

**LAKE AND PENINSULA BOROUGH
REGULAR ASSEMBLY MEETING
Monday, August 17, 2015 3:00 pm**

Assembly: Mayor Glen Alsworth
Randy Alvarez
Scott Anderson
Myra Olsen
Alvin Pedersen
Michelle Pope-Ravenmoon
Christina Salmon – via teleconference

Staff: Ranya Aboras, Community Development Coordinator
Kate Conley, Clerk
Susan Edwards, Finance Director
Nathan Hill, Borough Manager
Nikki Reed, Assistant Finance Officer

Guests: Ty Mase, Superintendent, Lake and Peninsula School District
Art Woinowsky, Planning Commissioner, Igiugig AK
Dave Bendinger, KDLG Radio, Dillingham AK

A. CALL TO ORDER

The regular meeting of the Lake and Peninsula Borough Assembly was called to order by Mayor Glen R. Alsworth, Sr. on Monday August 17, 2016 at 3:12 pm in the meeting room of the Lake and Peninsula School District, King Salmon, Alaska. The meeting was broadcast via teleconference.

B. ROLL CALL

A quorum was established with Mayor Glen R. Alsworth, Sr. and Assembly members Randy Alvarez, Scott Anderson, Alvin Pedersen, Michelle Pope-Ravenmoon and Myra Olsen present. Christina Salmon attended via teleconference.

C. APPROVAL OF AGENDA

A motion was made by Assembly member Olsen and seconded by Assembly member Anderson to approve the agenda for the August 17, 2015 regular meeting as presented. Motion passed unanimously by voice vote.

D. PRESENTATIONS AND WORKSHOP

1. Update on Financial Options – Nathan Hill, Borough Manager said with the current financial situation, there are some options. He explained that there are 408 guides and 108 lodges in the Borough and with the current system, tax collections will be \$250,000 for the last year. The amount of school funding from the state is unknown at this date, so we don't know how that will affect the Borough's financial obligations, which already include the bond payments and Chignik Dock. If all future spending is cut, the Borough could meet its obligations, assuming fish tax collects \$1.5 million and State funding remains the same.

Susan Edwards, Finance Officer, said that the current and future obligations are known quantities, it is the income that is unknown. The fish tax, as the Borough's primary source of income, has had several years of above average returns, but averages work that the highs need to be balanced out with lows, so it is reasonable to anticipate poorer returns in the near future. Ms. Edwards said the Borough currently spends \$1.5 million on school-related expenses and that equals the historical average fish tax income. She added that, with the current legislature, school funding from the State is unknown and so we cannot know if the School District will require additional financial support from the Borough., The Borough's options are to spend less, increase income,

or a combination of the two. She noted that even if the lodging and guide taxes were increased, this will not be a complete or immediate solution. Assembly member Alvarez said that outgoing expenses need to be cut. Mr. Nathan Hill agreed and said that currently, the Borough is spending past years' savings. He added that the school district also needs to cut expenses if income is not increased.

Mayor Alsworth asked staff to separate ongoing expenses from short term expenses. The school bond is ongoing, but capital projects are easy to cut from the budget if the money to do them is not there. The Mayor asked about the federal payment in lieu of taxes (PILT). Ms. Edwards said it was incorrect in the budget and was actually \$230,000, which is the same as it has been in past years. However, she added, the Pebble Partnership'

S payment in lieu of development fees (PILD) will be \$200,000 less this year. She added that from conversations with Pebble executives, she doubts that there will be any money paid next year. She said of current revenue, property leases of municipal exemption land brings in about \$60,000, lodges will pay bed and guide tax of about \$200,000 and guide tax alone will bring in \$50,000 to \$60,000.

Mr. Hill said the staff has discussed stopping all capital projects that are not already committed. Ranya Aboras said there are many ways to set up projects and grants with other agencies to assure the Borough has no financial obligations.

The Mayor said the Assembly needs harder number. He said it is not time to panic yet, but encouraged staff to work hard on this issue. Mr. Hill said he will produce a timeline with projected numbers. The Mayor asked for historical income and expense as well as projected income and expense. Ms. Edwards said she can produce and provide the information for the next meeting.> She added that one bond will be retiring this year, leaving just the current \$20 million bond issue as the only debt which the Borough pays \$500,000 in principal and interest per year.

Assembly member Olsen asked what the impact will be on the school budget of three schools closing. Will it be a burden or a relief? Ty Mase, School Superintendent, said that so far the district expects to close only one school. Egegik will not make the minimum ten students, but Pilot Point and Chignik Lagoon are currently doing okay. He said that closing Egegik will cost the district money.

Kate Conly, Borough Clerk, said that at the September meeting, the staff is proposing the Assembly move the meeting to September 17th and 18th to meet with the School Board and the Student Government. There was a discussion of o schedules.

The Mayor asked when the fish tax income from the past year would be complete. Ms. Edwards said that a new fiscal year has begun and by December staff will have a good idea of the income for the coming year, adding that the majority of fish tax collections comes in in the last quarter of the year. Ms. Edwards added further, that the initial for the second quarter returns are low. The Mayor noted that the fish were late, so they may reflect on the next year. Ms. Edwards said that she can give a good scenario of costs and obligations and projections for the next three to four years. Assembly member Alvarez said that there should be a good idea of fish prices and income in the next year. The fishermen will get their settlements in early September.

Mayor Alsworth said that better compliance will spread the burden more equitably. He said that those who have not paid in the past will catch up and then be in the system to ensure future compliance.

E. APPROVAL OF MINUTES

Motion was made by Assembly member Alvarez to approve the minutes of May 11, 2015, May 22, 2015, and July 30, 2015 as presented. Motion was seconded by Assembly member Pedersen. The mayor called for any scrivener's errors. Motion passed unanimously by voice vote.

F. MANAGER'S & STAFF REPORTS

1. **Introduction of Guests** – The Mayor invited each person in the room and on the teleconference to introduce themselves.
2. **Manager's Report** – Nathan Hill explained that he will combine his report with Lamar Cotten's report.
 - Docks – The contract for Iliamna dock project was awarded to Iliamna Lake Contractors. It is slated for removal in the fall and construction in the spring. The funds for the Chignik Bay dock will be released in a couple weeks and will be out to bid in late fall and for construction in spring/summer. Best case scenario will allow the dock to be used in the fall of next year. Assembly member Ravenmoon asked if the scope of work this time for the Iliamna dock is much different. MR. Hill said that he contract binds the corporation and it is anticipated the contract will be fulfilled. He added that he does not foresee any complications. The timeline is to be complete by June 15, 2106. A portion of the current dock in Iliamna will be retained to protect the new barge landing from erosion. The facility will be available for commercial and recreational users.
 - Wind studies – The Egegik and Levelock studies are complete and the results show that Levelock does not have a good wind sources and Egegik has a good source, but the demand is inconsistent. At this time, the Borough will not be seeking to advance these projects with AEA.
 - Hydro – Chignik Lagoon's plant is successful and it is estimated to be saving the village \$500 a day in fuel.
 - Mr. Hill reported that he had been contacted by the Lieutenant Governor who was potentially interested in identifying a few people from each region of the state to be part of a working group. Mr. Hill said his impression was that the group would give feedback on how to best address the reduction in future funding from the State.
3. **Consultant's Report**
 - **Cotten** – This was included in Mr. Hill's report
 - **Loeffler** – Bob Loeffler presented tow memos to the Assembly, one about the status of the wind projects in Egegik, Levelock and Kokhanok; the second entitled Pebble News: Not Much Happening.: There was a discussion of the consultant's contracts. Mr. Hill said the plan is to put all consultants on an hourly basis, starting January 1, 2106. Mr. Hickey would be the exception. MS. Edwards said this will give the Borough more control and the consultants more focus. In addition, there will be a cap on the contract.
4. **Community Development Coordinator's Report**

Ms. Ranya Aboras began her report by requesting the Assembly consider approving a letter of support for the Chignik Bay hydroelectric project. LPB will apply on behalf of the City of Chignik Bay. The City, Borough, and ANTHC will work together on the application with ANTHC as project managers. Through this arrangement ANTHC will manage the grant file and will also provide the matching funds for the project. The City of Chignik Bay has requested the Borough and ANTHC's support. The Mayor requested to review a draft of the letter. MS. Aboras suggested a special meeting as the grant will close September 15th. Motion was made by Assembly member Olsen to provide support to the City of Chignik Bay's application to AEA and ANTHC, after the letter is review by

no more than three Assembly members. Motion was seconded by Assembly member Anderson. There was no further discussion. Motion passed unanimously by voice vote.

Ms. Aboras then reported that she had a meeting with program managers at AEA on the topics of Port Heiden's fuel farm relocation, wind study potential for Port Heiden and biomass projects for a few of our communities. The Port Heiden fuel farm obtained a development permit this summer and has been approved for relocation. MS. Aboras is also working on applying for energy projects with our communities. Currently she is working on the Chignik Bay Hydroelectric Project for round nine funding from AEA. The hope is to expand into long-term energy planning for the next 25-50 years. She is compiling information for this now.

The scrap project has become a program. There are only three villages left that are not currently participating, and she hopes to get them on board soon. The Borough had previously purchased scrap project equipment which will be lent to villages, upon requires, to help them prepare the scrap for removal. Levelock Village Council owns a barge and they are offering their services to other villages to help them haul their scrap. Over half of the money allocated for the project has been appropriated so far. The project is on a good path to be completed before the close of the grant in December 2016.

The hazard mitigation plan is currently being reviewed by FEMA and the State and will be brought before the Assembly this fall. There is a new map on the wall downstairs. HDR is working on generating maps showing select layers of data.

5. **Planning Commission Minutes** – no discussion

6. **Fishery Report**

Mr. Hill presented a letter to the Governor on behalf of the Chignik area fishermen regarding moving the management of the fishery from Kodiak to Anchorage. He requested the Assembly approve the letter to be sent. Assembly member Pedersen said the current management allows Area M fishermen and Kodiak fishermen to get ahead of the escapement and Chignik has to play catch up. The escapement numbers are based on the prediction. In the end, the escapement is always met, so when the numbers are discussed at Fish and Game, it doesn't appear to be a problem. Assembly member Alvarez asked Assembly member Pedersen if a petition is being sent to move the management. Assembly member Pedersen said that the Board of Fish is the correct process. Assembly member asked, if the management does not determine escapement by prediction, what the options to the current process would be. There was a discussion of the test fishery process. There was a discussion of fish prices. There was a discussion of presenting proposals to the board of fish. Assembly member Alvarez said that there are 90 proposals for the Bristol Bay board of fish meeting and 60 of them are about dropping blue cards. Motion was made by Assembly member Pedersen to draft a letter in support of transferring management of the Chignik fishery to the central region. Motion was seconded by Assembly member Olsen. There was not further discussion. Motion passed unanimously by voice vote.

7. **Finance Report**

Assembly member Alvarez asked about the income budgeted from fish tax. MS. Edwards said that last year the budget was \$2 million, but that was not met, primarily because of the collapse of the Chignik fishery. There was a discussion of when the fish arrived this year versus last year. Assembly member Alvarez discussed the number of

troopers patrolling during the fishing season,. He said he heard there may be fewer next year.

8. Lobbyist's Report

Mr. Hill said that Mr. Hickey has been watching the Chignik Dock project closely.

9. Clerk's Report

Ms. Conley discussed the schedule for this and next months' meetings. She also discussed the election schedules. She gave an update on the website.

10. School Superintendent's Report

Mr. Mase began by stating that the budget for the school district is \$15 million this year. He explained that there has been a culture of thinking LPSD has dep pockets; however, the days of spending on employees are over. The school board meeting was the week prior, and the board had a training by the Alaska Association of School Boards. Egegik School was closed last week. There were only six students registered. A team from the district will go out in the next week to offer students and parents options and services. Pilot Point School is solid and sill not have to be closed this year. Chignik Lake is at eleven, and they will need to hold ten or more through October.

Mr. Mase said that in Juneau, the legislature is interested in increasing the minimum enrollment from ten. He is awaiting his counsel's legal opinion, but it is anticipated that as many as 70 schools throughout the state will be impacted. The district will be preparing a resolution in opposition of increasing the minimum number of students. He will ask the LPSD school board to pass this resolution and will work with other boards in the state to pass it as well. He told the Assembly he would also be looking to them for support. He said he does not want to trigger a ripple effect of fear, but he does want to be in front of any legislation. Governor Walker will attend the Superintendent's conference in September in Naknek, and he hopes to be able to take him to visit a small school that would be impacted by the increased minimum attendance numbers. He said that LPB needs to tell their story more. There was a discussion of regional boarding schools.

The Career-Technical Education dorm at Bristol Bay went out to bid and all the bids returned were beyond the budget, so the districts are considering other options. The Port Alsworth project is wrapping u and the Newhalen project is half finished. School starts tomorrow.

Assembly member Alvarez asked how far along the Newhalen gym is. Mr. Mase said that it is closed in and under roof. Ms. Aboras relayed a question Commissioner Lary Hill asked at the Planning Commission meeting. MR. Hill had asked where the waste from the gym floor was going to go. It is rubber and last time the floor was refinished the waste was buried. Mr. Mase said it is the contractor's responsibility to dispose of waste.

11. Student Representative Report – no student present

G. CONSENT AGENDA – none

H. NEW BUSINESS

1. Lease Ordinances – Hearing & Decision

a. Ordinance 15-24 – Lease for T. Veal – Hearing & Decision

Susan Edwards requested this ordinance be pulled from the agenda as the final agreement has not yet been made with Mr. Veal. Motion was made by Assembly member Olsen to table Ordinance 15-24 until the next Assembly meeting.

Motion was seconded by Assembly member Pedersen. Motion passed unanimously by voice vote.

b. **Ordinance 15-25 – Lease for M. Dore & J. Delkittie – Hearing & Decision**

Motion was made by Assembly member Olsen to open the public hearing of Ordinance 15-25, an Ordinance Authorizing Transfer and Five Year Lease of Real Property Containing 1.0 acres more or less to Michael DOr and Jeff DelKittie for the operation of a Commercial Set Net Operation. Motion was seconded by Assembly member Pedersen. The public hearing was open at 5:12 pm. The Borough Clerk reported the ordinance was properly noticed and no comments, either written or verbal had been received. The Mayor called for any discussion. Assembly member Ravenmoon noted the spelling of Jeff DelKittie's last name is incorrect as well as the word exemplary on the documents. There were no further comments. Motion was made by Assembly member Olsen to close the public hearing on Ordinance 15-25. Motion was seconded by Assembly member Salmon. Motion passed unanimously by voice vote. The hearing was closed at 5:16 pm. Motion was made by Assembly member Olsen to adopt Ordinance 15-25. Motion was seconded by Assembly member Alvarez. Mayor Alsworth called for conflict of interest. None was declared. The Mayor called for any discussion. There was no further discussion. Motion passed unanimously by voice vote.

2. **Ordinance 15-26 Title 9 Changes – Introduction**

Motion was made by Assembly member Olsen to introduce Ordinance 15-26 and to set a public hearing. Motion was seconded by Assembly member Pedersen. Mayor called for discussion. There was none. Motion passed unanimously by voice vote.

I. UNFINISHED BUSINESS – none

J. TIME AND PLACE OF NEXT MEETING

Regular Meeting, September TBD – King Salmon AK

The next Assembly meeting will be September 17-18 in King Salmon.

K. CITIZEN'S COMMENTS – none

L. ASSEMBLY COMMENTS

Scott Anderson – Assembly member Anderson gave the Assembly an update on the Port Heiden fuel farm. The building pad is being constructed. The budget is tight, but everyone is working hard to make the project a success. The back haul scrap project is also doing well. They have hauled out tow totes of batteries, eight pallets of e-waste and expect to haul three more pallets of e-waste soon

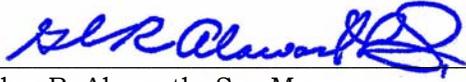
Myra Olsen – Assembly member Olsen reported that Egegik is building houses with bedrooms to fill with families.

M. MAYOR'S COMMENTS

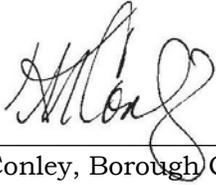
Mayor Alsworth reported that ANTHC has funding for a clinic in Port Alsworth; however, there are only 120 days to have it up and running. The solution will be to use Tanalian Bible Camp's clinic building for now and once it is up and running, the village can build their own. He added that he is anxious to see the school tomorrow at the ribbon cutting ceremony.

N.ADJOURNMENT

Motion was made by Assembly member Anderson to adjourn the Assembly meeting. Motion was seconded by Assembly member Pedersen. Motion passed unanimously. The meeting was adjourned at 5:30 pm.



Glen R. Alsworth, Sr., Mayor



Kate Conley, Borough Clerk

September 18, 2015

Date