

2019

VILLAGE IMPROVEMENT FUND ANNUAL REPORT



*Working together to build sustainable programs & projects
in our communities....*





That will benefit our future generations...

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LETTER FROM THE MAYOR

Northwest Arctic Borough
PO Box 1110
Kotzebue, Alaska 99752
Phone (907) 442-2500
Fax (907) 442-2930
www.nwabor.org

Teck Alaska, Inc.
Red Dog Operations
ATTN: General Manager, Les Yesnik
3105 Lakeshore Drive, Building A, Suite 101
Anchorage, Alaska 99517

Dear Mr. Yesnik,

On behalf of the Northwest Arctic Borough (NAB), I am grateful to provide the 2019 annual report to Teck Alaska, Inc. 2019 was a momentous year for the Village Improvement Commission for Infrastructure and Program Opportunities for the eleven villages of the Northwest Arctic Borough. In 2019 alone the Village Improvement Fund Commissioners and the NAB Assembly approved \$7,133,096.00 which is 89% of the total FY19 revenue for community projects and programs. The Village Improvement Commission ensures that all community priorities and applications are achieved through a community engagement process. The VIF goal is to comply with the 2016 Memorandum of Commitment between the Northwest Arctic Borough and Teck Alaska, Inc. The Village Improvement Fund continues to fund sustainable projects and programs by working together to improve the lives of the residents within the Northwest Arctic Borough.



Respectfully,

A handwritten signature in blue ink, appearing to be 'Lucy S. Nelson'.

Lucy S. Nelson
Northwest Arctic Borough Mayor



2019 Village Improvement Fund Annual Report

VILLAGE IMPROVEMENT COMMISSION

Membership

The Borough solicits nominations to the Commission from the community at large, including the village and city councils from each respective village. Subject to Assembly confirmation, the Mayor will appoint the members of the Commission from among those nominated deemed suitable to serve on the Commission. Members will serve staggered three-year terms, which may be renewed.

Commissioner Responsibilities

- ❖ To ensure that residents in the villages have input into how the VIF is spent and are able to meaningfully participate in how the Village Improvement Fund is spent.
- ❖ To decide how the Village Improvement Fund will be fairly distributed around the region.
- ❖ To decide what projects will be eligible for Village Improvement Funds.
- ❖ To identify projects to be funded through the Village Improvement Fund as identified on the Community Priority List developed through Village Improvement Fund community meetings.
- ❖ To help plan and implement those projects that are funded by the Village Improvement Fund.
- ❖ To ensure that funding is expended on projects/program as applied for.
- ❖ To review the Village Improvement Fund annual report to Teck by mid-March, or at the direction of the Village Improvement Commission, of the reporting year.
- ❖ To advise Northwest Arctic Borough regarding the Village Improvement Fund.
- ❖ To support development and update of (as needed) Village Improvement Fund Community Priority Lists. The Community Priority List acts as a reference to the needs of the community and makes any project on the Priority List eligible for funding, pending review.

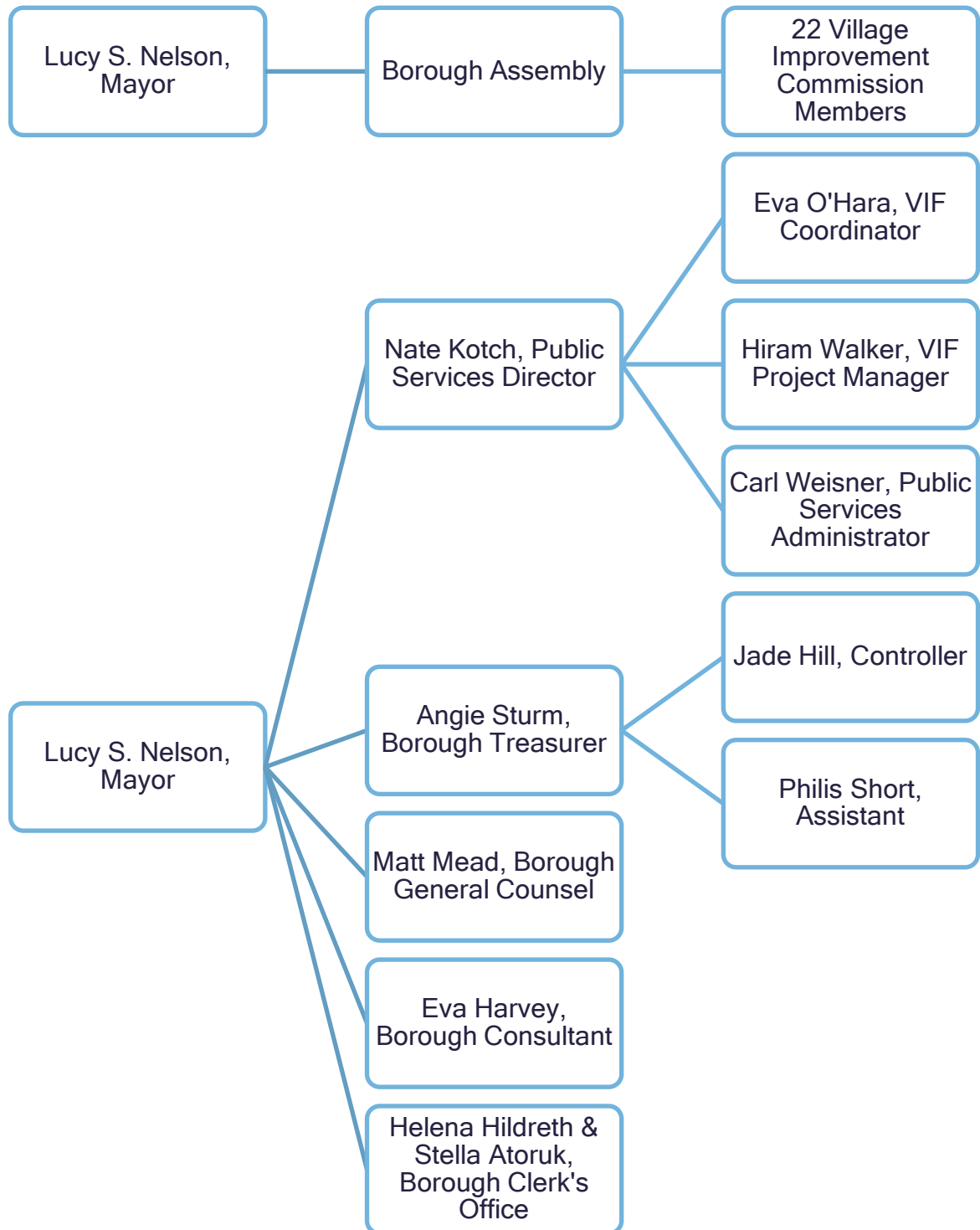


Village Improvement Commissioners

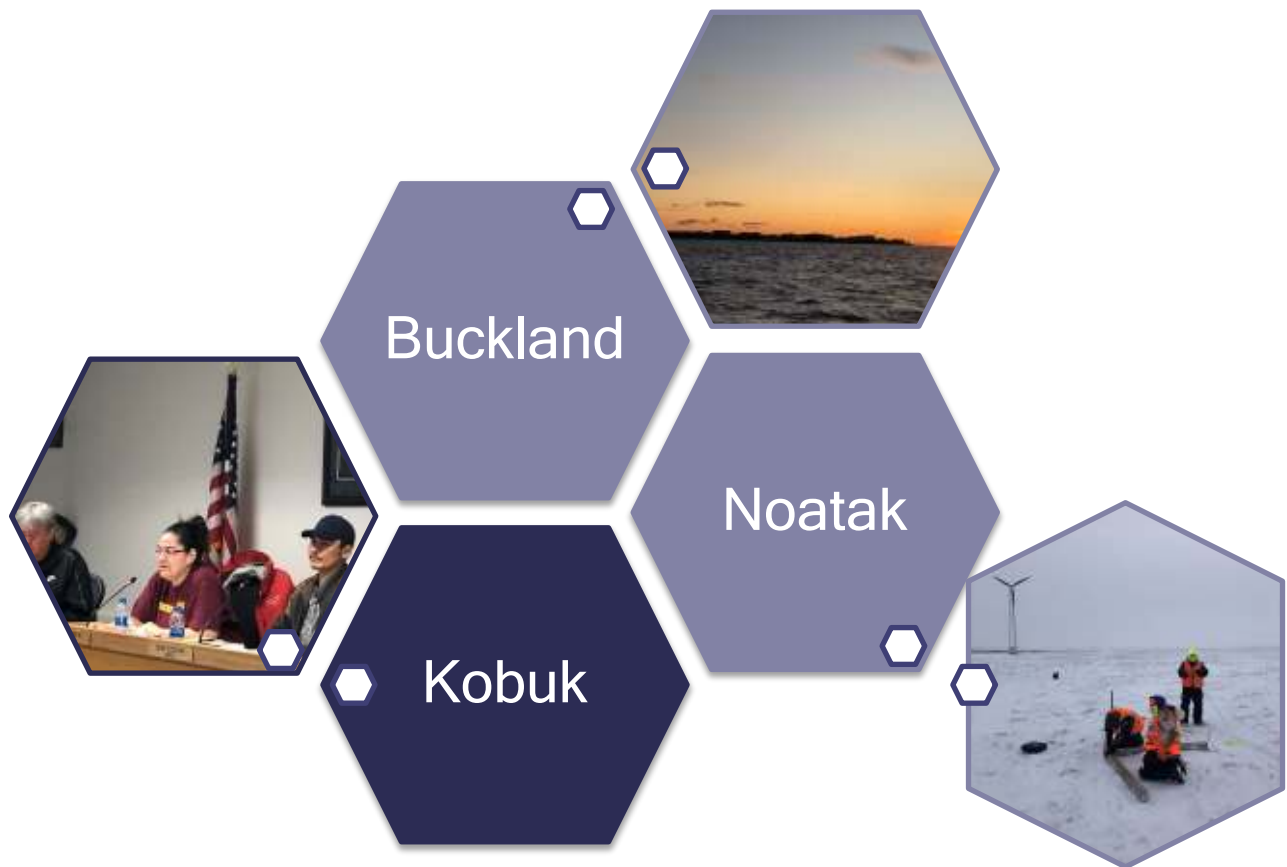
Village	Primary Commissioner	Alternate Commissioner
Ambler	Morgan Johnson	Shield Downey
Buckland	Eva Lee	Eva Foxglove
Deering	Alvin Iyatunguk, Sr.	Daisy Weinard
Kiana	Christina Westlake	Roberta Barr
Kivalina	Dolly Foster	Oral Hawley
Kotzebue	Marie Greene	Thomas Baker
Noatak	Velma Jones	Norman Monroe
Noorvik	Stacy Jack	Lee Ballot
Selawik	Tanya Ballot	Raven Sheldon
Shungnak	Reba Jones	Billy Lee



NORTHWEST ARCTIC BOROUGH VIF STAFF & PROJECT SUPPORT TEAM



VILLAGE PROJECT SUMMARY REPORTS



Community: Ambler

VIF Applications Received:

<i>Application Name</i>	Agency	Project/ Program Category	Application Amount	Was this Project Awarded?
(1) <i>Ambler Energy Efficiency Project Phase 1</i>	City of Ambler	Infrastructure	\$45,000	Yes
(2) <i>Ambler Energy Project: Phase 2</i>	City of Ambler	Infrastructure	\$505,225	Yes
(3) <i>Ambler Energy Project: Phase 3</i>	City of Ambler	Infrastructure	\$25,000	Yes
(4) <i>Ambler Biomass Project</i>	City of Ambler	Infrastructure	\$343,500	Yes
(5) <i>City Dump Clean Up</i>	City of Ambler	Infrastructure	\$5,870.58	No
(6) <i>Ambler Fire Search & Rescue Building</i>	City of Ambler	Infrastructure	\$ NA	No
(7) <i>Ambler Heavy Equipment</i>	City of Ambler	Infrastructure	\$187,436	No
(8) <i>City of Ambler LED Street Light Project</i>	City of Ambler	Infrastructure	\$13,572	No
(9) <i>Ambler Fire Search & Rescue Firehall Building Phase 1</i>	City of Ambler	Infrastructure	\$30,000	No

Total Amount Funded: \$918,725.00

Description of the Funded Project(s):

(1) Ambler Energy Efficiency Project: Phase 1

This project was to compile engineering data into an energy rating and engineering report for adopting LED lighting and heat pumps for all 80 households in Ambler. This project consists of three phases:

Project Status: Closed Out

(2) Ambler Energy Efficiency Project: Phase 2

Phase 2 of this energy efficiency project is the implementation of LED and Solar PV and Heat Pump installations for 80 households. This project benefits each household who participated by saving an estimated amount of \$3,000 and an estimated savings of over 15 years totaling \$2.5 million. This project can be implemented as a pilot regional energy plan.

Project Status: Open and Ongoing



(3) Ambler Energy Efficiency Project: Phase 3

This was unforeseen project change order for the Ambler Energy Project due to vandalism to the existing solar PV array on the water plant. Prior to the vandalism, the solar PV has greatly benefited the community and has lowered water/sewer costs to an affordable level. Since the contractors were in Ambler for phase 2 of this project, it was cost effective to fix this problem, however, freight expense for this project increased the repair amount due to the project being complete in mid-winter.

Project Status: Open and Ongoing

(4) Ambler Biomass Project

The intent of this project was to support a biomass boiler project, funding directed to pay for costs associated with environmental controls, project management, labor costs and upgrades to the end user facilities, which include the community washeteria and the NANA Shareholder Relations office.

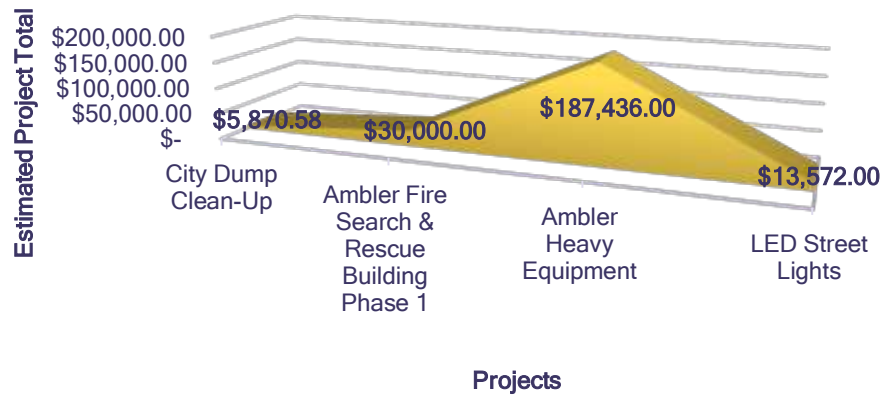
Project Status: Open and Ongoing



Solar Panel
Installation completed
on Ambler Residents'
Home



Projected Infrastructure Projects determined by the City of Ambler



Ambler Community Priorities

These community priorities are determined by the community members and are considered to be future projects.

Fire & Search and Rescue Building (Enclosure for all fire equipment, boat, snowmachine & sled)	Loader & Dump truck Needed for gravel extraction for existing projects	Stockpiling gravel for projects (10K cubic yards needed for projects)
Housing Improvement Programs	Streetlight Improvement	Upper Kobuk Longtime Elder Care Facility
Erosion Control (Front Street)	Cost of Living improvement (Affordable fuel, groceries, electricity & transportation)	New Fuel Farm Construction
Fuel Farm Upgrade (Fuel Accessibility)	Solar Panels, LED's and Heatpumps for each Home	New Gym for the School



Community: Buckland



VIF Applications Received:

<i>Application Name</i>	<i>Agency</i>	<i>Project/ Program Category</i>	<i>Application Amount</i>	<i>Was this Project Awarded?</i>
<i>(1) Buckland Road/ Water & Sewer Project</i>	Native Village of Buckland	Infrastructure	\$579,331	Yes
<i>(2) New Landfill & Closeout of Existing</i>	City of Buckland/ Native Village of Buckland	Infrastructure	\$1,354,892	No
<i>(3) Buckland Program Equipment</i>	City of Buckland	Infrastructure	\$264,944	No
<i>Total Amount Funded: \$529,809</i>				

Description of the Funded Project(s):

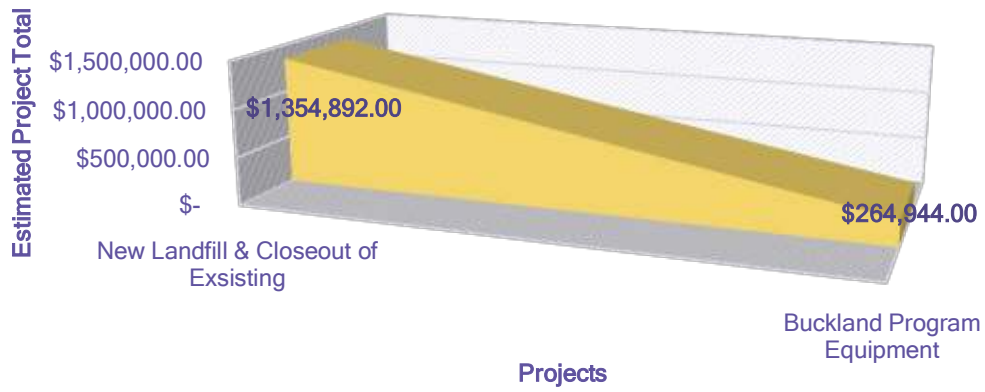
(1) Buckland Road/ Water & Sewer Project

The purpose of this project was to construct a 375' road extension to Lulu Avenue to include water and sewer main lines for five new homes in the Mountain View Subdivision. This project collaborated with multiple agencies in order to make this project a success. This project had matching funds from the following organizations: 1. The Native Village of Buckland. 2. Heavy Equipment in-kind use from the City of Buckland, and 3. The water service lines will be installed through funding through Northwest Inupiat Housing (NIHA). This project created a total of eighteen local positions: one project manager, nine heavy equipment operators and eight laborers.

Project Status: Open and Ongoing



Projected Infrastructure Projects determined by the City of Buckland & Native Village of Buckland





Buckland Community Priorities

These community priorities are determined by the community members and are considered to be future projects.

Emergency Services Vehicle	Erosion Control	Rock Crusher	Gravel Pit Permits	Windmill	Access Road to Clinic & Clinic to Airport
Power Poles	Wellness	Grave Site Preservation & Bridge	Street Poles	Water Truck, Dust Control	Trash Burner
Cement Truck	Armory, IRA & Old City Renovations	Tribal Office	Head Start Building	Courthouse & Jail	Guard Rail for Roads
Elders Ramps for Homes	Maintenance for Access Roads	Multi-Purpose Building	Fully Equipped Shop for Coffin Makers	Heavy Equipment Repair	New Ramp for Clinic
Fuel Ramp for Homes	Hunting Class	Housing Repair	Weatherization	Air Purifiers	In Home Water Purifiers
Black Mold Removal	Fuel for Search & Rescue	Fuel for Search & Rescue	Furnaces for Homes	Foundation Repairs for Homes	Search & Rescue Building & Equipment
Flush Hydrant Elbow for Emergency Shut Off	Visitor Center	Solar Panels & Windmills	Cemetery Road	Basketball Court Outside	Airport Terminal
Apartments	Baseball Field	More Homes	Fire Dept Station	Trash Burner Unit	Scrap Yard
Elders Lunch Delivery Truck	Movie Theatre	Boat Launch/ Harbor	Fuel Delivery Truck	Teen Center	



Community: Deering

VIF Applications Received:

<i>Application Name</i>	Agency	Project/ Program Category	Application Amount	Was this Project Awarded?
<i>(1) *New Generator and Installation</i>	Ipnotchiaq Electric Co	Infrastructure	\$147,750	Yes
<i>(2) Purchase/ Install On Demand Water Heaters for Residents</i>	Native Village of Deering	Infrastructure	\$166,049	Yes
<i>(3) Water Delivery Truck</i>	City of Deering	Infrastructure	\$19,955	Yes
<i>(4) Fuel Dispenser & Controller for the Tank Farm</i>	Native Village of Deering	Infrastructure	\$32,150	No
<i>(5) New Heavy Equipment</i>	City of Deering	Infrastructure	\$214,878	No
<i>(6) East End Electric Grid</i>	Ipnotchiaq Electric Co.	Infrastructure	\$375,000	Yes
<i>(7) Deering Native Store Renovations</i>	Native Village of Deering	Infrastructure	\$ NA	No

Total Amount Funded: \$708,754.00

Description of the Funded Project(s):

(1) New Generator and Installation

This project was initially awarded in 2018, however, the project was delayed due to the installation and remaining funds were dispersed in 2019.

Project Status: Closed Out

(2) Purchase/ Install On Demand Water Heaters for Residents

Project Status: Closed Out

(3) Water Delivery Truck

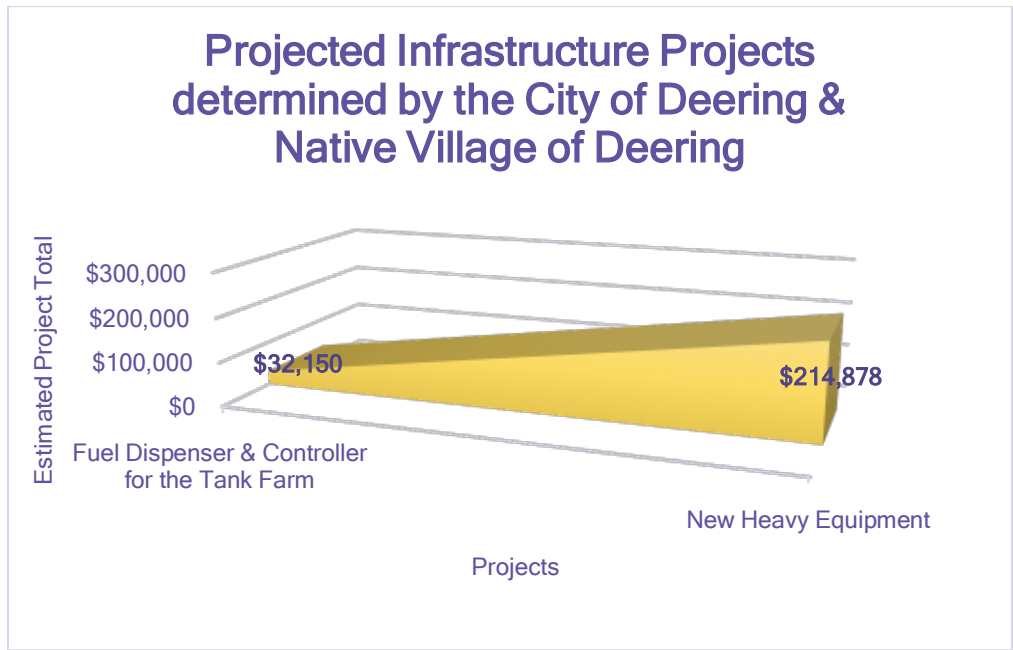
The Water delivery truck was a critical need for the community to provide water delivery to households because water and sewer is unavailable. The prior water delivery truck needed major repairs and created a major health risk to the community without this service.

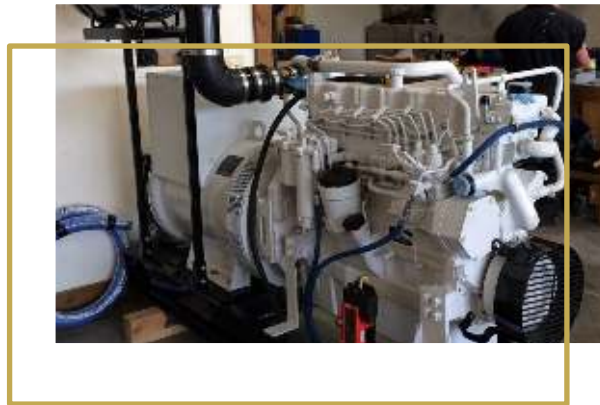
Project Status: Closed Out

(4) East End Electric Grid

Project Status: This project was funded in 2019 and project start date will begin upon barge season 2020.







Deering Community Priorities

These community priorities are determined by the community members and are considered to be future projects.



Community: Kiana

VIF Applications Received:

<i>Application Name</i>	<i>Agency</i>	<i>Project/ Program Category</i>	<i>Application Amount</i>	<i>Was this Project Awarded?</i>
(1) * <i>Water Treatment Plant - Manganese Removal</i>	City of Kiana	Infrastructure	\$882,000	Yes
(2) <i>OPT-In Kiana</i>	OPT-In Kiana	Program	\$ NA	No
(3) <i>Kiana Community Building</i>	City of Kiana	Infrastructure	\$818,440	Yes
<i>Total Amount Funded: \$1,700,440</i>				

Description of the Funded Project(s):

(1) Water Treatment Plant – Manganese Removal

This project was awarded in 2018, however, due to the delay of other funding sources, this project is on hold and will remain active until work is scheduled.

Project Status: Open and Ongoing

(2) Kiana Community Building

The purpose of this project was to construct a community gathering facility, replacing the prior community building which was constructed in 1971 and been deemed uneconomical. This facility will continue to provide a place for hosting community gatherings such as potlucks, polling place for elections, community meetings, facilitating local search and rescue efforts and many other public functions. This project has created local jobs, hiring temporary carpenters and laborers to complete this project.

Project Status: Project will be completed in summer of 2020



Kiana Community Priorities

These community priorities are determined by the community members and are considered to be future projects.

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



Community: Kivalina

VIF Applications Received:

<i>Application Name</i>	<i>Agency</i>	<i>Project/ Program Category</i>	<i>Application Amount</i>	<i>Was this Project Awarded?</i>
(1) *Evacuation Road/ Support	City of Kivalina	Infrastructure	\$1,000,000	Yes
(2) Non-Sewered Sanitation System	Native Village of Kivalina	Infrastructure	\$519,956	No
(3) Electrical Intertie	City of Kivalina	Infrastructure	\$3,500,000	Yes
<i>Total Amount Funded: \$2,500,000.00</i>				

Description of the Funded Project(s):

(1) Evacuation Road/ Support

This project was initially awarded in 2018, however, the project was delayed due to the installation and remaining funds were dispersed in 2019.

Project Status: Closed Out

Description of the Future Project(s):

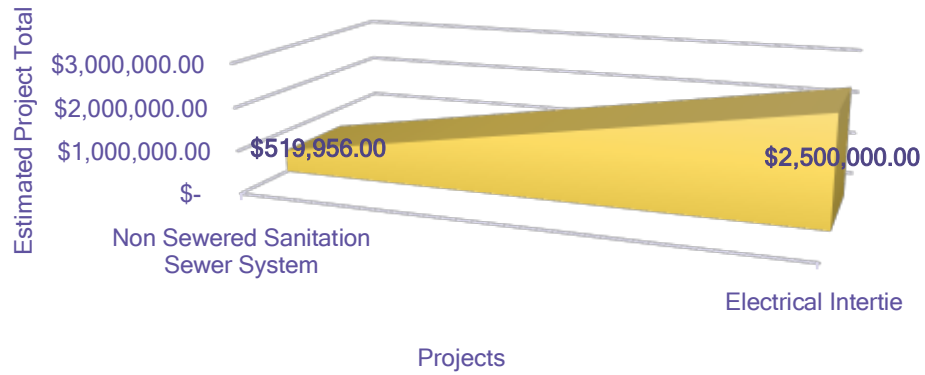
(1) Electrical Intertie

This project is to support the overall electrical upgrade system for not only for the new school construction project but for additional infrastructure needs for the community. The purpose of this project is to build an additional power plant or build a transmission line from Alaska Village Electric Cooperative (AVEC) from the village to the new site which is cost effective for the Northwest Arctic Borough School District (NWABSD) to build the transmission line. NWABSD utilizes 40% of energy costs for KVL alone at the old school site. The transmission line would support the expansion of Kivalina for homes being built around the new school. AVEC would be responsible for maintaining the line. Without this money, the NWABSD would not have enough money to build the school. AVEC will construct the line, the improvements that they complete, AVEC will own. The Commission has committed to funding this overall project cost of \$3,500,000.00 and will be paid in three increments; \$1.5M in FY20, \$1M in FY21 and \$1M in FY22.

Project Status: Open and Ongoing project awarded in three increments considered as future funding for the community.



Projected Infrastructure Projects determined by the Native Village of Kivalina and City of Kivalina



Kivalina Community Priorities

These community priorities are determined by the community members and are considered to be future projects.

Dump Repair, move dump away from airport, add new fencing, burn box, and dumpsters for townsite

VPO Housing, Utilize City's Camper and renovate it

AVEC Intertie and water storage at new school site

Elder/ Homeowner window and door repair

Elder Services to include garbage and qugvik (honeybucket) pick-up

Senior Van, Driver & student pick-up

Playground with cement basketball court

VIF grantwriter/ liaison

Grave diggers shack with generators and tools

Snow fence, equipment for snow removal and connex for storage

Barge landing or Intertie with Portsites, build road for Whole Sale like Noatak

Discuss Coop with Teck and KEA for energy sharing equipment, windmills, solar panels to minimize electric costs

Erosion Threat Assessment

Evacuation planning with emergency shelter, vehicle at new site

Utilize ASRC to build village pad with their equipment

Create student incentives with technology prizes

Youth Musical Instructors needed

Improve water quality, clean water tanks, replace water filters

Promote Kivalina Wellness

Alternative Energy

Promote food preservation/plants/berries



Community: Kobuk

VIF Applications Received:

<i>Application Name</i>	<i>Agency</i>	<i>Project/ Program Category</i>	<i>Application Amount</i>	<i>Was this Project Awarded?</i>
(1) <i>Drain Field</i>	City of Kobuk	Infrastructure	\$199,250	Yes
(2) <i>Wastewater Source</i>	City of Kobuk	Infrastructure	\$13,474	Yes
(3) <i>Fuel Farm Upgrade</i>	City of Kobuk	Infrastructure	\$130,400	No
<i>Total Amount Funded: \$212,724.00</i>				

Description of the Future Project(s):

(1) Drain Field

The application for this project was submitted in 2019 and recently approved by the commission in 2020.

Project Status: Open and Ongoing

(2) Wastewater Source

The application for this project was submitted in 2019 and recently approved by the commission in 2020.

Project Status: Open and Ongoing

Projected Infrastructure Projects Determined by the City of Kobuk



Kobuk Community Priorities

These community priorities are determined by the community members and are considered to be future projects.

Fuel Farm	Community Building	Safety Building	Boys and Girls Club
Native Store	Housing	Energy Projects	New Leach Field
VPSO Facilities	Back-Up Power/ Hydro Plant	Water & Sewer Upgrade	New Playground Equipment
Erosion Control	Upgrade Culture Camp	Apartment Complex	Wellness Programs
Recreation Center	Improve Dahl Creek Bridge	New Grader	Swimming Pool
Multi-Purpose Building	Renovate S&R Building	New Basketball Court, uptown	Washeteria Building
	School Bus	Heavy Equipment Building	



Community: Kotzebue



2019 Village Improvement Fund Annual Report

VIF Applications Received:

<i>Application Name</i>	<i>Agency</i>	<i>Project/ Program Category</i>	<i>Application Amount</i>	<i>Was this Project Awarded?</i>
<i>(1) Kotzebue Community Solar Power</i>	Kotzebue Electric Association	Infrastructure	\$600,000	Yes
<i>(2) Kotzebue Area Wide Clean Up</i>	Kikktagruk Inupiat Corporation	Infrastructure	\$3,370,000	No*DNMQ
<i>(3) Biomass Energy Feasibility Study Project</i>	City of Kotzebue	Infrastructure	\$287,000	No
<i>(4) Arctic Circle Search & Rescue Building</i>	Arctic Circle Search & Rescue	Infrastructure	\$225,000	No
<i>(5) Environmental Program Building</i>	Kotzebue IRA	Infrastructure	\$127,388	No
<i>(6) KOTZ Radio</i>	KOTZ Broadcasting	Program	\$347,540	Yes
<i>(7) Foodservice Program</i>	Northwest Arctic Borough School District	Program	\$452,677	Yes
<i>(8) Inupiaq Language Program</i>	Northwest Arctic Borough School District	Program	\$554,662	Yes
<i>(9) NWABSD Pre-K</i>	Northwest Arctic Borough School District	Program	\$137,233	Yes

Total Amount Funded: \$2,092,112.00

****DNMQ: Does not meet qualifications for Village Improvement Funding**

Description of the Funded Project(s):

(1) Kotzebue Community Solar Power

Project Status: Open and Ongoing

(2) KOTZ Radio

The Kotzebue Broadcasting Inc. (KBI)'s objectives for this project includes the following: 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 Chukchi College and the NW Arctic School District for a broadcast certification class and 2. Complete 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 and lastly, 3.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. This project not only benefits the community of Kotzebue with providing job(s), additionally provides a region-wide benefit to the people of the Northwest Arctic Borough.

Project Status: Open and Ongoing

Description of the Future Project(s):

(1) Foodservice Program

Project Status: Open and Ongoing and project awarded in early 2020 considered as future funding that will benefit for the Northwest Arctic Borough School District - District wide supporting eleven K-12 Schools.

(2) Inupiaq Language Program

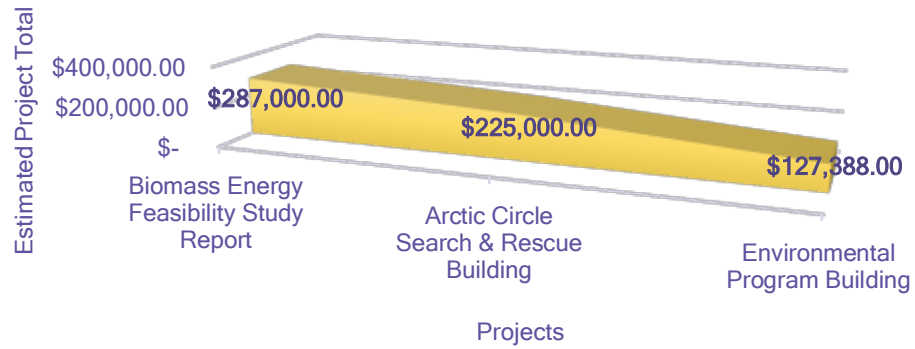
Project Status: Open and Ongoing and project awarded in early 2020 considered as future funding that will benefit for the Northwest Arctic Borough School District - District wide supporting eleven K-12 Schools.

(3) NWABSD Pre-K

Project Status: Open and Ongoing and project awarded in early 2020 considered as future funding that will benefit for the Northwest Arctic Borough School District - District wide supporting eleven K-12 Schools.



Projected Infrastructure Projects determined by the City of Kotzebue, ACS & Kotzebue IRA



Community Solar Power Project



Kotzebue Community Priorities

These community priorities are determined by the community members and are considered to be future projects.

Biomass Building/Boiler Building	E911 System/Community	City Landfill & KIC yard cleanup	Solar Power	Hydroponic Sustainability
Daycare Center	Community Utility Assistance Program	Detox/Homeless Center/Sleep Off	Public Safety/Police Gear/ Vehicles/ Ambulance	Community Cultural Center
Laundry Facility	Local Store	Processing Center for Fish and Game	Youth Center	KOTZ Radio Infrastructure
Education	Amber Alert System	Port Authority	Cape Blossom Road	Search and Rescue Facility
Paving	Strengthening the Cultural & Language (3 Year Project)	Streets & Roads Infrastructure	Water & Wastewater Infrastructure	Ambulance
Shooting Range	Housing	Early Learning Daycare	Wind Turbine & Batteries/Solar Power	Tank Farm
Food Program (NWABSD)	Student Activities	Food for the Needy	Community Clean Up	Recycling Center
Housing	Ted Stevens Way	Loop Road	Career & Technical Education NWABSD	Parks & Recreation
Gravel (Develop Iggee Hill)	Research Cyanobacteria	Deferred Maintenance	Commercial Retail Space	



Community: Noatak



		VIF Applications Received:		
<i>Application Name</i>	<i>Agency</i>	<i>Project/ Program Category</i>	<i>Application Amount</i>	<i>Was this Project Awarded?</i>
(1) <i>Boiler Restoration</i>	Native Village of Noatak	Infrastructure	\$6,856.85	Yes
(2) <i>Community Trash Clean Up</i>	Native Village of Noatak	Infrastructure	\$79,492	Yes
(3) <i>Trash Burn Unit</i>	Native Village of Noatak	Infrastructure	\$96,162	Yes
(4) <i>Bobcat Skidsteer</i>	Native Village of Noatak	Infrastructure	\$62,554	Yes
(5) <i>Dump Dozer</i>	Native Village of Noatak	Infrastructure	\$631,760	Yes
(6) <i>Handicap Van: Elders & School</i>	Native Village of Noatak	Infrastructure	\$64,175	Yes
(7) <i>Waste Oil Burner</i>	Native Village of Noatak	Infrastructure	\$7,664	Yes
(8) <i>Water Truck</i>	Native Village of Noatak	Infrastructure	\$189,775	Yes
(9) <i>Water Treatment Boiler Parts</i>	Noatak Utilities	Infrastructure	\$27,480.45	No
(10) <i>Water Truck Driver Funds</i>	Native Village of Noatak	Infrastructure	\$46,169.06	No
(11) <i>E85 Excavator</i>	Noatak Utilities	Infrastructure	\$191,863	No
(12) <i>Heavy Equipment Restoration Phase 1</i>	Native Village of Noatak	Infrastructure	\$22,808	No* (DNMQ)
(13) <i>Landfill Fence</i>	Native Village of Noatak	Infrastructure	\$100,758	No
(14) <i>Heavy Equipment Mechanic & Laborer</i>	Native Village of Noatak	Infrastructure	\$19,577.50	No* (DNMQ)

Total Amount Funded: \$1,138,439 |

****DNMQ: Does not meet qualifications for Village Improvement Funding**



Description of the Funded Project(s):

(1) Boiler Restoration

This project was initially awarded in 2018, however, final payment was dispersed in 2019. This project gave the awardee the opportunity to purchase a new boiler and burner unit which benefited 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. Prior to this project, water lines were a major problem for the community and created health hazards for the families without water and sewer.

Project Status: Close Out

(2) Community Trash Clean Up

The intent of this project was to complete a community wide clean-up, which included completing the following tasks: bulk item pick-up from households and transported to the landfill, regular garbage pick-up for households unable to provide transportation to the landfill, picked up garbage on the tundra around the landfill fence, which littered the tundra at least 1/3 miles away to a nearby creek. They also picked up garbage on the tundra on cemetery road, on the tundra on both sides of the airport runway and the road to the gravel pit. This project provided income for 26 temporary laborers, which is vital for local economy in Noatak where gasoline and diesel costs more than \$10 per gallon.

Project Status: Open and Ongoing

(3) Trash Burn Unit

Project Status: Closed Out

(4) Bobcat Skidsteer

Heavy equipment purchased for the village of Noatak

Project Status: Closed Out

(5) Dump Dozer

(6) Heavy equipment purchased for landfill management to include shipping costs.

Project Status: Closed Out

(7) Handicap Van: Elders & School

The Native Village of Noatak purchased a handicapped van to transport elders and K-12 handicapped individuals.

Project Status: Closed Out

(8) Waste Oil Burner

Burner unit purchased to burn garbage at the landfill. This burner unit will be manned at all time

Project Status: Open and Ongoing



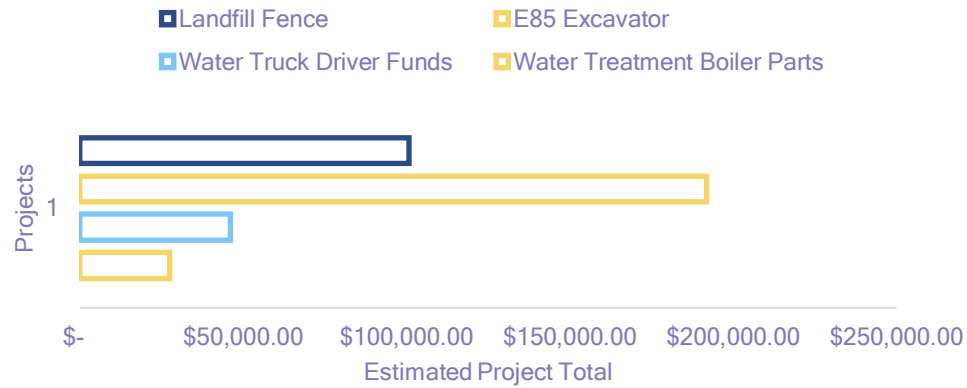
(9) Water Truck

This piece of equipment will be utilized to assist with keeping dust under control to prevent health hazards for vulnerable adults and elders with breathing problems.

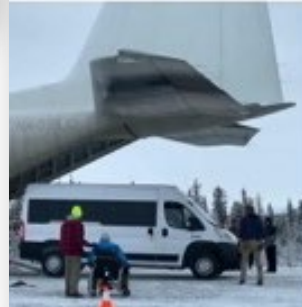
Project Status: Open and Ongoing



Projected Infrastructure Projects determined by the Native Village of Noatak







Noatak Community Priorities

These community priorities are determined by the community members and are considered to be future projects.

Heavy Equipment	Cemetery Road	Red Dog Road	New Home Ownership	Housing
Recreational Field	Street Lights	Funding for VPO	New Landfill	Revamp Water and Sewer
Community Hall	Animal Shelter	Relocate Tank Farm	Apartments	Fire Department Building
Green House	Demolish Old School	Animal Control	Road Signs	Daycare
Van for Elders	School Bus	Clean Up	Dust Control	Landfill Restoration
Equipment Restoration	Games for Youth Building	Cemetery Relocation	Storage Building for Equipment	Landscapping on Roads
Jackhammers		Fire Hydrant Covers		



Community: Noorvik

VIF Applications Received:

<i>Application Name</i>	<i>Agency</i>	<i>Project/ Program Category</i>	<i>Application Amount</i>	<i>Was this Project Awarded?</i>
(1) <i>Heated Multi-Purpose Storage</i>	City of Noorvik	Infrastructure	\$49,406	Yes
(2) <i>Caterpillar 950M Loader</i>	City of Noorvik	Infrastructure	\$303,376	Yes
(3) <i>Landfill Clean-Up (Burner + Equip)</i>	City of Noorvik	Infrastructure	\$329,313	Yes
<i>Total Amount Funded: \$701,085.29</i>				

Description of the Funded Project(s):

(1) Heated Multi-Purpose Storage

This project purchased a prefabricated storage shed which was critical for the City of Noorvik. This project also assisted in purchasing tools that needed to be replaced. This amount also included the cost of shipping and handling.

Project Status: Open and Ongoing

(2) Caterpillar 950M Loader

This project purchased a loader which is critical for community-wide capital projects.

Project Status: Open and Ongoing

(3) Landfill Clean-Up (Burner + Equip)

Funds for this project cleaned up the landfill, purchased a burner unit and equipment needed to complete this project.

Project Status: Open and Ongoing





Noorvik Community Priorities

These community priorities are determined by the community members and are considered to be future projects.

New Homes, Weatherization	Safe Haven for women & children	Vocational Training & Rehabilitation including new technology and computer skills	Honey Bucket collection and disposal site
Noorvik as hub for Bypass mail	Subsistence Transportation	Reduce cost of local groceries and goods	Youth/Cultural School; Learning Inupiaq Language
NWAB \$ fair share	VPO/VPSO increased hours	B&G Club, Community Recreational Center & Outside Activities	Recreational Center & Outside Activities
Real ID Cards	Heavy Equipment & Equipment Storage	Increase Regional Jobs	Tribal Courts
Airport Terminal and Freight Storage	Water/Sewer Improvements	Bulk Fuel Storage for upper Kobuk	Opportunities and Placement
Support Food Programs	Working Together	Burner at Landfill	Understanding fuel charges on Utility bills



Land Protection	Activities	Food bank and community freezer	Sigluaq, Community Freezer and Storage
Multi-Purpose Storage+ Tools	Dust Control	New Community Building	Water Truck
Street Lights	Fire Truck & Fire Station	Dump Truck	Playground for kids
Sawmill	Fuel Delivery	Paved Roads	Green House
Heavy Equipment	Landfill (Clean-up, Burner & Equipment)	Multi-Purpose Storage +Tools	Police Department Vehicle
Transportation to Airport	Community Septic Tank	Search & Rescue Community Storage Facility	Search & Rescue Equipment
Garbage Truck		Community Building Repair Washeteria	Garden Tiller/Farm Tractor



Community: Selawik

VIF Applications Received:

<i>Application Name</i>	<i>Agency</i>	<i>Project/ Program Category</i>	<i>Application Amount</i>	<i>Was this Project Awarded?</i>
<i>(1) Water & Sewer Rehabilitation</i>	City of Selawik	Infrastructure	\$610,500	Yes
<i>(2) Selawik Wellness Program</i>	Native Village of Selawik	Program	\$378,872	Yes
<i>(3) Selawik Home Water & Sewer Project</i>	City of Selawik	Infrastructure	\$1,000,000	Yes
<i>(4) Selawik Fuel Project Retail</i>	Native Village of Selawik	Infrastructure	\$500,000	No
<i>(5) Renovation of Multi-Purpose Building</i>	Native Village of Selawik	Infrastructure	NA	No
<i>(6) Community Clean Up</i>	Native Village of Selawik	Program	\$91,929.67	No
<i>(7) NVS Audit</i>	Native Village of Selawik	Program	\$55,000	No*DNMQ

Total Amount Funded: \$1,989,372 |

****DNMQ: Does not meet qualifications for Village Improvement Funding**

Description of the Funded Project(s):

(1) Water & Sewer Rehabilitation

Project Status: Open and Ongoing

(2) Selawik Wellness Program

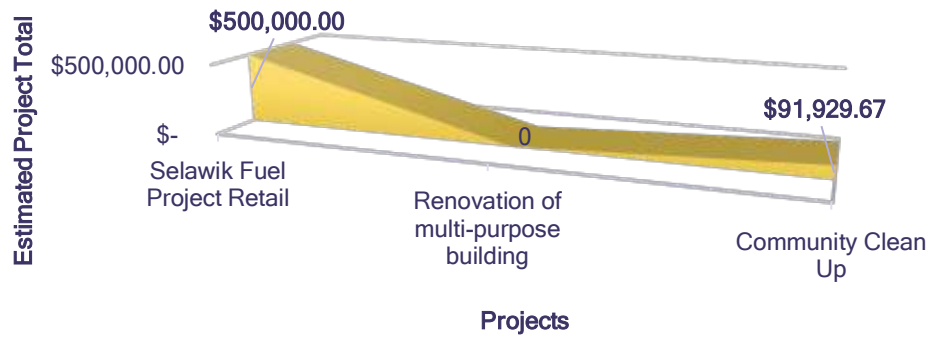
Project Status: Open and Ongoing

(3) Selawik Home Water & Sewer Project

Project Status: Open and Ongoing



Projected Infrastructure Projects determined by the Native Village of Selawik



Selawik Community Priorities

These community priorities are determined by the community members and are considered to be future projects

Water & Sewer	Landfill (construct new, close old dumpsite)	Multi-Purpose Building (rehab notice)
Public Safety	Erosion	Softball Field
Roads to gravel source	Laudromat Facility	Sawmill
Cultural Activities	Facility for Fire, Police, Disaster	Drug and Alcohol Awareness
Mental Health	Airport Expansion	Head Start
	New School with New Gym	



Community: Shungnak

VIF Applications Received:

<i>Application Name</i>	<i>Agency</i>	<i>Project/ Program Category</i>	<i>Application Amount</i>	<i>Was this Project Awarded?</i>
(1) <i>Loader Rock Bucket</i>	Native Village of Shungnak	Infrastructure	\$70,829.18	Yes
(2) <i>Fuel Farm</i>	Native Village of Shungnak/ SNS	Infrastructure	NA	No
(3) <i>Water and Sewer for New Cook House</i>	Native Village of Shungnak	Infrastructure	\$37,200	Yes
(4) <i>305 Excavator</i>	Native Village of Shungnak	Infrastructure	\$30,000	Yes
(5) <i>Dump Truck</i>	Native Village of Shungnak	Infrastructure	\$177,366	Yes

Total Amount Funded: \$315,395

Description of the Funded Project(s):

(1) Loader Rock Bucket

Project Status: Close Out

(2) Water and Sewer for New Cook House

Project Status: Open and Ongoing

(3) 305 Excavator

Project Status: Open and Ongoing



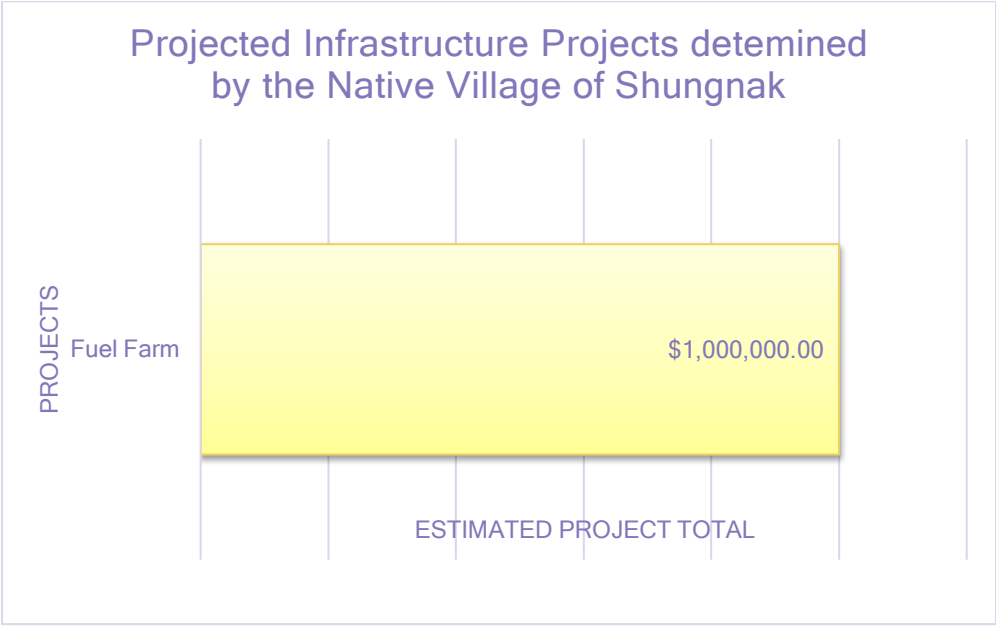
Reba Jones, Commissioner

Description of the Future Project(s):

(1) Dump Truck

Project Status: This project was funded in early 2020 and is considered a future project.





Shungnak Community Priorities

These community priorities are determined by the community members and are considered to be future projects.

24/7 Public Safety	Heat Pump/ LED Lighting	Wellness Program	Fire Building
Heavy Equipment/ Equip. Building	Safety, fire station, search and rescue	Safety	Fencing around equipment
Apartment Complex	Renovaitons/addition s/weatherizations	Road Improvements	Youth Employment
Heavy equipment, Loader, small excavator	Housing/lodge rental units	Consolidation of fuel farm	Education
Power Plant	Heating for School Shop	Culture Camp	Water and Sewer
Tri-Village Meeting	Divert water on north side of island	Water Source	Road to Bornite
Sawmill	Rec Center	Safe House	Cement Court
Terminal	Bigger Gym/ Cafeteria	New Grave Site	Landfill
	Shelter Cabin	Swimming Pool	



FINANCIALS

Executive Summary

The following financial reports will demonstrate how the Village Improvement Funds were spent on projects for the 2019 year as well as allocating funds for the future. Administrative and Commissioner expenses are also displayed by village.



2019 Summary Expense Report by location

Village	Account/ Audit	Bank Fees	Consultant	ESC	FICA	Ground Transportation	Legal	Lodging	Medical
All Villages									
Ambler								\$ 3,824	
Anchorage			\$ 10,391						
Buckland			\$ 30,328					\$ 3,824	
Deering								\$ 4,377	
Fairbanks			\$ 25,091						
Kiana								\$ 3,107	
Kivalina								\$ 5,975	
Kobuk								\$ 4,691	
Kotzebue			\$ 1,055	\$ 1,673	\$ 6,197	\$ 8,302		\$ 1,444	\$ 58,511
Noatak								\$ 3,232	
Noorvik								\$ 2,629	
Other - Bank		\$ 44,109							
Other - Legal							\$ 44,224	\$ 239	
Other- Acct/Audit	\$ 5,280								
Selawik								\$ 3,346	
Shungnak								\$ 3,824	
Grand Total	\$ 5,280	\$ 44,109	\$ 66,865	\$ 1,673	\$ 6,197	\$ 8,302	\$ 44,224	\$ 40,512	\$ 58,511

Village	Meeting Fees	Per Diem	PERS	Salaries	Supplies	Transportation	Workers Comp	Grand Total
All Villages					\$ 15,618	\$ 180		\$ 15,798
Ambler	\$ 3,500	\$ 1,782			\$ 100	\$ 4,272		\$ 13,478
Anchorage								\$ 10,391
Buckland	\$ 4,450	\$ 1,683			\$ 494	\$ 4,443		\$ 45,223
Deering	\$ 4,250	\$ 2,574			\$ 205	\$ 2,437		\$ 13,843
Fairbanks								\$ 25,091
Kiana	\$ 3,500	\$ 1,980			\$ 519	\$ 3,567		\$ 12,673
Kivalina	\$ 6,700	\$ 2,970			\$ 100	\$ 2,745		\$ 18,490
Kobuk	\$ 4,000	\$ 2,376			\$ 400	\$ 4,364		\$ 15,831
Kotzebue	\$ 6,250	\$ 6,831	\$ 40,383	\$ 186,463	\$ 8,744	\$ 2,003	\$ 4	\$ 327,860
Noatak	\$ 4,750	\$ 1,584			\$ 475	\$ 3,198		\$ 13,239
Noorvik	\$ 4,250	\$ 1,980			\$ 200	\$ 2,339		\$ 11,398
Other - Bank					\$ 207			\$ 44,316
Other - Legal								\$ 44,463
Other- Acct/Audit								\$ 5,280
Selawik	\$ 4,000	\$ 1,782			\$ 200	\$ 4,234		\$ 13,562
Shungnak	\$ 4,250	\$ 1,980			\$ 600	\$ 4,734		\$ 15,388
Grand Total	\$ 49,900	\$ 27,522	\$ 40,383	\$ 186,463	\$ 27,862	\$ 38,515	\$ 4	\$ 646,322



Village Improvement Fund Project Review (Multi-Year Summary) - See Appendix A

Village Improvement Fund FY20 Budget – See Appendix B

Village Improvement Fund FY21 Budget – See Appendix C



Appendix A

Village Improvement Fund Multi-Year Summary

Cumulative Available (Prior Years) \$14,610,908

Tentative FY20 Amount	\$5,057,414
Updated Available	\$19,668,322

Location	Approved Project Total / Updated Available	Approved Project Total	Total Payments on Projects	Outstanding Project Funds	Number of Approved Projects
Ambler	5%	918,725.00	335,680.00	583,045.00	4
Buckland	3%	529,809.00	529,809.00	-	1
Deering	4%	708,754.00	583,953.00	124,801.00	4
Kiana	9%	1,700,440.00	992,800.00	707,640.00	2
Kivalina	13%	2,500,000.00	2,500,000.00	-	2
Kobuk	1%	212,724.00	-	212,724.00	2
Kotzebue	11%	2,092,112.00	2,092,112.00	-	5
Noatak	6%	1,138,439.00	1,138,439.00	(1.00)	8
Noorvik	4%	709,095.00	690,595.00	18,500.00	3
Selawik	10%	1,989,372.00	1,252,926.00	736,446.00	3
Shungnak	2%	315,395.00	280,695.00	34,700.00	4
Total	65%	\$ 12,814,865.00	\$ 10,397,010.00	\$ 2,417,855.00	38

Remaining \$ 6,853,477

NAB has the following important notes to keep in mind:

1) Of the \$6,853,477 that is available for project spending, \$5,057,414 will not be available until June 2020; as the revenue for FY20 is not received until June.

2) The following projects were approved by the Village Improvement Commission and NAB Assembly in February 2020. At the time of preparation for this report, NAB Assembly is considering 4 more project applications at the April 2020 meeting.

- 1 \$1,500,000 Kivalina Intertie VIF RSN 20-01***
- 2 \$177,366 Shungnak Dump Truck VIF RSN 20-02
- 3 \$199,250 Kobuk Drain Field VIF RSN 20-03
- 4 \$13,474 Kobuk Wastewater Source VIF RSN 20-04
- 5 \$452,677 NWABSD Food Service Program VIF RSN 20-05
- 6 \$554,662 NWABSD Inupiaq Language Program VIF RSN 20-06
- 7 \$ 137,233 NWABSD Pre-K VIF RSN 20-07

\$ 3,034,662 TOTAL

***Resolution 20-01 commits a total of \$3.5 million distributed as follows: \$1.5 million in FY20, \$1 million in FY21, and \$1 million in FY22.

Appendix A

Village Improvement Fund Multi-Year Summary

3) Kotzebue has projects that impact more than Kotzebue (KOTZ Radio and School District related). Please see Kotzebue for more information.

4) The FY20 budget will be amended after 2nd reading before Assembly in May 2020. The tentative budget amendment includes the following high-level detail:

\$8,075,000	Revenue
\$617,586	Operating Expense
\$5,057,414	Village Accounts
\$2,400,000	Sustainability Fund
<hr/>	
\$8,075,000	Total Expense

5) *The project remaining of \$6,853,477 is after returning funds to VIF from the following projects:*

<i>(\$725)</i>	<i>Noatak Handi-cap Van</i>
<i>(\$897)</i>	<i>Deering Water Delivery Truck</i>
<i>(\$4,062)</i>	<i>Noatak Trash Burn Unit</i>
<hr/>	
<i>(\$5,684)</i>	<i>Total Refunded</i>

Appendix B

Village Improvement Fund FY20 Budget

Account #	REVENUE	Proposed FY20 Amendment	Approved FY20 Original	\$ 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	\$ 85,000	\$ 75,000	\$ 10,000	13%
TOTAL REVENUE		\$ 8,085,000	\$ 4,075,000	\$ 4,010,000	98%
Account #	OPERATIONAL EXPENSES	Proposed FY20 Amendment	Approved FY20 Original	\$ Variance Favorable/ (Unfavorable)	% Variance Favorable/ (Unfavorable)
6000	WAGES - VIF	\$ 189,208	\$ 209,208	\$ 20,000	10%
6110	FICA	\$ 7,334	\$ 7,624	\$ 290	4%
6111	ESC (Unemployment insurance)	\$ 3,026	\$ 3,026	\$ -	0%
6115	MEDICAL	\$ 84,770	\$ 50,592	(\$ 34,178)	-68%
6120	WORKER'S COMP	\$ 1,457	\$ 1,611	\$ 154	10%
6130	PERS	\$ 41,626	\$ 46,026	\$ 4,400	10%
6210	AIR TRANSPORTATION	\$ 50,000	\$ 50,000	\$ -	0%
6230	LODGING	\$ 27,500	\$ 27,500	\$ -	0%
6240	MEETING FEES	\$ 60,000	\$ 60,000	\$ -	0%
6250	PER DIEM	\$ 25,000	\$ 25,000	\$ -	0%
6300	SUPPLIES	\$ 25,000	\$ 25,000	\$ -	0%
6320	PRINTING & PUBLICATIONS	\$ 2,000	\$ 2,000	\$ -	0%
6400	CONSULTANTS	\$ 65,000	\$ 170,000	\$ 105,000	62%
6450	LEGAL	\$ 25,000	\$ 25,000	\$ -	0%
6460	ACCOUNTING/AUDITING	\$ 8,000	\$ 20,000	\$ 12,000	60%
Total Operational Expenditures		\$ 614,920	\$ 722,586	\$ 107,666	15%
Account #	OTHER APPROPRIATIONS	Proposed FY20 Budget	Approved FY18 Budget	\$ Variance Favorable/ (Unfavorable)	% Variance Favorable/ (Unfavorable)
VARIOUS	VILLAGE ACCOUNTS	\$ 5,070,080	\$ 2,152,414	(\$ 2,917,666)	-136%
9002	SUSTAINABILITY FUND	\$ 2,400,000	\$ 1,200,000	(\$ 1,200,000)	-100%
Total Other Appropriations		\$ 7,470,080	\$ 3,352,414	(\$ 4,117,666)	-123%
TOTAL EXPENDITURES		\$ 8,085,000	\$ 4,075,000	(\$ 4,010,000)	-98%
Excess (Deficiency) of revenue over expenditures		\$ -	\$ -	\$ -	-

Appendix B

Village Improvement Fund FY20 Budget

FY 20 Village Improvement Fund Budget Summary

Revenue

Revenue is budgeted at \$8,000,000 for fiscal year 2020, 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 \$85,000, an increase of \$10,000. 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 \$189,208. A decrease of \$20,000. See below for breakdown. *The Coordinator position is budgeted high to accommodate for overtime.*

VIF Position	FY20 Amended	FY20	Difference
Capital Projects Manager	\$109,208	\$109,208	\$0
Project Coordinator	\$ 80,000	\$100,000	\$(20,000)
TOTAL	\$189,208	\$209,208	\$(20,000)

FICA is budgeted at \$7,334. A decrease of \$290 based on wage decrease.

Medical is budgeted at \$84,770. An increase of \$34,178. The increase is due to the School District increasing monthly insurance premiums to \$3,891 per month, per insured individual.

Worker's Comp is budgeted at \$1,457. A decrease of \$154 based on wage decrease.

PERS is budgeted at \$41,626. A decrease of \$4,400 based on wage decrease.

Consultants is budgeted at \$65,000. A decrease of \$105,000. The decrease is based on a review of contracts in FY21 and adjusting based on actual work performed.

Accounting/Audit is budgeted at \$8,000. A decrease of \$12,000. The decrease is based on adjusting auditing expense expectations based on historical activity.

Appendix B

Village Improvement Fund FY20 Budget

Village Accounts is budgeted at \$5,070,080. An increase of \$2,917,666 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 \$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 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.

Appendix C

Village Improvement Fund FY21 Budget

Account #		Proposed FY21 Budget	Approved FY20 Budget	\$ Variance Favorable/ (Unfavorable)	% Variance Favorable/ (Unfavorable)
	REVENUE				
4000	VIF Revenue	\$ 4,000,000	\$ 4,000,000	\$ -	0%
NEW	Investment Income - available for operations	\$ 85,000	\$ 75,000	\$ 10,000	13%

TOTAL REVENUE	\$ 4,085,000	\$ 4,075,000	\$ 10,000	0%
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Account #		Proposed FY21 Budget	Approved FY20 Budget	\$ Variance Favorable/ (Unfavorable)	% Variance Favorable/ (Unfavorable)
	OPERATIONAL EXPENSES				
6000	WAGES - VIF	\$ 239,208	\$ 209,208	(\$ 30,000)	-14%
6110	FICA	\$ 8,059	\$ 7,624	(\$ 435)	-6%
6111	ESC (Unemployment insurance)	\$ 4,539	\$ 3,026	(\$ 1,513)	-50%
6115	MEDICAL	\$ 93,384	\$ 50,592	(\$ 42,792)	-85%
6120	WORKER'S COMP	\$ 1,842	\$ 1,611	(\$ 231)	-14%
6130	PERS	\$ 41,626	\$ 46,026	\$ 4,400	10%
6210	AIR TRANSPORTATION	\$ 50,000	\$ 50,000	\$ -	0%
6230	LODGING	\$ 27,500	\$ 27,500	\$ -	0%
6240	MEETING FEES	\$ 60,000	\$ 60,000	\$ -	0%
6250	PER DIEM	\$ 25,000	\$ 25,000	\$ -	0%
6300	SUPPLIES	\$ 15,000	\$ 25,000	\$ 10,000	40%
6320	PRINTING & PUBLICATIONS	\$ 5,000	\$ 2,000	(\$ 3,000)	-150%
6400	CONSULTANTS	\$ 50,000	\$ 170,000	\$ 120,000	71%
6450	LEGAL	\$ 25,000	\$ 25,000	\$ -	0%
6460	ACCOUNTING/AUDITING	\$ 12,000	\$ 20,000	\$ 8,000	40%

Total Operational Expenditures	\$ 658,157	\$ 722,586	\$ 64,429	9%
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Account #		Proposed FY21 Budget	Approved FY20 Budget	\$ Variance Favorable/ (Unfavorable)	% Variance Favorable/ (Unfavorable)
	OTHER APPROPRIATIONS				
VARIOUS	VILLAGE ACCOUNTS	\$ 2,226,843	\$ 2,152,414	(\$ 74,429)	-3%
9002	SUSTAINABILITY FUND	\$ 1,200,000	\$ 1,200,000	\$ -	0%

Total Other Appropriations	\$ 3,426,843	\$ 3,352,414	(\$ 74,429)	-2%
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TOTAL EXPENDITURES	\$ 4,085,000	\$ 4,075,000	(\$ 10,000)	0%
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Excess (Deficiency) of revenue over expenditures	\$ -	\$ -	\$ 0	0%
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Appendix C

Village Improvement Fund FY21 Budget

FY 21 Village Improvement Fund Budget Summary

Revenue - is budgeted at \$4,000,000 for fiscal year 2021.

*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 \$85,000. 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 (cashed) easily. The amount will likely be adjusted based on investment activity.

Village Improvement Fund Expenditures:

Wages - VIF is budgeted at \$239,208. An increase of \$30,000. See below for detail.

VIF Position	FY21	FY20	Difference
Capital Projects Manager	\$109,208	\$109,208	\$0
Project Coordinator	\$73,827	\$100,000	\$(26,173)
Temp On-Call Employee	\$50,000	\$0	\$50,000
Overtime for the Department	\$6,173	\$0	\$6,173
TOTAL	\$239,208	\$209,208	\$30,000

FICA is budgeted at \$8,059. An increase of \$435 based on wage decrease.

ESC (Unemployment Insurance) is budgeted at \$4,539. An increase of \$1,513.

Medical is budgeted at \$93,384. An increase of \$42,792. The increase is due to the School District increasing monthly insurance premiums to \$3,891 per month, per insured individual.

Worker's Comp is budgeted at \$1,842. An increase of \$231 based on wage decrease.

PERS is budgeted at \$41,626. A decrease of \$4,400 based on wage decrease.

Appendix C

Village Improvement Fund FY21 Budget

Travel is budgeted at \$162,500. Consistent with prior year. 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	Transportation	Lodging	Per Diem	Meeting Fees	Total
Regular Quarterly Meeting					
Upriver VIC Members	\$ 12,744.00	\$ 5,496.00	\$ 4,752.00	\$ 12,000.00	\$ 34,992.00
Closer Village VIC Members	\$ 19,152.00	\$ 12,824.00	\$ 11,088.00	\$ 28,000.00	\$ 71,064.00
Kotzebue VIC Member				\$ 4,000.00	\$ 4,000.00
Village Meeting Fee					
All Villages				\$ 22,000.00	\$ 22,000.00
VIF Staff Travel					
Capital Projects Manager	\$ 1,593.00	\$ 600.00	\$ 891.00		\$ 3,084.00
Capital Projects Manager	\$ 2,394.00	\$ 1,400.00	\$ 2,079.00		\$ 5,873.00
Coordinator	\$ 1,593.00	\$ 300.00	\$ 594.00		\$ 2,487.00
Coordinator	\$ 2,394.00	\$ 700.00	\$ 1,396.00		\$ 4,490.00
TOTAL	\$ 39,870.00	\$ 21,320.00	\$ 20,800.00	\$ 66,000.00	\$ 147,990.00
Adjustments	\$ 10,130.00	\$ 6,180.00	\$ 4,210.00	\$ (6,000.00)	\$ 14,520.00
UPDATED TOTAL	\$ 50,000.00	\$ 27,500.00	\$ 25,000.00	\$ 60,000.00	\$ 162,500.00

Supplies is budgeted at \$15,000. A decrease of \$10,000. The budget will purchase office and meeting supplies (including meetings in the villages).

Printing & Publications is budgeted at \$5,000. An increase of \$3,000. The increase will cover printed copies of the VIF Annual Report with a goal of distributing multiple copies to all villages.

Consultants is budgeted at \$50,000. A decrease of \$120,000. The decrease is largely due to elimination of a prior year contract and shifting responsibilities to a temporary on-call employee to help the VIF staff.

Appendix C

Village Improvement Fund FY21 Budget

Legal is budgeted at \$25,000. Consistent with prior year.

Accounting/Audit is budgeted at 12,000. A decrease of \$8,000 based on updated estimates.

Village Accounts is budgeted at \$2,226,843. An increase of \$74,429 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.

