

SPECIAL ASSEMBLY MEETING MINUTES

MAY 13, 2009

I. Call to Order: The special Assembly meeting of May 13, 2009, was called to order by Mayor Daniel J. O'Hara at 7:30 p.m. The meeting was held in the Assembly Chambers of the Borough Building, Naknek, Alaska.

II. Roll Call: Present: J.C. Tudor, Shelby Boothe, Eddie Clark, Bill Hester and Mayor Daniel J. O'Hara.

Absent: Carvel Zimin, Jr.

Also Present: Marv Smith, Borough Manager and Tami Johnson, Clerk

III. Business to Discuss:

A. 2008 Audit Findings with John Bost: John approached the Assembly and thanked them for the opportunity to come out and discuss this with them. John stated he has been an auditor for 35 years and Mikunda, Cottrell currently do audits for approximately 41 governments, cities, boroughs around the state. He is here to go over the financial statements of the 11-1/2 month old numbers. John started with the auditor's opinion and went through the audit page by page with explanations and asked the Assembly if there were any questions along the way. There was a lengthy discussion. Ultimately, John Bost stated that going back to FundWare is a move in the right direction. John Dixon stated that FundWare will require more work initially. Daniel O'Hara stated, perhaps a June Workshop is needed. There was a short discussion concerning outstanding loans and rates and general fund land sales. John Bost discussed expenditures and revenues by department. There was a lengthy discussion. John Bost thanked the Assembly for their business and the opportunity to talk with them.

B. Dock Bid: Marv Smith stated that tonight we were going over the proposed bid that had been opened up at PND on April 20th. Since then we have negotiated and gotten an additional \$700,000.00 from the Denali Commission and what we need to decide is who we want to award the possible bid to. We have not received final approval from

EDA yet. We cannot officially 100% award until we get that. It appears that Ruskin was the low bidder. What we have to decide with EDA is if we do any deductibles, we have to tell them in a letter with an amount. Garth and Marv have been in contact with Mr. Brown of Ruskin. What Marv wants is approval from the Assembly to award contingent upon EDA approval. Marv stated he has spoken to the city of Kodiak, who had Ruskin do work there and they were very pleased with the work that had been done. Garth from PND stated that Ruskin has done similar work, unlike B.C. Contractors. There was a short discussion. Bill Hester stated he is with Marv on this and we should get it all done and not leave anything out. Marv requested permission to shop around. Shelby Boothe asked why borrow a million dollars if it's in the port trust fund to be used for port expansion? Why borrow two million if you only need to borrow a million? There was a short discussion. Shelby Boothe stated that as he see's it, between phase I and phase II, the Borough needs to come up with 2.2 million dollars plus or minus some change. The port trust fund has a million dedicated to phase I for matching funds. Since then we had another 300,000 last 30th of June and he anticipates another 300,000 this June 30th. Shelby stated we should take a million and a half out of the port fund instead of trying for a loan and lose 3%. There was a short discussion. J.C. TUDOR MADE A MOTION TO ACCEPT THE BID FROM RUSKIN AND SECONDED BY BILL HESTER. Bill stated it's for the whole enchilada. MOTION PASSED UNANIMOUSLY. The Assembly thanked Garth of PND for attending via teleconference. Marv stated he will not send a notice of intent until he gets approval from EDA. Joe Harris stated, "why not loan yourselves the money instead of Wells Fargo or North Rim? Mayor Daniel O'Hara stated to Marv that we're looking at two phases here, look at what's in house money and shop around for something better than 4.5% . J.C. Tudor stated he was in favor of in house but encourages the Manager to look around. The Assembly informed the Manager that hopefully by the June meeting he will have some information for them.

IV. Persons to be Heard

None

V. Adjournment

J.C. TUDOR MADE A MOTION TO ADJOURN AT 9:18 P.M. AND SECONDED BY BIL HESTER.

Daniel J. O'Hara, Mayor

Tami Johnson, Clerk