



Budget, Audit & Finance Committee Meeting Minutes
Monday, August 22, 2016 – 1:30 P.M.
Northwest Arctic Borough Assembly Chambers – Kotzebue, AK

CALL TO ORDER

Madam Chair Lucy Nelson called the meeting to order at 1:31 P.M

INVOCATION

Member Hannah Loon provided invocation.

ROLL CALL

Budget, Audit and Finance Committee Members Present:

Lucy Nelson Carl Weisner Elmer Armstrong Jr.

Budget, Audit and Finance Committee Members Absent:

Miles Cleveland (late)

Other Members Present

Hannah Loon Walter Sampson Larry Westlake Sr. Nathan Hadley Jr.

Introduction of Staff and Guests

<i>Clement Richards</i>	Matt Mead	Helena Hildreth	Jade Hill
Brad Reich	Patrick Savok	Eugene Smith	Noah Naylor
Angie Sturm	Stella Atoruk	Millie Stalker	John Baker
Scott Johnson	Katherine Keith	<i>Rosny Rizk</i>	

A quorum was present to conduct business.

(telephonic)

APPROVAL OF AGENDA

Ms. Angie Sturm requested to add an update on Short-term Investment, update of the community revenue sharing payments FY17, a bond refunding opportunity update for school bonds to Item F. Communication and Appearances.

Mr. Eugene Smith, Chief of Staff, requested to Add Resolutions 16-41 and 16-42 to Item I. Resolutions. Member Weisner informed that PT Capital will provide a presentation at the Regular Assembly Meeting.

Member Armstrong motioned, Member Weisner seconded to approve agenda as amended. Motion passed unanimously.

APPROVAL OF PREVIOUS MINUTES

Budget, Audit and Finance Minutes of July 25, 2016

Member Armstrong motioned, Member Weisner to approve the minutes as presented by unanimous consent. Motion passed unanimously.

COMMUNICATIONS AND APPEARANCES

1. Financial and Investment Report – Ms. Angie Sturm

Ms. Angie Sturm, Finance Director, presented the Financial and Investment report for the month of July 31, 2016. Ms. Sturm also highlighted the general fund expenditures and major activity in the general fund revenue.

Ms. Sturm provided an update on the Short-term investment in regards to investment with Wells Fargo. Ms. Sturm reported that with the sweep account option the rate of return is significantly lower than what we are currently receiving with our savings account. Mr. Rizk reported that when they spoke to Wells Fargo and informed them of the working capital reserve and that the portion of it has to be invested very conservatively. At which time Wells Fargo backed out due to the frame of time. Ms. Sturm also provided an update on the bond refunding opportunity for school bonds and community revenue sharing payments for 2017. Ms. Sturm commented that the Community revenue sharing payment the Borough receives from the State, \$200,000 is designated to the villages based on population.

PUBLIC HEARING, ENACTMENT OF ORDINANCES & EMERGENCY ORDINANCES

1. **Ordinance 16-05** *an ordinance of the Northwest Arctic Borough Assembly approving a three-year participation agreement with Alaska Municipal League – Joint Insurance Association, and for related purposes.*

Mr. Eugene Smith, Chief of Staff, recommended due pass for enactment.

Member Cleveland recommended due pass for enactment. By full concurrence of the committee, Ordinance 16-05 was approved for enactment by the full Assembly.

RESOLUTIONS

1. **Resolution 16-35** *a resolution of the Northwest Arctic Borough Assembly to approve a professional services agreement with Alaska Permanent Capital Management for investment management services and for related purposes.*

Mr. Eugene Smith recommended due pass. Member Armstrong recommended due pass. By full concurrence of the committee, Resolution 16-35 was approved for passage by the full assembly.

2. **Resolution 16-36** *a resolution of the Northwest Arctic Borough Assembly establishing the FY17 long-term investment allocation, setting appropriate performance benchmarks and for related purposes.*

Ms. Sturm reported that it allows a plus or minus 25% lee way. The amount is the same as last year.

Mr. Eugene Smith recommended due pass. Member Armstrong recommended due pass. By full concurrence of the committee, Resolution 16-36 was approved for passage by the full assembly.

3. **Resolution 16-37** *a resolution of the Northwest Arctic Borough Assembly to approve a professional services agreement with Golden Eye Media Alaska for media content services and for related purposes.*

Mr. Noah Naylor, Planning Director reported this is to create how to use video for our subsistence mapping project and just received approval from CIAP allocating those funds.

Mr. Eugene Smith recommend due pass. Member Cleveland recommend due pass. By full concurrence of the committee, Resolution 16-37 was approved for passage by the full assembly.

4. **Resolution 16-38** *a resolution of the Northwest Arctic Borough Assembly authorizing a contract for services with Tekmate LLC for maintenance and technical support for the Borough's computer equipment, software and server, and for related purposes.*

Mr. Eugene Smith reported this resolution has modifications and Mr. Patrick Savok explained the inconsistencies. Mr. Smith added that this went through a bidding process and Tekmate LLC was the lowest bidder in the process.

Mr. Eugene Smith recommend due pass. Member Armstrong recommend due pass. By full concurrence of the committee, Resolution 16-38 was approved for passage by the full assembly.

5. **Resolution 16-39** *a resolution of the Northwest Arctic Borough Assembly accepting an FY17 Village Public Safety Office Grant and for related purposes.*

Mr. Eugene Smith recommend due pass. President Weisner recommend due pass. By full concurrence of the committee, Resolution 16-39 was approved for passage by the full assembly.

6. **Resolution 16-40** *a resolution of the Northwest Arctic Borough Assembly adopting taxation regulations for administration of Borough Taxes, and for related purposes.*

Mayor Richards recommend due pass. Member Cleveland recommend due pass. Mr. Mead reported that these administrative regulations clarify some of the procedures for the borough to administer both taxes. By full concurrence of the committee, Resolution 16-40 was approved for passage by the full assembly.

7. **Resolution 16-41** *a resolution of the Northwest Arctic Borough Assembly approving borough office improvements for the purchase and installation of energy efficient lights.*

Mayor Richards recommend due pass. Member Weisner recommend due pass. By full concurrence of the committee, Resolution 16-41 was approved for passage.

8. **Resolution 16-42** *a resolution of the Northwest Arctic Borough Assembly approving a Phased Construction Manager/General Contractor contract with Remote Solutions LLC for pre-construction, design, and construction activities for the Kivalina Evacuation and school access road.*

Mr. Smith reported this is a partnership between the State of Alaska, Borough and Remote Solutions. The Memorandum of Agreement was approved with the State and Borough and this is assuring that this partnership will go through a contract agreement, which the State has directed us to design.

Mayor Richards recommend due pass. Member Cleveland recommend due pass. By full concurrence of the committee, Resolution 16-42 was approved for passage by the full assembly.

COMMITTEE COMMENTS

Member Armstrong thanked everyone for a good meeting and good comments.

Member Cleveland thanked everyone for a good meeting and he is glad the federal government is finally taking a lead in the Kivalina Evacuation Road.

Chair Nelson commented that we need stay cognizant of our budget to actual's bottom line and how our future looks with the severance tax and operating with a negative balance that catches our eye at all times.

Mayor Richards thanked everyone for a good meeting and that we always do our best to stay within budget and keep the assembly informed at all times.

AUDIENCE COMMENTS

No audience comments

ADJOURNMENT

Member Armstrong motioned to adjourn. With no other business to discuss, the meeting adjourned at 2:39 P.M.

Member motioned to adjourn.