

Aleutians East Borough  
Special Assembly Meeting Minutes

Call to Order

Mayor Alvin D. Osterback called the Aleutians East Borough Special Assembly Meeting to order by videoconference in each community on May 22, 2025, at 2:00PM.

**Roll Call for Elected Officials**

Mayor Alvin D. Osterback	Present
Brenda Wilson	Present at 2:03PM
Jim Smith	Present
Chris Babcock	Present
Paul Gronhold	Present
Tom Hoblet	Present
Josy Shangain	Present at 2:05PM
Warren Wilson	Present at 3:16PM

**Advisory**

Sam McNeley	Present
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A quorum was present.

**Staff Present**

Anne Bailey, Administrator  
Glennora Dushkin, Administrative Clerk  
Ernie Weiss, Natural Resources Director  
Charlotte Levy, Fishery Analyst  
Jacki Brandell, Finance Director  
Seward Brandell, Finance Clerk

**Others Present**

Nicole Hoblet  
Carleen Hoblet

**Adoption of the Agenda**

MOTION Brenda made a motion to adopt the agenda.  
SECOND Chris seconded the motion.  
Hearing no objections, the agenda will stand as presented.

**Community Roll Call and Public Comments on Agenda Items**

The communities of Akutan, False Pass, King Cove, Nelson Lagoon, Sand Point and the Anchorage office were participating by videoconference. The meeting was also broadcast on KSDP radio.

**Conflict of Interest**

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

**Minutes**

- May 8, 2025, Regular Assembly Minutes

MOTION Brenda made a motion to accept May 8, 2025, Regular Assembly Meeting Minutes.  
SECOND Chris seconded the motion.  
Hearing no objections, the minutes will stand as written.

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**Financials**

- April 2025 Financials

MOTION Chris made a motion to approve the April 2025 Financials.

SECOND Brenda seconded the motion.

**DISCUSSION**

Administrator Bailey said the AEB Raw Fish tax came in about 49% of the 5-year average and 56% of the 10-year average. The Interest Revenue came in at \$101,883, which is about \$16,000 less than the previous month, suspect this is from the second 10% Akutan Harbor payment, so we are no longer receiving interest from that amount any longer.

Paul asked for the Raw Fish tax for April, what species of fish is it from.

Natural Resources Director Wiess said the majority is from pollock, then cod, and a small number of octopus.

ROLL CALL Yeas: Tom, Brenda, Paul, Josy, Jim, Chris. Advisory: Sam.

MOTION CARRIED Nays: None.

**Investment Report**

The April 2025 report from APCM is in the packet.

**Consent Agenda**

No items on the Consent Agenda.

**Public Hearings**

- **Ordinance 25-04**, Adopting the Operating and Capital Budget for Fiscal Year 2026.

MOTION Brenda made a motion to put the Ordinance on the floor for the second reading.

SECOND Chris seconded the motion.

**DISCUSSION**

Administrator Bailey went over the items in the Ordinance, pointing out there is new information for insurance, which was not available for the first reading regarding health insurance. There have been a few updates from our last meeting because there was a lot of action at the state level. The Alaska Legislature approved their budget that includes \$1,000 PFD and kept in the 25% reduction in School Bond Debt Reimbursement. The Legislature also voted to override Governor Dunleavy's veto on the education bill, increasing the BSA by \$700. Another change in the budget is regarding Community Assistance. In February 2025, the Borough received a letter stating what we would receive for Community Assistance, but when speaking with Mark Hickey, he said the Borough should be getting more assistance. After contacting the state, they said there was a glitch in the system and the Borough will be receiving more. One more item to discuss is health insurance. At the last reading, we assumed a 20% increase, but on May 14, the administration received the 2025 renewal rates from Premiera and Alaska Municipal Health Trust.

**AMENDMENT**

Paul made a motion to amend the Ordinance with the following:

**Community Assistance**

Change the FY26 proposed budget from \$254,095 to \$314,445.

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**Other General Fund Expenditures – Revenue Sharing**

Change the FY26 proposed budget from \$10,609 to \$15,789.

Change Total revenues from \$4,573,205 to \$4,633,555.

Changes Total General Fund from \$4,550,509 to \$4,555,689.

Changes the Total Expenditures from \$4,784,352 to \$4,789,532.

Changes the Transfer in from Savings from \$400,731 to \$345,561.

ROLL CALL on the amendment      Yeas: Jim, Josy, Paul, Chris, Brenda, Tom. Advisory: Sam.

MOTION CARRIED      Nays: None.

Paul said this seems to be a responsible budget.

Brenda thanked Anne and Jacki for putting the budget together.

Chris echoed Brenda's thanks and said he is happy with the legislature and is happy to see we are fully funding KSDP.

Mayor Osterback opened for public hearing. Hearing no comments, public hearing is closed.

ROLL CALL on the main motion      Yeas: Tom, Paul, Brenda, Josy, Chris, Jim. Advisory: Sam.

MOTION CARRIED      Nays: None.

**Resolutions**

- **Resolution 25-57**, Authorizing the Mayor to Appropriate the FY26 Permanent Fund Earnings to Cover a Portion of the FY26 Budget Deficit

MOTION      Josy made a motion to approve Resolution 25-57.

SECOND      Brenda seconded the motion.

DISCUSSION

Administrator Bailey reviewed the resolution.

ROLL CALL      Yeas: Chris, Jim, Josy, Tom, Paul, Brenda. Advisory: Sam.

MOTION CARRIED      Nays: None.

- **Resolution 25-58**, Authorizing the Mayor to Negotiate and Execute a Contract with Ameresco to Provide Construction Services for the King Cove School Water Piping Repairs Project in an Amount Not to Exceed \$775,00.

MOTION      Chris made a motion to approve Resolution 25-58.

SECOND      Brenda seconded the motion.

DISCUSSION

Administrator Bailey reviewed the resolution.

Jim asked what's the problem with the pipes in school.

Administrator Bailey said there are pinhole leaks throughout the school. About three years ago, the Borough did a piping repair project, and this one still needed to be completed. The pipes are corroding, and they will be replaced with pex pipe instead of copper.

Paul asked if we already have a timeline for this project.

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Administrator Bailey said the deadline is the end of August. If this is approved, we'll sign a contract, and they will start ordering parts immediately. We have followed the DEED procedures so we will be submitted a grant application for reimbursement.

**ROLL CALL** Yeas: Paul, Josy, Chris, Jim, Brenda, Tom. Advisory: Sam.  
**MOTION CARRIED** Nays: None.

- **Resolution 25-59, Authorizing the Mayor to Negotiate and Execute a Memorandum of Understanding Between the Aleutians East Borough and the City of King Cove to Complete an Appraisal for the King Cove Access Project.**

**MOTION** Chris made a motion to approve Resolution 25-59.

SECOND Brenda seconded the motion.

## DISCUSSION

Administrator Bailey reviewed the resolution.

Paul said it looks like we don't have to approve of this, but if we do, it moves the timeline up. The biggest problem that no one is addressing is the wilderness aspect, would this study have options to build through the wilderness or outside of the wilderness.

Administrator Bailey said this appraisal is updating what has currently been done and it's just the land exchange between the King Cove Corporation and the federal government.

Mayor Osterback said we are looking closely at the signed executive order by President Trump that mentions going back to the Bernhardt decision for the King Cove-Cold Bay Road.

ROLL CALL  
MOTION CARRIED

Yeas: Josy, Tom, Jim, Brenda, Paul, Chris. Advisory: Sam.  
Nays: None.

## Old Business

- **False Pass Airport Discussion**

Tom Hoblet said the City of False Pass had a meeting earlier this week and they will have something for the next meeting.

- **City of Cold Bay PFAS Update**

Administrator Bailey reviewed the update from the City of Cold Bay.

Paul asked how many wells they are using and which ones.

Administrator Bailey said we will get that information and forward it.

Chris said the state is working with the fire departments in the state to remove any foam there may be in the supplies to remove any PFAS.

- **Sand Point Pool Update**

Administrator Bailey reviewed the Sand Point Pool Update Memorandum.

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Mayor Osterback said they've talked about bonding, but doesn't think it would be a good idea right now with the amount of money we are putting into the helicopter operation in Akutan and now the government is looking at cutting 55% of EAS funding, which we receive. Then with the state of the fisheries, it isn't a good idea.

Paul said that stainless steel would have to be a certain grade.

Jim asked what it would cost the school district to run the pool.

Mayor Osterback said he isn't sure, but when/if the pool is open again, the school district would be responsible for that cost.

Administrator Bailey said the pool operating costs can vary. There needs to be chemicals added, the pool as to be set at a certain temperature. The estimate is \$180,000 to \$250,000 that would have to be covered by the school district, which they currently did not budget.

Jim asked if there were any funding sources available.

Administrator Bailey said we are looking and talking with others who are also working on upgrading their pool, but funding is limited.

Paul said in the report, Mayor, Administration, and Finance do not recommend moving forward with the pool, but if we take \$200, we can cut a hole and find where the problem is.

Jim asked if we can't afford a new pool, we can try to fix it. But Don Eubank tunneled under there and took the drain out all by hand. So fixing it is still an option.

Chris said we decided to go with the \$500,000 for the pool assessment and that would be for the blueprints and everything, do we know how much of that we spent.

Administrator Bailey said she doesn't have the accounting in front of her and will have to look.

Chris asked if there has been anything where something could be brought in front of the native hospital or native organizations saying this pool benefits native elders.

Administrator Bailey said we can do that.

Chris said with this being a native population and that this has been used in the past by all the Borough communities, it is very important.

Mayor Osterback said the state built the first one and we can go back and see if they can help rebuild it. If we were to take all of the money we have, we still wouldn't have enough to fund this build. There are other schools in the district that need work done.

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Brenda said yes, we want a pool, but we have to be financially feasible. It is unacceptable to take all the funds and put them into a pool and leave us with nothing for a rainy day if something comes up with very dire needs. It unacceptable to even consider. So I do agree that we do not move forward with the pool construction.

**New Business**

- Donation Requests

**DISCUSSION**

Administrator Bailey reviewed the donation request memorandum.

**MOTION** Paul made a motion to approve the donation requests.

**SECOND** Josy seconded the motion.

Chris said he appreciates the support.

Jim thanks the Borough for the donation to the Teen Center in Sand Point.

**ROLL CALL** Yeas: Warren, Jim, Chris, Josy, Tom, Paul, Brenda. Advisory: Sam.

**MOTION CARRIED** Nays: None.

**Reports and Updates**

No staff reports for this meeting.

**Assembly Comments**

Josy asked if when we publish RFPs, we have a clause that says to use local hire.

Jim thanks the administration and everyone who worked on the budget and the pool.

Warren said the reason he missed the meeting was because he was with Fish and Wildlife discussing the road exchange.

Paul said the Borough should schedule an in-region meeting around the ferry schedule stating he'd like to hear how King Cove is managing.

Brenda said as a resident of King Cove, she thinks they are not only surviving but thriving.

**Public Comments**

No public Comments.

**Next Meeting Date**

- July 10, 2025

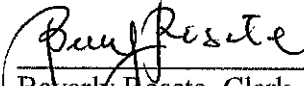
**Adjournment**

Meeting Adjourned at 3:36PM.

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Alvin D. Osterback, Mayor

ATTEST

  
Beverly Rosete, Clerk