



Northwest Arctic Borough

SERVING THE COMMUNITIES OF:

Ambler Buckland Candle Deering Kivalina Kiana
Kobuk Kotzebue Noatak Noorvik Selawik Shungnak

Northwest Arctic Borough Assembly
Budget, Audit & Finance Committee Meeting Minutes
Wednesday, July 29, 2015 – 8:30 A.M.
Northwest Arctic Borough Assembly Chambers – Kotzebue, AK

CALL TO ORDER

Madam Chair Lucy Nelson called the meeting to order at 8:37 A.M.

INVOCATION

Mr. Miles Cleveland provided the invocation.

ROLL CALL

Budget, Audit and Finance Committee Members Present:

Miles Cleveland Sr. *Pete Schaeffer* Lucy Nelson

Other Members Present

Nathan Hadley Jr. *Larry Westlake Sr.* Walter Sampson Clyde Ramoth

Introduction of Staff and Guests

Jason Roth	Brandy Niclai	<i>Matt Mead</i>	Reggie Joule
Christine Hess	Martha Henry	Rosny Rizk	Chloe Naylor
Fred Smith	Noah Naylor	Wendie Schaeffer	Don Fancher
Stella Atoruk			

A quorum was present to conduct business.

APPROVAL OF AGENDA

Agenda presented for July 29, 2015 for approval. Mayor Joule mentioned that Shell is drawing up a resolution together, not sure if it'll be presented this morning.

Member Schaeffer motioned, Member Miles Cleveland seconded to approve agenda as presented. Motion passed unanimously.

APPROVAL OF PREVIOUS MINUTES

Minutes of June 22, 2015 Budget, Audit and Finance presented for approval.

Member Schaeffer motioned, Member Miles Cleveland seconded to approve the minutes as presented. Motion passed unanimously.

COMMUNICATIONS AND APPEARANCES

Rosny Rizk provided summary of financial and investment report ending June 30, 2015.

Member Sampson going back to the excess revenue, was that part of the education allocation that was made? Excess revenue over expenditures page 5 under the general fund revenues you've indicated that investment loss in June was totaled \$114,448 and also APCM portfolio loss of 1.57%, that 1.57% included on \$114 thousand dollar loss?; Also would like to review the large donation requests.

Member Ramoth I just have a question for the Mayor's office I'm waiting to see a clear copy, do some of the request donations get denied because I would ask to see what happen to the request donation from the City of Selawik, thank you; for the communities do they know where do we go to fill out the request for donations is it the resource office in the villages?

Member Nelson item 2 Alaska Permanent Capital Management, Jason Roth

Jason Roth gave a summary of Investment Review ending June 30, 2015.

Brandy Niclai gave a summary of the Portfolio Performance.

Member Nelson although the performance looks for the long term at 7.8% which is just a little higher than the benchmark when you look at the total income earned we projected \$275,000 in interest income however we only earned \$126 can you do a short summary of why that is?; however because the percentage you report on page 11 it seems high and its only because of you having the portfolio since December of 13 that's the total long term investment we've earned correct? So in the short term were not doing very well.

Fred Smith a question I have that would relate to where the fund balance sits the terms with Alaska Permanent Capital Management as I recall if the fund balance is over 10 million there would be a change in the management fee structure and at this point were at about 1.9 million below that 10 million dollar asset management fee, can you remind us about that discussion that we had?

PUBLIC HEARINGS, ENACTMENT OF ORDINANCES & EMERGENCY ORDINANCES

None presented.

INTRODUCTION OF ORDINANCES

1. **Ordinance 15-08** *an ordinance of the Northwest Arctic Borough Assembly amending Title Seven of the Borough Code to adopt a tobacco excise tax and for related purposes.*
Member Miles Cleveland recommends do pass.

Mayor Joule in looking forward to the time we have the second reading and getting some direction from BAF and maybe to the full assembly one of the issues that Matt raised was the issues of credits as it relates to Kotzebue and that is something that would it be the direction to the recommendation from admin side take a look at those credits for Kotzebue and potential changes for the second reading, that would be my question.

Member Schaeffer my personal opinion is that we need to be fair to everyone, request discussion to review that because I don't think were intending to double tax the residents of Kotzebue.

Member Miles Cleveland what happens to our other communities besides Kotzebue that once we start taxing cigarettes Borough wide do we give money back to each community or what's the plan? **With that I will take my do pass back and we will discuss later.**

RESOLUTIONS

1. **Resolution 15-33** *a resolution of the Northwest Arctic Borough Assembly approving engagement of BDO USA LLP to conduct the FY15 Audit, and for related purposes.*

Member Schaeffer recommends do pass

2. **Resolution 15-34** *a resolution of the Northwest Arctic Borough Assembly approving transfer of an Eocycle Wind Turbine to KEA and for related purposes.*

Member Sampson Madam Chair, thank you I think this is a good resolution, KEA is in the business of creating energy for Kotzebue, with what KEA has out in their wind farm the ability and capability with regards to really checking things out is an ideal thing, if it should work for KEA here then we could start looking at possibly putting some of those things in some of our communities and we could test this.

Member Westlake I think this is very good to work with local people and my question is I know it is expensive to put the transmission lines in is there any difference Fred for the cost of transmission lines?

Member Schaeffer recommends do pass

3. **Resolution 15-36** a resolution of the Northwest Arctic Borough Assembly approving a Shell-funded research project to study near shore waters of Kotzebue Sound, and for related purposes.

Member Miles Cleveland recommends do pass

4. **Resolution 15-37** a resolution of the Northwest Arctic Borough Assembly accepting an FY16 Village Public Safety Officer grant and for related purposes.

Member Schaeffer recommends do pass

5. **Resolution 15-38** a resolution to approve a Professional Services Agreement with ANTHC to perform water and sewer improvement services and upgrades, and for related purposes.

Member Ramoth so that is not including Selawik or are we doing a different project for that crew before winter hits?

Member Schaeffer recommends do pass

OTHER BUSINESS

None presented.

COMMITTEE COMMENTS

None presented.

AUDIENCE COMMENTS

No audience comments presented.

ADJOURNMENT

With no other business to discuss, the meeting adjourned at 10:03 A.M.

Member Schaeffer motioned to adjourn.