



Northwest Arctic Borough

163 Lagoon Street
P.O. Box 1110
(907) 442-2500 Fax (907) 442-2930
www.nwabor.org

April 30, 2018

Village Improvement Fund Annual Report

Springtime in the Northwest Arctic Borough (NAB) is an exciting time. Residents are spending their days fishing, replenishing wood piles, and anxiously awaiting the arrival of ducks and geese. Spring also means it is time to update the Public on the Village Improvement Fund activities.

A year ago on April 25, 2017, NAB Mayor Clement Richards signed the Memorandum of Commitment (MOC) between NAB and Teck Alaska creating the Village Improvement Fund (VIF). On June 13, 2017, the Assembly unanimously approved Ordinance 17-07 creating the Village Improvement Commission (Commission). For detailed information on the Commission see Chapter 11.08 of the Borough Code.

The NAB administration prepared a first year budget for fiscal year ending June 30, 2018. For a detailed narrative of the fiscal year 2018 budget and subsequent amendment see attachment titled Budget Ordinance 17-09 and Ordinance 17-09 am 01. In brief, the final budgeted revenue totaled \$27 million as the revenue from fiscal year 2016 and 2017 were included. The expenditures totaled \$27 million and are split between two categories: operational and other appropriations.

The operational expenditures are for day-to-day operations like payroll for the three VIF employees, travel for employees and Commissioners, supplies, consultants, legal, and accounting/audit. The other appropriations consist of an appropriation for Village Accounts and Sustainability Fund. The Village Accounts appropriation will ultimately be the money available for Projects in the region. Project funding will start once the Commission finalizes the application and scoring criteria.

The Sustainability Fund line item is contribution to the investment portfolio. The goal of the investment portfolio is to plan for the continuation of VIF after the expiration of the MOC. Most of NAB's revenue is derived from taxation of nonrenewable resources with no known source of replacement. Therefore, the annual contribution to investments is important to fund future VIF projects and operations.

Establishing the budget also paved the way for NAB administration to visit each village and solicit nomination of members for the Commission. The Commission was formally established and consists of a primary and alternate from each village, for full list see last page of this document. Three meetings have been conducted, with the following progress:



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1. Marie Greene is the Chair and Nelson Walker is the Vice Chair
2. Commissioner Code of Conduct formalized and adopted
3. Finalized written procedures that outlined required community engagement for VIF, fair distribution of funds, and project eligibility criteria
4. Developed an application form (that will be finalized this summer) and described potential application stages
5. Developed the VIF Analysis Tool (that will be finalized this summer) to aid in the review and scoring of project applications
6. Decided on new communication tools to strengthen interaction between the Commissioners and village, NAB administration and Assembly

Commissioners also worked with NAB administration to develop the fiscal year 2019 budget, see attachment titled Ordinance 18-03 for detailed narrative. In brief, the revenue and expenditures total the minimum payment required under the MOC. Per the MOC, the payment to VIF is based on Teck Alaska's Earnings before Income Taxes with a minimum required payment of \$4 million and a maximum potential payment of \$8 million. The budget will be amended if Teck Alaska's EBIT allows for a payment above \$4 million.

Finally, the year-to-date revenue and expenditures are summarized in the attachment titled VIF Revenue and Expenditures Report.

The Village Improvement Commission, NAB Administration, and Assembly are excited for the Village Improvement Fund to take on projects throughout the region. The report for 2019 should have some exciting insight into those activities. In the meantime, questions/concerns/comments can be submitted to the VIF employees. The employees are Hiram Walker (Project Manager), Grant Hildreth (VIF Coordinator) and Wes Goodwin (Grant Writer). They can be reached by calling NAB at 1-907-442-2500.



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Village Improvement Commission

Village	Name
Ambler	Morgan Johnson
Ambler	Shield Downey (alternate)
Buckland	Ethel Weber
Buckland	Darlene Hadley (alternate)
Deering	Alvin Iyatunguk, Sr.
Deering	Daisy Weinard (alternate)
Kiana	Nelson Walker
Kiana	Brad Reich (alternate)
Kivalina	Myra Wesley
Kivalina	Oral Hawley (alternate)
Kobuk	Henry Horner
Kobuk	Colleen Sheldon (alternate)
Kotzebue	Marie Greene
Kotzebue	Roswell Schaeffer, Sr. (alternate)
Noatak	Robbie Kirk resigned will determine primary/alternate
Noatak	Vincent Onalik (alternate)
Noorvik	Stacy Jack
Noorvik	Lee Ballot (alternate)
Selawik	Tanya Ballot
Selawik	Raven Sheldon (alternate)
Shungnak	Fred Sun
Shungnak	Billy Lee (alternate)