

Aleutians East Borough Minutes  
August 31, 2011  
3:00 P.M.

CALL TO ORDER

Mayor Mack called the August 31, 2011 Assembly meeting to order at 3:00 p.m. by teleconference in each community.

ROLL CALL

Mayor Stanley Mack	Present
Paul Gronholdt	Present
Carol Foster	Present
Marvin Mack	Present
Bill Cumberlidge	Present
Paul Schaack	Present
Joe Bereskin, Sr.	Absent-excused
Justine Gundersen	Present

Advisory Members:

Tom Hoblet	Absent-excused
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A quorum was present.

Others Present:

Sharon Boyette, Administrator  
Roxann Newman, Finance Director  
Tina Anderson, Clerk  
Ernie Weiss, Community Development Coordinator  
Laura Tanis, Communications Manager

Adoption of Agenda:

MOTION

Marvin moved to adopt and second by Justine.

Community Roll Call and Public Comment on Agenda Items:

Connected are Nelson Lagoon, Sand Point, and King Cove. No public comments on agenda items.

Minutes, June 6, 2011:

MOTION

Paul G. moved to approve the June 6, 2011 Minutes with the staff title corrections below and second by Marvin. Hearing no more the minutes are approved as corrected.

*Ernie Weiss, Community Development Coordinator*  
*Laura Tanis, Communications Manager.*

Minutes, June 30, 2011:

MOTION

Paul G. moved to approve the June 30, 2011 Minutes and second by Marvin. Hearing none the minutes are approved as presented.

Financial Reports, May, June, July, 2011:

**MOTION**

Justine moved to approve the May, June, July Financial Reports and second by Carol.

**DISCUSSION**

The Administrator reviewed the June Financial Report saying revenues exceeded our budgeted revenue amounts mostly in Raw Fish Tax.

Money not expended is oil & gas line item for developing AEB planning & zoning permit process -- still waiting for CIAP funding to be released. Administrative Departments and Other did not expend full budgeted amount, however, the Clerk, Finance Director and Maintenance Director purchased new computers and the Finance Dept. also purchased a new server this new fiscal year. So, under spent last fiscal year but will make up for it this fiscal year. Also, underspent Public Information, Advertising so can get more aggressive getting information out to public.

Received a new grant from Trident Seafood for Akutan transportation feasibility study.

Bill said not to say the Communications Manager position is not important but questions whether it needs to be a full time position. The Administrator and Mayor felt the position needs to be full time. The Administrator suggested looking at the Communications Manager's monthly report. She added that hard copies of the e-news will also be mailed to harbors and schools.

In reviewing the July financial report, the Administrator said page 50 is our estimated revenues and the budgeted expenditures that the Assembly approved for the fiscal year. More has been spent under Other Dept. that will be addressed in December. Page 55, grant programs includes community grants approved. The Community Grants approved are below:

- City of False Pass - grant for bulk fuel purchase. False Pass also is not going to pass the fuel surcharge onto residents but will pass savings onto them;
- City of Sand Point- matching funds for old harbor floats design;
- Cold Bay - repair Cold Bay dock;
- Nelson Lagoon- purchase bulk fuel;
- King Cove- Has not decided yet.
- Akutan - unofficially, may use their grant to build a daycare center.

Budgeted for the hovercraft but hopefully won't have to spend too much of it. It is necessary to pay insurance coverage, however, every 90 days we get a rebate on our insurance. Hovercraft budget for the year is \$1.1M. The Administrator said there is a lease option being discussed for the hovercraft, but nothing concrete yet.

**ROLL CALL**

Paul g.-yes, Paul S.-yes, Justine-yes, Bill-yes, Marvin-yes, Carol-yes. Passed.

Investment Report, May, June, July, 2011:

The Administrator said she talked to Alaska Permanent Capital Management which will be available to meet with the Assembly in December to discuss investments.

Consent Agenda

- Resolution 12-01, supporting the City of False Pass Electric Utility submittal of a renewable energy project grant application to Alaska Energy Authority.
- Resolution 12-02, authorizing the participation in the U.S. Dept. of Commerce, Economic Development Administration Program and committing a \$1,000,000 match and in-kind contribution to the Akutan Harbor float construction.
- Resolution 12-03, supporting the Akutan Harbor float construction and installation project.
- Resolution 12-04, appointing election judges for the October 4, 2011 Regular Borough Election.
- Resolution 12-05 appointing the canvass committee for the October 4, 2011 Regular Borough Election.

MOTION

Paul G moved to approve the Consent Agenda and second by Marvin.

ROLL CALL

Marvin-yes, Carol-yes, Bill-yes, Justine-yes, Paul G.-yes, Paul S.-yes. Passed.

Old Business *none*

New Business *none*

REPORTS AND UPDATES

Reports are in packet.

Cold Bay Terminal:

Alaska Dept. of Transportation (ADOT) put the Cold Bay runway rehabilitation out to bid, received bids and QAP is lowest bidder and expect ADOT to issue contract soon. As soon as it is posted, will let them know about available space to lease in the terminal building for the duration of the project.

Fish Tax Report:

The numbers in packet are not always the same as the Finance Director's because some processors pay late. So, keep in mind these are estimates until all fish tax is in.

Akutan/Akun marine Link:

We have a contract with Northern Economics to look at another option to move people and freight to/from Akutan because we believe the hovercraft is not going to be the answer in that area. The good news is from an engineering point of view all of the infrastructure going in for hovercraft presently under construction will work well for a helicopter also. Bad news is you are not going to save a lot of

money between a helicopter operation and a hovercraft operation. Hopefully we won't have to do operation long and will have some sort of marine connection.

Paul G. said he also ran numbers and does not see any savings. He pointed out that when they did the feasibility for the hovercraft, that didn't turn out very accurate. Mayor Mack added the study on hovercraft did say what the hovercraft's capability of doing regarding financial side. The cost of the operation won't be any cost savings to us, but reliability of helicopter will generate more revenue with reliability and availability. The Administrator added that between King Cove and Cold Bay people have other transportation options available, but between Akutan and Akun that will be the only option. Where the hovercraft report failed was in revenue because it included postal funding. Paul G. asked when the decision on link will be made. The Administrator said report will be available October 1, but that is Task 6-7, she has not seen Task 1 completed yet. So, if available by October Assembly meeting, she will include in packet. Paul G. felt he would not be able to make a decision then. The Administrator said according to partnership agreement, it says the AEB will provide the link between two islands. The first airplane might be landing in Akun September 2012. Our agreement says AEB money, Trident money and any money left goes to FAA. The plan is to purchase a helicopter and find a helicopter company to lease and provide the link between Akutan and Akun meeting the AEB needs. She noted that we decided years ago to take on the link and agreement says AEB responsible to provide the link.

**NE Corner Road construction/hovercraft shelter:**

The AIC contractor building the NE Corner road is also responsible to build the new shelter. Dept. of Transportation is responsible for that project. Marvin voiced his concern about the protection of the hovercraft stored unprotected at this time.

**Cold Bay Terminal:**

Paul S. asked about the air handler system going into the Cold Bay terminal. The Administrator will send plans to Paul S. Paul S. asked if FAA will then move into terminal after complete. The Administrator said as soon as air handler is in place and FAA does an inspection they will then move in. She pointed out that they are still paying rent.

**King Cove School:**

Contracted with Ray Wetherholt who is working on a report regarding the King Cove School water intrusion problems. Then will determine whether to fix it, or whether contractor or architect is at fault. Once we receive report we should have a better idea who is responsible to fix the problem.

**Akutan Harbor floats:**

Received proposals from engineering firms for floats design and Shawn McFarland who has worked on our other harbor float projects with URS will get the contract.

**Cold Bay land disposal:** Ernie got appraisals on the available lots in Cold Bay.

**E-news subscribers:** Hope to increase subscribers by mailing *In the Loop* out to box holders. Laura has also included a hyperlink on website to latest *In the Loop* and *Fish News*.

Cold Bay Clinic: Denali Commission will provide help and a huge savings to do planning and design for a new Cold Bay clinic. There are two potential locations, one on terminal lot and other near terminal (DOT lot) for potential access to airport.

Cold Bay Airport Master Plan: Mayor Mack is setting up meeting with Commissioner to see where they are going with the master plan for runway.

#### ASSEMBLY COMMENTS

Carol suggested that each position that becomes available should be posted for equal opportunity to apply.

Justine supports what Carol said. Feels the Resource Director position is an important position and should have gone out to the public to be fair to everyone.

Justine said we have a wonderful teacher in Nelson Lagoon and nine students. Cold Bay and Akutan both have two teachers and an assistant. Nelson Lagoon principal has to do everything including maintenance. When school was out, there was a list of projects that needed to be completed. She does not understand why the teacher is put in that type of position to handle those type of projects. Justine will also bring it to the attention of the school district and feels the AEB needs to know what is going on.

Bill said the city of Sand Point and the small Robert E Galovin Boat Harbor needs matching funds to bring harbor up to higher standards. He has been on some of the floats, which he feels are dangerous. He suggested if committing \$1M to Akutan float system feels Sand Point should receive \$1M also. City of Sand Point Mayor said \$2M would complete the project. The Administrator said the AEB money being used for Akutan harbor project is bond funds. AEB also used bond money for Sand Point boat harbor, which is spent. We have built a new harbor wharf for both Sand Point and Akutan. She said the bonds section of budget shows the already sold bonds. Her opinion is that we are at the maximum amount of bonding that we should be at. Until we pay some projects off, the AEB should not go in further debt.

Marvin asked when the permanent fund amendment ordinance would be introduced. The Administrator said Attorney, Joe Levesque will have it available in next month Assembly packet.

#### PUBLIC COMMENTS

City of Sand Point Mayor, Glen Gardner, reiterated his understanding that once the permanent fund reaches \$20M excess would be given to communities. He feels it is good the Assembly is looking at changing the AEB Code to increase the amount allowed.

PJ Brown, from the public, asked if the AEB has thought about hatcheries and getting our lake fronts and rivers in order again to ensure that they are naturally thriving. Mayor Mack said the Cold Bay hatchery was to enhance the systems in the area but it didn't work. The species we wanted to enhance is Sockeye salmon species, however, very vulnerable species. So they suggested chums and pinks but there are enough of those around. They then wanted to privatize the hatchery but that didn't work either. He also suggested looking for money to clear stream areas of debris. Bill added that ADF&G did a report and sockeye need a lake system and don't thrive easily and are very vulnerable. PJ supported doing stream clearing projects again .

City of King Cove 100 year celebration is Octoberr 28-29. Senator Murkowski is committed to attend and the Governor 75% committed to attend on October 28.

NEXT MEETING

Date to be determined later.

ADJOURNMENT

Bill moved to adjourn and second by Carol. Hearing no objections the meeting adjourned at 4:32 p.m.

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Mayor Date

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Clerk Date