

## RESOLUTION 26-04

### **A RESOLUTION BY THE ALEUTIANS EAST BOROUGH ASSEMBLY AUTHORIZING THE MAYOR TO NEGOTIATE AND EXECUTE A MEMORANDUM OF AGREEMENT BETWEEN THE ALASKA DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES AND THE ALEUTIANS EAST BOROUGH FOR THE AKUTAN-AKUN TRANSPORTATION LINK**

**WHEREAS**, in 2010 the Aleutians East Borough (AEB) entered into a Co-Sponsorship Agreement (CSA) with the State of Alaska, Department of Transportation and Public Facilities (DOT&PF) and the City of Akutan for the construction and operation of the Akutan Airport located on Akun Island; and

**WHEREAS**, the Borough agreed to provide reasonable public access between the airport and the community for twenty years; and

**WHEREAS**, in the fall of 2012, the Borough began operating a hovercraft but due to the unreliability and high costs it was determined that the hovercraft was not sustainable, and it was replaced by a helicopter; and

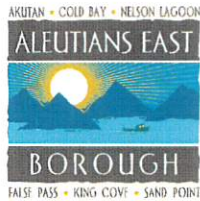
**WHEREAS**, in February 2014, the Borough began operating a helicopter costing approximately \$2 million per year; and

**WHEREAS**, the Borough recognized that the operation was not financially sustainable and lobbied to get the Essential Air Service (EAS) program to pay for 50% of the helicopter operation; therefore, in 2019, the Borough entered into a new agreement with Maritime Helicopters agreeing to pay for 50% of the helicopter operation and for a fee provide fuel, transportation, and hangar usage to Maritime; and

**WHEREAS**, the Borough has been operating the transportation link for more than 12 years with an approximate price tag of \$16.8 million plus additional capital and personnel costs; and

**WHEREAS**, in FY2026 the helicopter operation is expected to be about \$1,152,195, which is 44% of the Borough's projected \$2.6 million FY2026 budget deficit; and


**WHEREAS**, the Borough has contacted the State and requested fiscal assistance for the helicopter and in response the State has proposed entering into a Memorandum of Agreement between the Borough and DOT&PF to provide the Borough reimbursement of 50% of its costs expended to support continued helicopter services between the Akutan Airport and the City of Akutan; and



**WHEREAS**, per this MOA, DOT&PF would provide a total of not more than \$1 million in state funds for this purpose.

**NOW THEREFORE BE IT RESOLVED THAT** the Aleutians East Borough Assembly hereby authorizes the Mayor to negotiate and execute a Memorandum of Agreement between the Alaska Department of Transportation and Public Facilities and the Aleutians East Borough for the Akutan-Akun Transportation Link.

**PASSED AND APPROVED** by the Aleutians East Borough on this 10<sup>th</sup> day of July 2025.

  
Alvin D. Osterback, Mayor

ATTEST:

  
Beverly Rosete, Clerk