

North Slope Borough

OFFICE OF THE MAYOR

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Harry K. Brower Jr.

MEMORANDUM

TO: North Slope Borough Assembly
FROM: Harry K. Brower Jr., Mayor *HB*
DATE: October 11, 2016
SUBJ: September Status Report

Good evening Assembly Members and listening audience. September was a very productive month for my administration. My administrative team and Assembly President John Hopson Jr. met with the credit rating agencies in San Francisco. The meetings went well and we learned as expected, that the borough is extraordinarily well positioned for the current period of economic weakness, having built up large reserves in anticipation of cyclical downturns and an eventual decline in oil production.

Fitch expects the borough to take a balanced approach to close the gap, using reserves, spending cuts and revenue increases to withstand stress periods and maintain reserves solidly above the level necessary to maintain the 'AAA' financial assessment.

Moody's Investors Service assigned an increased AA2 rating to North Slope Borough, Alaska's General Obligation Bonds, Series 2016B (General Purpose) and Series 2016C (Schools) in the amounts of \$73.4 million and \$16.4 million, respectively. Moody's maintains an AA2 rating and stable outlook on the borough's General Obligation Unlimited Levy Tax (GOULT) bonds outstanding in the amount of \$285.3 million.

The rating outlook is stable and reflects our expectation that the borough will continue its trend of solid operating performance. The energy industry will maintain a substantial presence in the area, including favorable investment trends in property and equipment that support the borough's tax base. Notably, oil production has been stable despite ongoing weakness in global oil prices.

Our auditors, KPMG, are performing field audit work, and we appreciate the patience and cooperation displayed by other departments as we make information available for audit. The upcoming Bond Sale is scheduled for October 25th. We are looking forward to completing the sale and fund the upcoming capital projects to meet the needs of our communities. Thank you to the Clerk's Office and Law Department for helping us complete this important task.

The Barrow **Fire Department** continued normal operations during the month of September. With whaling going on, we are constantly ensuring our equipment is ready to respond to emergencies. Five

members, both staff and Volunteers, traveled with village members to Fairbanks to participate in the annual State Fire Conference. We have scheduled water rescue training for the month of October, when the ice develops enough to conduct surface water training. We continue to recruit volunteers in all communities.

Jana Pierce, Project Manager for Information Insights came and visited the **Human Resources Department** on September 21-22 to address any issues or concerns in regards to the Compensation Study that is being conducted. She met with Departments to discuss particular job matches, career ladders that exist or want to create, and over all issues they are facing. Also additional things they wanted to get out of the study.

Wildlife Department staff has been working on several bowhead whale issues this month. In September, one of our main scientific involvements had been sampling harvested bowheads at Barrow and Kaktovik. Similar to past years, with the captain's permission, scientists are continuing to study various aspects of bowhead biology from reproduction and basic anatomy to feeding and health assessment. Gross examination of the whales landed in Barrow and Kaktovik to date has indicated the whales are healthy. Screening for radioactive elements is continuing in our Barrow laboratory based on community concerns about leaks from Russian offshore dumpsites and Japan reactors. There have been no detections to date.

Work is nearly completed on an independent estimate of bowhead population size (for 2011) based solely on the "photo-recapture" method. This study uses photos from 2011 back to 1985; by noting the number of matches (photo-recaptures) of the same whale between seasons of the thousands of photos taken, an estimate of population size can be calculated. The population estimate will be compared to the ice-based estimate for 2011. An annual survival rate for bowheads will also be estimated which will be useful in IWC management discussions. One of the reasons for doing this analysis is that in the future, aerial photo methods may be the best means to estimate population size if the shore fast ice continues to degrade in spring.

Department staff are preparing for the biennial meeting of the International Whaling Commission (IWC). The Scientific Committee (SC) meets each year, which we also attend, but the Commissioners only meet once every two years. The October meeting of the Commissioners will include discussions about a variety of issues including aboriginal (or subsistence) harvests of whales. In 2018, the quotas for each of the subsistence harvests will be reviewed and hopefully renewed. At this year's meeting in Slovenia, we will support the Alaska Eskimo Whaling Commission and do what we can to prepare for the 2018 quota renewal.

During the month of September 2016, the **Police Department** responded to 3,464 calls for service during which 87 criminal and noncriminal cases were filed. 114 of the calls were alcohol related. 1,268 calls were dispatched and 2,196 calls were officer initiated. There was 103 traffic related contacts during which 23 citations were written.

A total of 36 criminal cases were submitted to the District Attorney for prosecution. The Department received and processed 24 requests for Police Reports and 52 applications for Alcohol Permits and/or renewals.

Drug and Alcohol Seizures, officers seized (107) 750 ml bottles of distilled spirits and (15) 1.75 ml bottles of distilled spirits for a total of 106,500; 36.28 ounces of marijuana.

Several high priority projects were worked at on the **Planning Department** this month. A summary of the Oil & Gas Forum was completed and is at the Mayor's Office for final review before releasing to the participants. The 2015 Economic Profile and Census Report has been edited and is in final review before printing and placement on the NSB website. An updated priority list is nearly complete to submit to the Mining, Land & Water Division as part of the North Slope Area Plan process. An updated MOU with the Department of Natural Resources was negotiated and signed. The first staff level meeting was also held mid-month and focused on setting the course for future meeting under the revised MOU. Several key staff positions have changed recently and this provided a chance to start fresh. Progress also continues to resolve final survey issues at PUT 23 associated with our land entitlement, and should allow for recording of the deed very soon.

The North Slope **Health Department** held Health Fairs in the villages of Point Hope, Point Lay, Anaktuvuk Pass, Kaktovik, Wainwright and Ataqasuk in September. Over 500 village residents came to these health fairs and learned about blood pressure, diabetes, bullying prevention, tobacco prevention, dental care, services provided by Integrated Behavioral Health and Vet Clinic, and so much more. The last Health Fair for 2016 will be held in Nuiqsut on November 10th.

Where there is danger and confusion, the North Slope Borough **Search and Rescue Department** brings care and compassion – but also command and courage. Today, I would like to recognize the outstanding work of those who serve the department and thank them for their selfless dedication to our region. Director Brower recently travelled to Pennsylvania to attend an event regarding our new Sikorsky Helicopter. Their helicopters have saved an estimated 2 million lives since performing the world's first helicopter rescue in 1944.

Search-and-rescue missions are typically an emotional and very demanding operation. Lives are at stake, often in remote and treacherous environments, where the chances of survival lessen with every tick of the clock. Airborne search assets routinely devote hours, even days, to long and monotonous search missions, across large swathes of ocean or expansive landscapes, challenging the endurance of man and machine. And not only can these missions be mentally and physically fatiguing for flight crews, there's also a hefty price tag associated with keeping assets airborne. The gravity of the missions we take on requires that our equipment is uniquely capable and outfitted for speed and a long reach in icing conditions when someone's life lay in the balance. Our new helicopter will be protecting our region for years to come.

I want to close by saying be safe and may God watch over you during the upcoming winter months. Bring a GPS if you go boating, hunting, snow machining, or camping, they're very handy, especially if you get lost in a snowstorm. Contact Search and Rescue for more information.

This concludes my report, quyanaq.