

2018

# Village Improvement Fund (VIF) Annual Report



**Northwest Arctic Borough**  
PO Box 1110  
Kotzebue, Alaska 99752  
Phone: 907-442-2500  
Fax: 907-442-2930

## Table of Contents

Letter from the Mayor _____	0
2018 Calendar Year Expenditures _____	1
2018 Village Summary Reports _____	3
Current & Future Project Summary _____	27
FY19 Budget _____	55
FY20 Budget _____	58
VIF Project Support Team _____	63
Village Improvement Commissioners _____	66



## Letter from the Mayor

---

Teck Alaska, Inc.  
Red Dog Operations  
3105 Lakeshore Drive, Building A, Suite 101  
Anchorage, Alaska 99517

The Northwest Arctic Borough is pleased to provide the annual report to Teck Alaska, Inc. on projects completed for the calendar year 2018, current projects for 2019 and future village projects for the next three years.

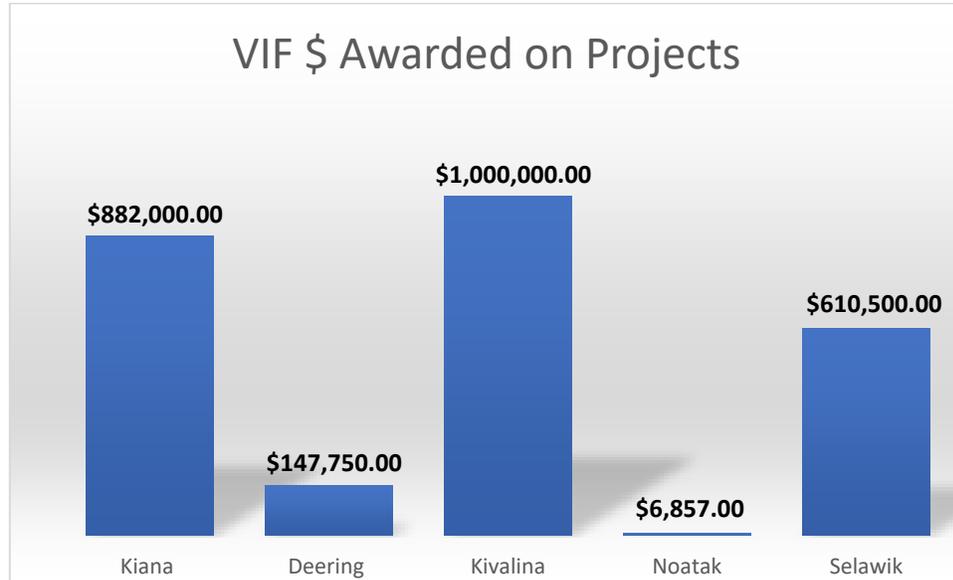
2018 was a historic year for the Village Improvement Commission for Infrastructure and Program Opportunities for the eleven villages of the Northwest Arctic Borough. Throughout the year the Village Improvement Fund Staff and Village Improvement Commissioners continue to educate the communities with the opportunities that the VIF offers and have worked together with the villages to facilitate community driven meetings which has resulted in meaningful participation and success of completed projects, upcoming and future projects which will benefit the residents of the Northwest Arctic Borough.

The goal of the Village Improvement Commission is to continue to move forward by working together with the overall goal in mind, strengthening and improving the lives of the residents within the Northwest Arctic Borough.

Respectfully,

**Lucy S. Nelson,**  
**Northwest Arctic Borough Mayor**

## 2018 Calendar Year Expenditures



Total money awarded in 2018 on projects was \$2,647,107.00. Five village projects were approved in the 2018 calendar year out of the fourteen applications submitted which were all infrastructure project proposals. Nine of the applications which were not funded were submitted from the following communities:

	Village	Project Description	Amount	Match
1	Ambler	Search & Rescue Building	NA	
2	Ambler	City Dump Clean-up	\$ 5,870.50	
3	Buckland	New landfill & close-out	\$ 1,354,892.00	\$609,701.40
4	Buckland	Road Project	\$ 529,330.82	\$172,223.18
5	Deering	Native Store Renovation	NA	
6	Kotzebue	Biomass Plant & Building	\$ 300,000.00	\$15,000.00
7	Noatak	Waste Oil Burner Kit	\$ 6,062.06	NA
8	Noatak	Trash Burner	\$ 47,500.00	NA
9	Shungnak	Native Store Fuel Clean Up	NA	

### Expenditures with Administrative Costs

Description	Administrative Costs		Grand Total
	Kotzebue	Noorvik	
ESC	\$1,668.94		\$1,668.94
FICA	\$3,370.62		\$3,370.62
Lodging	\$396.00		\$396.00
Medical	\$52,698.00		\$52,698.00
Per Diem	\$2,772.00		\$2,772.00
PERS	\$45,506.53		\$45,506.53
Printing & Publications	\$100.00		\$100.00
Salaries	\$206,994.52		\$206,994.52
Supplies	\$22,203.16		\$22,203.16
Transportation	\$7,438.41	\$20.00	\$7,458.41
<b>Grand Total</b>	<b>\$343,148.18</b>	<b>\$20.00</b>	<b>\$343,168.18</b>

### General / Other Commission Expenses

Description	Amount
Ground Transportation	\$6,404.00
Lodging	\$168.00
Supplies	\$6,752.00
Transportation	\$1,504.00
Accounting	\$1,978.00
Bank Fees	\$18,590.00
Legal	\$8,644.00
<b>TOTAL</b>	<b>\$44,040.00</b>

## 2018 Village Summary Reports

### Ambler

Ambler held a community driven meeting on May 15, 2018 to plan for future program or infrastructure projects. The following list is not in prioritized order and will change due to the completion of projects. <sup>1</sup>

Program/ Infrastructure Project	
Search and Rescue building & Fire Department (boat and motor, snow machine & sled)	Housing Improvement Programs
Upper Kobuk Elder Long-Term Care Facility	Erosion Control Help (front street and new dock like Kotzebue)
Cost of living: Affordable fuel, groceries, electricity, transportation	Transportation
New Gym	Fuel Farm upgrade (Fuel Accessibility)
Community Building (Cook House, Gathering, Meetings with water & sewer)	Water & Sewer upgrade (Update fire hydrants)
Cultural programs (Basket making, subsistence, language)	Youth program like Boys & Girls Club
Support the Youth Leader Program	Road/bridge repair (culverts, equipment, Evacuation Road)
Language Immersion School	Tourism
Public Safety	Landfill/Dump recycle and/or Incinerator
Solar panels for each home	Heavy equipment storage
New School	Trash bins for each house

<sup>1</sup> For each Village within the Northwest Arctic Borough, the priorities for 2018 are the same for 2019 unless a project has been completed.

## AMBLER VILLAGE EXPENDITURES:

<b>Administrative Costs</b>	
FICA	\$325.00
Lodging	\$5,000.00
Meeting Fee	\$4,250.00
Per diem	\$2,772.00
Supplies	\$150.00
Transportation	\$3,120.00
<b>Village Total</b>	<b>\$15,617.00</b>

## Buckland

Buckland held a community driven meeting on June 14, 2018 to plan for future program or infrastructure projects. The following list not in prioritized order and will change due to the completion of projects:

Program/ Infrastructure Project	
Housing & Shelter	Airport terminal
Multi-purpose building	New church
New Roads for Health and Safety	Anti-bullying program
Elders and Youth vehicle	Diving board/slide
Boys and girls club	Recreation field
Upgrading street lights	Fire connex
Erosion	Heated jail facility
Bridge	Emergency services personnel equipment
Landfill	VPSO housing
New playground	

### BUCKLAND VILLAGE EXPENDITURES:

#### Administrative Costs (Commissioners)

FICA	\$440.00
Lodging	\$7,887.00
Meeting Fee	\$5,850.00
Per diem	\$4,752.00
Supplies	\$320.00
Transportation	\$4,029.00
<b>Village Total</b>	<b>\$23,278.00</b>

## Deering

Deering held a community driven meeting on June 11, 2018 to plan for future program or infrastructure projects. The following list is not in prioritized order and will change due to the completion of projects:

Program/ Infrastructure Project	
Erosion Control-Coastal, River & Roads	New School
Roads - Evacuation Road, Paved Street	Village Law Enforcement, VPSO, VPO
Piped Water	Multi-building (may combine with S&R Facility)
Uptown Power Distribution Repair New Generator	Economic Development - (more jobs)
Weatherization, Housing renovation, Heat Pumps	Search & Rescue Storage Facility
Heavy Equipment: New & Repairs	Community Storage - Freezer
Deering Native Store Upgrade	School Bus
Cemetery Fence	

Project Description: Deering Generator

Total money invested into this project: **\$147,750.00**

Ipnatchiaq Electric Company (IEC) a non-profit community owned utility received Village Improvement Funds to improve the village power system and replace the diesel generator which is fundamental and a necessary step towards power system development which includes solar panel expansion, batteries, system integration and controls to allow for diesel-off operation of the entire system. This generator is a modern genset which is fuel efficient and will withhold a bigger load from the wind turbine and upcoming solar panels for the community of Deering. IEC provide electric to approximately 70 customers which is 48% of Deering's population.

A major factor towards selecting this priority to benefit the entire population of Deering is based on prior research and collaborated efforts with multiple agencies. IEC has worked closely over the years with NANA's Alternative Energy Program to improve the Deering Powerhouse System which will ultimately result in significant fuel savings to include proper wind and solar panel integrations.

IEC has partnered with the Deering IRA and NANA and has invested in nearly \$1 million towards these efforts. The schedule was based on seasonal climate factors, completing the project within twelve working days before the winter temperatures hit.

## BUDGET &amp; SCHEDULE:

Deering Expenditures				
Description	Amount	Task Status (% Completed)	Expended Amount	Completion Date
<b>Project: Generator</b>				
<b>Generator Package</b>	\$68,250.00	100%	-\$68,250.00	18-Sep
Materials, Parts & Components	\$17,500.00	100%	-\$17,500.00	18-Sep
Labor & Per Diem (2 Tech @ 12 days)	\$42,000.00	0%		19-Apr
Per diem				
Freight	\$17,000.00	100%	-\$17,000.00	18-Sep
Shipping				
Airfare				
Project Management & Procurement (\$1,00/wk)	\$3,000.00	0%		19-Apr
<b>Project Subtotal</b>	\$147,750.00		-\$102,750.00	
<b>Administrative Costs (Commissioners)</b>				
FICA	\$210.00			
Lodging	\$3,346.00			
Meeting Fee	\$2,750.00			
Per diem	\$1,683.00			
Supplies	\$300.00			
Transportation	\$2,024.00			
Total Admin Costs	\$10,313.00			
<b>Village Total</b>	<b>\$113,063.00</b>			

DEERING PROJECT PHOTOS:



*Generator purchased, Sept 2018*

## Kiana

Kiana held a community driven meeting on June 27, 2018 to plan for future program or infrastructure projects. The following list is not in prioritized order and will change due to the completion of projects:

Program/ Infrastructure Project	
Water & Sewer Services- Upgrade/Expand, address Manganese issue (water filter), new sewer lagoon, community washeteria	Administrative capacity, development audit management/bookkeeping, training, equipment, software, project management
Community building-cook house and community gathering area	Native language programs with hands on activities, immersion program
Multi-purpose building for IRA-City-Post Office (better facilities, allow program growth & additional village-based jobs)	Develop Valley View Subdivision
Work on building and renovating homes	Landfill Incinerator
Access to Gravel Source (a) Intertie Road - Noorvik, Selawik, Kotzebue, (b) New Landfill	Barge Landing
Native Store	Equipment-Fire Truck, heavy equipment storage, training, siren
More Search & Rescue funding for services & equipment	Community Garden
Subsistence hunting/fishing with youth, year-round activities, more cabins, more sessions	Promote Kiana Wellness
Community Park for outside recreation activities, playgrounds new or renovate	Alternative energy
Youth Activities- recreation-indoor, opt-in Youth Leadership, Youth Mentor Program	Promote food preservation/plants/berries
Law Enforcement	

Project Description: Water Treatment Plant - Manganese Removal

Total money invested into this project: **\$882,000.00**

The City of Kiana was awarded funds in 2018 begin design and permitting work for the City of Kiana's Water Treatment Plant. Awarding this funding will also boost the score in the federal sanitation finding cycle known as Sanitation Deficiency System which is expected to take at least a year or two until SDS funding is successfully captured.

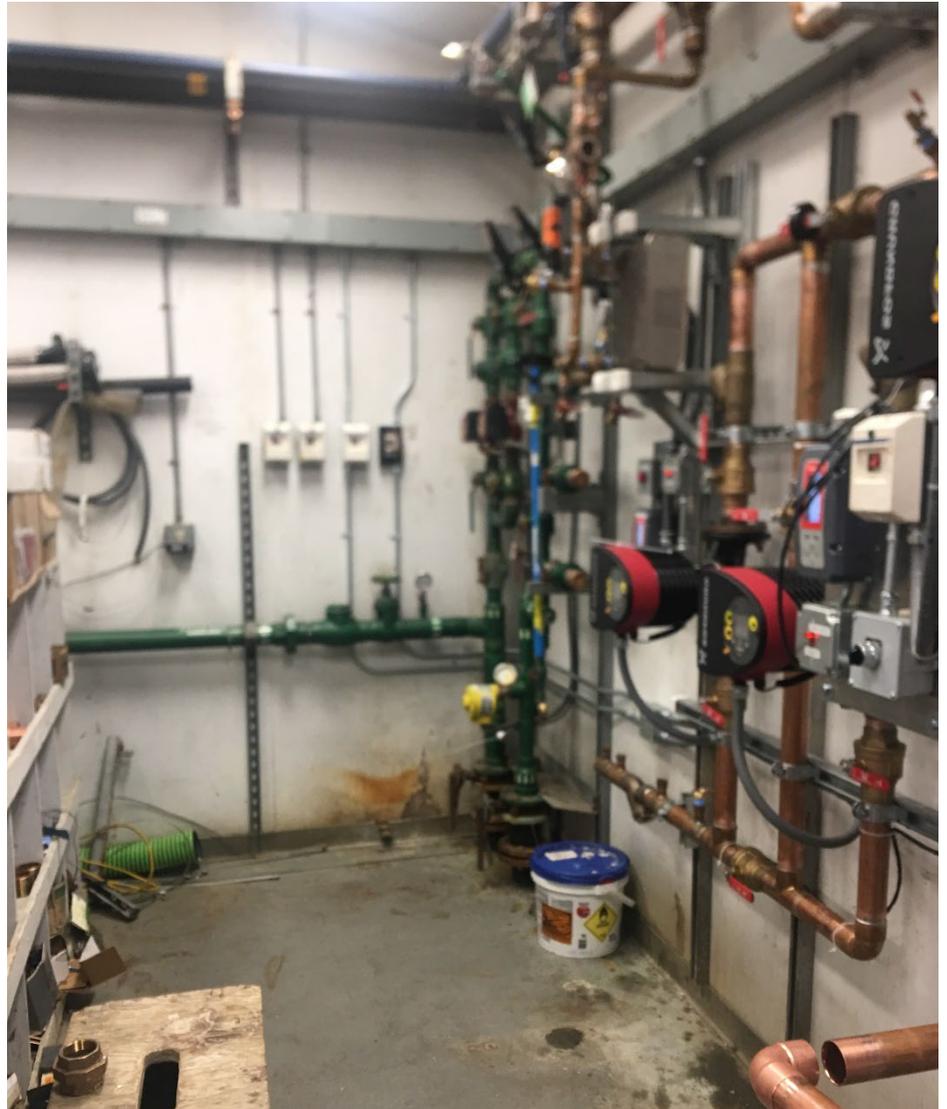
BUDGET:

Kiana Expenditures				
Description	Amount	Task Status (% Completed)	Expended Amount	Completion Date
<b>Project: Water Treatment Plant - Manganese Removal</b>				
<b>Total Awarded</b>	\$882,000.00		-\$300,000.00	2018
<b>Project Subtotal</b>	\$582,000.00			
<b>Administrative Costs (Commissioners)</b>				
FICA	\$421.00			
Lodging	\$4,865.00			
Meeting Fee	\$5,500.00			
Per diem	\$2,970.00			
Supplies	\$300.00			
Transportation	\$3,192.00			
<b>Total Admin Costs</b>	\$17,248.00			
<b>Village Total</b>	<b>\$317,248.00</b>			

KIANA'S PROJECT SCHEDULE:

Final permitting and close out is anticipated to require an additional 18-24 months due to Department of Environmental Conservation (DEC) data collection requirements associated with final approval to operate. The remaining \$582,000.00 will be distributed once the City of Kiana secures a Federal Grant. It's important to note that Kiana applied for VIF funding with the understanding it would be used as the matching funds for the Federal Grant.

KIANA PROJECT PHOTOS:



*Figure 1 The Manganese filtration tanks will tie into the green raw water lines*

## Kivalina

Kivalina held a community driven meeting on July 31, 2018 to plan for future program or infrastructure projects. The following list is not in prioritized order and will change due to the completion of projects:

Provide a safe and heated jail facility coordinate with the Northwest Arctic Borough to provide Village Public Police Officer and Trooper housing	Work with Alaska Native Tribal Health Corporation (ANTHC) to construct a honey bucket dumping station for residents who don't have piped sewer system
Work to establish a sub-regional intertie (with port Site, road system, water, wind generation, internet)	Work with the Native Village of Kivalina to train staff in grant writing
Close the existing dumpsite, relocate and reopen it at a permitted site	Examine opportunities for collecting user fees and generating other funds for maintaining community utilities Evacuation Road Project which requires a local match
Work with Aqqaluk Trust to create opportunities for people to learn the Inupiaq language, which includes Smart Boards and Rosetta Stone	

Kivalina Project Description: Evacuation Road Project

Total money invested into this project: **\$1,000,000.00** for federal match requirement.

**KIVALINA BUDGET & SCHEDULE:**

This project is closed out based on the funding criteria this project falls under. The amount of the overall Kivalina Evacuation Road project is considerably greater, however, the \$1,000,000.00 contribution to this project made the project a reality which has been in the planning phase for nearly twenty years. The overall project is ongoing, managed by the State of Alaska Department of Transportation which awarded the contract Arctic Slope Regional Corporation (ASRC). As of 3/18/19, 45% of local labor has benefited from the Kivalina Evacuation Road Project: 25 local truck drivers, 1 carpenter, 1 roller operator, 1 laborer & 2 housekeepers.

KIVALINA PROJECT PHOTOS:



*Access Road to K-Hill*



*Removing ice from Kivalina Lagoon*

## Kobuk

Kobuk held a community driven meeting on January 17, 2019 to plan for future program or infrastructure projects. The following list is not in prioritized order and will change due to the completion of projects:

Program/ Infrastructure Project	
Street Lights	Elder Housing
Sawmill	Bulk Fuel Storage
Native Store	Water Treatment Plant Upgrades
Park Area	Solid Waste Improvements
Culture Camp	Water Treatment Plant Upgrades
Search & Rescue, Fire Dept	Water & Sewer Lift Station
Pastor Cabin	Multi-Purpose Facility
City Renovation	VPSO Housing
High Demand Pumps for Fire Hydrants	

### Administrative Costs (Commissioners)

FICA	\$249.00
Lodging	\$4,541.00
Meeting Fee	\$3,250.00
Per diem	\$2,079.00
Transportation	\$3,114.00
<b>Village Total</b>	<b>\$13,233.00</b>

## Kotzebue

Kotzebue held a community driven meeting on October 9, 2018 to plan for future program or infrastructure projects. The following list is not in prioritized order and will change due to the completion of projects:

Program/ Infrastructure Project	
Bio Mass Project	Solar Power
E911 System	Hydroponic Sustainability
City Landfill & KIC 3rd Ave Site (Old Hospital) Clean Up	Daycare Center

### Administrative Costs (Commissioners)

FICA	\$210.00
Meeting Fee	\$3,250.00
Supplies	\$150.00
<b>Village Total</b>	<b>\$3,610.00</b>

## Noatak

Noatak held a community driven meeting on June 29, 2018 to plan for future program or infrastructure projects. The following list is not in prioritized order and will change due to the completion of projects:

Program/ Infrastructure Project	
Housing	Graveyard Repair
Digging Equipment	Dust Control Equipment
Fire Department Building	Water Plant Boiler
Cemetery Road	Cont. Community Priority: Erosion

Project Description: Boiler Maintenance & Restoration Project

Total money invested into this project: **\$6,857.08**

The Native Village of Noatak Utilities department utilized the VIF to purchase a new boiler and burner unit which benefits the entire community by providing a heat exchange system in the water distribution loops. The boiler is also used as a back-up boiler to prevent down time on repairs to the numerous boilers if needed.

PROJECT STATUS: Successfully completed and closed out

## BUDGET:

Noatak Expenditures			
Description	Amount	Task Status (% Completed)	Expended Amount
<b>Project: Boiler Maintenance &amp; Restoration</b>			
Total Awarded	\$6,857.08		-\$6,857.08
Project Subtotal	\$0.00		
<b>Administrative Costs (Commissioners)</b>			
FICA	\$268.00		
Lodging	\$4,083.00		
Meeting Fee	\$3,500.00		
Per diem	\$3,168.00		
Supplies	\$310.00		
Transportation	\$2,328.00		
Total Admin Costs	\$13,657.00		
<b>Village Total</b>	<b>\$20,514.08</b>		

NOATAK PROJECT PHOTOS:



## Noorvik

Noorvik held a community driven meeting in 2018 to plan for future program or infrastructure projects. The following list is not in prioritized order and will change due to the completion of projects:

Program/ Infrastructure Project	
Reduce the cost of local groceries and goods	Research ways to help local residents obtain state IDs driver's license or other legal forms of identification without traveling to Kotzebue
Construct a local safe haven for women and children	Noorvik Youth will have more opportunities to learn the Inupiaq language and the Inupiaq way of life
Noorvik youth will learn cultural and subsistence activities both in and out of school	The City and Native Community will provide opportunities and alternative activities for people of all ages
The people of Noorvik will have opportunities to learn to prepare and preserve traditional foods	The City and Native Community will support maintaining funds for food stamps
Increase regional job opportunities and placement for residents	The community of Noorvik will start a community gardening program

### Administrative Costs (Commissioners)

FICA	\$325.00
Lodging	\$2,543.00
Meeting Fee	\$4,250.00
Per Diem	\$2,178.00
Supplies	\$20.00
Transportation	\$2,278.00
<b>Village Total</b>	<b>\$11,594.00</b>

### Selawik

Selawik held a community driven meeting on April 20, 2018 to plan for future program or infrastructure projects. The following list is not in prioritized order and will change due to the completion of projects:

Water and Sewer Improvement	Landfill
New Store	Public Safety VPSO Housing
Erosion Control	Suicide Prevention

Project Description: Water and Sewer Rehabilitation Project

Total money invested into this project: **\$610,500.00**

The City of Selawik received funding to repair the community wide water and sewer infrastructure which is critical to the health and well-being of the community, which has a population of roughly 850 people. This funding creates a long-term sustainable sanitation system to keep raw water intake flowing and keep the water main flowing. The City of Selawik is utilizing the Alaska Native Tribal Health Consortium (ANTHC) to complete this work and has assisted in operations. Without the assistance of the VIF, historically the water and sewer had a tendency of freezing, causing hardship financially and the City and the health and wellbeing of the residents. To date, student attendance has increased by 25% due to having better hygiene.

## SELAWIK PROJECT STATUS:

December 2018 project repairs were placed on hold due to unforeseen weather circumstances. The project is expected to start in May 2019. To date, as of March 1, 2018 \$403,729.24 has been expended with a total of \$206,770.76 remaining.

## BUDGET:

Selawik Expenditures			
Description	Amount	Task Status (% Completed)	Expended Amount
<b>Project: Water &amp; Sewer Rehabilitation</b>			
Total Awarded	\$610,500.00		-\$403,749.24
Project Subtotal	\$206,750.76		
<b>Administrative Costs (Commissioners)</b>			
FICA	\$478.00		
Lodging	\$5,458.00		
Meeting Fee	\$6,250.00		
Per diem	\$2,970.00		
Supplies	\$0.00		
Transportation	\$2,832.00		
Total Admin Costs	\$17,988.00		
<b>Village Total</b>	<b>\$421,737.24</b>		

SELAWIK PROJECT PHOTOS:



*New Burner Units for both boilers*



*New Vacuum Pump for Island Sewer Plant*



*New Modulator Valve*

## Shungnak

Shungnak held a community driven meeting on August 31, 2018 to plan for future program or infrastructure projects. The following list is not in prioritized order and will change due to the completion of projects:

Program/ Infrastructure Project	
Safety, fire station, search and rescue	Water source
Safety	Road to bornite
Fuel farm	sawmill
Fencing around equipment	Rec center
Apartment complex	Safe house
Public safety 24/7	Cement court
Renovations/additions/weatherization's	Terminal
Road improvements	Bigger gym/cafe/teria
Youth employment	New grave site
Heavy equipment, Loader, small excavator	Landfill
Housing/lodge rental units	Shelter cabin
Consolidation of fuel farm	Swimming
Education	Culture camp
Power plant	Water and sewer
Heating for school shop	Tri village meeting
Divert water on north side of Island	

### Administrative Costs (Commissioners)

FICA	\$191.00
Lodging	\$5,258.00
Meeting Fee	\$4,000.00
Per Diem	\$2,772.00
Supplies	\$150.00
Transportation	\$3,538.00
<b>Village Total</b>	<b>\$15,909.00</b>

## Current & Future Project Summary

### Ambler

Project Description: Energy Efficiency Project

Total money invested into this project: **\$45,000.00**

This project consists of two phases: 1). Study to support an Energy Rating and Engineering Study for adopting LED lighting and Heat pumps for all 80 Households. This would be a full "Engineering & Energy Rating Report" to see how well the homes perform. This report will show best implementation of LED lighting and determine the best possible Heat-pump for the homes. This contract was awarded to The Comforts of Home (TCOH) which is one of the State's only energy raters for this type of project. The estimated start date is projected to start, late April, early May of 2019. Upon completion of Phase 1, the community will implement the recommendation by TCOH by utilizing other funds which total approximately \$600,000.00 per household @ \$7,500.00 each.

#### BUDGET:

Ambler Expenditures			
Description	Amount	Task Status (% Completed)	Expended Amount
<b>Project: Energy Efficiency</b>			
Total Awarded	\$45,000.00		-\$45,000.00
Phase 1: Engineering Study			
\$500.00/ 80 Households	\$40,000.00	100	
Local Hire	\$5,000.00	100	
<b>Village Total</b>	<b>\$45,000.00</b>		

**AMBLER FUTURE PROJECTS:**

The following projects are projected for the next three years for the community of Ambler. Please note that these project totals are only estimates until initial Village Improvement Fund applications are received and approved.

Search and Rescue Building: The community of Ambler needs a warm facility to house equipment related to Search and Rescue and fire-fighting. In the event of an emergency, search and rescue and fire equipment must be ready for immediate use since the volunteers from the community serve as first responders for all life, health and safety emergencies. The equipment must be warm and ready when the volunteers respond to an emergency. The building would also provide space for the coordination and strategic planning for search and rescue operations and fire-fighting.

Estimated Project Cost: \$1,000,000.00

Housing Improvement Programs: The Northwest Inupiat Housing Authority has regional authority and planning for all village housing programs funded through the U.S. Department of Housing and Urban Development. The commission consist of tribal members from within the borough provide oversight of the activities of the housing authority. Tribal Governments recognized by the federal government do have the option of administering their own housing programs and are eligible to receive funds directly from HUD.

Estimated Project Cost: \$600,500.00

Upper Kobuk Long Term Care Facility: Maniilaq Association currently administers a long- term care facility for the elderly in Kotzebue. The facility has seventeen beds which is a separate wing from the Maniilaq Medical Center. Medical staff are readily available for emergencies and routine medical care. Food services are available to the elderly and traditional foods are prepared

depending on seasonal availability. A facility in a village would be smaller in size and may not require a large medical staff. Perhaps a facility which would serve a sub region of Upper Kobuk villages would be more feasible to accomplish. Would provide local jobs and other economic opportunities.

Estimated Project Cost: \$5,800,000.00

AMBLER COMMUNITY PHOTOS:



## Buckland

### FUTURE PROJECTS:

The following projects are projected for the next three years for the community of Buckland. Please note that these project totals are only estimates until initial Village Improvement Fund applications are received and approved.

Housing and Shelter: Families in the Northwest Arctic Borough villages are thriving and growing in numbers. In many cases throughout the borough, several families live in a single home making it difficult to function as single families should. The NIHA was established to receive funding on behalf of Tribes within the borough and a commission made up of tribal members from within the borough provide oversight. NIHA has scheduled the construction of five new homes in Buckland. Preliminary work needs to take place related to permits, road construction and water and sewer pipe installations. There are costs associated with each step in the process.

Estimated Project Cost: \$600,500.00

Multi-Purpose Building: The school operated by the Northwest Arctic borough District historically serves as a meeting place and is generally a venue for a variety of community gatherings when not in conflict with school activities or functions. Communities throughout the borough are increasingly finding value in Multi-purpose building which are locally controlled and operated. Scheduled community meetings coordinated by four regional entities and state and federal agencies occur on a frequent basis. Community pot latches are held after funeral services at these multi-purpose buildings designed with fully equipped kitchens to prepare, cook and serve local foods.

Estimated Project Cost: \$300,000.00

New Roads for Health and Safety: All borough communities are trending upwards in population. To strategically plan for the population growth and the development of new residential sub divisions, new roads must be built connecting these new sub divisions. The installation of water and sewer mains and electrical poles would follow. Some borough communities have access to gravel sites, most likely owned by NANA Regional Corporation (NRC). NRC through its land department, allows access to identified gravel sources for public and community use. Simple agreements are often offered to be signed by both parties for these purposes.

Estimated Project Cost: \$1,500,000.00 per mile

## Deering

Project Description: On demand Toyotomi Water Heaters for each Community Home

Total money invested into this project: **\$166,048.57**

The Village Improvement Commission and Assembly approved the project to install on demand energy efficient Toyotomi Water Heaters for each community home to the Native Village of Deering in conjunction with the Northwest Inupiat Housing Authority. The purpose of this project is to help home owners reduce fuel and electric costs for their homes, which will result in the overall need of fuel for the community of Deering.

### PROJECT STATUS:

This project was awarded April 2019. No expenditures to report at this time.

### FUTURE PROJECTS:

The following projects are projected for the next three years for the community of Deering. Please note that these project totals are only estimates until initial Village Improvement Fund applications are received and approved.

Erosion Control: All Northwest Arctic Borough communities both coastal and inland are experiencing unprecedented erosion occurrences primarily due to global warming and climate change which has caused the thawing of the once stable and frozen permafrost. The community of Deering located on the north side of the Seward Peninsula at the mouth of the Inmachuk River on the Kotzebue Sound, 57 miles southwest of Kotzebue is currently threatened by erosion. The banks facing the Kotzebue Sound and on the banks of the Inmachuk River have significantly eroded over time. Fall season high wind storm surges have increasingly become more powerful and unpredictable. There is a

sense of urgency in the community and so the process to mitigate this life, health and safety issue must begin.

Estimated Project Cost: \$6,000,000.00

Evacuation Road: The existing road to the airport approximately three miles out of the community of Deering runs parallel to the Inmachuk River in a southerly direction for about two thirds of the way then winds right in a westerly direction towards the airport. The road because of its location is historically prone to washouts during spring season flooding and fall time high water storm surges. The community needs an evacuation road free from flooding and washouts. This is a life, health and safety issue.

Estimated Project Cost: \$1,500,000.00 per mile

Piped Water: The community of Deering currently have a piped sewer system available to each home but not a piped water system. Currently a fresh water hauling service is provided by the City of Deering. The community of Deering in coordination with Maniilaq Association and the Northwest Arctic Borough has acquired the necessary funding to upgrade the existing water plant as a first step in the installation of a piped water system.

Estimated Project Cost: \$6,700,000.00

## Kiana

### FUTURE PROJECTS:

The following projects are projected for the next three years for the community of Kiana. Please note that these project totals are only estimates until initial Village Improvement Fund applications are received and approved.

Water and Sewer Improvements: The community of Kiana is located on the north bank of the Kobuk River with the population increasing steadily over the years. The City of Kiana provides water and sewer services to the community which has not been without challenges. Even in sub-zero temperatures, the community water operators have worked tirelessly to keep the system operational. Recently it was determined that the water plant required a new filtering system. The community's water source contained an enormous amount of manganese. Manganese is a grayish white usually hard and brittle metallic element that resembles iron. The city of Kiana is working with the Alaska Native Tribal Health Consortium, ANTHC, to help make improvements on the water filtering system.

Estimated Project Cost: \$882,000.00

Community Building and Cook House: The community of Kiana erected the existing community and cook house for the community of Kiana is about fifty years old, give or take a few years. The structure has served the community for a variety of purposes for many years. While the building has been renovated on occasion, the costs for renovations, maintenance and operations are not economical. Heating the building is costly and the building foundation has deteriorated to the point that the flooring has rotted and unsafe. Electrical wiring is a hazard which prompted the state Fire Marshall to condemn the building.

Estimated Project Cost: \$800,450.00

Multi-Purpose Building: The community of Kiana is continually making efforts to make improvements to the services being provided to its residents. A multi-purpose building which would provide office space for the City of Kiana, the Traditional Council, the US Post Office and space for behavioral or wellness type services would facilitate community growth and local employment opportunities.

Estimated Project Cost: \$800,000.00

## Kivalina

### FUTURE PROJECTS:

The following projects are projected for the next three years for the community of Kivalina. Please note that these project totals are only estimates until initial Village Improvement Fund applications are received and approved.

Community Detention Center: The community of Kivalina needs a safe and heated facility for those that have been incarcerated. Existing accommodations are substandard and do not meet the safety standards required by law for such facilities. The health and safety of those who have been detained or held before being transported to Kotzebue or Nome is of great concern by community members and is a high priority.

Estimated Project Cost: \$1,700,000.00

Village Public Safety Officer Housing: Adequate housing for a Village Public Safety Officer is a critical need throughout the Northwest Arctic Borough and is the primary reason that the community of Kivalina has been without a Public Safety Officer. The borough through the Public Safety Department is aware of this situation and will continue to pursue opportunities when they are available to address the critical need.

Estimated Project Cost: \$500,000.00

Sewage Disposal System: The community of Kivalina does not have an operating water and sewer system. The residents have access to a central watering point and a water storage tank which supplies the community with water throughout any given year. The community had strategically installed bunkers which were available to its residents to dispose of their sewage. The community has grown in population and these bunkers are not meeting the needs of the

residents. A new system for the disposing of sewage is needed and is a health and safety issue for the community.

Estimated Project Cost: \$2,900,000.00

**Kobuk:**

## FUTURE PROJECTS:

The following projects are projected for the next three years for the community of Kobuk. Please note that these project totals are only estimates until initial Village Improvement Fund applications are received and approved.

Public Safety Building: The community of Kobuk needs a Public Safety Building to help address the lack of public safety presence for its residents. This need is borough wide and the borough Public Safety Department is aware of the need. The Alaska State Troopers and the borough Village Public Safety Officers are available from Kotzebue but limited.

Estimated Project Cost: \$500,500.00

Recreation Center: The community of Kobuk would like to construct an enclosed recreation facility for the community primarily for the children and youth. Like other communities within the borough, Kobuk has a growing population of which many are children.

Estimated Project Cost: \$500,000.00

Community Cook House: The community of Kobuk would like to have a community cook house constructed to be utilized for community wide meetings, events and cultural activities. Communities within the borough that have Cook Houses are equipped with full-service kitchens to serve the public especially when a death occurs in the community and pot latches are held in memory of the deceased and in honor of the surviving family members.

Estimated Project Cost: \$800,000.00

## Kotzebue

Project Description: Community Solar Project

Total money invested into this project: **\$600,000.00**

Kotzebue Electric Association is actively working to reduce diesel fuel consumption and costs and is moving toward diesels-off operation on its islanded microgrid through the use of wind and solar energy, battery storage, and sophisticated grid-forming inverters and control systems. Kotzebue has lithium-ion batteries for improved system integration. The purpose of this funding is to replace the fleet of 50kW wind turbines in Kotzebue which is reaching the end of their useful life and parts are no longer available. KEA intends to utilize the 50kW power connection from the wind turbine to plug in ~50kW of PV. KEA is seeking to purchase multiple, pre-engineered and partially pre-fabricated ~50kW PV ground-mount arrays for installation in Kotzebue by KEA staff and local hire. KEA is seeking an experienced team to provide a responsive proposal to this request for an installation in late September/early October of 2019 or the winter/spring of 2020.

### KOTZEBUE PROJECT STATUS:

KEA has issued an RFP (Request For Proposals) for PV (Photovoltaic) equipment and will be receiving responses in May 2019. The project has been challenged by changing technology and product offerings by manufacturers; PV technology is continually developing and improving. PV equipment to arrive on the Fall 2019 barge. Construction of the arrays is planned for late-Winter and Spring of 2020.

### BUDGET:

YTD Project Expenditures:

Salary \$7,301.23

KOZTEBUE FUTURE PROJECTS:

The following projects are projected for the next three years for the community of Kotzebue. Please note that these project totals are only estimates until initial Village Improvement Fund applications are received and approved.

Bio Mass Building: The City of Kotzebue needs a Bio Mass Building to help reduce operating costs. This building would be capable of burning card board and other bio mass materials.

Estimated Project Cost: \$1,300,000.00

City Landfill and Kikiktagruk Inupiat Corporation land Cleanup: The Kikiktagruk Inupiat Village Corporation is requesting for funding assistance to clean up a land in their ownership which was utilized as an industrial site.

Estimated Project Cost: \$5,200,000.00

Day Care Center: Maniilaq Association is taking the lead in coordination with all other interested entities or major employers with employees looking for a structured day care facility. It is a priority of the community of Kotzebue.

Estimated Project Cost: \$3,000,000.00

KOTZBUE PROJECT PHOTOS:



*Turbine that will be reconfigured*



*Similar Project compared to KEA's*

## Noatak

### FUTURE PROJECTS:

The following projects are projected for the next three years for the community of Noatak. Please note that these project totals are only estimates until initial Village Improvement Fund applications are received and approved.

Dust Control Equipment: The community of Noatak has gravel roads which are used extensively by its residents during the spring, summer and fall months when they are free of snow. The primary mode of transportation is the all-terrain vehicle, ATV, during this time. There are vehicles in the community as well. A water truck equipped with a sprayer is typically used in many rural communities to address the dust issue short of paving the streets.

Estimated Project Cost: \$10,000.00

Grave Yard Repair: The existing community cemetery is a relatively new site located about three miles north of the village. The old cemetery which was located parallel to the Noatak River just south of the community was seriously affected by erosion of the river banks. The erosion that occurred was so unexpected and rapid that some of coffins had become exposed and in worst cases were falling into the river. The old cemetery was mostly made of gravel and the grounds were basically stable. The new cemetery site is mostly tundra and permafrost. Very unstable and susceptible to thawing and settling.

Estimated Project Cost: \$300,000.00

Housing: The community of Noatak is a growing and thriving community within the Northwest Arctic Borough. The population growth necessitates the planning for additional housing units to address the overcrowding in the existing homes. Several families reside in a single home which can create hardships and perhaps even dysfunction.

Estimated Project Cost: \$650,000.00 per household

## Noorvik

The following projects are projected for the next three years for the community of Noorvik. Please note that these project totals are only estimates until initial Village Improvement Fund applications are received and approved.

Reduce cost of Goods and Supplies: The cost of goods and supplies within the Northwest Arctic Borough is of great concern to all borough residents and has been for many years. The increase in transportation costs is a huge factor and the overall cost of commodities to put on the market is an important consideration as well. Historically, the cost of living in the arctic has always been high. Efforts to reduce the cost of living is ongoing and will continue. Developments in technology within the borough have been made which allows access to the internet by the general population and the ability to order goods and supplies through Amazon or other retail outlets on-line. These outlets offer free shipping in most cases to attract users. Efforts to reduce the cost of supplies and goods will continue.

Safe Haven for Women and Children: A facility to provide a safe and comfortable setting when threatened with potential domestic harm or violence in the home or in the community at large is needed for women and children. Traditionally, family and relatives would receive into their homes women and children facing these life-threatening situations and it continues as necessary but unfortunately many times, this gracious gesture can escalate into tragedy for the innocent and compassionate. No one wants to place their own families in any form of unpredictable danger.

Estimated Project Cost: \$2,500,000.00

Youth/Cultural School: The regional leadership through the Regional Elders Council, Aqqaluk Trust and the Northwest Arctic Borough School District for many years have emphasized the need to teach the Inupiaq language. Programs to teach the culture and traditions of the Inupiaq have been developed and are on-going, however, the borough population must come together and agree to expand these programs to the next level. The community of Noorvik believes that a Youth/Cultural school is the next level and has placed this important endeavor as a priority. In other areas of the state these are called Emersion Schools which have been rather successful.

Estimated Project Cost: \$1,000,000.00

## Selawik

Project Description: Selawik Wellness Coalition

Total money invested into this project: **\$378,872.00**

The Native Village of Selawik was awarded Village Improvements Funds to continue a two-year wellness program that has benefited the entire community within the last five-year period and has demonstrated success. The Selawik Wellness Coalition is a model that all surrounding villages may benefit from. VIF will fund day-to-day operation of programs associated with the Selawik Wellness Coalition. The funds will also be used to expand trainings for staff, to collaborate and share successes/challenges with other villages to include supplies and limited travel.

### SELAWIK PROJECT STATUS:

This project was just awarded, April 2019. No expenditures at this time to report.

### SELAWIK FUTURE PROJECTS:

The following projects are projected for the next three years for the community of Selawik. Please note that these project totals are only estimates until initial Village Improvement Fund applications are received and approved.

Water and Sewer Improvements: The community of Selawik has had a long history of working through the challenges of a functioning water and sewer system. Winter freeze ups has been an annual occurrence with associated accumulated costs approaching millions of dollars. The borough in partnership with the community of Selawik and the Alaska Native Tribal Health Consortium, ANTHC, implemented a Community Utility Assistance Program, CUAP, to help address water and sewer system challenges holistically. This effort is on-going and good progress is being made which includes the community of Selawik.

Estimated Project Cost: \$2,500,000.00

Landfill: The community of Selawik is in urgent need of a new landfill. The existing landfill is beyond its useful and sanitary life. The lack of gravel to help create layers for a system to bury trash and garbage is not readily available which poses a tremendous challenge. A new site for a new landfill system is very much needed. This is a life, health and safety concern.

Estimated Project Cost: \$2,500,000.00

New Store: The community of Selawik through the Tribal Government operates a native store on behalf of its members. A new structure with a gravel and piling foundation has been erected but requires completion. The community has prioritized the completion of the store to improve the availability of products and goods to its members.

Estimated Project Cost: \$500,000.00

## Shungnak

Project Description: Purchase a Loader 180E Rock Bucket to support community infrastructure development and maintenance.

Total money invested into this project: **\$70,829.18**

The Village Improvement Commission and Assembly approved the funding for the Native Village of Shungnak to purchase and transport a heavy-duty loader for the community of Shungnak to continue critical infrastructure projects that will benefit the entire community. Prior to this project, the community did not have a loader. This loader will assist in completing the landfill road project which is a top priority as well as housing projects that will assist with obtaining gravel which will start in the 2019 season.

PROJECT STATUS: The Native Village of Shungnak has requested the funds to purchase equipment and pay for freight costs.

### BUDGET:

Shungnak Expenditures			
Description	Amount	Task Status (% Completed)	Expended Amount
<b>Project: 180E Rock Bucket Loader</b>			
Total Awarded	\$70,829.18		-\$70,829.18
180E Rock Bucket Loader	-\$23,000.00	100	
Freight: Lynden ANC-SHG	-\$50,329.18	100	
Tribal Match	-\$2,500.00		
Project Total	\$73,329.18		
<b>Village Total</b>	<b>\$73,329.18</b>		

## FUTURE PROJECTS:

The following projects are projected for the next three years for the community of Shungnak. Please note that these project totals are only estimates until initial Village Improvement Fund applications are received and approved.

Fire, Search and Rescue Station: The community of Shungnak is need of a facility or building which would hold fir fighting equipment and serve as central dispatch for search and rescue operations or searches. The building should be large enough to accommodate all equipment necessary to respond to fires and other emergencies. Ideally, the building would be centrally located and heated.

Estimated Project Cost: \$1,300,000.00

Public Safety: The community of Shungnak is requesting an increased presence of public safety for their residents. This is a life, health and safety issue. Historically, the Alaska State Troopers have been responding to calls from the borough communities and will continue to do so. The borough also responds to calls for assistance related to domestic and general public disturbances. The borough through the Public Safety Department intends to place Village Public Safety Officers in each village when it is feasible to do so.

Estimated Project Cost: \$850,000.00

Fuel Farm: The community of Shungnak needs a fuel farm which would store heating fuel and gasoline for the community's needs. A fuel farm may help reduce the cost of diesel and gasoline when purchased in bulk and when the barge is able to make it up the Kobuk River in the spring.

Estimated Project Cost: \$2,800,000.00

## Regional

Project Description: Regional Broadcast Development

Total money invested into this project: **\$347,540.00**

The Kotzebue Broadcasting Inc. (KBI) has a number of objectives for this VIF funded project. They are (1) to establish a news operation to serve the region with current information by hiring and training local news personnel and improving our news broadcast facilities, the project will also develop training materials in conjunction with the Kotzebue based University of Alaska Fairbanks' Chukchi College and the Northwest Arctic Borough School District for a broadcast certification class and (2) a second objective is to make critical repairs for our building foundations at both the transmitter and the studio buildings, and to inspect and evaluate the condition of the AM broadcast antenna foundation and ground system. (3) A third objective with the grant is to purchase and install emergency generation equipment for the Emergency Alert System (EAS). KOTZ is the official Emergency Broadcast System (EBS) station for NW Alaska. KOTZ has lacked emergency generation for long term blackouts of the electric system.

### REGIONAL PROJECT STATUS:

Job descriptions have been developed for both the News Director and Reporter and will be advertised during the month of May 2019. The selection of the news director and reporter position will take place the following month.

Studio News Equipment: Initial equipment upgrades have been planned and purchase orders have been issued.

Automation software: With fewer positions one of the key elements will be an upgrade to the network automation system that will benefit the entire operation.

Newscasts and delivery can be recorded and scheduled for the selected time slots. Critical weather and public affairs programming can be recorded and repeated to increase audience que. This will upgrade an 18-year-old software platform.

Computer Upgrades: Upgrades have been made to the computers in the news studio and the engineering department. New memory and motherboards had previously been purchased to upgrade the AM and FM computer systems and additional upgrade equipment will be purchased with grant funds. The goal with these upgrades will be to bring the network system up to a level that will tie all studios together. This will create a standardization of equipment throughout the entire station to increase the viability of training documentation.

Modulation Equipment/Zip Stream Processing/Tuners: This equipment will upgrade the signal delivery system for on air broadcasts and will integrate with the network control computer technology.

Foundations: The work on the foundations will be scheduled for the late June – July timeframe. KBI will be using a forced labor arrangement for the foundations. The project manager has a record of working on projects this way which increases the use of local labor. Management has contacted several prospective individuals that he worked with at KEA to be the foreman for this project capacity to run the construction work.

Emergency Generation: Project management is currently evaluating generation options for the long-term generation at both the transmitter and the studio.

Financial: A discrete fund has been established for the VIF grant. KBI uses QuickBooks for its financial reporting and annually provides audited financial statements. This information is provided to our funding agencies such as the Corporation for Public Broadcasting (CPB) and the Alaska Public Broadcasting Commission (APBC). KBI will be reporting on the VIF grant by providing both balance sheet and P&L information on the fund category established. The first financial report will be provided with the May report as no funds have been spent in April.

**BUDGET:**

**Kotzebue Broadcasting Inc.  
Expenditures**

**Project: Regional Broadcast  
Development**

Description	Amount
Total Awarded	\$347,540.00
PO 19-11 – BSW	-\$12,030.86
PO 19-13 – NewEgg	-\$274.80
PO 19-14 – Broadcast Software International	-\$4,628.00
PO 19-15 – Consulting Ed Schoenfeld	-\$3,500.00
<b>Project Amount Spent</b>	<b>\$20,439.66</b>

REGIONAL PROJECT PHOTOS:



Figure 2 Kotzebue broadcasting Inc. Replacing an AM Modulator originally installed in 1986 with new state of the Art equipment.

## FY19 Budget

Account #	REVENUE	Proposed FY19 Budget Amendment	Approved FY19 Budget	\$ Variance Favorable/ (Unfavorable)	% Variance Favorable/ (Unfavorable)
4000	VIF Revenue	\$ 8,000,000	\$ 4,000,000	\$ 4,000,000	100%
NEW	Investment Income - available for operations	\$ 26,000	\$ -	\$ 26,000	
<b>TOTAL REVENUE</b>		<b>\$ 8,026,000</b>	<b>\$ 4,000,000</b>	<b>\$ 4,026,000</b>	<b>101%</b>

Account #	OPERATIONAL EXPENSES	Proposed FY19 Budget Amendment	Approved FY19 Budget	\$ Variance Favorable/ (Unfavorable)	% Variance Favorable/ (Unfavorable)
6000	WAGES - VIF **	\$ 254,649	\$ 261,149	\$ 6,500	2%
6110	FICA	\$ 8,204	\$ 8,204	\$ -	0%
6111	ESC (Unemployment insurance)	\$ 4,538	\$ 4,538	\$ -	0%
6115	MEDICAL	\$ 59,249	\$ 65,353	\$ 6,104	9%
6120	WORKER'S COMP	\$ 2,095	\$ 2,095	\$ -	0%
6130	PERS	\$ 60,635	\$ 60,635	\$ -	0%
6210	AIR TRANSPORTATION	\$ 40,000	\$ 35,658	(\$ 4,342)	-12%
6220	GROUND TRANSPORTATION **	\$ 9,000	\$ 5,800	(\$ 3,200)	-55%
6230	LODGING **	\$ 46,000	\$ 35,840	(\$ 10,160)	-28%
6240	MEETING FEES	\$ 55,000	\$ 55,000	\$ -	0%
6250	PER DIEM **	\$ 28,000	\$ 21,098	(\$ 6,902)	-33%
6300	SUPPLIES	\$ 34,000	\$ 30,000	(\$ 4,000)	-13%
6320	PRINTING & PUBLICATIONS	\$ 1,500	\$ 1,500	\$ -	0%
6400	CONSULTANTS	\$ 59,000	\$ 70,000	\$ 11,000	16%
6450	LEGAL	\$ 25,000	\$ 25,000	\$ -	0%
6460	ACCOUNTING/AUDITING	\$ 15,000	\$ 20,000	\$ 5,000	25%

Total Operational Expenditures

\*\* Indicates change between first and second reading of VIF Budget Amendment

\$ 701,870    \$ 701,870    \$ -    0%

Account #	OTHER APPROPRIATIONS	Proposed FY19 Budget Amendment	Approved FY19 Budget	\$ Variance Favorable/ (Unfavorable)	% Variance Favorable/ (Unfavorable)
VARIOUS	VILLAGE ACCOUNTS	\$ 4,924,130	\$ 2,098,130	(\$ 2,826,000)	-135%
9002	SUSTAINABILITY FUND	\$ 2,400,000	\$ 1,200,000	(\$ 1,200,000)	-100%
		\$ 7,324,130	\$ 3,298,130	(\$ 4,026,000)	-122%
		\$ 8,026,000	\$ 4,000,000	(\$ 4,026,000)	-101%
		\$ -	\$ -	\$ -	

Total Other Appropriations

TOTAL EXPENDITURES

Excess (Deficiency) of revenue over expenditures

The following summarizes the changes in the FY19 Village Improvement Budget.

Important note: Since adoption of the original FY19 budget, there was a total of \$25,000 in budget transfers between operational accounts, as allowed by code. The transfer from Salaries to Travel allowed for additional Commission meetings in Kotzebue. The original FY19 budget presented in column D has been modified to show those changes. The net change in operational expenditures is \$0.

Village Improvement Fund Revenue:

VIF Revenue is budgeted at \$8,000,000 for NAB fiscal year 2019. An increase of \$4,000,000.

A special note: the revenue received under the signed Memorandum of Commitment (MOC) is based on Teck Alaska Incorporated's Earning Before Income Taxes (TAI EBIT). TAI's fiscal year ends December 31. The EBIT value is finalized upon completion of their annual audit, which usually happens every March/April. Therefore, revenue each year will be budgeted at \$4,000,000 which is the minimum payment required under the MOC. The revenue will be adjusted every March/April based on the final EBIT value reported on TAI's audited financial statements.

Investment income - available for operations is established at \$26,000. This revenue represents the interest earned in VIF checking and savings accounts that are available for operations. In the future, these operating funds will be invested in the Alaska Municipal League Investment Pool (AMLIP). AMLIP allows for investment in high quality and low risk investment vehicles that are liquidated (cashed) easily.

Village Improvement Fund Expenditures:

Wages - VIF is budgeted at \$254,649. A decrease of \$6,500. The decrease is to move funds to the travel line items, so the Primary Commission may meet again to review applications before year-end.

Medical is budgeted at \$59,249. A decrease of \$6,104. The Grant Writer position was not filled the entire year.

Air Transportation is budgeted at \$40,000. An increase of \$4,342. The increase is to:

- Allow Alternate Commission Members to attend meetings where policy/procedures are developed and formally adopted.
- Budget for two additional meetings of Primary Commission Members to consider applications during Spring 2019.
- Budget some funds for VIF staff to travel to Villages and review progress made on Projects.

The changes in the Village Improvement Budget, continued.

Ground Transportation is budgeted at \$9,000. An increase of \$3,200. See Transportation for detail. Lodging is budgeted at \$46,000. An increase of \$10,160. See Transportation for detail.

Per diem is budgeted at \$28,000. An increase of \$6,902. See Transportation for detail.

Supplies is budgeted at \$34,000. An increase of \$4,000. The increase is to:

- Cover the purchase of iPads for Commission Members in an attempt to save paper and receive meeting materials in a timely manner.
- Cover the cost of door prizes at community meetings.

Consultants is budgeted at \$59,000. A decrease of \$11,000.

Accounting/Audit is budgeted at \$15,000. A decrease of \$5,000.

Village Accounts is budgeted at \$4,924,130 An increase of \$2,826,000. This amount represents the money available for Improvement Projects as determined by the Village Improvement Commission and approved by the NAB Assembly.

Sustainability Fund is budgeted at \$2,400,000. An increase of \$1,200,000. This amount represents 30% of the VIF Revenues. Meaningful contributions to investments are a major part of the Sustainability Code, which requires 30% of VIF revenues be appropriated. The goal of the Sustainability Code is to fund the Village Improvement Fund after the MOC expires.

A few important things to note about the Sustainability Fund:

- The investments are to fund VIF in the future - not NAB operations.
- As the portfolio is administered by NAB, it is reported by Alaska Permanent Capital Management (APCM) as being part of the same company. This collective pooling allows for a more favorable investment management fee. With that said, the VIF investments are housed in its own portfolio.
- NAB is including these statements in the budget to reinforce the general understanding of this investment fund by the Village Improvement Commission, NAB administration and NAB Assembly.

## FY20 Budget

Account #		Proposed FY20 Budget	Approved FY18 Budget	\$ Variance Favorable/ (Unfavorable)	% Variance Favorable/ (Unfavorable)
	<b>REVENUE</b>				
4000	VIF Revenue	\$ 4,000,000	\$ 4,000,000	\$ -	0%
NEW	Investment Income - available for operations	\$ 75,000	\$ -	\$ 75,000	
<b>TOTAL REVENUE</b>		<b>\$ 4,075,000</b>	<b>\$ 4,000,000</b>	<b>\$ 75,000</b>	<b>2%</b>

Account #	OPERATIONAL EXPENSES	Proposed FY20 Budget	Approved FY18 Budget	\$ Variance Favorable/ (Unfavorable)	% Variance Favorable/ (Unfavorable)
6000	WAGES - VIF	\$ 209,208	\$ 275,614	\$ 66,406	24%
6110	FICA	\$ 7,624	\$ 8,204	\$ 580	7%
6111	ESC (Unemployment insurance)	\$ 3,026	\$ 4,539	\$ 1,513	33%
6115	MEDICAL	\$ 50,592	\$ 75,888	\$ 25,296	33%
6120	WORKER'S COMP	\$ 1,611	\$ 2,095	\$ 484	23%
6130	PERS	\$ 46,026	\$ 60,635	\$ 14,609	24%
6210	AIR TRANSPORTATION	\$ 50,000	\$ 35,658	(\$ 14,342)	-40%
6230	LODGING	\$ 27,500	\$ 17,740	(\$ 9,760)	-55%
6240	MEETING FEES	\$ 60,000	\$ 55,000	(\$ 5,000)	-9%
6250	PER DIEM	\$ 25,000	\$ 19,998	(\$ 5,002)	-25%
6300	SUPPLIES	\$ 25,000	\$ 30,000	\$ 5,000	17%
6320	PRINTING & PUBLICATIONS	\$ 2,000	\$ 1,500	(\$ 500)	-33%
6400	CONSULTANTS	\$ 170,000	\$ 70,000	(\$ 100,000)	-143%
6450	LEGAL	\$ 25,000	\$ 25,000	\$ -	0%
6460	ACCOUNTING/AUDITING	\$ 20,000	\$ 20,000	\$ -	0%
<b>Total Operational Expenditures</b>		<b>\$ 722,586</b>	<b>\$ 701,870</b>	<b>(\$ 20,716)</b>	<b>-3%</b>

Account #	OTHER APPROPRIATIONS	Proposed FY20 Budget	Approved FY18 Budget	\$ Variance Favorable/ (Unfavorable)	% Variance Favorable/ (Unfavorable)
VARIOUS	VILLAGE ACCOUNTS	\$ 2,152,414	\$ 2,098,130	(\$ 54,284)	-3%
9002	SUSTAINABILITY FUND	\$ 1,200,000	\$ 1,200,000	\$ -	0%

	\$ 3,352,414	\$ 3,298,130	(\$ 54,284)	-2%
	\$ 4,075,000	\$ 4,000,000	(\$ 75,000)	-2%
	\$ -	\$ -	\$ -	

Total Other Appropriations

TOTAL EXPENDITURES

Excess (Deficiency) of revenue over expenditures

The following summarizes the FY20 Village Improvement Budget. Village Improvement Fund Revenue: Revenue is budgeted at \$4,000,000 for fiscal year 2020.

A special note: the revenue received under the signed Memorandum of Commitment (MOC) is based on Teck Alaska Incorporated's Earning Before Income Taxes (TAI EBIT). TAI's fiscal year ends December 31. The EBIT value is finalized upon completion of their annual audit, which usually happens every March/April. Therefore, revenue each year will be budgeted at \$4,000,000 which is the minimum payment required under the MOC. The revenue will be adjusted every March/April based on the final EBIT value reported on TAI's audited financial statements.

Investment income - available for operations is established at \$75,000. This revenue represents the interest earned in the Alaska Municipal League Investment Pool (AMLIP) account. AMLIP allows for investment in high quality and low risk investment vehicles that are liquidated (cash) easily. The amount will likely be adjusted based on investment activity.

Village Improvement Fund Expenditures:

Wages - VIF is budgeted at \$209,208. A decrease of \$66,406. The FY20 budget eliminates the Grant Writer position, as that work will likely be contracted out.

FICA is budgeted at \$7,624. A decrease of \$580. See Wages for details on decrease.

Position	FY19	FY20	Difference
VIF CAPITAL PROJECTS MANAGER	\$109,208	\$109,208	\$0
VIF PROJECT COORDINATOR	\$83,206	\$100,000	\$16,794
VIF GRANT WRITER	\$83,200	\$0	(\$83,200)
	<b>\$275,614</b>	<b>\$209,208</b>	<b>(\$66,406)</b>

ESC (Unemployment Insurance) is budgeted at \$3,026. A decrease of \$1,513. See Wages for details on decrease.

Medical is budgeted at \$50,592. A decrease of \$25,296. See Wages for details on decrease.

Worker's Comp is budgeted at \$1,611. A decrease of \$484. See Wages for details on decrease.

PERS is budgeted at \$46,026. A decrease of \$14,609. See Wages for details on decrease.

Travel is budgeted at \$162,500. A collective increase of \$34,104. See below for detail. The itemized travel below is an estimate for:

10 Commission Members travel for meetings in Kotzebue from each village a total of 8 times. Please note that each village has 1 commission member plus 1 alternate. Previously, the Commission has elected to have alternates participate in meetings where policies and procedures are to be adopted. If the Commission elected to have alternates participate in FY20, this 1 meeting would count as 2 trips (the number of participants traveling to attend a meeting is 20 instead of 10). Please note the cost to have Kotzebue Commissioners is factored in the estimate, but these Commission Members only require meeting fees. Estimating expenses in this manner allows the Commission to plan their meetings collaboratively with their alternates.

The budget also includes 2 meeting fees for both Commissioners to hold meetings in their respective village. The Commissioners are asked to coordinate their meetings with Staff and the Commission Chair.

The travel budget also allows the Capital Projects Manager and Coordinator travel to each village at least once. It is important to note the estimate uses standard carrier rates (not charters).

These are estimates where any number of factors can impact the actual expenses. The main factor being weather. As such, the totals for transportation have been adjusted with additional funds. The Meeting Fee has been adjusted downward, as not all Commission Members are available to meet.

Meeting	7012 Transportation	7014 Lodging	7013 Per Diem	7015 Meeting Fees	Total
<b>Regular Quarterly Meetings</b>					
Upriver VIC Members	12,744	5,496	\$ 4,752	\$ 12,000	34,992
Closer Village VIC Members	19,152	12,824	\$ 11,088	\$ 28,000	71,064
Kotzebue VIC Member	-	-	\$ -	\$ 4,000	4,000
<b>Village Meeting Meeting Fee</b>					
All Villages				\$ 22,000	22,000
<b>VIF Staff Travel</b>					
Capital Projects Manager	1,593	600	\$ 891	'0	3,084
Capital Projects Manager	2,394	1,400	\$ 2,079	\$ -	5,873
Coordinator	1,593	300	\$ 594	\$ -	2,487
Coordinator	2,394	700	\$ 1,386	\$ -	4,480
<b>TOTAL</b>	<b>\$ 39,870</b>	<b>\$ 21,320</b>	<b>\$ 20,790</b>	<b>\$ 66,000</b>	<b>\$ 147,980</b>
Adjustments	\$ 10,130	\$ 6,180	\$ 4,210	\$ (6,000)	\$ 14,520
<b>UPDATED TOTAL</b>	<b>\$ 50,000</b>	<b>\$ 27,500</b>	<b>\$ 25,000</b>	<b>\$ 60,000</b>	<b>\$ 162,500</b>

Supplies is budgeted at \$25,000. A decrease of \$5,000.

Printing & Publications is budgeted at \$2,000. An increase of \$500.

Consultants is budgeted at \$170,000. An increase of \$100,000. The increase is to allow for the following contracts:

Alaska Community Foundation	\$85,000
Fred Armstrong	\$85,000
<b>TOTAL</b>	<b>\$170,000</b>

Legal is budgeted at \$25,000. Consistent with prior year. Accounting/Audit is budgeted at 20,000. Consistent with prior year.

Village Accounts is budgeted at \$2,152,414. An increase of \$54,284 from prior year. This amount represents the money available for Improvement Projects as determined by the Village Improvement Commission and approved by the NAB Assembly.

Sustainability Fund is budgeted at \$1,200,000. Consistent with prior year. This amount represents 30% of the VIF Revenues. Meaningful contributions to investments are a major part of the Sustainability Code, which requires 30% of VIF revenues be appropriated. The goal of the Sustainability Code is to finance the Village Improvement Fund for years to come.

A few important things to note about the Sustainability Fund:

The investments are to fund VIF in the future, not NAB operations.

As the portfolio is administered by NAB, it is reported by Alaska Permanent Capital Management (APCM) as being part of the same company. This collective pooling allows for a more favorable investment management fee. With that said, the VIF investments are housed in its own portfolio.

NAB is including these statements in the budget to reinforce the general understanding of this investment fund by the Village Improvement Commission, NAB administration and NAB Assembly.

## VIF Project Support Team



**Lucy S Nelson**

Northwest Arctic Borough Mayor

Tel (907) 442-8201

Fax (907) 442-2930

[lnelson@nwabor.org](mailto:lnelson@nwabor.org)



**Marie N. Greene**

VIF Chair

Tel (907) 442-2500

Fax (907) 442-2930

[Marie.green@otz.net](mailto:Marie.green@otz.net)



**Nelson Walker**

VIF Co-Chair

Tel (907) 475-5151

Fax (907) 442-2930

[Nelson.walker1@otz.net](mailto:Nelson.walker1@otz.net)



**Chuck Greene**  
Director  
Economic Dev.  
Tel (907) 442-8219  
Fax (907) 442-2930  
[cgreene@nwabor.org](mailto:cgreene@nwabor.org)



**Hiram Walker**  
VIF  
Project Manager  
Tel (907) 442-8208  
Fax (907) 442-2930  
[hwalker@nwabor.org](mailto:hwalker@nwabor.org)



**Eva O'Hara**  
VIF  
Project Coordinator  
Tel (907) 442-8203  
Fax (907) 442-2930  
[eohara@nwabor.org](mailto:eohara@nwabor.org)



**Eva Harvey**  
Consultant  
Tribal Business Consulting  
Tel (907) 987-6951  
[eva@firstalaskansfirst.com](mailto:eva@firstalaskansfirst.com)



**Fred Armstrong**

Consultant

Armstrong Consulting

PO Box 85

Buckland, AK 99727

Tel (907) 494-5055

[bucklandbing@gmail.com](mailto:bucklandbing@gmail.com)

---

**Village Improvement Commissioners**

---

<b>Village</b>	<b>Primary</b>	<b>Alternate</b>
Ambler	Morgan Johnson	Shield Downey
Buckland	Ethel Weber	Darlene Hadley
Deering	Alvin Iyatunguk, Sr.	Daisy Weinard
Kiana	Nelson Walker	Brad Reich
Kivalina	Myra Wesley	Oral Hawley
Kobuk	Henry Horner	Colleen Sheldon
Kotzebue	Marie Greene	Thomas Baker
Noatak	Vincent Onalik	Norman Monroe
Noorvik	Stacy Jack	Lee Ballot, Sr.
Selawik	Tanya Ballot	Raven Sheldon
Shungnak	Fred Sun	Billy Lee
Kivalina	Ex-Officio	Austin Swan, Sr.

2019 VIF Work Session Meeting in Kotzebue



2019 VIF Regular Meeting in Kotzebue

