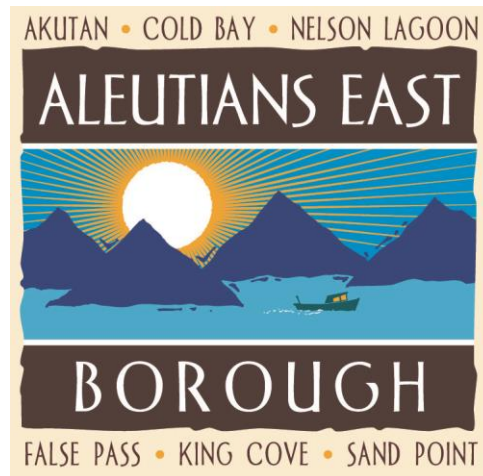


Aleutians East Borough Assembly Meeting

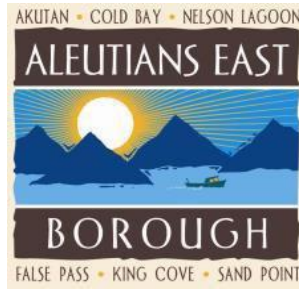


Workshop: WORKSHOP 1:00 PM

Meeting: Thursday, May 28, 2026– 2:00 p.m.

ROLL CALL & ESTABLISHMENT OF QUORUM

ADOPTION OF AGENDA



Agenda

Assembly Meeting

(packet available on website www.aleutianseast.org)

Date: Thursday, May 28, 2026

Time: Workshop 1:00 P.M. MEETING: 2:00 P.M.

Location: By videoconference in each designated community location below:

King Cove AEB Office

Sand Point AEB Office

Cold Bay City Office

Akutan City Office

Nelson Lagoon Corp.

Anchorage AEB Office, 3380 C

Street False Pass City Office

All communities will be provided with conference calling information for the designated location in your community. Public comments on agenda items will take place after the adoption of the agenda. The meeting will also be broadcast on KSDP Public Radio.

ASSEMBLY WORK SESSION

- Health Insurance Discussion
 - Clark Cripps, HUB International

ASSEMBLY MEETING AGENDA

1. Roll Call & Establishment of Quorum
2. Adoption of the Agenda
3. Public Comments on Agenda Items
4. Conflict of Interest
5. Minutes
 - May 14, 2026 Assembly Regular Meeting Minutes
6. Investment Report
 - APCM April 2026 Investment Report
7. Consent Agenda
8. Public Hearings
 - **Ordinance 26-02**, Adopting the Operating and Capital Budget for Fiscal Year 2027

9. Ordinances
10. Resolutions
 - **Resolution 26-56**, Authorizing the Mayor to appropriate the FY27 Permanent Fund Earnings to Cover a Portion of the FY27 Budget Deficit
 - **Resolution 26-57**, Authorizing the Appropriation of \$100,000 in the Deferred Maintenance Line Item (21-502-8025) for the Sand Point School Project
 - **Resolution 26-58**, Authorizing the Mayor to negotiate and execute a contract with UIC Construction, LLC to provide construction services for the Sand Point School Major Maintenance Project in an amount not to exceed \$8,950,000
 - **Resolution 26-59**, Supporting the Nomination of Forrest Bowers to the North Pacific Fishery Management Council
11. Old Business
12. New Business
13. Reports and Updates
14. Assembly/Mayor Comments
15. Public Comments
16. Next Meeting Date
 - NO June Meeting
 - July 8, 2026 Special Meeting, Wednesday
17. Adjournment

***All materials pertaining to this meeting are available on the Aleutians East Borough website.**

**COMMUNITY ROLL CALL &
PUBLIC COMMENT ON AGENDA
ITEMS**

CONFLICT OF INTEREST

MINUTES

Aleutians East Borough
Regular Assembly Meeting Minutes

Mayor Alvin D. Osterback called the Aleutians East Borough Regular Assembly Meeting to order by videoconference in each community on May 14, 2026, at 2:00 PM.

Roll Call for Elected Officials

Mayor Alvin D. Osterback	Present
Brenda Wilson	Present
Chris Babcock	Present
Glen Gardner Jr.	Present
Jim Smith Sr.	Present
Josephine Shangin	Present
Paul Gronholdt	Present
Warren Wilson	Present

Advisory

Samantha McNeley	Present
Tom Hoblet	Present

A quorum was present.

Staff Present

Anne Bailey, Administrator
Glennora Dushkin, Executive Assistant
Ernie Weiss, Natural Resources Director
Charlotte Levy, Fishery Analyst
Jacki Brandell, Finance Director
Seward Brandell, Accounting Clerk
Beverly Ann Rosete, Borough Clerk

Others Present

Mike Franklin - AEB Superintendent

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

- April 09, 2026, Regular Assembly Minutes

MOTION Glen made a motion to accept the April 09, 2026, Regular Assembly Meeting Minutes.
SECOND Brenda seconded the motion.
Hearing no objections, the minutes will stand as written.

May 14, 2026

Financials

- Finance Director's Report.

Finance Director Brandell said the FY26 audit engagement letter has been signed, timelines have been established, and fieldwork dates with BDO have been scheduled. Work has begun on compiling the necessary audit documents and workbooks. A large portion of the month was dedicated to preparing and reviewing the upcoming budget to ensure all estimates and supporting documents are aligned and accurate. The Borough also began working with Cash Vest as part of a grant requirement to evaluate liquidity and cash management practices. The Borough received a strong initial score of 87 out of 100, confirming that current cash management practices are highly effective. One identified improvement area is increasing ACH transactions to reduce operating costs and improve efficiency. Progress continues on records retention and document organization, including sorting and scanning older files while working to better align filing practices with the retention schedule. All quarterly grant reports through March 31 have been completed, along with additional cumulative reporting to help prevent year-end delays. Routine April tasks have also been completed, except for receivable data that is still pending receipt.

Paul asked if we are under contract with Cash Vest and if so, how much. Finance Director Brandell said we are in a signed agreement with them, but we are not spending anything because it is funded by the grant. Paul continued to ask if they are the only company that provides this service. Finance Director Brandell said it is built into the grant.

Administrator Bailey added that this grant is through the Alaka Municipal League, and Cash Vest is who they hired. We paid \$17,000, but were reimbursed through the grant.

Jim asked for clarification regarding the 1:4 ratio. Finance Director Brandell explained that right now, every check we write, we are doing 2.3 electronic transactions. We are hoping to lower the operating cost, so for every one check we write, we are shooting for at least 4 ACH. And it reduces the exposure to fraud because it is easier to manipulate paper checks than ACH.

- March 2026 Financials

MOTION Chris made a motion to approve the March 2026 Financials.

SECOND Brenda seconded the motion.

DISCUSSION

Administrator Bailey said the packet includes the March 2026 financials. A few things to point out are the raw fish tax revenue. We received \$549,000 in March for fish tax, which is very high and great news. This amount came in at 127.5% of the five-year average and is the sixth-highest March on record, according to records dating back to 2000. I'd like to thank Ernie for compiling these statistics. March includes crab, which made up a significant portion of the fish tax revenue. This processing would not have occurred if the agreement with St. Paul had not been signed. A smaller portion of the fish tax will be paid through the same process, and while I cannot go into detail because the information is proprietary, crab processing accounted for a substantial share of this \$549,000. Overall, this was an excellent month for March and definitely pushed us well over our estimate.

Aleutians East Borough
Regular Assembly Meeting Minutes

Paul asked who in the Borough knows how much was paid to St. Paul. Administrator Bailey said that it is proprietary in nature and would have to be done in executive session.

Paul asked if there are bonuses in the March Raw Fish Tax. Administrator Bailey said yes, there is.

Administrator Bailey said another item to point out is the Interest Revenue, which continuously brings in money, but is significantly decreasing.

Tom Hoblet asked if Anne could give a number of how much False Pass has contributed to the Raw Fish Tax. The administrator said it is proprietary and cannot share that information publicly.

Expenditures are tracking as they should be.

ROLL CALL Yeas: Chris, Jim, Warren, Josy, Paul, Brenda, Glen Advisory: Samantha, Tom
MOTION CARRIED Nays: None.

Investment Report

- March 2026 Investment Report

Consent Agenda

Public Hearings

Ordinances

- **Ordinance 26-02**, Adopting the Operating and Capital Budget for Fiscal Year 2027

MOTION Brenda made a motion to approve Ordinance 26-02.

SECOND Chris seconded the motion.

DISCUSSION

Administrator Bailey reviewed the Ordinance. The Borough is proposing a conservative FY2027 budget because of ongoing financial uncertainty. State-level budget proposals include several potentially positive items, such as full funding for school and harbor bond debt reimbursement, K-12 education and pupil transportation, community assistance payments, and possible funding for major maintenance school construction projects, where the borough's Sand Point project is ranked highly.

For FY2026, fish tax revenue was estimated at \$1.7 million based on fishery trends, forecasts, prices, quotas, and harvest data. Departments have reviewed their budgets, and the FY2027 budget includes a 2.1% cost-of-living salary increase, along with significant costs tied to the Maintenance Department and new health insurance. The superintendent also requested the borough's maximum local school contribution of \$1,873,464.

Overall, the borough expects about \$4.6 million in revenue and \$5.1 million in expenditures for FY2027, resulting in a projected \$2.235 million deficit. To balance the budget, the plan is to use \$1.874 million from permanent fund earnings and \$361,000 from savings.

Questions and discussions were made during the review of the Ordinance.

ROLL CALL Yeas: Glen, Paul, Josy, Warren, Jim, Chris Advisory: Samantha, Tom
MOTION CARRIED Nays: None.

Aleutians East Borough
Regular Assembly Meeting Minutes

Resolutions

- **Resolution 26-51**, Supporting Confirmation by the Alaska Legislature of Paul Cyr’s Appointment to the Alaska Board of Fisheries

MOTION Glen made a motion to approve Resolution 26-51.

SECOND Josy seconded the motion.

DISCUSSION

Natural Resources Director Weiss reviewed the resolution.

Paul asked Ernie if he could repeat the number of votes for the three candidates. The Natural Resources Director said they do it page by page. Paul Seer and Mike Wood were confirmed without objections. Blair Hixson was confirmed 39 to 21.

ROLL CALL Yeas: Josy, Warren, Jim, Chris, Paul, Glen Advisory: Tom,

MOTION CARRIED Nays: None.

- **Resolution 26-52**, Authorizing the Mayor to Negotiate and Execute a Memorandum of Understanding between the Aleutians East Borough and the Aleutian Pribilof Islands Association for the Update of the Multi-Jurisdictional Hazard Mitigation Plan

MOTION Chris made a motion to approve Resolution 26-52.

SECOND Glen seconded the motion.

DISCUSSION

Executive Assistant Dushkin reviewed the resolution.

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

MOTION CARRIED Nays: None.

- **Resolution 26-53**, Relating to the Disposal of Surplus, Obsolete, or Unneeded Supplies

MOTION Brenda made a motion to approve Resolution 26-53.

SECOND Jim seconded the motion.

DISCUSSION

Administrator Bailey reviewed the resolution.

Paul asked if the 3 pieces of equipment are running. Mayor Osterback said the 2 were running, but the telehandler is getting fixed. Administrator Bailey said it might be fixed already. Paul continued to ask if the city of Akutan wants this. Mayor Osterback said we are in the process of finalizing the agreement with the City of Akutan. Administrator Bailey added that Mayor Bereskin emailed saying he is interested in this, but is subject to city council approval.

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

MOTION CARRIED Nays: None.

Aleutians East Borough
Regular Assembly Meeting Minutes

- **Resolution 26-54**, Authorizing the Mayor to Negotiate and Execute a Change Order with Western Marine Construction, Inc in an amount not to exceed \$14,613.30 for the Sand Point New Harbor A-Float Project

MOTION Josy made a motion to approve Resolution 26-54.

SECOND Brenda seconded the motion.

DISCUSSION

Administrator Bailey reviewed the resolution.

Paul asked what part of the project the \$14,416.30 is for. Administrator Bailey said it was work done on the waterline that they weren't anticipating. They have to reroute a few things and do some construction on the trestle.

Further discussions were made.

Mayor Osterback added that we're on the timeline under the grants. And the state said we need fire suppression. And for us to be able to get this thing up and online, which I wanted to do by now, so the city could use it and have more revenue coming in, we bought a pump. So, hopefully, we never, ever have to use it. I think it's a good thing to have on-site.

ROLL CALL Yeas: Josy, Warren, Jim, Chris, Brenda Advisory: Samantha, Tom

MOTION CARRIED Nays: Paul, Glen

- **Resolution 26-55**, Authorizing the Mayor to Negotiate and Execute a Change Order with Moffatt & Nichol in an amount not to exceed \$15,618 for the Sand Point New Harbor A-Float Project

MOTION Brenda made a motion to approve Resolution 26-55.

SECOND Chris seconded the motion.

DISCUSSION

Administrator Bailey reviewed the resolution.

Paul asked if the \$15,000 is for equipment or just for the engineering work. Administrator Bailey said it was for their assistance with helping to figure out the fire pump that took a lot of time, help with the additional ladders, and doing some permitting stuff for us.

ROLL CALL Yeas: Warren, Jim, Chris, Glen, Brenda, Josy Advisory: Tom, Samantha

MOTION CARRIED Nays: Paul

Old Business

- Sand Point Pool Update
Administrator Bailey said the Sand Point Marine project continues to move forward. On April 5, 2026, Sand Point Marine submitted an escrow draw request to the Borough. The Borough Administrator and Finance Director conducted an extensive review of the submitted items, and several issues were identified and addressed. Those matters have since been resolved.

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A pre-construction meeting was held on April 22, 2026, to review the scope of work, project schedule, invoice submission procedures for reimbursement, and other project-related items. On April 24, 2026, the Borough issued a Certificate of Substantial Completion for Phase One of the project.

During the first week of May, Sand Point Marine submitted the final closeout documents for Phase One, along with the bonding and escrow fees for Phase Two. Those documents and fees were reviewed and reconciled, and Phase One has officially been closed out.

Due to some bonding and escrow fees not being handled properly at the beginning of the project, the total for Phase One decreased slightly. As a result, Phase Two now has \$322,363 available, and the project is financially reconciled moving forward.

Phase Two is scheduled to begin on May 16. Sand Point Marine requested early access to the pool area; however, because UIC is currently completing painting work in that space, access has been limited to avoid having two contractors working in the same area simultaneously. UIC has allowed Sand Point Marine limited access to take measurements, and they are expected to return within the next few days to expose the box in the wall and evaluate the condition of the related items.

Overall, the project is progressing as planned, and Phase One is now complete.

Paul asked when the Sand Point Marine is going to the pool and start working. Administrator Bailey said that UIC will have substantial completion next week, and Sand Point Marine will have more and more access to the facility.

Jim asked if there is a separate contract group coming in. Mayor Osterback responded that what they're going to do is he wants to try and get through all of the plumbing part of it, and make sure that if there's something they have to order, they can order it, and it could get here in time.

Glen asked who goes in from the Borough and inspects that everything is done to standards. Administrator Bailey said it will be all the electrical engineer, the mechanical engineer, a representative from DOWL, and they will be doing commissioning on the mechanical and electrical equipment on the 18th and 19th of what's currently scheduled, and then they'll do the substantial completion.^[P]So they'll be out there next week. So they'll all work together and go through everything with a fine-tooth comb, make sure we're not missing anything.

New Business

- Donation Requests

Administrator Bailey reviewed the donation requests received and suggested the following:

Donation requests for FY26: King Cove Community Clean Up \$1,000.00 and King Cove Fire Department Picnic \$2,500.00

Donation Requests for FY27: Sand Point Teen Center \$2,250.00, SP Silver Salmon Derby \$1,000.00, False Pass 4th of July Event \$1,750.00, False Pass Gym Equipment \$0, QTT Culture Camp \$5,500.00, Agdaagux Culture Camp \$5,500.00

The False Pass Gym Equipment request does not meet the donation request policy guidelines.

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MOTION Glen made a motion to approve the Donation Requests
SECOND Paul seconded the motion.

Chris commented that leaving only a \$4,000 budget for May is not fair.

ROLL CALL: Yeas: Chris, Jim, Warren, Josy, Paul, Brenda, Glen Advisory: Tom, Samantha
Nays: None

- Cold Bay Dock Discussion

On April 8, 2026, the Aleutians East Borough was notified that a portion of the Cold Bay Dock had been damaged, likely sometime between the evening of April 7 and the morning of April 8. The Borough immediately submitted an insurance claim to APRA and worked with HUB International to assist with the claim process.

PND Engineers inspected the dock on April 9 and later recommended removal of the damaged eastern 30-foot section of the dock, along with damaged piles, pile caps, and fenders to prevent navigational hazards. Emergency repair permitting was coordinated through the United States Army Corps of Engineers, with additional environmental and marine mammal protection requirements outlined by the National Marine Fisheries Service.

The Borough requested a repair proposal from Western Marine Construction, which submitted a revised proposal totaling \$2,029,000. The proposal includes demolition, disposal, repairs, divers, and marine mammal observers. Due to the emergency nature of the damage, the Borough authorized the contract on April 24, 2026, under emergency procurement procedures. Repairs are expected to begin around May 16 and take approximately eight days.

The dock remains closed to recreational use and foot traffic and is currently limited to freight supply operations only. The Borough's insurance deductible is \$5,000, and it is anticipated that the remaining repair costs will be covered by APRA.

Paul commented that usually, when there's an accident, it's the insurance company that does everything. But in this case, we are doing some things without the approval of the insurance company. Administrator Bailey said this is similar to what we did back in 2024. The insurance company was kept in the loop the entire time. We took the lead, but we've been in contact with APRA since day one. Paul asked how we know if the insurance will pay us. Administrator Bailey said it is not a definitive yes, but she believes they'll pay us. She added that everyone is on the same page, and this needs to be done quickly because the ferry will not dock there until this is fixed.

Mayor Osterback added that he and Annie were exchanging emails this morning regarding the dock repairs. As the damaged section is removed, the Borough needs guidance from the Alaska Marine Highway System on whether they would like to continue using the existing vehicle offloading area on the remaining portion of the dock or if they would be comfortable shifting operations farther up the dock and utilizing another section for vehicle unloading. Those discussions are still ongoing as of this morning. He added that it's closed, but I think they need to talk to the city manager of Cold Bay about being able to use it if they have private boats.

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Paul asked for clarification on the emergency ordinance that you approved for about \$2 million. When do we anticipate the insurance company paying us? Administrator Bailey does not have a date yet, but has been constantly working on this since April 8.

Jim asked who had crashed into that side. Mayor Osterback said that type of damage is usually done by a barge.

Warren commented that he concludes that an ice block hit the Cold Bay dock and did that damage.

- Health Insurance Discussion

Administrator Bailey reviewed the Health Insurance. The Borough currently provides health and dental insurance through Alaska Municipal Health Trust and recently received renewal rates from its insurance broker. Several options were reviewed, with the broker focusing primarily on plans comparable to the Borough's current coverage.

The Borough currently participates in the Fairweather Plan, with a monthly cost of approximately \$2,030 per employee and an annual insurance cost of about \$365,400. Under the renewal options, remaining with the current AMHT plan would result in a 9.6% increase, or approximately \$35,000 annually. Alternatively, the Premera Blue Cross Blue Shield of Alaska Platinum 250 Plan would increase costs by only 3.2%, or approximately \$11,600 annually.

Dental plan costs also increased slightly. The primary difference with the Premera dental plan is that it does not include orthodontic coverage. If the Borough leaves AMHT, it would also need to transition to the associated dental plan without orthodontic coverage. Additionally, if the Borough exits the AMHT plan, it cannot rejoin for 24 months.

Based on the available options, the Borough administration recommends transitioning to the Premera Platinum 250 Plan with the dental plan that excludes orthodontic coverage, assuming the Assembly wishes to maintain the current \$250 deductible level. Other options discussed included a \$500 deductible plan, which would result in a 4.25% increase, and a \$1,500 deductible plan, which would provide a slight decrease in overall costs.

The FY27 budget currently includes the recommended Premera Platinum 250 Plan option, and supporting documents were provided for Assembly review.

Paul asked if we need to make a decision now. Administrator Bailey said no, we don't have to right now, but we need to have a decision back to the insurance broker by June.

Glen and Jim said they would rather have the decision now.

Chris commented he'd stay with our current insurance.

Administrator Bailey suggested inviting the insurance broker to the next meeting, so this can be explained in more detail.

Reports and Updates

May 14, 2026

- **Administrator's Report**

Sand Point School DEED Grant: UIC Construction continues to make progress at the Sand Point School. Structural, mechanical and electrical work is being conducted. Now that the weather has improved, the crew is doing extensive work on the exterior portion of the building. Administration anticipates receiving two more change orders for rotted wood under door frames and for exterior siding. The schedule for this project is substantial completion on May 20, 2026. The mechanical and electrical engineers will travel to Sand Point to begin the commissioning activities before the official substantial completion date. ECI and DOWL representatives will fly out later in the week to complete the substantial completion inspection.

King Cove School Lighting Project: The Aleutians East Borough is a recipient of an ECCBG voucher. \$75,120 is available to replace fluorescent and metal halide lamps with LED lights. EECBG has authorized the Borough to go out for quotes for this work. On March 25, 2026, DOWL sent a solicitation to Premier Electric, Fullford, Megawatt Electric and Samson Electric. Proposals from Megawatt Electric and Premier Electric were received by the April 20, 2026 submission deadline. DOWL, AMC Engineers and the Borough reviewed the proposals and selected Megawatt in an amount of \$64,995 (before bonding. A bonding fee will be applied but has not been received yet.

Sand Point Harbor Float Project: Change orders with WMC and Moffatt & Nichol are before the Assembly for consideration at the May 14, 2026 meeting. These change orders can be paid for out of the grants. The fire pump has arrived in Sand Point and WMC is still in the process of completing the final punch list items for the harbor float. These items should be completed by the end of May.

Mayor Osterback asked Anne if she could request from Moffatt and Nichol to write something about where the \$14,000 was for.

School Mechanical Maintenance: On April 27, 2026, the Borough issued a solicitation for boiler and miscellaneous mechanical services for the Akutan School to LONG, AMI-Alaska, and Cool Air Mechanical. Proposals are due May 8, 2026 and is requesting comprehensive annual boiler and mechanical system service and maintenance at the school in Akutan.

King Cove Road: There was a short delay in submitting the DOJ, the State, and the King Cove Group (collectively "our legal team") briefs in Opposition to the Opening Briefs from the Friends, Hooper Bay, and the Defenders of Wildlife (the ENGOS). This delayed the submission of the ENGOS' Reply Briefs until April 20, 2026. Since receiving their briefs, our legal team has been reviewing the ENGO arguments and planning next steps. The legal team is pleased with the status of the arguments and is looking forward to a response from the Court.

Chris commented that he heard that they could start adding another 6 miles to the road to a bridge. He asked if this information was accurate. Administrator Bailey said she can ask the State of Alaska for more details if there is an actual, definitive date.

Paul asked when we anticipate a court ruling. The administrator said they have not set a real date yet. It's whenever the court decides to respond.

Fish Litigation: The Aleutians East Borough, CAMF, Area M Seiners, and the Native Village of Unga (Plaintiffs) were granted a motion for expedited consideration for a preliminary injunction in the case against the Alaska Board of Fisheries. A preliminary injunction would prevent the new restrictive regulations for the South Alaska Peninsula Salmon fishery from going into effect this season, and maintain status quo rules from 2025, that allowed the fishermen's adaptive management program to

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avoid chum salmon to continue. According to the Judge's ruling, the Board's opposition to the motion was due May 7th, with plaintiffs reply due May 12th, however the Judge granted the Board request of an extension of time for the Board reply until May 20th. Any requests for oral arguments are due May 14th and any oral arguments would be scheduled no later than May 25th. The Judge will rule on the motion by June 1st.

Cold Bay Dock Litigation: On May 6, 2026, APRA filed a Complaint and (Issued) Summons against Coastal for damage that occurred to the Cold Bay Dock in May 2024. APRA has 120 days to serve the Summons and Complaint on Coastal if the matter is not resolved. The Complaint and Summons documents are attached for your reference.

Administrator Bailey thanked Jacki for the help with the budget.

- **Executive Assistant's Report**

APRA Training and Inspections: All requirements have been met for the Borough to receive reimbursement. We have until June to submit receipts for safety item purchases for another reimbursement through a safety savings grant.

Deeptree, Inc – IT Provider: On April 30, 2026, I had my second quarterly meeting with Deeptree and there were no updates needed or recommended for the security of IT Infrastructure. There are still issues with Sophos that Deeptree is looking into and will be reaching out to Sophos directly to find a solution. Deeptree is also preparing to make their first trip to King Cove and Sand Point this summer.

Essential Air Service: Not a lot of movement on this right now. Working with DC Lobbyist to determine next steps.

Rasmuson Foundation Community Support Grant – Sand Point Swimming Pool: On May 6, 2026, we were notified that the Borough was awarded \$250,000 in grant funds to support the replacement of the Sand Point Swimming Pool. We have until June 3, 2027 to use the funds and the final report is due in July 2027.

Natural Resources Department Director's Report

Alaska Board of Fisheries: The Alaska Board of Fisheries held a special meeting on May 1st. I provided a brief overview in the Fish News, and there is a link available for those who want more details. There is also a link to the letter the mayor submitted as public comment.

There was a significant amount of public comment submitted, much of it opposing the process—particularly regarding Proposal 192. Many commenters felt that proposal likely should have been deferred to the next cycle, which may have helped address concerns related to subsistence and user conflicts.

The update also included discussion on the motion and the related lawsuit. We further reviewed recent appointments to the Board of Fisheries, including photos of the individuals appointed to represent both Upper and Lower Cook Inlet.

Looking ahead, the next regulatory cycle will include Kodiak and Cook Inlet. The ACRs (Alaska Charter Requests) will be released and discussed in October, and hopefully, none of the upcoming proposals will directly target our region in a negative way.

Trawl Politics: Stephanie Morland talked to us at the last meeting. talking about how Troll has gotten into politics. So, I went through and looked at all the 18 candidates for governor at their

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websites, if they had one, and looked up the comments on fisheries, if they had any, and so there's a kind of a memo there that lists those. Also, there's a link to an editorial from the ADN staff. There's another editorial in today's paper from one of the CDQ groups, kind of pushing back on all the Pollock, bycatch, related politics. And for the elections, all 18 gubernatorial candidates will be on the primary, in August 18, but you can only vote for one, then the top 4 move to the rank choice voting, on November 3rd, and you can rank them or just vote for one. And there's election information linked there as well.

North Pacific Fishery Management Council: North Pacific Fishery Management Council The Council meets in Vancouver, WA June 4-9, with the AP scheduled for June 2-5 and the SSC for June 1-3. Committees meeting this month in advance of the June meeting are the Ecosystem Committee May 8th, the Crab Plan Team May 11th and the Fishery Monitoring Advisory Committee May 18th. The Council will take final action on 2026 specs for BSAI Aleutian Island Golden King Crab and Pribilof Island Golden King Crab as well as scallop harvest specs. They will review the Annual Observer Report, Salmon Genetics Reports, recent pelagic trawl research and Ecosystem Committee review of alternate Harvest Control Rules and Climate Work plan.

Bycatch Advisory Council: The State of Alaska Bycatch Advisory Council met May 4th, including an Agenda item #5. *'A report on past efforts to rationalize the Gulf of Alaska trawl fisheries'*. The AEB provided public comment to the Council on this topic. The Bycatch AC passed a final motion before the group was disbanded.

A list of Alaska Legislature Fisheries Legislation of Interest is included in the packet.

Federal Subsistence Board: The Federal Subsistence Board met in April to discuss wildlife proposals. Public Comment on non-agenda items mentioned Area M fisheries more than once. The board will take up Alaska Subsistence fisheries proposals in early February. The comment deadline on the fisheries proposals is July 31. New Regional Advisory Council (RAC) Members were recently appointed, with the Kodiak/Aleutians RAC heavily weighted towards Kodiak.

- **Fishery Analyst's Report**

AFSC Cod Tagging Project: Our project team is holding weekly co-writing meetings to finish drafting our GOA movement manuscript. We expect the draft to be complete by the end of the award period. I have been working with the grant administrator to do some slight re-budgeting, with oversight by Jacki who has ensured the budget and expenses match the financials. I am finalizing the PSMFC progress report for last quarter due May 15th, and can make that available at the next meeting. We are having ongoing talks with stock assessment authors who are developing multiple options for restructuring GOA/BS cod management.

Unimak Acoustic Telemetry Project: Field work is scheduled from May 15-21, tentatively, and we plan to fly in/out of False Pass. The objective is to retrieve the acoustic moorings, review the data and redeploy the moorings using the configuration with better data. We will also be training the crew to do data retrieval and redeployment without our assistance. I wrote a last minute Letter of Intent to the IOOS Ocean Technology Transfer federal grant to fund the expansion of this work, but it was not

Aleutians East Borough
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recommended for full proposal. We are discussing the possibility of an NPRB core proposal which will become available again in 2027.

Salmon Tagging Pilot: ADFG biologist and co-PI Sabrina Garcia mentioned she may have some funding for more tags, so we are pursuing funding to expand the salmon tagging project. ADFG geneticist Tyler Dann provided an update that the ages from our sampled fish are complete, and the genetics are almost done. Once these samples are available, we can begin analyzing data for the fishermen visual identification component of the project. I am continuing work on the manuscript for the pilot, and plan to have it finished soon. South Peninsula Salmon Fishery. I am facilitating discussions between ADFG and the fleet to understand how the department will manage the upcoming June fishery. Despite uncertainty in June management, I am still working with our contractor Chordata to maintain and update the fishermen's data portal to ensure they can still use it as a tool for tracking harvest and fish tickets. I am assisting with the legal and PR contracts as needed.

Tom commented that there was a tag caught out in False Pass during the State Fishery and asked Charlotte if she had any information on that. Fishery Analyst said she doesn't have any information at the top of her head, but she can find out.

Assembly/ Mayor's Comments

Samantha commented that as of May 6, 2026, Nelson Lagoon finally got their water back on. She thanked the Borough for all the supplies and support.

Josy thanked the administration for all the hard work in putting the budget together.

Paul commented that there is a lot of talk about salmon prices.

Mayor Osterback said he will be in Anchorage to meet with the Secretary of the Interior along with the King Cove group.

Public Comments

Next Meeting Date

May 28 Special Meeting 2:00PM
Workshop at 1:00 PM Assembly

Adjournment

Meeting adjourned at 5:00 PM

ATTEST

Alvin D. Osterback, Mayor

Beverly Rosete, Clerk

May 14, 2026

INVESTMENT REPORT



ALASKA PERMANENT CAPITAL MANAGEMENT

Registered Investment Adviser

AEB 2010 SERIES B BOND/AKUTAN Investment Report

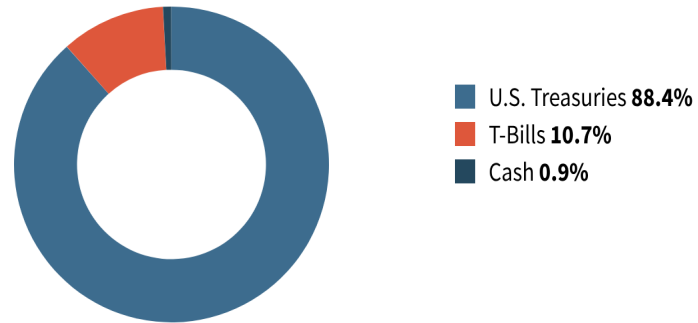
April 2026

Portfolio Overview

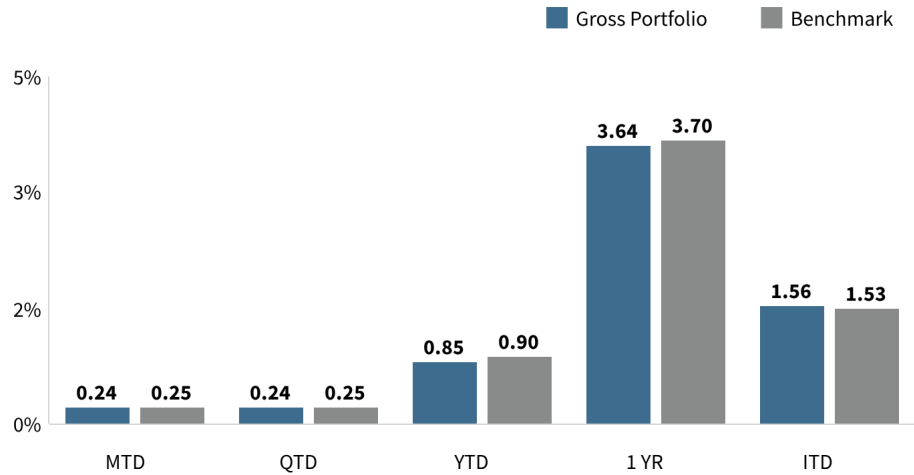
BEGINNING VALUE + ACCRUED	\$415,359
TRANSFERS IN/ OUT	-\$17
REALIZED GAINS	\$170
CHANGE IN MARKET VALUE	-\$458
INTEREST INCOME	\$1,287
ENDING VALUE + ACCRUED	\$416,342



Portfolio Composition



Investment Performance

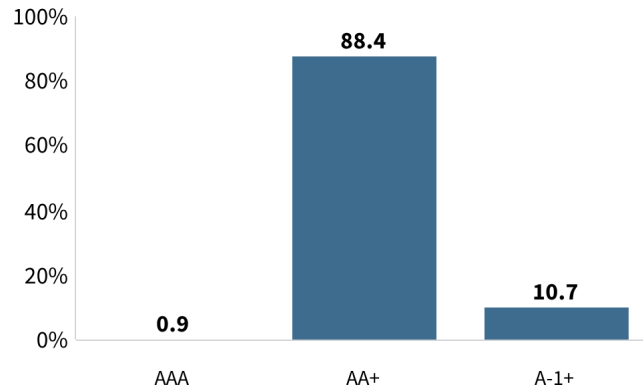


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Risk Management

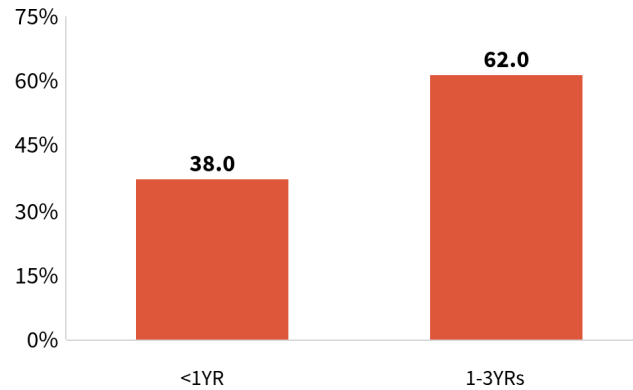


Credit Rating Exposure



Source: Clearwater Composite Rating

Duration Exposure (Years)



Sector Exposure

	%MV
U.S. Treasuries	88.43%
T-Bills	10.70%
Cash	0.87%

Top 10 Issuer Concentration

	%MV
United States	99.13%
Federated Hermes, Inc.	0.87%

This is a list of the Top 10 Issuer Concentration, but these are not the only issuer concentrations. A full list is available upon request.

MARKET VALUE
\$415,285

BOOK VALUE
\$415,782

UNREALIZED GAIN/LOSS
-\$496

YIELD TO MATURITY
3.81%

COUPON RATE
3.07%

DURATION
1.28

WAL
1.67

MOODY'S RATING
Aa1

Disclosures



S&P 500 Total Return Index

The S&P 500® Index is the Standard & Poor's Composite Index and is widely regarded as a single gauge of large cap U.S. equities. It is market cap weighted and includes 500 leading companies, capturing approximately 80% coverage of available market capitalization.

S&P MidCap 400 Total Return Index

The S&P MidCap 400 Index, more commonly known as the S&P 400, is a stock market index from S&P Dow Jones Indices. The index serves as a barometer for the U.S. mid-cap equities sector and is the most widely followed mid-cap index.

S&P Small Cap 600 Total Return Index

The S&P SmallCap 600® seeks to measure the small-cap segment of the U.S. equity market. The index is designed to track companies that meet specific inclusion criteria to ensure that they are liquid and financially viable.

MSCI EAFE Net Total Return USD Index

The MSCI EAFE Index (Europe, Australasia, Far East) is a free float-adjusted market capitalization-weighted index that is designed to measure the equity market performance of developed markets, excluding the United States and Canada. The MSCI EAFE Index consists of the following 21 developed market countries: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom.

MSCI Emerging Net Total Return USD Index

The MSCI Emerging Markets Index is a free float-adjusted market capitalization-weighted index that is designed to measure equity market performance of emerging markets. The MSCI Emerging Markets Index consists of the following 26 emerging market country indices: Argentina, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Russia, Saudi Arabia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates.

STOXX Global Broad Infrastructure Index Net Return USD

The STOXX Global Broad Infrastructure Index is derived from the STOXX. Developed and Emerging Markets Total Market Index (TMI) and offers a diversified representation of companies that generate more than 50% of their revenue from selected infrastructure sectors. STOXX partnered with Revere Data, which defines 17 subsectors for the infrastructure industry. These 17 subsectors are rolled into five supersectors - Communications, Energy, Government Outsourcing/Social, Transportation and Utilities.

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Bloomberg US Agg Total Return Value Unhedged USD

The Bloomberg U.S. Aggregate Index measures the performance of investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS, and CMBS. It rolls up into other flagship indices, such as the multi-currency Global Aggregate Index and the U.S. Universal Index, which includes high yield and emerging markets debt.

Bloomberg VLI: High Yield Total Return Index Value Unhedged USD

The Bloomberg VLI: High Yield Total Return Index is a component of the US Corp High Yield Index that is designed to track a more liquid component of the USD-denominated, high yield, fixed-rate corporate bond market.

Bloomberg GLA xUSD Float Adj RIC Capped Index TR Index Value Hedged USD

The Bloomberg Barclays Global Aggregate ex-USD Float-Adjusted RIC Capped Index is a customized subset of the Global Aggregate Index that meets the same diversification guidelines that a fund must pass to qualify as a regulated investment company (RIC). This multi-currency benchmark includes fixed-rate treasury, government-related, corporate and securitized bonds from developed and emerging markets issuers while excluding USD denominated debt. The Global Aggregate ex-USD Float Adjusted RIC Capped Index is largely comprised of two major regional aggregate components: the Pan-European Aggregate and the Asian-Pacific Aggregate Index.

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Disclosures



Bloomberg Muni 1-15 Year Blend (1-17) Total Return Index Value

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Bloomberg Intermediate US Govt/Credit TR Index Value Unhedged

The Bloomberg U.S. Government Intermediate Index measures the performance of the U.S. Treasury and U.S. agency debentures with maturities of 1-10 years. It is a component of the U.S. Government/Credit Index and the U.S. Aggregate Index.

Bloomberg 1-5 Yr Gov/Credit Total Return Index Value Unhedged

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FTSE High Dividend Yield Total Return Index

The FTSE High Dividend Yield Index is designed to represent the performance of companies with relatively high forecast dividend yields

WisdomTree U.S. MidCap Dividend Index Total Return

The WisdomTree U.S. MidCap Dividend Index is a fundamentally weighted index that measures the performance of the mid-capitalization segment of the US dividend-paying market. The Index is comprised of the companies that compose the top 75% of the market capitalization of the WisdomTree U.S. Dividend Index after the 300 largest companies have been removed. The index is dividend weighted annually to reflect the proportionate share of the aggregate cash dividends each component company is projected to pay in the coming year, based on the most recently declared dividend per share.

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The Bloomberg U.S. Government Credit Long Index measures the performance of the non-securitized component of the U.S. Aggregate Index with maturities of 10 years and greater, including Treasuries, government-related issues, and corporates. It is a subset of the U.S. Aggregate Index.

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Bloomberg Municipal Bond 5 Year (4-6) Total Return Index Unhedged USD

An index designed to measure the performance of tax-exempt U.S. investment grade municipal bonds with remaining maturities between four and six years. Index returns assume reinvestment of distributions, but do not reflect any applicable sales charges or management fees.

MSCI ACWI IMI Net Total Return USD Index

The MSCI ACWI Investable Market Index (IMI) captures large, mid and small cap representation across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries. The MSCI AXWI IMI includes the following 23 developed market countries : Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, United Kingdom, and United States. The MSCI AXWI IMI includes the following 24 emerging market countries: : Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Kuwait, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Saudi Arabia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates.

Bloomberg 1-3 Yr Gov Total Return Index Value Unhedged USD

The Bloomberg U.S. Government/Credit 1-3 Year Index is an unmanaged index considered representative of performance of short-term U.S. corporate bonds and U.S. government bonds with maturities from one to three years.

Bloomberg 1-5 Yr Gov TR Index

Bloomberg Barclays Municipal 1-5 Yr TR USD includes all medium and larger issues of U.S. government, investment-grade corporate, and investment-grade international dollar-denominated bonds that have maturities of between 1 and 5 years and are publicly issued.

ICE BofA US 3-Month Treasury Bill Index

The ICE BofA 3 Month U.S. Treasury Index measures the performance of a single issue of outstanding treasury bill which matures closest to, but not beyond, three months from the rebalancing date. The issue is purchased at the beginning of the month and held for a full month; at the end of the month that issue is sold and rolled into a newly selected issue.

Bloomberg US Treasury TIPS 0-5 Years Total Return Index Unhedged USD

Bloomberg US Treasury Inflation-Protected Securities (TIPS) 0-5 Year Index is a market value-weighted index that measures the performance of inflation-protected securities issued by the US Treasury that have a remaining average life between 0 and 5 years.

Bloomberg U.S. Treasury Bellwethers: 1 Yr

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ALASKA PERMANENT CAPITAL MANAGEMENT

Registered Investment Adviser

AEB OPERATING RESERVE FUND Investment Report

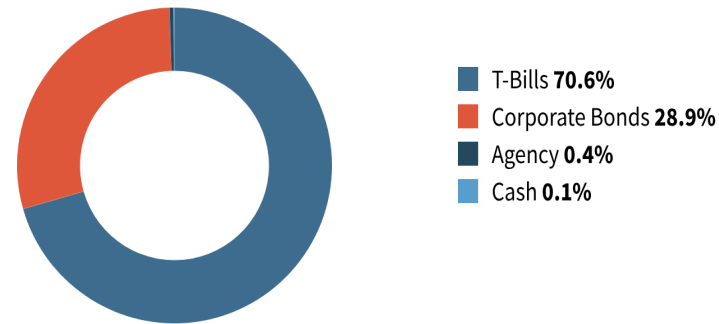
April 2026

Portfolio Overview

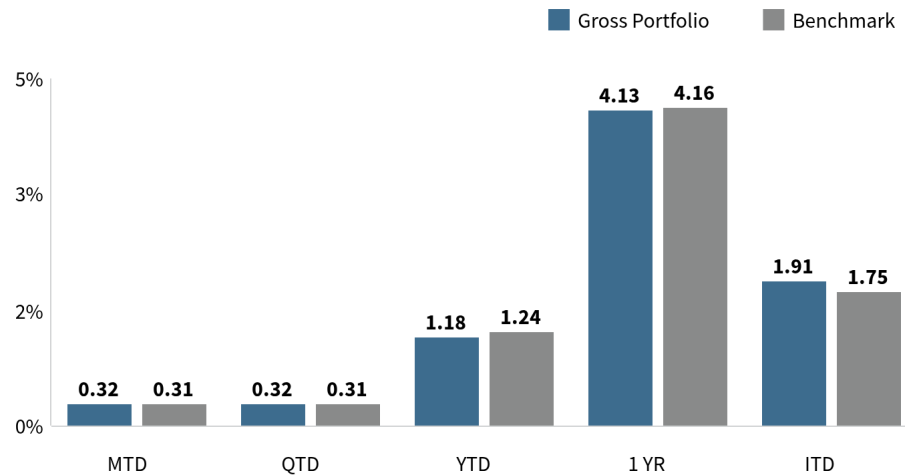
BEGINNING VALUE + ACCRUED	\$10,755,410
TRANSFERS IN/ OUT	-\$564
REALIZED GAINS	\$0
CHANGE IN MARKET VALUE	\$1,393
INTEREST INCOME	\$33,217
ENDING VALUE + ACCRUED	\$10,789,455



Portfolio Composition



Investment Performance

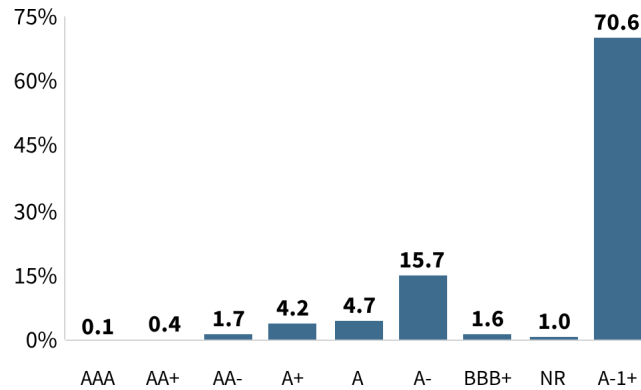


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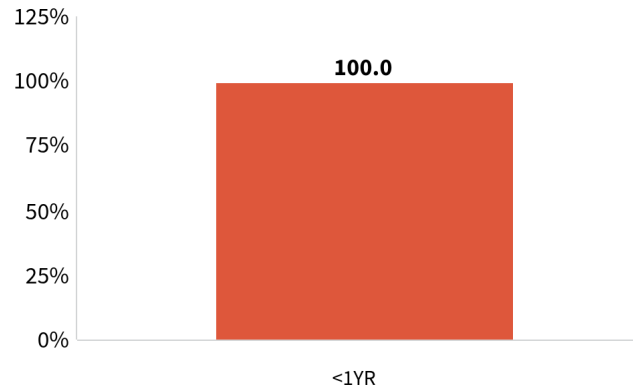


Credit Rating Exposure



Source: Clearwater Composite Rating

Duration Exposure (Years)



Sector Exposure

	%MV
T-Bills	70.59%
Corporate Bonds	28.92%
Agency	0.41%
Cash	0.08%

Top 10 Issuer Concentration

	%MV
United States	70.59%
AvalonBay Communities, Inc.	1.41%
The Goldman Sachs Group, Inc.	1.41%
Realty Income Corporation	1.40%
Kimco Realty OP, LLC	1.40%
The PNC Financial Services Group, Inc.	1.39%
BP p.l.c.	1.39%
JPMorgan Chase & Co.	1.39%
Citigroup Inc.	1.39%
American Express Company	1.39%

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MARKET VALUE
\$10,761,444

BOOK VALUE
\$10,766,265

UNREALIZED GAIN/LOSS
-\$4,821

YIELD TO MATURITY
3.72%

COUPON RATE
0.91%

DURATION
0.28

WAL
0.29

MOODY'S RATING
Aa3

Disclosures



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ALASKA PERMANENT CAPITAL MANAGEMENT

Registered Investment Adviser

ALEUTIANS EAST BOR. PERM FUND Investment Report

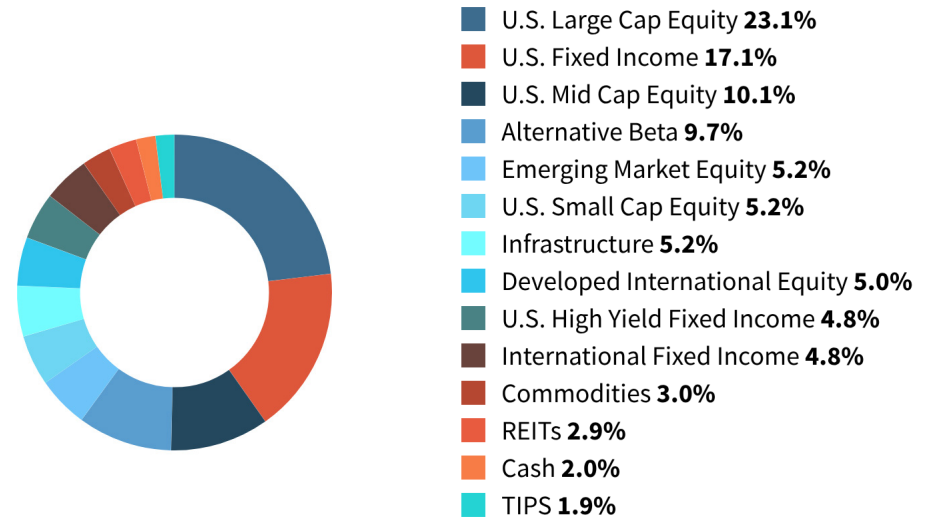
April 2026

Portfolio Overview

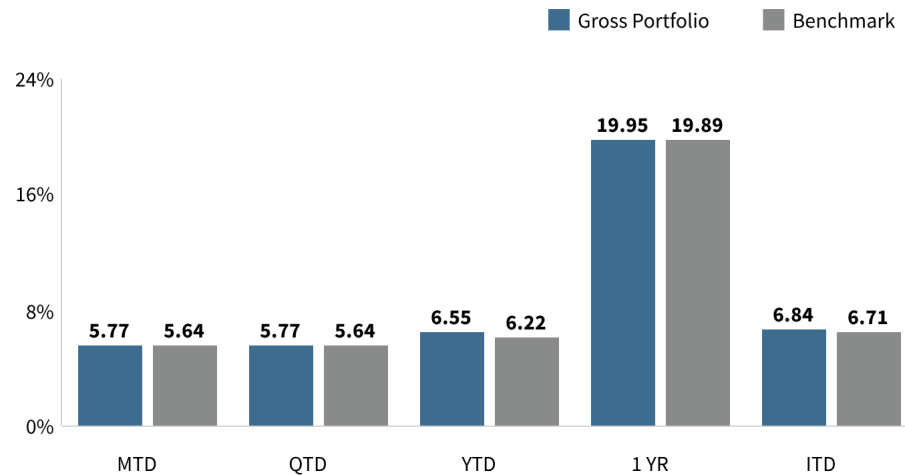
BEGINNING VALUE + ACCRUED	\$51,480,920
TRANSFERS IN/ OUT	-\$1,108
REALIZED GAINS/ LOSSES	\$79,138
CHANGE IN MARKET VALUE	\$2,841,498
INTEREST INCOME	\$41,794
DIVIDEND INCOME	\$9,476
ENDING VALUE + ACCRUED	\$54,451,719



Portfolio Composition



Investment Performance



Performance is annualized for periods greater than one year. Inception to date performance begins August 01, 1993
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Portfolio Summary and Target

	MARKET VALUE (\$)	ASSETS (%)	TARGET (%)	RANGE
RISK CONTROL				
U.S. Fixed Income	9,311,749	17.1%	18%	8% to 28%
TIPS	1,047,884	1.9%	2%	0% to 10%
International Fixed Income	2,590,089	4.8%	5%	0% to 10%
Cash	1,084,696	2.0%	2%	0% to 10%
Risk Control Total	14,034,418	25.8%		
RISK ASSET				
U.S. High Yield Fixed Income	2,616,879	4.8%	5%	0% to 10%
U.S. Large Cap Equity	12,584,042	23.1%	22%	12% to 32%
U.S. Mid Cap Equity	5,521,147	10.1%	10%	5% to 15%
U.S. Small Cap Equity	2,828,804	5.2%	5%	0% to 10%
Developed International Equity	2,714,523	5.0%	6%	0% to 12%
Emerging Market Equity	2,856,141	5.2%	4%	0% to 8%
Risk Asset Total	29,121,535	53.5%		
ALTERNATIVES				
REITs	1,551,895	2.9%	3%	0% to 6%
Alternative Beta	5,290,491	9.7%	10%	0% to 15%
Infrastructure	2,818,902	5.2%	5%	0% to 10%
Commodities	1,634,477	3.0%	3%	0% to 6%
Alternatives Total	11,295,766	20.7%		
TOTAL PORTFOLIO	54,451,719	100.0%		

We urge you compare the account statement we provide with the account statement you receive from your custodian. We cannot guarantee the accuracy of this information for tax purposes. Please verify all information from trade confirmations.

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Disclosures



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The S&P MidCap 400 Index, more commonly known as the S&P 400, is a stock market index from S&P Dow Jones Indices. The index serves as a barometer for the U.S. mid-cap equities sector and is the most widely followed mid-cap index.

S&P Small Cap 600 Total Return Index

The S&P SmallCap 600® seeks to measure the small-cap segment of the U.S. equity market. The index is designed to track companies that meet specific inclusion criteria to ensure that they are liquid and financially viable.

MSCI EAFE Net Total Return USD Index

The MSCI EAFE Index (Europe, Australasia, Far East) is a free float-adjusted market capitalization-weighted index that is designed to measure the equity market performance of developed markets, excluding the United States and Canada. The MSCI EAFE Index consists of the following 21 developed market countries: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom.

MSCI Emerging Net Total Return USD Index

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STOXX Global Broad Infrastructure Index Net Return USD

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Bloomberg US Agg Total Return Value Unhedged USD

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Bloomberg VLI: High Yield Total Return Index Value Unhedged USD

The Bloomberg VLI: High Yield Total Return Index is a component of the US Corp High Yield Index that is designed to track a more liquid component of the USD-denominated, high yield, fixed-rate corporate bond market.

Bloomberg GLA xUSD Float Adj RIC Capped Index TR Index Value Hedged USD

The Bloomberg Barclays Global Aggregate ex-USD Float-Adjusted RIC Capped Index is a customized subset of the Global Aggregate Index that meets the same diversification guidelines that a fund must pass to qualify as a regulated investment company (RIC). This multi-currency benchmark includes fixed-rate treasury, government-related, corporate and securitized bonds from developed and emerging markets issuers while excluding USD denominated debt. The Global Aggregate ex-USD Float Adjusted RIC Capped Index is largely comprised of two major regional aggregate components: the Pan-European Aggregate and the Asian-Pacific Aggregate Index.

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Disclosures



Bloomberg Muni 1-15 Year Blend (1-17) Total Return Index Value

The Bloomberg Municipal 1-15 Year Index measures the performance of USD-denominated long-term, tax-exempt bond market with maturities of 1-15 years, including state and local general obligation bonds, revenue bonds, insured bonds, and prerefunded bonds.

Bloomberg Intermediate US Govt/Credit TR Index Value Unhedged

The Bloomberg U.S. Government Intermediate Index measures the performance of the U.S. Treasury and U.S. agency debentures with maturities of 1-10 years. It is a component of the U.S. Government/Credit Index and the U.S. Aggregate Index.

Bloomberg 1-5 Yr Gov/Credit Total Return Index Value Unhedged

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FTSE High Dividend Yield Total Return Index

The FTSE High Dividend Yield Index is designed to represent the performance of companies with relatively high forecast dividend yields

WisdomTree U.S. MidCap Dividend Index Total Return

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Bloomberg Municipal Bond 5 Year (4-6) Total Return Index Unhedged USD

An index designed to measure the performance of tax-exempt U.S. investment grade municipal bonds with remaining maturities between four and six years. Index returns assume reinvestment of distributions, but do not reflect any applicable sales charges or management fees.

MSCI ACWI IMI Net Total Return USD Index

The MSCI ACWI Investable Market Index (IMI) captures large, mid and small cap representation across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries. The MSCI AXWI IMI includes the following 23 developed market countries : Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, United Kingdom, and United States. The MSCI AXWI IMI includes the following 24 emerging market countries: : Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Kuwait, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Saudi Arabia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates.

Bloomberg 1-3 Yr Gov Total Return Index Value Unhedged USD

The Bloomberg U.S. Government/Credit 1-3 Year Index is an unmanaged index considered representative of performance of short-term U.S. corporate bonds and U.S. government bonds with maturities from one to three years.

Bloomberg 1-5 Yr Gov TR Index

Bloomberg Barclays Municipal 1-5 Yr TR USD includes all medium and larger issues of U.S. government, investment-grade corporate, and investment-grade international dollar-denominated bonds that have maturities of between 1 and 5 years and are publicly issued.

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Bloomberg US Treasury TIPS 0-5 Years Total Return Index Unhedged USD

Bloomberg US Treasury Inflation-Protected Securities (TIPS) 0-5 Year Index is a market value-weighted index that measures the performance of inflation-protected securities issued by the US Treasury that have a remaining average life between 0 and 5 years.

Bloomberg U.S. Treasury Bellwethers: 1 Yr

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ALASKA PERMANENT CAPITAL MANAGEMENT

Registered Investment Adviser

AEB APPROPRIATIONS FUND Investment Report

April 2026

Portfolio Overview

BEGINNING VALUE + ACCRUED **\$7,834,441**

TRANSFERS IN/OUT **-\$1,258**

REALIZED GAINS **\$1,276**

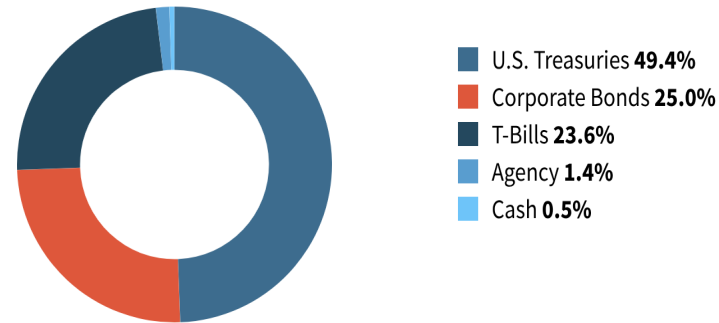
CHANGE IN MARKET VALUE **-\$4,945**

INTEREST INCOME **\$25,894**

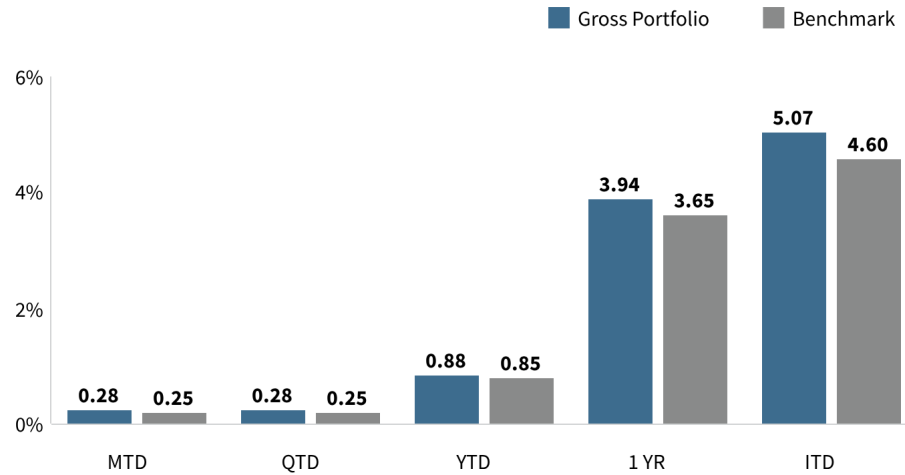
ENDING VALUE + ACCRUED **\$7,855,407**



Portfolio Composition



Investment Performance

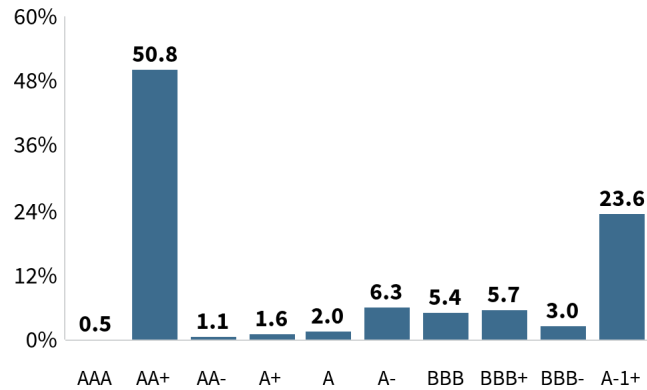


Performance is annualized for periods greater than one year. Inception to date performance begins November 01, 2023
 Past performance is not indicative of future results.

Risk Management

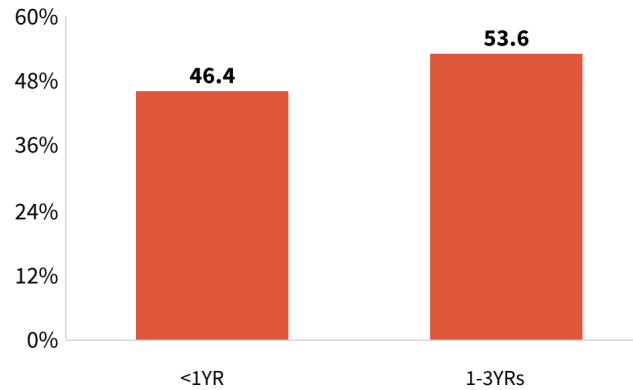


Credit Rating Exposure



Source: Clearwater Composite Rating

Duration Exposure (Years)



Sector Exposure

	%MV
U.S. Treasuries	49.43%
Corporate Bonds	25.04%
T-Bills	23.64%
Agency	1.38%
Cash	0.52%

Top 10 Issuer Concentration

	%MV
United States	73.07%
American Water Works Company, Inc.	1.13%
State Street Corporation	1.09%
Dow Inc.	0.98%
Magna International Inc.	0.97%
Marathon Petroleum Corporation	0.97%
Tyson Foods, Inc.	0.96%
Comcast Corporation	0.95%
Federal Home Loan Banks	0.95%
Essex Property Trust, Inc.	0.95%

This is a list of the Top 10 Issuer Concentration, but these are not the only issuer concentrations. A full list is available upon request.

MARKET VALUE
\$7,821,355

BOOK VALUE
\$7,823,420

UNREALIZED GAIN/LOSS
-\$2,065

YIELD TO MATURITY
3.90%

COUPON RATE
2.66%

DURATION
1.14

WAL
1.35

MOODY'S RATING
A1

Disclosures



S&P 500 Total Return Index

The S&P 500® Index is the Standard & Poor's Composite Index and is widely regarded as a single gauge of large cap U.S. equities. It is market cap weighted and includes 500 leading companies, capturing approximately 80% coverage of available market capitalization.

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APCM

Client Relationship Manager

Blake Phillips, CFA®

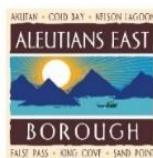
blake@apcm.net

Portfolio Manager

Paul Hanson, CFA®

Chartered Financial Analyst® (CFA®) are licensed by the CFA® Institute to use the CFA® mark. CFA® certification requirements: Hold a bachelor's degree from an accredited institution or have equivalent education or work experience, successful completion of all three exam levels of the CFA® Program, have 48 months of acceptable professional work experience in the investment decision-making process, fulfill society requirements, which vary by society. Unless you are upgrading from affiliate membership, all societies require two sponsor statements as part of each application; these are submitted online by your sponsors.

PUBLIC HEARING



AGENDA STATEMENT

To: Alvin D. Osterback, Mayor and Assembly

From: Anne Bailey, Borough Administrator
Jacki Brandell, Finance Director

Date: May 20, 2026

Re: Ordinance 26-02 Adopting the Operating and Capital Budget for Fiscal Year 2027

Ordinance 26-02 outlines the Aleutians East Borough's Operating and Capital Budget for Fiscal Year (FY) 2027. The FY27 draft budget was introduced at the May 14, 2026 Assembly Meeting and the second reading and public hearing is scheduled for May 28, 2026. Administration conducted an in-depth review of the Borough's anticipated revenues and expenditures and is recommending a conservative budget for FY27.

An overview of items that went into the FY27 budget process include but are not limited to the following:

State of Alaska Budget

In mid-December 2025, Governor Dunleavy proposed his FY2027 budgets and FY2026 supplemental requests. Highlights include:

- **Full funding of school and harbor debt reimbursement** for FY 2027.
- **Full funding of K-12 and pupil transportation** based on new formulas enacted into law in August 2025.
- **Includes \$14 million to increase the community assistance payment.** Not clear yet what that means when added to what is currently in the community assistance fund.

- **School bond debt reimbursement appears to be funded at 100%** based on how the language in the bill is written. There is no money in the proposed FY 2026 supplemental budget to plus up the lost money to fund the school debt reimbursement program at the 75% level funded by the legislature.

On April 14, 2026, the House completed its work on the FY 2027 operating budget and transmitted the approved version to the Senate on April 21, 2026. The Senate in turn finished its work on the FY 2027 capital budget and sent that bill to the House on April 21, 2026. Once the House approved their version of the FY 2027 operating budget, the Senate Finance Committee unveiled a proposed committee substitute with a number of differences. Below is summary of the key highlights.

- **Based on an oil price forecast of \$73 per barrel, versus the \$75 per barrel forecast used by the House.** Keeps \$50 million as a reserve. Eliminates the need for a draw from the Constitutional Budget Reserve.
- **Adjusts the 2026 permanent fund dividend to \$1,000 per person versus the House number of \$1,500 per person.** Adds another \$150 per individual PFD recipient for energy cost relief.
- **Provides full funding for school and harbor debt reimbursement in FY 2027.**
- **Funds K-12 education under current foundation formula. CS provides up to \$100 million in one-time money for K-12. Provision of entire \$100 million is contingent on oil prices averaging \$95 per barrel for the rest of the fiscal year ending on June 30.** A lesser amount is provided if oil prices are below that average for rest of the fiscal year.
- **Adds \$29 million for school districts and \$20 for communities to help address increased fuel and energy costs.**
- **Full funding of PCE payments.** This includes amount needed to cover the extra funding needed because of increasing energy costs.
- **An increase of \$10 million for FY 2027 Community Assistance payments. This action restores FY 2027 payments to the full level of \$30 million. Adds \$50 million to re-capitalize the fund back to \$90 million for future years.**
- Full funding of state raw fish taxes sharing with municipalities.
- **An increase of \$49.5 million in FY 2027 for Alaska Marine Highway System operations in FY 2027.** This money is included as backstop funding in case the anticipated grant of federal funds is not received or is less than expected. Accepted department request to change AMHS from a calendar year fiscal year to a multi-year appropriation.
- **Full funding for state's share of additional contribution for public employees and teachers' retirement systems.** This includes another \$40 million to meet the actuarial determined contribution rates recommended by the Alaska Retirement Management Board.
- Adds \$1.25 million to fund Village Public Safety operations during FY 2026.
- Added \$5.3 million to fund the first three Round 18 renewable energy grants.

The Senate has approved a new CS for FY27 operating budget (BO263) with a total of 111 million in one-time K-12 funding (versus \$100 million in their earlier draft).

The Senate approved version of the FY 2027 capital budget adds nearly \$100 million in spending to the governor's proposal with the majority of this money going to fund facilities needs for schools and university. This includes \$57.8 million to address K-12 major maintenance and construction projects. This funds the top 15 projects from the state's FY2027 major maintenance list, plus money for three schools needing emergency fuel tank repairs. The Borough's Sand Point K-12 Major Maintenance – Supplemental request for an additional \$337,828 (\$219,588 State Share and \$118,240 Borough Share) is ranked third and would be funded.

House Finance released their version of FY capital budget (SB 214) and added more DEED Major Maintenance Funding. It now includes the Sand Point K-12 Doors and Locker Replacement, which is ranked #20 and would bring in an additional State Share in the amount of \$383,966.

As of May 18, 2026, school/harbor bond debt reimbursement, full funding for community assistance and major maintenance monies remained in the budget. The legislature also included \$115 million in one time funding for education and an additional \$29 million to school districts for energy relief.

This is all contingent on the Governor's approval.

Fishery Considerations

For FY26, the Administration and the Natural Resources Department (NRD) estimated a total fish tax revenue of \$1,600,000. This was based on fishery trends; available fishery forecasts; recent prices, quotas and harvest numbers; environmental uncertainties and potential fishery management actions. As of this date, the Borough has exceeded the \$1,600,000 estimate. However, the majority of the months were below the 5 and 10-year averages and fish tax revenue was not received in November 2025.

NRD has reviewed and analyzed the recent fishery trends; available fishery forecasts; recent prices, quotas, and harvest numbers; environmental uncertainties and has taken the February Board of Fisheries (BOF) actions into consideration. The BOF actions, left as is, will severely restrict South Peninsula June Salmon Fisheries. Proposal 127 reduces June fishing hours by seine gear by over half (from 310 hours to a possible 144 hours if opened by EO); Proposal 126 reduces available fishing area by adding the majority of the 'Dolgoi Island Area' between King Cove and Sand Point to Southeastern District Mainland, now unlikely to be open before July 25th, dependent on Chignik harvest and Proposals 147 and 148 will force reductions in seine and gillnet depth by 2027. Even after analyzing the information, it is extremely hard to determine or estimate what will occur in FY27.

Crab is being delivered in Akutan and has brought in revenue that was not anticipated at the beginning of the fiscal year. If the Borough enters into a Tax MOA with the City of Saint Paul in FY27, we would anticipate receiving taxes for crab in March and April 2027.

Administration has taken the fish tax values that were received in recent months, considered the status of local seafood processors, and taken the NRD's advice into consideration and has opted to again take a very conservative approach to projecting FY27 fish tax revenue; therefore, we anticipate \$1,700,000 in fish tax revenue in FY27.

Please note the Borough's fish tax is calculated as 2% of the amount of raw seafood delivered to processors in Borough ports, multiplied by the ex-vessel price per pound for each species.

Department Budgets

All the Departments have reviewed their budgets and made adjustments to meet the anticipated needs for FY27.

Maintenance Department: After looking into this further, Administration has determined that hiring a Maintenance Director would be beneficial to the Borough. Therefore, the Public Works Department represented in 10-300 has been updated to meet the Borough needs.

- Maintenance Director: The Mayor has directed Administration to budget for a Maintenance Director position that would be based out of the Anchorage Office. After speaking with Employment Agencies, it is recommended to hire someone as a permanent, full-time, non-exempt employee opposed to a contracted position. Therefore, the FY2027 budget reflects a salary of \$80,000 with fringe benefits, health care and PERS. This also includes a travel budget, since travelling out to the schools will be a requirement for this position.
- Contract Labor: This includes assistance from contract employees in Sand Point and possibly the other communities.
- Engineering: The Borough has an agreement with DOWL to provide engineering and project management services. The Borough entered into a contract with DOWL from July 1, 2025 to June 30, 2027 with the option to extend the agreement for three additional one-year periods. Funding for each year is in amount not to exceed \$75,000 or as mutually agreed upon per project.

Salaries: The proposed FY27 budget reflects a 2.1% Cost of Living Adjustment.

Please note, the Consumer Price Index (CPI) for Urban Alaska for the preceding fiscal year is **2.1%** as shown on the attached document (Attachment A). According to Section 4.3.1 of the Employee Handbook, “the Borough Assembly may at its discretion authorize annual cost of living adjustments for regular employees in an amount not to exceed the Consumer Price Index for Urban Alaska as computed for the preceding fiscal year.”

Administration is recommending a 2.1% increase, which would increase the employee salaries by ~\$16,100. This will also slightly increase fringe benefit amounts and PERS contributions.

If the Assembly would like to change the COLA rate an amendment would need to be made.

Health Care: The Borough is currently insured through the Alaska Municipal Health Trust (AMHT). Our Health Insurance Broker has provided the quotes for Premera and AMHT. On April 22, 2026, the Borough Administration received the 2027 Renewal Rates for Health Insurance and Dental Insurance. Administration has reviewed and recommended switching from the AMHT Fairweather 250 Plan to the Premera Platinum 250 Plan resulting in a 3.2% increase in insurance premiums. This plan is reflected in the proposed FY2027 budget.

If the Assembly would like to stay in the AMHT Fairweather Plan, the health insurance values would increase from \$26,115 per person per year to \$27,509 per person per year. The departments would change as follows:

Department	FY26 Budget	FY27 Proposed Budget – Premera Platinum 250 Plan	FY27 AMHT Fairweather Plan
Mayor	\$304,203.00	\$303,745.00	\$305,129.00
Assembly	\$297,810.00	\$285,802.00	\$295,563.00
Administration	\$443,208.00	\$408,627.00	\$411,415.00
Clerk/Planning	\$170,015.00	\$148,932.00	\$148,932.00
Finance	\$422,559.00	\$421,326.00	\$424,114.00
Natural Resources	\$414,386.00	\$443,314.00	\$446,102.00
Public Works	\$100,000.00	\$250,653.00	\$252,047.00

The overall budget would change to the following:

Expected FY27 Revenue: \$4,643,150.00

Expected FY27 Expenditures: (Funds 10, 24, 40 and 41)	\$5,129,436.00
Net Revenue over Expenditures	(\$486,286.00)
Transfer In from Terminal Operation:	\$34,879.00
Transfer Out to Helicopter Operation:	(\$340,997.00)
Transfer Out to the Bond Fund:	(\$1,463,674.00)
Expected FY27 Deficit:	(\$2,256,078.00)
Transfer In from Permanent Fund:	\$1,874,071.00
Transfer In from Savings:	\$382,007.00
FY27 Surplus (Deficit):	\$-

The deficit would increase from \$2,235,165 to \$2,256,078. An increase of \$20,913.

At the April 9, 2026 Assembly Meeting, the Assembly approved Resolution 26-45 authorizing the Mayor to implement a Health Plan-Medical Waiver. Information was sent out to the Assembly Members and the Borough Employees regarding the opt-out information. Items are due from the Assembly and employees on April 22, 2026. The Borough has received opt out documentation from one person and the budget has been adjusted accordingly.

Fringe: Fringe benefits include Medicare, ESC, PERS, and medical insurance costs and are now broken out by department.

Education Support

On January 26, 2026, the Superintendent sent an email requesting the maximum contribution in FY27 Local Contributions from the Borough in the amount of \$1,873,464. The proposed FY2027 budget shows a contribution of \$1,705,140.60, which is \$168,323.40 shy of the max contribution. This includes the following expenditures:

	FY27 Estimate
Local Contribution	\$1,400,000.00
School Scholarships	\$35,000.00
School Contribution	\$20,000.00
In Kind Services (Insurance, Maintenance Dept., Office Space, Janitor Services and Housing)	\$250,140.60
TOTAL	\$1,705,140.60

If the Assembly would like to change the School District Contribution, a motion will need to be made to do so.

Attached is the letter dated January 26, 2026 from the School District (Attachment B).

Fund 23 – Helicopter Fund

On January 26, 2026, the Borough and the State of Alaska Department of Transportation and Public Facilities (ADOT&PF) executed a Memorandum of Agreement for the Akutan Transportation Link. Per the agreement, a total of not more than \$1 million will be provided to reimburse the Borough for 50% of the Borough’s share of Maritime Helicopters costs to provide helicopter services. In FY27, the Borough anticipates receiving \$512,985.00 from the State.

The Essential Air Service (EAS) Agreement that would begin in 2026 has not been executed yet; therefore, the amount owed to Maritime has not been determined yet. However, we anticipate the Borough will be responsible for paying approximately \$1,025,972 for the EAS and will receive revenues in the amount of \$393,940.

The Borough will also incur additional expenses.

Therefore, it is anticipated that the Borough will be operating the helicopter at a \$340,997 loss opposed to the \$953,703 loss we anticipated in FY26. This results in approximately \$612,000 in savings compared to last year.

Some of these items may be subject to change throughout the fiscal year due to operational changes.

The proposed FY27 Budget Summary is as follows:

Expected FY27 Revenue:	\$4,643,150.00
Expected FY27 Expenditures: (Funds 10, 24, 40 and 41)	\$5,108,523.00
Net Revenue over Expenditures	(\$465,373.00)
Transfer In from Terminal Operation:	\$34,879.00
Transfer Out to Helicopter Operation:	(\$340,997.00)
Transfer Out to the Bond Fund:	(\$1,463,674.00)
Expected FY27 Deficit:	(\$2,235,165.00)
Transfer In from Permanent Fund:	\$1,874,071.00
Transfer In from Savings:	\$361,094.00
FY27 Surplus (Deficit):	\$-

This assumes 100% in School Bond Debt Reimbursement, 100% Harbor Bond Debt Reimbursement, a 2.1% Cost of Living increase for employees and funding education at \$1,455,000. It also uses \$1,874,071 in permanent fund earnings and \$361,094 from Savings to cover the budget deficit.

Budget Deficit

In FY27, the Borough is anticipated to have a \$2,235,165 budget deficit. This is largely due to the decline in Borough revenues and the increase in expenditures. To cover the FY27 budget deficit, Administration and the Finance Department suggest transferring \$1,874,071 in FY27 Permanent Fund Earnings to the general fund and transferring \$361,094 from Savings. This will allow the Borough to maintain governmental operations and present a balanced budget.

\$1,874,071 Permanent Fund Earning Allocation: Transfer the FY27 Permanent Fund Earning Allocation in the amount of \$1,874,071 to the general fund to cover a portion of the FY27 deficit.

\$361,094 in Savings: Transfer \$361,094 in savings from AMLIP .3 to the checking account to cover a portion of the FY27 deficit.

As mentioned earlier; by conducting these transfers the Borough will be able to maintain governmental operations and present a balanced budget.

Please note, that the FY27 Permanent Fund is not enough to cover the Boroughs' \$2,235,165 projected deficit.

This memo includes an overview of the:

- FY27 Fund 41 Maintenance Reserve Fund Expenditure Overview
- FY27 Permanent Fund Earning

FY27 Fund 41 Maintenance Reserve Fund Expenditure Overview

Other Maintenance Reserve: \$150,000.00

Section 6.04.042 of the Borough code states:

1. Annual Deposit. Each year 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 \$150,000 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. The amount shown to be deposited to the account in the annual budget finally approved by the Assembly and all interest earned on the account shall be deposited to the account.

2. Appropriation. The Assembly may appropriate from the account all or any part of the balance for the purpose of maintenance and minor repair of borough capital improvements. The Assembly may appropriate from the account all or any part of the account that exceeds \$500,000 for capital projects, including expenses for advance project studies or definition work, capital matching grants, planning, design, acquisition, construction and other capital project expenses.
3. Not a Limit. There shall be no maximum or minimum balance for the account. The Assembly may appropriate monies for maintenance and minor repair of borough capital improvements and for capital projects from other sources. The Assembly may provide for deposits to the account in any amount and from any sources it determines appropriate.

In FY27, the Borough anticipates \$1,600,000 in Borough Fish Tax Revenue and \$1,300,000 in the State Shared Fisheries Business Tax totaling \$2,900,000. 2.5% of \$2,900,000 is \$72,500, which is less than \$150,000. Therefore, \$150,000 is budgeted in the Maintenance Reserve line-item in FY27.

Once the FY27, budget is approved these funds will be placed in its own AMLIP portfolio, where it will accrue its own interest. If the full amount is not spent the remaining funds will remain in the account. Section 6.04.042 Section 2 Appropriations will be followed with the monies in this account.

FY27 Permanent Fund Earnings Overview

Permanent Fund Earnings: \$1,874,071 in Permanent Fund Earnings

The \$1,874,071 is 4% of the permanent fund distribution amount and is based off APCM's reading of the Borough ordinance (5-year average market value assuming fiscal year end 6/30).

Ordinance 26-02, recommends the transfer of \$1,874,071 to be transferred to the general fund to cover a portion of the anticipated FY27 budget deficit.

This will allow the Borough to keep documentation, approved by the Assembly, on where the funds are appropriated.

Additional funds will need to be used to cover the remainder of the deficit.

The FY27 Permanent Fund Appropriation Recommendations are as follows:

Borough Budget Deficit: \$1,874,071 Transfer to the General Fund to Cover a Portion of the Anticipated FY27 Budget Deficit

Shown as Attachment C.



Department of Labor and Workforce Development

RESEARCH AND ANALYSIS

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CPI TABLES (2019 - PRESENT)

Urban Alaska

(Index value and 12-month percent change)

YEAR	JAN.	FEB.	MAR.	APR.	MAY	JUN.	JUL.	AUG.	SEP.	OCT.	NOV.	DEC.	ANNUAL	HALF 1	HALF 2
2019		227.183 2.5%		228.553 2.7%		234.179 2.5%		230.406 0.7%		227.552 -0.3%		226.527 0.0%	228.676 1.4%	228.858 2.6%	228.495 0.2%
2020		226.51 -0.3%		222.909 -2.5%		225.245 -3.8%		226.984 -1.5%		228.343 0.3%		227.259 0.3%	226.153 -1.1%	225.049 -1.7%	227.258 -0.5%
2021		229.478 1.3%		233.519 4.8%		239.296 6.2%		239.899 5.7%		242.708 6.3%		243.568 7.2%	237.188 4.9%	232.679 3.4%	241.698 6.4%
2022		246.369 7.4%		251.041 7.5%		268.916 12.4%		258.149 7.6%		261.093 7.6%		256.634 5.4%	256.423 8.1%	252.271 8.4%	260.576 7.8%
2023		256.856 4.3%		258.866 3.1%		259.93 -3.3%		263.407 2.0%		263.984 1.1%		261.178 1.8%	260.372 1.5%	257.938 2.2%	262.806 0.9%
2024		261.34 1.7%		267.046 3.2%		267.559 2.9%		267.313 1.5%		269.404 2.1%		267.312 2.3%	266.208 2.2%	264.376 2.5%	268.039 2.0%
2025		269.022 2.9%		271.358 1.6%		271.728 1.6%		273.815 2.4%				272.355 1.9%	271.826 2.1%	270.441 2.3%	273.487 2.0%

Note: BLS did not publish October 2025 CPI data due to the 2025 lapse in appropriations.

U.S. City Average

(Index value and 12-month percent change)

YEAR	JAN.	FEB.	MAR.	APR.	MAY	JUN.	JUL.	AUG.	SEP.	OCT.	NOV.	DEC.	ANNUAL	HALF 1	HALF 2
2019	251.712 1.6%	252.776 1.5%	254.202 1.9%	255.548 2.0%	256.092 1.8%	256.143 1.6%	256.571 1.8%	256.558 1.7%	256.759 1.7%	257.346 1.8%	257.208 2.1%	256.974 2.3%	255.657 1.8%	254.412 1.7%	256.903 1.9%
2020	257.971 2.5%	258.678 2.3%	258.115 1.5%	256.389 0.3%	256.394 0.1%	257.797 0.6%	259.101 1.0%	259.918 1.3%	260.28 1.4%	260.388 1.2%	260.229 1.2%	260.474 1.4%	258.811 1.2%	257.557 1.2%	260.065 1.2%
2021	261.582 1.4%	263.014 1.7%	264.877 2.6%	267.054 4.2%	269.195 5.0%	271.696 5.4%	273.003 5.4%	273.567 5.3%	274.31 5.4%	276.589 6.2%	277.948 6.8%	278.802 7.0%	270.97 4.7%	266.236 3.4%	275.703 6.0%
2022	281.148 7.5%	283.716 7.9%	287.504 8.5%	289.109 8.3%	292.296 8.6%	296.311 9.1%	296.276 8.5%	296.171 8.3%	296.808 8.2%	298.012 7.7%	297.711 7.1%	296.797 6.5%	292.655 8.0%	288.347 8.3%	296.963 7.7%

2023	299.17 6.4%	300.84 6.0%	301.836 5.0%	303.363 4.9%	304.127 4.0%	305.109 3.0%	305.691 3.2%	307.026 3.7%	307.789 3.7%	307.671 3.2%	307.051 3.1%	306.746 3.4%	304.702 4.1%	302.408 4.9%	306.996 3.4%
2024	308.417 3.1%	310.326 3.2%	312.332 3.5%	313.548 3.4%	314.069 3.3%	314.175 3.0%	314.540 2.9%	314.796 2.5%	315.301 2.4%	315.664 2.6%	315.493 2.7%	315.605 2.9%	313.689 2.9%	312.145 3.2%	315.233 2.7%
2025	317.671 3.0%	319.082 2.8%	319.799 2.4%	320.795 2.3%	321.465 2.4%	322.561 2.7%	323.048 2.7%	323.976 2.9%	324.8 3.0%		324.122 2.7%	324.054 2.7%	321.943 2.6%	320.229 2.6%	324 2.8%



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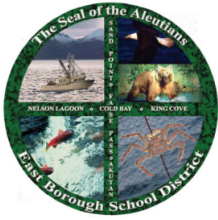
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Department of Labor and Workforce Development

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 Juneau, AK 99811
 Phone: (907) 465-4500
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Attachment B



Aleutians East Borough School District

PO Box 429 • SAND POINT, AK 99661
PHONE 907.383.5222 • FAX 907.383.3496

SERVING THE CHILDREN IN THE ALASKAN COMMUNITIES OF:
AKUTAN, COLD BAY, FALSE PASS, KING COVE, AND SAND POINT
www.aebbsd.org

1/26/2026

Dear Mayor Osterback and Members of the Borough Assembly,

On behalf of the Aleutians East Borough School Board, I am writing to formally request that the Aleutians East Borough fund the Aleutians East Borough School District (AEBSD) at the maximum allowable local contribution for Fiscal Year 2027, as established by the Alaska Department of Education and Early Development (DEED).

For FY27, DEED has set the minimum required local contribution at \$686,446, with a maximum allowable contribution of \$1,873,464. Last year, the Borough's generous contribution of \$1.3 million—a significant increase over prior years—allowed the district to balance our budget, maintain adequate staffing, and continue student activities and extracurricular programming. That commitment made a meaningful difference for students and families across the Aleutians East Borough.

Despite this support, AEBSD now faces a **projected deficit of \$598,573 in FY27** if we are to maintain current staffing levels and program offerings. This shortfall is the result of several converging factors beyond the district's control, including reduced Impact Aid revenue, declining enrollment affecting state formula funding, and rising fixed costs such as energy, fuel, transportation, and insurance.

The district has already taken substantial steps to address these challenges. Over the past two years, we have reduced both site-based and district office staffing significantly. Additional staffing cuts are being considered; however, further reductions at this point would begin to negatively impact student programs and services. We are also actively appealing the Impact Aid determination that resulted in a \$214,000 revenue reduction, conducting line-by-line and department-by-department budget reviews, and pursuing alternative insurance options to reduce costs. These include exploring opt-out or buy-out structures and a high-deductible plan paired with a Health Savings Account—options that could both lower district expenditures and provide direct financial benefits to staff.

We recognize that this request comes at a time when the Borough—and the region as a whole—are facing significant fiscal and economic challenges. This request is not made lightly. It is made with a clear understanding of the pressures facing local governments and with deep appreciation for the difficult decisions Borough leadership must weigh. At the same time, it is grounded in a shared belief that there is no better investment in the future of our communities than in the education of our children.

While we hope the Impact Aid reduction proves to be a one-year issue, we know that fixed costs will continue to rise. Long-term sustainability will require both continued cost containment and new revenue strategies, including cost-sharing partnerships with other local entities where appropriate. In the short term, however, the Borough's contribution at the maximum allowable level would play a critical role in closing the immediate budget gap while the district continues these longer-term efforts.

We also want to sincerely thank the Borough for the significant investments made over the past two years to improve school facilities and address long-standing deferred maintenance. These efforts, combined with your ongoing operational support, demonstrate a strong commitment to students, families, and the long-term vitality of our communities.

Thank you for your continued partnership and leadership. We appreciate your thoughtful consideration of this request and welcome the opportunity to discuss it further.

Respectfully,

A handwritten signature in black ink, appearing to read "M. Franklin". The signature is fluid and cursive, with a long horizontal stroke at the end.

Mike Franklin
Superintendent
Aleutians East Borough School District

Attachment C

Exhibit A

FY 27 Permanent Fund Earning Appropriations

Project	Amount
Borough FY27 Budget Deficit	\$1,874,071.00
TOTAL	\$1,874,071.00

*This value is 4% of the permanent fund distribution amount and is based off APCM's reading of the Borough ordinance.

Proposed FY27 Aleutians East Borough Budget

Increases to the budget are shown in green.

Decreases to the budget are shown in red.

REVENUES		FY 26 Budget	Proposed Changes	FY 27 Budget	
Local	Interest Income	\$ 500,000.00	\$ -	\$ 500,000.00	
	AEB Raw Fish Tax	\$ 1,600,000.00	\$ 100,000.00	\$ 1,700,000.00	
	AEBSD Refund	\$ -	\$ -	\$ -	
	Other Revenue	\$ 68,110.00	\$ (10,960.00)	\$ 57,150.00	
State	Shared Fishery Tax	\$ 1,450,000.00	\$ (150,000.00)	\$ 1,300,000.00	
	Shared Fishery Tax FMA 2	\$ 70,000.00	\$ -	\$ 70,000.00	
	Shared Fishery Tax FMA 3	\$ 1,000.00	\$ -	\$ 1,000.00	
	Community Assistance	\$ 314,445.00	\$ (14,445.00)	\$ 300,000.00	
Federal	Payment in Lieu of Taxes	\$ 615,000.00	\$ 85,000.00	\$ 700,000.00	
	USFWS Lands	\$ 15,000.00	\$ -	\$ 15,000.00	
Tota Revenues		<u>\$ 4,633,555.00</u>	<u>\$ 9,595.00</u>	<u>\$ 4,643,150.00</u>	TRUE
OPERATING FUND EXPENDITURES		FY 26 Budget	Proposed Changes	FY 27 Budget	
Departments	Mayor	\$ 304,203.00	(\$458.00)	\$ 303,745.00	TRUE
	Assembly	\$ 297,810.00	(\$12,008.00)	\$ 285,802.00	TRUE
	Administration	\$ 443,208.00	\$ (34,581.00)	\$ 408,627.00	TRUE
	Clerk/Planning	\$ 170,015.00	\$ (21,083.00)	\$ 148,932.00	TRUE
	Finance	\$ 422,559.00	\$ (1,233.00)	\$ 421,326.00	TRUE
	Natural Resources	\$ 414,386.00	\$ 28,928.00	\$ 443,314.00	TRUE
	Public Works	\$ 100,000.00	\$ 150,653.00	\$ 250,653.00	TRUE
	KCAP	\$ 111,000.00	\$ -	\$ 111,000.00	TRUE
	Education Support	\$ 1,355,000.00	\$ 100,000.00	\$ 1,455,000.00	TRUE
	Departments Total	\$ 3,618,181.00	\$ 210,218.00	\$ 3,828,399.00	TRUE
OTHER GENERAL FUND EXPENDITURES					
	Equipment	\$ 20,000.00	\$ (2,500.00)	\$ 17,500.00	TRUE

AEB Vehicles	\$ 2,500.00	\$ 2,000.00	\$ 4,500.00	TRUE
Utilities	\$ 26,000.00	\$ -	\$ 26,000.00	TRUE
Fuel	\$ 45,000.00	\$ 15,000.00	\$ 60,000.00	TRUE
Legal	\$ 70,000.00	\$ (2,500.00)	\$ 67,500.00	TRUE
Insurance	\$ 346,493.00	\$ 17,325.00	\$ 363,818.00	TRUE
Bank Fees	\$ 3,000.00	\$ (1,000.00)	\$ 2,000.00	TRUE
Eastern Aleutians Tribes	\$ 150,000.00	\$ -	\$ 150,000.00	TRUE
Miscellaneous Expenses	\$ 18,000.00	\$ 10,000.00	\$ 28,000.00	TRUE
Donations	\$ 20,000.00	\$ -	\$ 20,000.00	TRUE
KSDP	\$ 10,000.00	\$ -	\$ 10,000.00	TRUE
Revenue Sharing	\$ 15,789.00	\$ -	\$ 15,789.00	TRUE
PERS	\$ 50,000.00	\$ 15,600.00	\$ 65,600.00	TRUE
Web Services	\$ 67,439.00	\$ (3,439.00)	\$ 64,000.00	TRUE
Rent	\$ 64,071.00	\$ (13.00)	\$ 64,058.00	TRUE
Advertisement	\$ 6,000.00	\$ (\$500.00)	\$ 5,500.00	TRUE
Management Fees	\$ 23,216.00	\$ 6,310.00	\$ 29,526.00	TRUE
Contract Labor	\$ -	\$ 50,000.00	\$ 50,000.00	TRUE
Total Other General Fund	\$ 937,508.00	\$ 106,283.00	\$ 1,043,791.00	TRUE
TOTAL GENERAL FUND	\$ 4,555,689.00	\$316,501.00	\$ 4,872,190.00	TRUE
Total Bond Construction Fund 24	\$ 6,154.00	\$ (2,486.00)	\$ 3,668.00	TRUE
Total Permanent Fund 40	\$ 77,689.00	\$ 4,976.00	\$ 82,665.00	TRUE
Total Maintenance Reserve Fund 41	\$ 150,000.00	\$ -	\$ 150,000.00	TRUE
TOTAL EXPENDITURES	\$ 4,789,532.00	\$ 318,991.00	\$ 5,108,523.00	TRUE
NET REVENUE OVER EXPENDITURES	\$ (155,977.00)	\$ (309,396.00)	\$ (465,373.00)	TRUE
Transfer (Out)/In Terminal Operations	\$ 42,850.00	\$ (7,971.00)	\$ 34,879.00	TRUE
Transfer (Out)/In Helicopter Operations	\$ (953,703.00)	\$ 612,706.00	\$ (340,997.00)	TRUE
Transfer (Out)/In Bond Fund	\$ (1,719,125.00)	\$ 255,451.00	\$ (1,463,674.00)	TRUE
Transfer Perm Fund	\$ 2,440,394.00	\$ (566,323.00)	\$ 1,874,071.00	
Transfer In From Savings	\$ 345,561.00	\$ 15,533.00	\$ 361,094.00	

TOTAL TRANSFERS

\$ 155,977.00 \$ 309,396.00 \$ 465,373.00

TRUE

AEB Surplus (Deficit)

\$ - \$ - \$ -

Proposed FY27 General Fund (01) Budget

Increases to the budget are shown in **green**.

Decreases to the budget are shown in **red**.

	FY26 Budget	Proposed Changes	FY27 Budget	Comments
Revenues				
Interest Income	\$ 500,000.00	\$ -	\$ 500,000.00	This includes interest earned from the operating trust fund and a portion of the interest earned from the AMLIP portfolios.
Raw Fish Tax	\$ 1,600,000.00	\$ 100,000.00	\$ 1,700,000.00	This is based off the Borough's projections for the FY27 fishing year.
Other Revenue	\$ 68,110.00	\$ (10,960.00)	\$ 57,150.00	This includes revenues for the 4-plex; permitting fees and other leases. The False Pass Tideland Leases have been removed.
Shared Fishery Tax	\$ 1,450,000.00	\$ (150,000.00)	\$ 1,300,000.00	DCCED is not informed of the fish tax distributions until November. With the uncertainties within the fisheries, it is unclear what the State will fund in FY27.
Shared Fishery Tax FMA2	\$ 70,000.00	\$ -	\$ 70,000.00	This is the shared fishery tax for the Aleutians Islands Area for the Borough.
Shared Fishery Tax FMA3	\$ 1,000.00	\$ -	\$ 1,000.00	This is the shared fishery tax for the Alaska Peninsula Area.
Community Assistance	\$ 314,445.00	\$ (14,445.00)	\$ 300,000.00	
Payment In Lieu of Taxes	\$ 615,000.00	\$ 85,000.00	\$ 700,000.00	The Borough will not receive the FY26 amount until June 2026 and the FY27 amount until June 2027.
USFWS	\$ 15,000.00	\$ -	\$ 15,000.00	These funds are from the Refuge Revenue Sharing Act (RRSA), which provide for annual payments to local governments for lands under the administration of the US Fish & Wildlife Service. These payments are funded from revenues generated from these lands and a congressional appropriation. Amounts are typically announced in March/April for the preceding fiscal year.
Total	\$ 4,633,555.00	\$ 9,595.00	\$ 4,643,150.00	
Expenditures				
Mayor's Office				
Salary	\$ 95,553.00	\$ 2,007.00	\$ 97,560.00	Includes a 2.1% COLA increase.
Fringe	\$ 3,000.00	\$ (1,500.00)	\$ 1,500.00	Includes Medicare, Social Security & FICA.
Health Insurance	\$ 27,580.00	\$ (\$1,465.00)	\$ 26,115.00	

Retirement Benefits	\$	20,570.00	\$	900.00	\$	21,470.00	
Travel	\$	33,000.00	\$	-	\$	33,000.00	
Communications	\$	300.00	\$	700.00	\$	1,000.00	Changed the title from Phone to Communications.
Supplies	\$	600.00	\$	(100.00)	\$	500.00	
Dues & Fees	\$	3,000.00	\$	(1,000.00)	\$	2,000.00	Registration fees for AML, SWAMC & the Harbormaster Conference.
Lobbying, Federal	\$	75,600.00	\$	-	\$	75,600.00	
Lobbying, State	\$	45,000.00	\$	-	\$	45,000.00	
Total Mayor's Office	\$	304,203.00	\$	(458.00)	\$	303,745.00	TRUE

Assembly

Salary	\$	43,200.00	\$	-	\$	43,200.00	16 meetings for 7 Assembly Members, 2 Advisory @ \$300 per meeting
Fringe	\$	3,000.00	\$	(500.00)	\$	2,500.00	
Health Insurance	\$	193,060.00	\$	(10,258.00)	\$	182,802.00	
Retirement Benefits	\$	5,000.00	\$	(1,250.00)	\$	3,750.00	A few Assembly Members participate in PERS.
Travel & Per Diem	\$	50,000.00			\$	50,000.00	This reflects the cost for the Assembly to travel to Anchorage for certain meetings and for 2-3 Assembly Members to attend AML and SWAMC.
Dues & Fees	\$	2,800.00	\$	-	\$	2,800.00	Includes fees for 2-3 Assembly Members to attend AML and SWAMC
Supplies	\$	750.00	\$	-	\$	750.00	
Total Assembly	\$	297,810.00	\$	(12,008.00)	\$	285,802.00	TRUE

Administration

Salary	\$	255,864.00	\$	(8,931.00)	\$	246,933.00	Includes a 2.1% COLA increase and leave cash out funds.
Overtime	\$	2,500.00	\$	(2,500.00)	\$	-	Employees in this department are both salaried positions. This is no longer needed.
Fringe	\$	7,500.00	\$	-	\$	7,500.00	
Health Insurance	\$	55,160.00	\$	(\$2,930.00)	\$	52,230.00	
Retirement Benefits	\$	48,184.00	\$	4,280.00	\$	52,464.00	
Contract	\$	40,000.00	\$	(20,000.00)	\$	20,000.00	This includes contract services with various contractors to assist in Borough projects.
Travel & Per Diem	\$	15,000.00	\$	(1,000.00)	\$	14,000.00	
Communications	\$	5,000.00	\$	(3,000.00)	\$	2,000.00	Changed the title from phone to communications.
Postage	\$	500.00	\$	-	\$	500.00	
Supplies	\$	2,500.00	\$	(500.00)	\$	2,000.00	
Dues & Fees	\$	11,000.00	\$	-	\$	11,000.00	This includes registration fees for AMLA, AMMA, National Association of Counties, Clerk Fees & SWAMC.
Total Administration	\$	443,208.00	\$	(34,581.00)	\$	408,627.00	TRUE

Clerk/Planning

Salary	\$ 78,348.00	\$ 1,646.00	\$ 79,994.00	Includes a 2.1% COLA increase.
Fringe	\$ 3,000.00	\$ (500.00)	\$ 2,500.00	
Health Care	\$ 27,580.00	(\$18,792.00)	\$ 8,788.00	
Retirement Benefits	\$ 17,237.00	\$ 363.00	\$ 17,600.00	
Travel & Per Diem	\$ 9,500.00	\$ (1,000.00)	\$ 8,500.00	
Communications	\$ 12,000.00	\$ -	\$ 12,000.00	Changed the title from phone to communications.
Postage	\$ 800.00	\$ (300.00)	\$ 500.00	
Supplies	\$ 2,000.00	\$ -	\$ 2,000.00	
Dues & Fees	\$ 2,500.00	\$ (1,000.00)	\$ 1,500.00	
Management Fees	\$ 8,550.00	\$ (1,000.00)	\$ 7,550.00	Annual Laserfiche fees.
Elections	\$ 8,500.00	\$ (500.00)	\$ 8,000.00	
Total Clerk/Planning	\$ 170,015.00	\$ (21,083.00)	\$ 148,932.00	TRUE

Finance

Salary	\$ 139,449.00	\$ 5,072.00	\$ 144,521.00	Includes a 2.1% COLA increase.
Over Time	\$ 3,250.00	\$ -	\$ 3,250.00	Includes 80 hours of overtime.
Fringe	\$ 4,000.00	\$ (450.00)	\$ 3,550.00	
Health Care	\$ 55,160.00	\$ (2,930.00)	\$ 52,230.00	
Retirement	\$ 30,700.00	\$ 1,095.00	\$ 31,795.00	
Travel & Per Diem	\$ 12,000.00	\$ -	\$ 12,000.00	
Communications	\$ 7,500.00	\$ (1,020.00)	\$ 6,480.00	Changed the title from phone to communications.
Postage	\$ 500.00	\$ -	\$ 500.00	
Supplies	\$ 4,500.00	\$ -	\$ 4,500.00	
Rental/Lease	\$ 9,000.00	\$ 1,428.00	\$ 10,428.00	Rental rate for the King Cove office space.
Dues & Fees	\$ 1,000.00	\$ -	\$ 1,000.00	
Audit	\$ 100,500.00	\$ 7,000.00	\$ 107,500.00	On April 9, 2026, the Assembly approved Resolution 26-46 authorizing the Mayor to negotiate and execute an auditing services agreement with BDO to provide professional services to the Borough for FY26 in an amount not to exceed \$107,500.
Contract	\$ 45,000.00	\$ (10,000.00)	\$ 35,000.00	Contract services for the contract accountant who assists in the audit prep and complying with internal controls.
Management Fees	\$ 10,000.00	\$ (1,428.00)	\$ 8,572.00	Financial software and copy machine fees.
Total Finance	\$ 422,559.00	\$ (1,233.00)	\$ 421,326.00	TRUE

Natural Resources

Salary	\$ 229,518.00	\$ 2,865.00	\$ 232,383.00	Includes a 2.1% COLA increase.
Fringe	\$ 6,000.00	\$ (415.00)	\$ 5,585.00	
Health Insurance	\$ 55,160.00	\$ (2,930.00)	\$ 52,230.00	
Retirement	\$ 48,458.00	\$ 1,658.00	\$ 50,116.00	
Contract	\$ 20,000.00	\$ 40,000.00	\$ 60,000.00	These funds would be available for fishery related litigation needs.
Travel & Per Diem	\$ 12,500.00	\$ (1,000.00)	\$ 11,500.00	
Communications	\$ 2,000.00	\$ (500.00)	\$ 1,500.00	Changed the title from phone to communications.
Supplies	\$ 1,750.00	\$ (250.00)	\$ 1,500.00	
Dues & Fees	\$ 2,000.00	\$ (500.00)	\$ 1,500.00	This includes registration fees for AML, SWAMC, and fish related subscriptions.
NPFMC	\$ 7,000.00	\$ -	\$ 7,000.00	
BoF Meeting	\$ 30,000.00	\$ (10,000.00)	\$ 20,000.00	
Total Natural Resources	\$ 414,386.00	\$ 28,928.00	\$ 443,314.00	TRUE

Public Works

Salary	\$ 15,000.00	\$ 65,000.00	\$ 80,000.00	
Fringe	\$ 5,000.00	\$ (3,162.00)	\$ 1,838.00	
Health Insurance	\$ -	\$ 26,115.00	\$ 26,115.00	
Retirement	\$ -	\$ 16,500.00	\$ 16,500.00	PERS
Contract Labor	\$ -	\$ 7,200.00	\$ 7,200.00	Cost for the Sand Point Borough Contract Employee.
Supplies	\$ 5,000.00	\$ 2,500.00	\$ 7,500.00	
Engineering	\$ 75,000.00	\$ -	\$ 75,000.00	DOWL fees.
Dues & Fees	\$ -	\$ 750.00	\$ 750.00	
Travel & Per Diem	\$ -	\$ 35,000.00	\$ 35,000.00	Maintenance Director will be required to travel.
Communications	\$ -	\$ 750.00	\$ 750.00	Changed the title from phone to communications.
Total Maintenance Director	\$ 100,000.00	\$ 150,653.00	\$ 250,653.00	TRUE

KCAP

Salary	\$ -	\$ -	\$ -	
Fringe	\$ -	\$ -	\$ -	

Travel & Per Diem	\$	-	\$	-	\$	-	
Supplies	\$	1,000.00	\$	-	\$	1,000.00	
Maintenance	\$	110,000.00	\$	-	\$	110,000.00	This includes \$99,000 for road maintenance and additional maintenance needs.
Contract	\$	-	\$	-	\$	-	
Total KCAP	\$	111,000.00	\$	-	\$	111,000.00	TRUE

Education

Local Contribution		\$1,300,000.00		\$100,000.00		\$ 1,400,000.00	The School District has requested an additional \$325,000 in funding. Administration is recommending an additional \$100,000. The total funding with in-kind services would be \$1,706,705.
Scholarships	\$	35,000.00	\$	-	\$	35,000.00	
Student Travel	\$	20,000.00	\$	-	\$	20,000.00	
Total Education	\$	1,355,000.00	\$	100,000.00	\$	1,455,000.00	TRUE

OTHER GENERAL FUND EXPENDITURES

Equipment	\$	20,000.00	\$	(2,500.00)	\$	17,500.00	This includes computers and other equipment needs.
AEB Vehicles	\$	2,500.00	\$	2,000.00	\$	4,500.00	
Utilities	\$	26,000.00	\$	-	\$	26,000.00	This includes water, sewer and electricity for the SP Office, SP Bus Barn & the SP 4-plex.
Fuel	\$	45,000.00	\$	15,000.00	\$	60,000.00	This includes fuel for the SP Office, SP Bus Barn & the SP 4-plex.
Legal	\$	70,000.00	\$	(2,500.00)	\$	67,500.00	
Insurance	\$	346,493.00	\$	17,325.00	\$	363,818.00	This includes general liability, property, workers comp, non-owned aircraft coverage, broker fees, and other insurance coverage. Assume a 5% increase.
Bank Fees	\$	3,000.00	\$	(1,000.00)	\$	2,000.00	
Eastern Aleutians Tribes	\$	150,000.00	\$	-	\$	150,000.00	The Borough entered into an agreement with EATS to provide \$150,000 to EAT for behavioral health services.
Miscellaneous Expenses	\$	18,000.00	\$	10,000.00	\$	28,000.00	
Donations	\$	20,000.00	\$	-	\$	20,000.00	Donation requests must be completed and submitted by May 1 and November 1 every year.
KSDP	\$	10,000.00	\$	-	\$	10,000.00	The Borough has donated \$10,000 to KSDP for operations on an annual basis.
Revenue Sharing	\$	15,789.00	\$	-	\$	15,789.00	The Borough receives NL's community assistance from the State, which is then transferred to the community.
PERS	\$	50,000.00	\$	15,600.00	\$	65,600.00	This reflects the anticipated additional PERS contribution.
Web Services	\$	67,439.00	\$	(3,439.00)	\$	64,000.00	IT Services with DeepTree and monthly licensing fees.

Rent	\$ 64,071.00	\$ (13.00)	\$ 64,058.00	Anchorage office rental costs for FY 27.
Advertising	\$ 6,000.00	\$ (500.00)	\$ 5,500.00	
Management Fees	\$ 23,216.00	\$ 6,310.00	\$ 29,526.00	These include APCM fees for the Operating Reserve and Appropriation Funds.
Contract Labor	\$ -	\$ 50,000.00	\$ 50,000.00	This is for Public Relation Services.
Total Other General Fund	\$ 937,508.00	\$ 106,283.00	\$ 1,043,791.00	TRUE
TOTAL GENERAL FUND	\$ 4,555,689.00	\$ 316,501.00	\$ 4,872,190.00	TRUE

Proposed FY27 Enterprise Fund (22) Budget

Increases to the budget are shown in green.

Decreases to the budget are shown in red.

TERMINAL OPERATIONS	FY 26 Budget	Proposed Changes	FY 27 Budget	
REVENUES				
Leases	\$ 278,000.00	\$ -	\$ 278,000.00	This includes rent payments from FAA and airline tenants.
Other Income	\$ 25,000.00	\$ -	\$ 25,000.00	The Borough receives reimbursement from FAA for electricity.
Total Revenues	\$ 303,000.00	\$ -	\$ 303,000.00	
EXPENSES				
Salary	\$ 55,000.00	\$ -	\$ 55,000.00	This includes salaries for the contract terminal and custodian.
Fringe	\$ 5,000.00		\$ 5,000.00	
Contract Labor	\$ 6,000.00	\$ -	\$ 6,000.00	Otis Elevator and snowplowing.
Maintenance	\$ 50,000.00	\$ -	\$ 50,000.00	
Phone/Internet	\$ 2,500.00	\$ -	\$ 2,500.00	
Supplies	\$ 6,018.00	\$ -	\$ 6,018.00	
Utilities	\$ 92,652.00	\$ 2,348.00	\$ 95,000.00	
Gas	\$ 400.00	\$ -	\$ 400.00	
Fuel	\$ 34,777.00	\$ 5,223.00	\$ 40,000.00	
State Land Lease	\$ 7,803.00	\$ 400.00	\$ 8,203.00	
Total Expenditures	\$ 260,150.00	\$ 7,971.00	\$ 268,121.00	TRUE
Terminal Profit (loss)			\$ 34,879.00	

Proposed FY27 Enterprise Fund (23) Budget

Increase to the budget are shown in green.
Decreases to the budget are shown in red.

Helicopter Operations	FY 26 Budget	Proposed Changes	FY 27 Budget	
REVENUES				
Hangar	\$ 50,745.00	\$ 945.00	\$ 51,690.00	
Transportation	\$ 139,142.00	\$ 2,658.00	\$ 141,800.00	
Fuel	\$ 200,000.00	\$ -	\$ 200,000.00	
State Funding	\$ -	\$ 512,985.00	\$ 512,985.00	Maritime's annual fee the Borough is responsible for is \$1,025,972 (\$85,497.66) divided by 2 totaling \$42,748.83 times 12 months totaling \$512,985.96.
Total Revenues	\$ 389,887.00	\$ 516,588.00	\$ 906,475.00	
EXPENSES				
Salary	\$ 45,000.00	\$ (45,000.00)	\$ -	
Fringe	\$ 4,000.00	\$ (4,000.00)	\$ -	
Helicopter Contract	\$ 1,173,146.00	\$ (147,174.00)	\$ 1,025,972.00	Maritime's annual fee is \$1,025,972.
City Contract	\$ -	\$ 70,000.00	\$ 70,000.00	
Telephone	\$ 444.00	\$ (444.00)	\$ -	
Supplies	\$ 30,000.00	\$ -	\$ 30,000.00	
Utilities	\$ 7,000.00	\$ (3,500.00)	\$ 3,500.00	
Gas	\$ 9,000.00	\$ 9,000.00	\$ 18,000.00	
Fuel	\$ 75,000.00	\$ 25,000.00	\$ 100,000.00	
Total Expenditures	\$ 1,343,590.00	\$ (96,118.00)	\$ 1,247,472.00	
Helicopter Profit (loss)			\$	(340,997.00)

Proposed FY27 Bond Construction (24) Budget

Increases to the budget are shown in green.

Decreases to the budget are shown in red.

REVENUES	FY 26 Budget	Proposed Changes	FY 27 Budget	
Interest Income	\$ -	\$ -	\$ -	
Other Revenue	\$ -	\$ -	\$ -	
State Revenue Other	\$ -	\$ -	\$ -	
Total Revenues	\$ -	\$ -	\$ -	TRUE

EXPENDITURES	FY 26 Budget	Proposed Changes	FY 27 Budget	
Management Fee	\$ 6,154.00	\$ (2,486.00)	\$ 3,668.00	Reflects the APCM Service fees that are charged to manage the AEB Series B Bond Account.
Total Expenditures	\$ 6,154.00	\$ (2,486.00)	\$ 3,668.00	TRUE

Proposed FY27 Bond Fund (30) Budget

Increases to the budget are shown in **green**.

Decreases to the budget are shown in **red**.

REVENUES	FY 26 Budget	Proposed Changes	FY 27 Budget	
Harbor Bond Debt Reimbursement	\$ 323,033.00	\$ (12,259.00)	\$ 310,774.00	This is funded at 100% in the Governor's FY27 budget (\$218,946 for FP and \$91,828 for Akutan). The 2006 bond associated with the Akutan Harbor is paid off; therefore, FY27 will be the last payment received from the State for this harbor.
School Bond Debt Reimbursement	\$ 539,000.00	\$ 188,404.00	\$ 727,404.00	This is funded at 100%.
Total Revenues	\$ 862,033.00	\$ 176,145.00	\$ 1,038,178.00	TRUE
EXPENDITURES	FY 26 Budget	Proposed Changes	FY 27 Budget	
Bond Interest	\$ 381,158.00	\$ (99,306.00)	\$ 281,852.00	FY27 bond interest payment.
Bond Principal	\$ 2,200,000.00	\$ 20,000.00	\$ 2,220,000.00	FY27 bond principal payment.
Total Expenditures	\$ 2,581,158.00	\$ (79,306.00)	\$ 2,501,852.00	TRUE
Bond Fund Profit (loss)			\$ (1,463,674.00)	

Proposed FY27 Perm Fund (40) Budget

Increase to the budget are shown in green.

Decreases to the budget are shown in red.

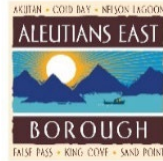
REVENUES	FY 26 Budget	Proposed Changes	FY 27 Budget	
Interest Income	\$ -	\$ -	\$ -	
Other Revenue	\$ -	\$ -	\$ -	
State Revenue Other				
Total Revenues	\$ -	\$ -	\$ -	TRUE
EXPENDITURES	FY 26 Budget	Proposed Changes	FY 27 Budget	
Management Fee	\$ 77,689.00	\$ 4,976.00	\$ 82,665.00	Reflects the APCM service fees that are charged to manage the Borough's Permanent Fund.
Total Expenditures	\$ 77,689.00	\$ 4,976.00	\$ 82,665.00	TRUE

Proposed FY27 Maintenance Reserve Fund (41) Budget

Increases to the budget are shown in green.

Decreases to the budget are shown in red.

REVENUES	FY 26 Budget	Proposed Changes	FY 27 Budget	
Interest Income	\$ -	\$ -	\$ -	
Other Revenue	\$ -	\$ -	\$ -	
Total Revenues	\$ -	\$ -	\$ -	TRUE
EXPENDITURES	FY 26 Budget	Proposed Changes	FY 27 Budget	
Maintenance	\$ 150,000.00	\$ -	\$ 150,000.00	
Total Expenditures	\$ 150,000.00	\$ -	\$ 150,000.00	TRUE



ORDINANCE 26-02

AN ORDINANCE ADOPTING THE OPERATING AND CAPITAL BUDGET FOR THE ALEUTIANS EAST BOROUGH FISCAL YEAR 2027.

Section 1. Classification This is a non-code ordinance
 Section 2. Effective Date This ordinance becomes effective upon Adoption.
 Section 3. Severability The terms, provisions, and sections of this Ordinance are severable.
 Section 4. Content The operating and capital budget for the Aleutians East Borough for Fiscal Year 2027 is adopted as follows:

REVENUES		FY 27 Budget
Local	Interest Income	\$ 500,000.00
	AEB Raw Fish Tax	\$ 1,700,000.00
	AEBSD Refund	
	Other Revenue	\$ 57,150.00
State	Shared Fishery Tax	\$ 1,300,000.00
	Shared Fishery Tax FMA 2	\$ 70,000.00
	Shared Fishery Tax FMA 3	\$ 1,000.00
	Community Assistance	\$ 300,000.00
Federal	Payment in Lieu of Taxes	\$ 700,000.00
	USFWS Lands	\$ 15,000.00
TOTAL REVENUES		\$ 4,643,150.00

OPERATING FUND EXPENDITURES		FY 27 Budget
Departments	Mayor	\$ 303,745.00
	Assembly	\$ 285,802.00
	Administration	\$ 408,627.00
	Clerk/Planning	\$ 148,932.00
	Finance	\$ 421,326.00
	Natural Resources	\$ 443,314.00
	Public Works	\$ 250,653.00
	KCAP	\$ 111,000.00
	Education Support	\$ 1,455,000.00
	OTHER GENERAL FUND EXPENDITURES	
	Equipment	\$ 17,500.00
	AEB Vehicles	\$ 4,500.00

Fund 30 Bond Expenditures	\$	(2,501,852.00)
Bond Fund (Out)/In Transfer from General Fund	\$	1,463,674.00
Net Income	\$	0.00

Passed and adopted by the Aleutians East Borough Assembly this _____ day of _____, 2026.

Date Introduced: _____

Date Adopted: _____

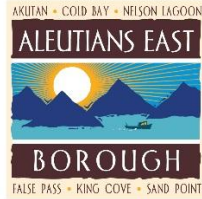
Mayor

ATTEST:

Clerk

ORDINANCES

RESOLUTIONS



AGENDA STATEMENT

To: Mayor Osterback and Assembly

From: Anne Bailey, Borough Administrator

Date: May 19, 2026

Re: **Resolution 26-56, authorizing the Mayor to appropriate the FY27 Permanent Fund Earnings to cover a portion of the FY27 budget deficit**

The Borough is authorized to appropriate funds from the Permanent Fund Account to the General Fund. The Assembly in its discretion and consistent with Chapter 6.04.041, may in any fiscal year, appropriate an amount not to exceed four percent (4%) of the five-year average fund market value, to be computed using the five (5) prior calendar years market value. This was done to attempt to smooth the effects of market volatility and preserve the purchasing power of the fund.

Contingent upon the approval of Ordinance 26-02, which adopts the operating and capital budget for the Aleutians East Borough (“Borough”) Fiscal Year 2027, \$1,874,071 in Permanent Fund Earnings will be approved for FY27. The Borough is facing a large deficit in FY27.

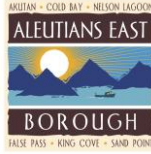
Borough Administration recommends the Permanent Fund Earnings appropriations to:

1. Cover a portion of the FY27 Borough projected budget deficit

The recommended appropriations of the Permanent Fund Earnings are as shown below:

Aleutians East Borough **\$1,874,071**
FY27 Budget Deficit

Propose appropriating \$1,874,071 to cover a portion of the Borough’s FY27 projected deficit. These funds would be appropriated from the FY27 Permanent Fund Earnings.



RESOLUTION 26-56

A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY AUTHORIZING THE MAYOR TO APPROPRIATE THE FY 2027 PERMANENT FUND EARNINGS TO COVER A PORTION OF THE FY 2027 BUDGET DEFICIT

WHEREAS, the Borough Assembly in its discretion and consistent with Chapter 6.04.041, may in any fiscal year, appropriate an amount not to exceed four percent (4%) of the five-year average fund market value, to be computed using the five (5) prior calendar years market value; and

WHEREAS, the Permanent Fund Earnings can be appropriated to projects within the Borough; and

WHEREAS, Alaska Permanent Capital Management has determined that the Permanent Fund Earnings distribution for FY 2027 is \$1,874,071; and

WHEREAS, the Borough approved Ordinance 26-02, which adopts the operating and capital budget for the Aleutians East Borough (“Borough”) Fiscal Year 2027 and approves the FY 2027 Permanent Fund Earnings distribution in the amount of \$1,874,071; and

WHEREAS, Borough Administration recommends that the Permanent Fund Earnings be to cover a portion of Borough’s FY27 projected deficit.

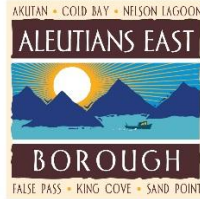
NOW THEREFORE, BE IT RESOLVED, the Aleutians East Borough Assembly authorizes the Mayor to appropriate the FY 2027 Permanent Fund Earnings in the amount of \$1,874,071 as outlined in Exhibit A.

PASSED AND ADOPTED by the Aleutians East Borough on this 28th day of May, 2026.

Alvin D. Osterback, Mayor

ATTEST:

Beverly Rosete, Clerk



MEMORANDUM

To: Mayor Osterback and Assembly

From: Anne Bailey, Aleutians East Borough Administrator

Date: May 22, 2026

Re: Resolution 26-57 Authorizing the Appropriation of \$100,000 in the Deferred Maintenance Line Item (21-502-8025) for the Sand Point School Project

The Aleutians East Borough is the recipient of a State of Alaska Department of Education & Early Development Grant to conduct major maintenance at the Sand Point School. The project includes but is not limited to:

- Improve HVAC: replace ventilation equipment, provide exhaust ventilation system, replace kitchen ventilation equipment.
- Improve security: replace door hardware to provide access control and lockdown function.
- Replace fire alarm.
- Replace intercom system.
- Renovate pool facility addition: upgrade restrooms and lockers; replace metal roof and repair structure as required; reconstruct or repair exterior walls replace supply ventilation, ductwork, and controls; and improve drainage. Foundation work may occur if supported within the budget and after value analysis.

The Borough has also approved additional work throughout the life of the project.

The Borough has the following funds available for this project:

Funding Source	Amount
State of Alaska DEED Grant	\$4,427,407.00
Permanent Fund Earnings	\$2,668,890.81
AMLIP .12 Funds	\$2,708,471.18
Deferred Maintenance	\$150,000.00
Total	\$9,954,768.99

The Borough has entered into contracts or would like to enter into a change order for the following:

Company	Amount
UIC Construction (Construction)	\$8,701,558.00
UIC Construction (Pre-Construction)	\$115,355.00
DOWL	\$1,041,567.00
EHS (Hazmat/Design)	\$40,338.00
Total	\$9,898,848.00

Based on the information above, the Borough has \$55,920.,99 available for additional work.

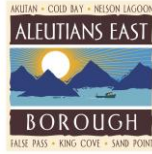
Additional items may still be needed to complete the SP DEED project and it is anticipated that the \$55,920.99 is not enough. Therefore, the Borough will need an additional \$100,000 allocated for this project.

The Borough has funds available in the Deferred Maintenance Line Item (21-502-8025). Any unused funds will remain in the Deferred Maintenance Line Item and can be used for other purposes.

The house and senate version of the State budget currently includes payment for two DEED Major Maintenance Projects that would be paid back to the Borough for this project (~\$600,000). This would help offset a portion of this project but is dependent on the governor's final budget.

RECOMMENDATION

Administration recommends approval of Resolution 26-57 authorizing the appropriation of \$100,000 in the Deferred Maintenance Line Item (21-502-8025) for the Sand Point School Project.



Resolution 26-57

A RESOLUTION AUTHORIZING THE APPROPRIATION OF \$100,000 IN THE DEFERRED MAINTENANCE LINE ITEM (21-502-8025) TO THE SAND POINT SCHOOL PROJECT

WHEREAS, the Aleutians East Borough is the recipient of a State of Alaska Department of Education & Early Development Grant to conduct major maintenance at the Sand Point School; and

WHEREAS, the Borough has \$9,954,768.99 available for this project and has entered into contracts in the amount of \$9,898,848 leaving \$55,920.99 for additional work; and

WHEREAS, additional items may still be needed to complete the SP DEED Project and it is anticipated that the \$55,920.99 is not enough to address these needs; and

WHEREAS, an additional \$100,000 is needed and funds are available in the Deferred Maintenance Line Item (21-502-8025) for this project.

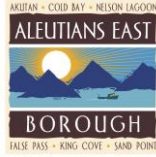
NOW THEREFORE BE IT RESOLVED, the Aleutians East Borough Assembly authorizes the appropriation of \$100,000 in the Deferred Maintenance Line Item to the Sand Point School Project.

PASSED AND APPROVED by the Aleutians East Borough on this day 28th day of May 2026.

Alvin D. Osterback, Mayor

ATTEST:

Beverly Rosete, Borough Clerk



Agenda Statement

Date: May 22, 2026
To: Mayor Osterback and Assembly
From: Anne Bailey, Borough Administrator

Re: Resolution 25-58 Authorizing the Mayor to Negotiate and Execute a Contract with UIC Construction, LLC to Provide Construction Services for the Sand Point School Major Maintenance Project in an amount not to exceed \$8,950,000

The School District received a grant from the State of Alaska, Department of Education & Early Development to conduct major maintenance at the Sand Point School. The project provides renovations at the Sand Point K-12 School and pool shell (not the actual swimming pool).

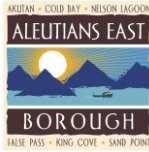
The Borough selected UIC Construction through a Construction Manager-General Contractor through a Construction Manager-General Contractor Qualifications Based Selection (CM-GC QBS) delivery method for pre-construction services (Phase 1) with the understanding they would also provide construction services (Phase 2). The Borough has entered into contracts with UIC as outlined below:

Company	Amount
UIC Construction (Construction)	\$8,701,558.00
UIC Construction (Pre-Construction)	\$115,355.00
Total	\$8,816,913.00

The Borough currently has authority to enter into contract with UIC in an amount not to exceed \$8,800,123. Additional items need to be addressed at the school and additional spending authority is needed. Therefore, the Borough is requesting authority to increase the contract authority to an amount not to exceed \$8,950,000.

RECOMMENDATION

Administration recommends approval of Resolution 25-58 Authorizing the Mayor to Negotiate and Execute a Contract with UIC Construction, LLC to Provide Construction Services for the Sand Point School Major Maintenance Project in an amount not to exceed \$8,950,000.



Resolution 25-58

A RESOLUTION AUTHORIZING THE MAYOR TO NEGOTIATE AND EXECUTE A CONTRACT WITH UIC CONSTRUCTION, LLC TO PROVIDE CONSTRUCTION SERVICES FOR THE SAND POINT SCHOOL MAJOR MAINTENANCE PROJECT IN AN AMOUNT NOT TO EXCEED \$8,950,000

WHEREAS, the Aleutians East Borough received a grant from the State of Alaska, Department of Education & Early Development to conduct major maintenance at the Sand Point School, which will provide renovations at the Sand Point K-12 School and pool shell (not the actual swimming pool); and

WHEREAS, the Borough Selected UIC Construction, LLC provided pre-construction services and construction services for the Sand Point School Major Maintenance Project and has entered into contract with UIC in the amount of \$8,816,913; and

WHEREAS, the Borough currently has authority to enter into contract with UIC in an amount not to exceed \$8,800,123; and

WHEREAS, additional items need to be addressed at the school and additional spending authority is needed; and

WHEREAS, the Borough Administration is requesting authority to increase the contract authority to an amount not to exceed \$8,950,000.

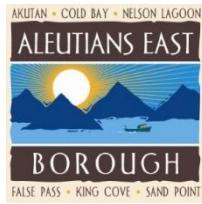
NOW THEREFORE, BE IT RESOLVED, the Aleutians East Borough Assembly authorizes the Borough Mayor to negotiate and execute a contract with UIC Construction, LLC to Provide Construction Services for the Sand Point Major Maintenance Project in an Amount Not to Exceed \$8,950,000.

PASSED AND APPROVED by the Aleutians East Borough on this day 28th day of May, 2026.

Alvin D. Osterback, Mayor

ATTEST:

Beverly Rosete, Borough Clerk



RESOLUTION 25-59

A RESOLUTION OF THE ALEUTIANS EAST BOROUGH SUPPORTING THE NOMINATION OF FORREST BOWERS TO THE NORTH PACIFIC FISHERY MANAGEMENT COUNCIL.

WHEREAS, Forrest Bowers is one of three names submitted by Governor of Alaska Mike Dunleavy in nomination to the North Pacific Fishery Management Council, and

WHEREAS, this is the second year in a row Mr. Forrest Bowers has been a named nominee to the Council, and

WHEREAS, Mr. Bowers' extensive experience and dedication to sustainable fisheries have been instrumental in maintaining Alaska's reputation for responsible and effective fisheries management, and

WHEREAS, Mr. Bowers has a Bachelor of Science in Fisheries Science from the University of Alaska Fairbanks and has 28 years of experience in Alaska fishery management and research, and

WHEREAS, Forrest Bowers currently serves as Acting Director of the Alaska Department of Fish and Game Division of Commercial Fisheries, is on the North Pacific Research Board, and has served on the Council's Crab Plan Team, and

WHEREAS, Forrest Bowers is a highly qualified nominee and has the full support of fishermen and communities of the Aleutians East Borough to serve on the North Pacific Fishery Management Council.

NOW THEREFORE BE IT RESOLVED, the Aleutians East Borough Assembly supports the nomination of Forrest Bowers to the North Pacific Fishery Management Council as the most qualified candidate, and

BE IT FURTHER RESOLVED, the Aleutians East Borough Assembly urges Secretary of Commerce Howard Lutnick to appoint Forrest Bowers to the North Pacific Fishery Management Council for the benefit of Alaska's fisheries and all Alaskans.

PASSED AND APPROVED by the Aleutians East Borough Assembly on this 28th day of May 2026.

Alvin D. Osterback, Mayor

ATTEST: _____
Beverly Rosete, Clerk

OLD BUSINESS

NEW BUSINESS

REPORTS AND UPDATES

ASSEMBLY / MAYOR COMMENTS

PUBLIC COMMENTS

**NEXT MEETING DATE, TIME
AND PLACE**

ADJOURNMENT