

**CALL TO ORDER**

Mayor Alvin D. Osterback called the Aleutians East Borough Regular Assembly Meeting to order by videoconference in each community on January 9, 2025 at 2:00 p.m.

**ROLL CALL**

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

**Advisory Members:**

Samantha McNeley, Nelson Lagoon Present

A 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: Amber Jusefowytch

**ADOPTION OF THE AGENDA**

Brenda moved to Adopt the Agenda, second by Chris

*Anne pointed out two typos on the Agenda.*

Hearing no objections, the Agenda will stand as presented.

**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 videoconference. Also broadcast on KSDP radio.

**CONFLICT OF INTEREST**

Mayor Osterback asked for any potential **conflicts of interest to be discussed**. There were no conflicts on agenda items.

**MINUTES**

December 12, 2024 Regular Assembly Meeting Minutes

**MOTION**

Brenda moved to accept the December 12, 2024 Assembly Meeting Minutes, second by Paul

Hearing no corrections, the Minutes will stand as written.

**FINANCIAL REPORT**

• Finance Director's Report – Informational Only

Finance Director Brandell said the audit is ongoing and they ran into some issues. One is concerning GASB 54, which provides guidance in fund balance classification and how different funds are reported in the annual financial statements. The other one was the Capital assets, auditors wanted to look at some documents, and that's already been provided. Finance Director Brandell mentioned she attended a conference last December and her biggest takeaway was the upcoming GASB issuances that is coming up next year. 6 different GASBs are coming out in the next 3 years and all of them will apply to us. Routine financials are going smoothly as well.

PAUL asked how the new financial software was. Financial Director Brandell responded, it is amazing. It makes everything easy.

• November 2024 Financials

Administrator Bailey said the AEB raw Fish tax that was received last November includes tax from a processor for August and September. The \$22K is 19% of the 10-year average and 26% of the 5-year average.

For the Shared tax finish revenue, we have only received \$1.14 M from \$1.6 M we anticipated. Some of that money is in relationship with Peter Pan receivership. According to the Department of Revenue, we will not be receiving that money in FY2025, however, we are going to contact them if they can release it earlier. The Interest Revenue for this month was \$130K. That pushed us over the anticipated amount. The expenses are on track.

**MOTION**

BRENDA made a motion to approve the November 2024 Financials Report, seconded by TOM

**ROLL CALL**

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

Nays: None

**MOTION CARRIED**

**INVESTMENT REPORT**

APCM November 2024 Investment Report

**CONSENT AGENDA**

**PUBLIC HEARINGS**

**ORDINANCES**

- **Ordinance 25-02**, Amending Title 6, Chapter 6.04, Section 6.04.02 of the Aleutians East Borough Code of Ordinances

**MOTION**

Brenda made a motion to put Ordinance 25-02 on the floor and scheduled for Public Hearing seconded by Josy

Administrator Bailey said this ordinance is regarding Capital Improvement Maintenance Account. The code currently states that the "mayor shall include in the proposed budget for the coming fiscal year the deposit to the Capital Improvement Maintenance Reserve Account of the greater of \$100,000 or an amount equal to two and one-half percent of the total anticipated revenues from the borough sales tax and the state shared fisheries business license tax." These funds are to be used for maintenance and minor repair of borough capital improvements and if there are excess funds in the account then the funds can be used for capital projects. In FY2024 and FY2025 budgets, the Assembly appropriated \$147,500 and \$100,000 in this account. After looking at the Borough's maintenance needs, the administration suggests increasing the amount to \$150,000 which will take effect on the Borough's FY2026 budget process.

**ROLL CALL**

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

**MOTION CARRIED**

- **Ordinance 25-03**, Amending Title 6, Chapter 6.04, Section 6.04.041 of the Aleutians East Borough Code of Ordinances

**MOTION**

PAUL made a motion to put the Ordinance 25-03 on the floor and schedule for Public Hearing, second by JIM

Administrator Bailey said this ordinance is regarding Permanent Fund. Governmental Accounting Standards Board (GASB) Statement No. 54 defines fund balance classifications. Since the issuance of GASB 54 the permanent fund classification has changed. Therefore, to comply with the accounting standards, the Borough is required to change this section of the Ordinance. It adds very specific language to comply with the GASB. There are two changes and one addition to comply with GASB.

PAUL asked who helped draft the changes. Administrator Bailey responded, the auditors.

WARREN commented that GASB is not the law, we are following GASB but it is not required. Finance Director Brandell commented that Governmental Accounting Standards are required by law to follow accounting practices. Our code requires the Borough to have a Permanent Fund. For us to call our Permanent Fund a permanent fund it has to include a technical definition according to GASB standards. WARREN commented that we are not going to see the audit for quite a while then. Brandell responded no, the audit will still be done, but they cannot present this as a restricted revenue fund, it is presented as a committed special revenue fund. Administrator Bailey added it would only go before the voters if we are withdrawing over the CORPUS.

BRENDA commented that as a Borough government, we must follow the GASB.

PAUL asked if we could have additional information next meeting during the public hearing.

BRENDA asked if the \$20M will cover everything now. The administrator said the change applies to the whole account. Finance Director Brandell added that we have to define the Corpus and it is the \$20M. We can still withdraw the funds, but we cannot touch the Corpus, \$20M which is the principal amount invested.

BRENDA commented that she feels like there is an undefined area. Finance Director Brandell responded that technically it is not undefined. Auditors said we have to define it to the line, so we defined it to the Corpus, the original amount, which is the \$20M. We can withdraw everything but the \$20M.

WARREN asked if the Corpus is the money that is in there now. Brandell responded no, the Corpus is what we define as the original investment. The Corpus is \$20M and any earnings is not a Corpus. We are allowed to withdraw from the earnings.

Administrator Bailey added that this is what we've been practicing the whole time, it's just the language isn't correct.

WARREN requested that more research be done on GASB. Finance Director Brandell mentioned that this GASB came out in 2009, and the Borough did not know about it until the auditors pointed it out. She added that because we are in charge of tax payer's dollars, the government says we need to follow the Government Accounting Standards.

JIM commented the reason for the ordinance is not to spend the money but to update the language.

CHRIS commented he found the GASB documents and will forward them to the clerk.

#### **ROLL CALL**

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

Nay: None

#### **MOTION CARRIED**

#### **RESOLUTIONS**

- **Resolution 25-33**, Authorizing the Mayor to Negotiate and Execute a Contract with DOWL to Provide Project Management/Owner's Representation and Construction Management Services for the King Cove School Water Piping Repairs Project in an amount not to exceed \$77,156.

#### **MOTION**

Josy made a motion to approve Resolution 25-33, seconded by Brenda

Administrator Bailey said this resolution is regarding maintenance. The water piping in King Cove School has pinhole leaks and this have been a problem for a while. We are working on to get a contractor hired be February/march timeframe so they can get out this summer to do the repairs. Between 2018-2021, school staff have completed multiple water line repairs. In 2022, as part of a larger School renovation, the Borough replaced approximately 1/3 of the building's main line copper piping with PEX pipe. In 2023-2024, the school staff continue to address other water line repairs. Water piping repairs are still needed. The Administration has requested a proposal from DOWL to assist with 1) establishing project scope and developing draft AIA contract documents, 2) assembling and advertising a best-value request for proposal (RFP) solicitation package, 3)

coordinating selection committee activities and evaluating proposals, 4) negotiating contract terms and manage contract execution, 5) administering the construction contract and 6) facilitating project close-out. We are going out to bid and hope to apply the DEED grant later and get reimbursed. The proposed schedule is included in the packet. A notice to proceed will be out in January and hopefully have the construction done in May through July 2025 with the final completion on August 31<sup>st</sup>.

PAUL commented that he thought the dollar amount was for the project itself. Administrator Bailey said no. PAUL continued, with the \$77K we could replace all the plumbing if we hire somebody. PAUL asked what the total cost of the project would be. Administrator Bailey responded we are not sure yet, the last time we did this years ago, it cost over \$200K. The administrator said she anticipates it will be more because of inflation. It is a big project and she recommends hiring DOWL as they are familiar with the school.

JIM asked how old is the King Cove School. Administrator Bailey said it was built around the year 2006. But the piping has been a continuous problem.

Mayor Osterback commented that it has been a problem all over the community.

WARREN added that since they have the well system, there are some active ingredients in the water that cause problems when a boiler system is hooked to electrical pumps.

CHRIS commented he agrees with PAUL. When we are working on a building that houses kids and is funded by federal funds, we have to have engineers. He also agrees with Administrator Bailey, that DOWL has been doing it for many years and knows our building well. Chris added that 2016 was when we had a major overhaul done in King Cove School and that was when they found out we have a lot of faulty valves and leaks too.

Mayor Osterback commented that back in the day, we just hired contractors, we did not have on-site engineers and over time we paid for that. He thinks that whenever we use taxpayers money, we need to do our due diligence and utilize qualified engineers to help us with our projects. This also helps us make sure we are in compliance with the building requirements.

JIM asked if we get a break using the same company. Mayor Osterback responded if we are using the same company for quite a bit, they already understand the area and the building so it brings the cost down as far as the site visits. But it is also good to go back out and do an RFP for engineering firms.

Administrator Bailey said the School was constructed in 2004 and had extensive repairs in 2016.

PAUL commented we have to keep the school open.

#### **ROLL CALL**

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

Nay: None

#### **MOTION CARRIED**

**Resolution 25-34**, Authorizing the Mayor to Negotiate and Execute a Contract with DOWL to Provide Sand Point School Pool Replacement Construction Management General Contractor Final Construction Documents and Construction Services in an amount not to exceed \$341,154

## MOTION

Brenda made a motion to approve Resolution 25-34, seconded by Warren

PAUL suggested that the motion might be premature because we are in no way near starting a pool construction. Theoretically, if we went to bid for an engineering and pool construction, we might have 10 bids and we wouldn't have 1 pool to decide on. We might have 10 pool ideas and might save enough money for doing that and might even have 2 pools, one in King Cove and Sand Point. PAUL added that we have to rethink how are we going to do this.

Administrator Bailey said that at the November 14, 2024, Assembly Meeting, the Assembly approved Resolution 25-29 authorizing the Mayor to negotiate and execute a contract with DOWL to provide Sand Point Support Pool Services in an amount not to exceed \$180,500. At the time we anticipated DOWL's scope of work to include but not be limited to performance criteria, sketches, misc. support; negotiations and contract work and design management (35%). After negotiations occurred, the scope of work entailed Phase 1 – Programming and Phase 2 – 65% Design Development. On December 17, 2024, the Borough Administration executed an agreement with DOWL in the amount of \$127,659 for Phases 1 and 2. Additional services beyond the 65% design development will be required to construct a new swimming pool. Therefore, on December 31, 2024, DOWL provided the Administration with a second proposal for Phase 3 – 95% Design; Phase 4 – 100% Design; Phase 5 – Guaranteed Maximum Price (GMP) Negotiations and Contracting; Phase 6 – Construction Administration and Phase 7 – Geotechnical Investigation Contingency and Time and Material Services for miscellaneous items or un-scoped services that we currently have not identified. The breakdown of each phase is included in the packet.

Administrator Bailey added that to build the swimming pool we need to proceed with this for DOWL to do the remainder of the work.

Mayor Osterback commented that initially, this was not part of the DEED project. But over time, we figured it would be cheaper to include the pool project in DEED Program.

WARREN commented that any engineering firms are expensive. We've been working with DOWL on our projects and we need to keep on track and get this done for our students in our Borough.

PAUL commented that he supports the pool but not this way of doing it. Paul asked if this resolution passed, when is the pool going to be finished. Administrator Bailey responded that we have to get this resolution approved first for them to be able to move forward. They are already starting Phase 1 and Phase 2. The meeting with UIC will be next week. Administrator Bailey also clarified that the administration was tasked to build a new pool, if this does not pass, we will not build a new pool.

BRENDA commented that the kids needed a pool.

WARREN commented just imagine what lawsuit could come if we don't hire a proper engineer for the pool.

CHRIS commented that he is having a hard time with putting that much money out when we do not know what fishing is going to look like in our Borough. This is a lot of money to spend.

Mayor Osterback commented that is part of it. The pool will stay on its existing footprint. He said our main obligation is the education system in our Borough. Since we cannot put a pool in each of our communities, the agreement was that every time a sports team travels here they can utilize the pool and catch up on their swimming skills. Learning how to swim is part of this education.

CHRIS commented that even travel is being cut and we can see that in our sporting events. CHRIS thinks that we need to talk with the Superintendent and see if the budget is going to be there for our kids in other communities to take advantage of the pool and not just the kids that are involved in sports.

WARREN said he wants to support Mayor Osterback in keeping the pool alive. The Assembly tasked the staff to get this done. WARREN said he is not backing out on supporting our kids. We have to move forward with this.

PAUL commented that we do not have the date we can expect the pool, and we do not have the final dollar amount that we would spend on the pool. He continued to ask the administrator how are we going to get the money if say the engineers were done by this winter and suggest to go to bid. Administrator Bailey responded that we are not going to bid because the Assembly has already approved to use UIC for this project.

Mayor Osterback said the pool project becomes part of the DEED project. It is an addition to the contract. Administrator Bailey this can be done without going out to bid and the Assembly approved it. What will happen is, that when we go to GMP process, we will go over the price and we will figure out what has to go in and not, until we will come up with the final cost.

PAUL asked to clarify, under UIC and DEED, how much money to construct the pool. Administrator Bailey said none, that will have to come from the Borough. PAUL continued and we still have to use UIC to build it even though they have not submitted a bid. Administrator Bailey responded that we are already in the process of hiring them for Pre-construction services and then they will do the construction, and through the pre-construction services process, we will figure out the dollar amount, and it will come back before the Assembly.

PAUL commented that he is supporting the pool, but is having a hard time justifying the resolution and having one contractor without going to bid. Paul continued, if, for instance, this resolution did not pass, what uses that \$341K be used for under the DEED? Administrator Bailey responded that it is not included in the grant. It will be paid for out of the Project Contingency Line Item and if this does not pass, the money will stay at that line item.

JIM asked if the new pool would be shallower than the old one. Administrator Bailey said that's what we are working on, right now we don't know. JIM thanked the Administration that we are moving forward with the pool.

CHRIS asked to confirm that the amount for all the phases is \$468, 813. Administrator Bailey said for DOWL, yes. Chris continued, for this resolution, we are approving \$341,154. Administrator Bailey responded, if at one point the Assembly does not want to continue, then we are not doing the next phase and we won't have to spend, but we are locking in the prices now. CHRIS said he wanted to make sure that all the kids in the Borough would be able to use the pool, especially the elementary kids and not just the sports team traveling.

TOM asked if the \$127,659 is already spent. Administrator Bailey said, we are already in contract for that and it was approved last November. They have not spent all of it but they are incurring costs.

#### **ROLL CALL**

Yeas: Tom, Warren, Josy, Jim, Chris Advisory: Samantha

Nay: Paul

**MOTION CARRIED**

*OLD BUSINESS*

*NEW BUSINESS*

*REPORTS AND UPDATES*

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

**Cold Bay Clinic:** On October 8, 2024, UIC Nappariat, DOWL, the Borough, City of Cold Bay and Eastern Aleutian Tribes attended a Construction Kick-Off meeting. Construction is scheduled to begin in January 2025 with a completion date in March 2025. UIC will be working in a manner that will allow EATs to continue operations throughout the life of the project.

**King Cove Road:** The Supplemental EIS was released on November 13, 2024. Originally the comments are due December 2024 but have been extended until February 13, 2025.

**Sand Point Harbor Float:** On January 2, 2024, the Borough received permission from MARAD to proceed with adjusting the dock structure, putting a rub strip on the dock facility, and purchasing additional piles and some additional work items. We are in the process of issuing a change order. The contractor is moving forward, the float construction has started. Construction will most likely to begin in late July or late August.

**Sand Point Pool:** The resolution for this has just been approved.

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

**2024 Bridge Inspections:** On December 29, 2024, the Borough received the reports for the bridges. The reports document the biennial inspection required by the National Bridge Inspection Standards (NBIS), and identifies the work necessary to maintain structures in a safe and serviceable condition. Overall, most of the bridges were found to be in good condition. The reports document the installation of signage markers, name place signs, and bridge number plates as the highest priority action items. The administration intends to review and take action to complete the work that is needed.

**Energy Efficiency and Conservation Block Grant Program (EECBG):** On December 19, 2024, following my meeting with DOWL, I met with EECBG cohorts to discuss pre and post-installation requirements for the lights, as well as the reimbursement process. EECBG does require before and after pictures to be taken throughout the project and the Borough does have two (2) years to complete the project.

**Akutan Hangar Generator:** The Borough is currently in the process of drafting and editing the short-form contract with Tacoma Diesel for the replacement of the generator end. The Borough is working with our attorneys to draft a fixed contract that establishes firm boundaries on cost, completion date, and potential delays. The generator has been already purchased.

**ISO Tank Purchase:** On December 26, 2024, Delta Western Petroleum confirmed they received the new tank and filled it with fuel. They are currently waiting on Matson to pick it up and deliver it to Akutan

**Maintenance Connection:** We continue to monitor the maintenance connection but have not received any new work orders yet.

**Rasmuson Community Support Grant:** The Aleutians East Borough is applying for the Rasmuson Foundation Community Grant to support the construction of a new pool in Sand Point.

CHRIS asked about the morgue in Falls Pass. BRENDA said it is there but Paul Mueller is still working to where it will be placed in the building.

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

**Alaska Board of Fisheries:** The Board recently published the Call for Proposals for AYK, Bristol Bay, Area M and



Chignik finfish meetings next cycle, proposals due April 10, 2025. At the 4 proposals at the Cordova meeting, that would limit or close pollock trawling in PWS, the Board only passed Proposal 15, but used a substitute language that removed the restriction of no more than 60% of the harvest from any one of the 3 sections, amended to require full retention of all salmon. The Board will meet in Ketchikan January 28-February 9 for SE AK proposals, then back to Anchorage March 11-16 for Statewide Shellfish proposals, including crab proposals. The Board of Game meets in Wasilla January 10-17 to consider Southwest and Central Alaska proposals, including game proposals for the Aleutians East.

**North Pacific Fishery Management Council:** In February, the council will only bring up 2 items, The AYK Chum bycatch and the Cook Inlet salmon specs. I will be submitting comments and testifying on that in support of pollock communities. The Council is holding a Tribal Engagement Session Jan. 14 and a Tribal Consultation Jan. 21st on chum bycatch.

**BSAI Crab Disaster Relief:** The AEB and the cities of King Cove and Akutan are expected to receive BSAI crab disaster relief disbursements this month from the Pacific States Marine Fisheries Commission. The Secretary of Commerce made fishery disaster determinations for the BBRKC and Opilio crab seasons for 2020/2021 and 2021/2022 in December 2022. Congress appropriated funding in May 2023, and subsequently, ADF&G developed the spend plan. Thanks to H.R.2617 becoming law, communities may now use fishery disaster funds to replace lost revenue, rather than having to use funds on fishery projects. We have worked closely with other crab communities through this process, and Mayor Osterback co-signed 3 letters with other crab communities making sure communities were fairly included. I have discussed this ongoing work in 6 of my monthly reports to the Assembly, beginning in July of 2023.

**Fish News:** 2 Fish News was published last December

The 2<sup>nd</sup> page of the report shows local fisheries that is going on this January and a graph of what species gave the most fish Tax. Another meeting is the Tanner pre-season meeting, and it will be held tomorrow.

**Fishery Analyst Report in packet. Highlights below:**

**Electronic Monitoring - GOA5/EFP:** I have submitted the formal letter of request for our eLog approval and Chordata has submitted the updated software to NMFS AKRO. We received approval of the amendment request to extend the project until March 31, 2025. I am currently preparing to host a pre-season meeting to go over the details of the new Trawl EM regulated program and to walk through the new process for the eLog and DFL requirements.

**AFSC Cod Tagging Project:** PSMFC has approved our budget amendment that would allocate an additional \$138,929 to the cod tagging project, reallocate existing funds within the current budget, and approval to purchase supplies that will contribute to the Unimak Pass acoustic tag study. The project team has completed the proposal to NPRB that would cover the remaining salary and charter costs for the Unimak Pass acoustic signal detection pilot. The proposal has been submitted/approved by the Alaska Fisheries Science Center. We are currently preparing for the final winter charter occurring in March. We will conduct another full release across the GOA and follow a similar sampling design. We will continue random sampling fish for biologicals, but in addition to the 6 fish per pot we will sample all immature fish. This will directly support the maturity curve used for stock assessment.

**Cooperative Survey Project:** I am working on a document that outlines information about the previous cooperative study design/results, current needs/concerns from the fleet, potential ideas for cooperative research, and funding mechanisms. I plan to meet with stock assessment author Cole Monnahan and AFSC acoustic scientists to discuss potential projects that could support the winter apportionment calculations for Pollock in late January/early February.

Brend asked if the fishermen are used to electronic monitoring. Fishery Analysts said, they are now operating without her supervision.