and global challenges including trade policy and non-reciprocal tariffs that favor other nations, high supply/inventory, high costs/inflation, reduced consumer demand, and global competitors that are less regulated, less sustainable, and/or have lower operating costs than domestic seafood producers. Efforts to improve global competitiveness of Alaska commercial seafood have benefits to the entire seafood industry, including harvesters, processors, and support businesses, as well as communities and the state of Alaska. Some of these efforts are already underway by federal agencies. NOAA is currently creating an implementation plan for the National Seafood Strategy which necessitates collaboration across multiple national agencies that affect the viability of Alaska seafood, and the Federal government's Trade Promotion Coordinating Committee issued the 2023 National Export Strategy that includes a chapter on Seafood Industries, highlighting forthcoming efforts to improve interagency coordination and global market competitiveness for domestic seafood producers. Several organizations including, the Pacific Seafood Processors Association (PSPA) and United Fishermen of Alaska (UFA), have been involved in developing a strategy and solutions for these challenges. PSPA has published a brief report outlining the status of the Alaska seafood industry, and identified several key recommendations at the federal level that would stabilize the Alaskan seafood market. These changes could significantly benefit Borough communities and constituents, and it is critical that support for these recommendations is communicated at the state and federal level.

ROLL CALL

Yeas: Brenda, Warren, Paul, Jim, Chris Advisory: Samantha

Nay: None

MOTION CARRIED

OLD BUSINESS

NEW BUSINESS

Advisory Appointment

MOTION

PAUL move to approve the recommendation for Advisory Seat Second by

The Borough Clerk said every year we have to advertise for the Advisory seat and for the year 2024 , we received 2 Letters of Interest, one from Tom Hoblet of False pass and one from Samantha McNeley of Nelson Lagoon. The copies of the letter are included in the packet.

Roll Call

Yeas: Chris, Jim , Paul, Warren, Brenda Advisory: Samantha

Nays: None

MOTION CARRIED

REPORTS AND UPDATES

Administrator's Report in packet. Highlights below:

Cold Bay Clinic: WE received HRSA funds to conduct work for that facility, latest update is on January 2nd, we signed the AIA contract with UIC for design phase services. They are beginning to work on the 95% design and we hope to have that project completed by June 2024.

False Pass School: On December 14, 2023, the Borough signed an agreement with LONG in the amount of \$53,347 to replace the water heater and conduct repairs to the air handling unit. LONG has begun ordering parts and a timeline for the repair will be established soon. This will be charged to the LATCF funding line item.

Sand Point Pool: Borough Administration has signed an agreement with Renosys in the amount of \$19,859.20 to conduct gutter and liner repairs. A schedule for Renosys to arrive on site is being determined. A work order has been issued to Living Waters to complete the plumbing repairs and conduct additional work at the pool. A proposal should be submitted soon.

Strategic Planning: Administrator thanked everyone for their attendance and engagement. There was a lot of ideas that was discussed that will be helpful in giving direction to administration on where to go forward on projects.

A list of upcoming meetings are included in the report.

Paul asked about the timeline on the pool. Administrator Bailye responded that we just got the cue from Renosys, so they will be telling us their timeline on when they can get the technician out. An update will be sent to the Assembly once administrator has more information.

Assistant Administrator's Report in packet. Highlights below:

Healthy & Equitable Communities (HEC) Grant: As of Dec. 27th, not a lot has changed since the last Assembly meeting. the morgue for the village of Nelson Lagoon is currently located in the Port of Chinook. Due to weather and logistics, Eastern Aleutians Tribes has determined it will remain there until Spring. On January 3, 2023, the Borough submitted its quarterly narrative report to the State of Alaska, the Alaska Department of Health. The Borough still has \$72, 217 that can be used to complete the shipping delivery to Nelson Lagoon, or AEB could propose another project to address COVID-19-related health disparities.

Maintenance Connection: Administration continues to utilize Maintenance Connection created by SERCC where the Borough can perform tasks such as processing maintenance requests, creating work orders, setting up preventive schedules, creating purchase orders, and reordering inventory.

False Pass Maintenance: The False Pass School was experiencing complications with the water heater and boiler. On December 28, 2023, with the assistance of Nikki Hoblet, Shane Hoblet, and Steve Comstock, the Borough successfully ordered, and purchased the parts for repair. On January 4, 2023, Shane Hoblet confirmed Steve Comstock conducted the repair and that the problem had been resolved. On January 3, 2023, Wired AK successfully arrived at False Pass to conduct electrical improvements at the False Pass School due to power surges reported by Superintendent Michael Franklin. They initially planned to mobilize on site 12.13.23 however their flight was delayed due to weather. LONG will be traveling to False Pass to conduct final repairs to the water heater and air handling unit.

Sand Point Maintenance: As of December 17, 2023, LONG Technology conducted and completed boiler repairs at the Sand Point School and 4-Plex fuel line.

List of meetings attended is included in the packet.

Natural Resources Director Report in packet. Highlights below:

Fishery Disaster Relief: The Chignik spend plan was released last week, the Borough has submitted comments on behalf of the Southeast district Setnet mainland fishermen. We just get a copy of the final spend plan for the 2 crab disasters that total up to a \$191M that was appropriated and the 5 crab communities where 1 of

the Borough communities will get 5% of that off the top which is \$9.5M. Those communities are King Cove, Akutan, Aleutians East Borough, Kodiak and Dutch Harbor. If everybody approve the spend plan, that will be some money down the road.

North Pacific Fishery Management Council: The NPFMC meets on Feb. 8-12. Items of interest on the agenda are C2 BBRKC area closures, C3 Harvest specs for Cook Inlet Salmon, D1 Definition of pelagic trawl gear, D2 Discussion paper of GOA tanner bycatch, D4 AFA Program Review – Workplan and D5 E-Logbooks EFP review. Also this year, they will be looking at rationalization program which was mentioned on the Strategic Planning and the big item for April is the Chum salmon analysis.

Board of Fisheries: The board of Fish is meeting this week in Kodiak and on February they will be meeting in Eagan Center on Cook Inlet Proposals. Proposals for Statewide Shellfish are due on April 10th.

Alaska Legislature: The 2nd session of the 33rd Alaska Legislature begins January 15. One bill of interest, HB 169, Fisheries Rehabilitation Permit, is scheduled for a hearing in the House Resources Committee January 19th. Under HB 169 ADFG could issue permits for the purpose of removing ‘anadromous or freshwater finfish from water of the state, collect gametes and fertilize and incubate eggs taken from the fish, and place the fertilized or incubated eggs, larvae, or unfed fry in the same water of the state, and enhancing habitat in water of the state to aid the survival of the fish.’ If the Assembly has any concerns with this bill, I would appreciate your comments.

Recently attended meeting is listed in the report.

Fishery Analyst Report in packet. Highlights below:

Electronic Monitoring - WGOA4/EFP: We finalized and sent out the EM EFP reminders that we do prior to every season, and included an example of the new performance standards. There should be a saltwater technician in Sand Point right now until the beginning of pollock working with vessels making sure that everything is good to go as they go out on trips. I have submitted the final financial and programmatic reports for NFWF grant #73568 (WGOA3 for 2022). This grant is being closed out and came in slightly under budget for observers due to no A season. I received the preliminary report from Saltwater on the switch-gear project, which successfully demonstrated trawl EM systems can be easily modified to meet requirements for fixed gear EM. Catch handling issues were more complicated and will require further analysis with NMFS FMA division guidance. I would like thank Julian for working with our scientist.

Salmon: We are in discussion with CAMF to see if they are interested in a modified version of the data portal used by the seiners this year. The drift fleet has different fishing and fleet dynamics which may not be conducive to using the same agreement structures or the portal may not be as useful, but if a modified version would be helpful we are willing to assist with developing the portal.

AFSC Cod Tagging Project: We are still awaiting a final budget amendment from PSMFC, however I have completed the most recent quarterly reimbursement request and this grant is tracking as expected. We anticipate a possible budget amendment to shift some funding from additional tags to genetic analyses.

Genetics Update: The project team met with genetics collaborators Drs Ingrid Spies, Sara Schaal, Laura Timm and Jessica Glass to discuss the genetics analyses and priorities. Thus far, our samples have been used for inclusion in a GTseq panel but preliminary results do not have a spatial resolution sufficient to tease out population structure between the WGOA and Eastern Bering Sea. Our next priority is analyzing samples from recovered tags only using whole genome sequencing. This might tell us if there are potential genetic signals related to life history parameters, for example a gene that determines whether a fish migrates or not.

NPFMC: The Council meets again February 5-12 in Seattle, and I may attend in person. NRD will be tracking a few issues including CI salmon, GOA tanner discussion paper, small sablefish release and the trawl gear definition. My primary concern is if a request for a discussion paper on GOA trawl efficiencies will come up again in staff tasking, and potential requests for emergency actions in the GOA fisheries in response to the recent news about Trident. The AEB is hosting a trawl fleet meeting January 8th to give fishermen an

opportunity to voice concerns about the recent Trident news, and collectively discuss ideas and potential solutions for protections in 610 and options to help stabilize the pollock fishery short-term and long-term. PAUL asked about if Charlotte heard anything about Supreme court case concerning observers and herring fishing.

Fishery Analyst Levy responded that she has not heard about it but she will look into it.

Finance Director's Report in packet

Audit-The auditors sent back the draft after it went through the technical review with some additional edits. These edits have been addressed and the draft returned. We should be hearing from them soon and we already go through corrective action plan for any anticipated audit findings.

Financial Policies and Procedures – I have begun researching for the upcoming policies that need to be addressed. The priority will be on the polices around revenues and cash receipts primarily on accounting for the grants.

End of the Calendar Year- At the end of the calendar year the payroll data needs to be verified and reported. I have completed the quarterly reports for the payroll taxes due and prepared the W-2s. As soon as the last of the December payables are recorded, I will prepare the 1099s that need to be issued.

Caselle- we are doing a trial with the chart of account because there are so much to see what happens. Finance Director Brandell added that she has specifics on the information about the interest revenue. All of our money that we have is gaining interest except for the small portion we need for cash flows in and out. Nothing is sitting there not being invested for no reason. In our general fund the monies that is in there getting interest every month is our operational Reserve Trust Account and the 1st pot of money from the Cash Management Plan. We also have that pot of money set aside for 10% CORPS is also generating interest. We are also making money from our Permanent Fund Appropriations, contributions from Trident, airport and Harbor contributions and the match that we set aside for the Sand Point School project are all making revenue: The transportation funds is also making money but in Fund 20, as well as LATCF and ARPA funds. Maintenance Reserve funds is also making money in Fund 41.

Routine tasks- The daily and weekly tasks are operating smoothly and we are beginning to close out another quarter for the grants.

ASSEMBLY COMMENTS

CHRIS asked what happened to the power outage in Cold Bay that affected the Terminal, and suggested we may need to get a backup generator for the terminal. Suggested to use the generator for the Hovercraft that was sitting in the yard. There are important businesses within our terminal that we need to take care of.

Mayor Osterback responded that the only thing he heard was that one of the power lines to the terminal went out and they have strung a line across the ground until they can get in and repair the original line. Mayor Osterback asked if the generator sitting in the yard is in the connex. Chris responded, yes.

PAUL wanted to propose an Ordinance regarding changing the month of the Borough election to November.

Mayor Osterback responded we will do research regarding pros and cons and talk to the other communities.

Brenda commented that it will be impossible to have a 100% voting turn out.

WARREN commented that the Strategic Plan that we went through is based on more or less Trident's moving out of Akutan and come to find out today, the disaster is getting worse. Peter Pan announced they are not buying tanner or cod, so that is a devastating news for us in King Cove and for the Borough. Thanked Anne, Mayor Osterback and the staff for all the work they put on the Strategic Plan and the plan for the future. It

doesn't look good but we are resilient people and we are going to make ends meet and hopefully we are able to going to take care of our communities.

Mayor Osterback added that we are preparing for something that is supposed to happen in 2028 but it happens in 2023. So we are pretty much in line getting ready for this. Even though it was Trident that we are looking at, *now there is another one. It's not going to change the strategy of the Borough in the short-term going down the road because we showed everything that we have to pay to keep the Borough functioning. In the long run it might affect more of the projects. But we do know have to pay all the basic infrastructure and fisheries, above and beyond that we have to take a hard look at.*

PUBLIC COMMENTS

Melvin Larsen commented, that he doesn't know if we realize we are in a lot of trouble. He's been fishing for so many years and has never seen something like this on our farmed fish, it is completely different. Asked if the Assembly was aware that when after our politicians when AFA went through, it was not supposed to affect any other fishery in the state. What I was getting at, is Trident Seafoods is probably the only American company in the AFA, the rest is Norwegian and Japanese. All these money is a billion-dollar industry is gone over to Japan or Norway, it is not staying in this country. You have people on CEQ group, they never fished a day in their life, each one of these groups is worth about \$400M dollars. There should be some way we can go after the politicians and say this is what you are doing with AFA for these people for not even Americans. How you are hurting the people in the Gulf is that there are too much product out there in Bering Sea, over 200M lbs of pollock being harvested and that affects the price. Maybe the Japanese and Norwegian and even Trident will work with us. We need help from our politicians. We need to get it in paper to show what is going on. I don't think it is fair, we need to start some place. The government has to bail us out. Another question is when you take this billion dollar operation in the Bering Sea, these catcher-processors, they are money makers. Let say if there was a Borough in Dutch Harbor, something to look forward to, Annexing.

Warren commented that there was a talk about that but then the population size of Dutch Harbor vs Aleutians East Borough.

Mayor Osterback commented that there was a lot of question on whether or not Trident can move that pollock allocation out of Akutan to any other port, we have not gotten any report back yet, right? Fishery Analyst said not but should have a preliminary analysis by next meeting.

Warren thanked Melvin Larsen for attending the meeting and stepping forward. He is a long-time elder fisherman of ours and wanted to recognize you as the steward of our fisheries out here and for his years of service as fisherman.

Julian Manos commented that he just learned about what is going on with King Cove and Peter Pan not buying fish for the winter. I think the one thing that shows from last year we've seen all the Peter Pan fishermen have seen either a lack of payment or not timely payments and yet we are still have gone back and deliver to King Cove. So, what that shows you is the importance of having processing facilities in King Cove and Sand Point. It has a good location, close to the fishing ground, Sand Point for pollock and King Cove to all sorts of species so we can't lose a processing in King Cove. I am not sure what we can do about it, but it is concerning. Also, a little push of what is happening in False Pass and having access to the dock and potentially Silver Bay to maybe do some more processing and get them back into white fish. The way it's looking right now is that Peter Pan is not doing anything and the other company is doing white fish. From our end, we are pushing Trident to be transparent and try to help out in making processing in False Pass available. Thank you for your time and

contributions at last year's Board of Fish, Area M association we really appreciate that and the research that Charlotte is doing is paramount and important to our vitality.

Jim asked Julian, if they have no other place to take the fish if Trident won't take it and the other company too. Julian responded that they do because Peter Pan did not process 610 pollock for the B season so we deliver fish to Unisea. So we have a crab market at Unisea.

Mayor Osterback commented that Aleutians East Borough is a municipal government with a staff of 8 and you can see the list of projects that we are doing. We got 2 people on our Natural Resources department, and everybody is pretty much maxed out on what we can do right now. One of the things I want is to have all the staff at the Board of Fish meeting because this is our livelihood, so we keep this up and keep on doing it. I want staff to be in a support position, helping fishermen, whether it is to provide graphs, type testimonies or any help we could do. I think the fishermen must maintain the position of being the lead. We are here for 100% support. If there are things we can do on a state level or national level, we have lobbyists both federally and in the State of Alaska. But as a municipality, we have to be careful at what we do, but we are going to do everything we can to help because, if the fishermen don't make any money, the Borough doesn't make any money. And if the Borough doesn't make any money, all the projects we are doing, we will not be able to afford it.

NEXT MEETING DATE

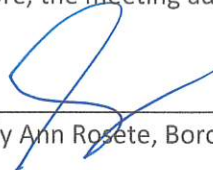
Regular Assembly Meeting February 8, 2024

ADJOURNMENT

Warren moved to adjourn seconded by Brenda. Hearing no more, the meeting adjourned 4:26p.m.



Mayor Alvin D. Osterback



Beverly Ann Rosete, Borough Clerk

Date: February 9, 2024

