

## Hours of Operation

Monday thru Friday 8:00 a.m. – 5:00p.m. excluding some holidays. AKI is “closed” during the lunch hour of 12:00 – 1:00p.m.

If staff is running errands or out of the office during working hours for other reasons there will be a sign on the door with an explanation and a number to call.



JUNE 2015

*Our shareholders come first*

# AKHIOK - KAGUYAK, INC. NEWS

## *Letter from the Chairman*

Dear Shareholders/Family:

I would like to thank all the family and shareholders that have voted me back on the Board of Director's. I have also been voted in as your Chairman of the Board. I had held that position for about 16 years, and I believe I can continue to work hard for you.

I would like to thank Phyllis Amodo for all her years of service to AKI. There were many times we had to sit at the table until 9 p.m., in the past just to get things done. Those days have come and gone. We did plenty of work together to accomplish what needed to get the company up to standards: Policy and Procedures, Office Procedures, Bylaw reviews, and many more projects to get us to where we are today. Thank you. You will sure be missed.

Congratulations to Ralph Eluska Sr. and Gary Rozelle Sr. for making it on the Board of Directors. They both will be well informed about how the company is run, and we should pick up projects with no problems. Welcome back to the both of you.

I hope you have a wonderful summer. Shareholders will receive a \$8.50 per share dividend June 26, 2015, which was declared at our May 22, 2015 Board meeting. Please be safe during the holidays this summer. I look forward to working with the board at our July meeting.

Thank you again for your support and let the office know if you may have any questions.

Sincerely,  
Pauline D. O'Brien

*Pauline D. O'Brien,*  
Chairman



## Akhiok-Kaguyak, Inc. 2015 Board of Directors

Following are the names and addresses of your current Board of Directors.

**Pauline O'Brien, Chairman**  
6201 Spruce Meadows Dr.  
Anchorage, AK 99507

**Robert Simeonoff, Jr., Vice Chair**  
8441 Berry Patch Drive  
Anchorage, AK 99502

**Cheryl Eluska, Secretary**  
3050 Brookridge Circle  
Anchorage, AK 99504

**Ernie Berestoff, Treasurer**  
8113 Harvest Circle  
Anchorage, AK 99502

**Gary Rozelle, Sr., Director**  
PO Box 5033  
Akhiok, AK 99615

**Fred Coyle, Jr., Director**  
101 E. Frank Smith Way #309  
Wasilla, AK 99654

**Ralph Eluska, Sr., Director**  
5028 Mills Drive  
Anchorage, AK 99508

### AKI Management/Staff

**Becky Peratrovich – President/CEO**  
Phone: 258-0604 Ext. 203

**Charla Kewan – Office Manager**  
Phone: 258-0604 Ext. 202

### For General Questions or Assistance:

907-258-0604

fax 907-258-0608

[www.aki-kodiak.org](http://www.aki-kodiak.org)

1400 W. Benson Blvd., Suite 425  
Anchorage, AK 99503

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## Letter from the President

Dear Friends,

Congratulations on another successful Annual Meeting!

Thanks to all those who voted, the quorum was 72.77%. It was nice to see everyone there.

I'd like to congratulate Ralph Eluska Sr., our newly elected Board member and also the two Board incumbents who were re-elected; Gary Rozelle, Sr. and Pauline O'Brien. I'd also like to thank Phyllis Amodo for her many years of service as a Board of Director for the Corporation. Her work is greatly appreciated.

Our guest Speaker, Dr. Nick Begich provided a very moving and heart warming speech. He spoke so eloquently, his words brought some of us to tears. He shared his heart as he spoke of his past. It was an honor to have him speak at our meeting and I can't thank him enough for his time.

Congratulations to all of our prize winners, especially the grand prize winner, Cheryl Eluska who won the \$750 cash prize.

Last but not least, thank you to my helpers at the Annual Meeting. Meagan Simeonoff, and Cheryl Eluska's two children, Morgan and Daniel. I can't tell you how much I appreciate you.

Warmest Regards,  
Becky Peratrovich

*Becky Peratrovich*

President/CEO



*At the Ida'Ina Gathering I was honored to be asked to be one of the judges and award the prize of a hand made drum to the 1st place winner of the "sing off". I was happy to see several AKI shareholders attend as well.*



## Annual Meeting of Shareholders

Akhiok-Kaguyak, Inc. Annual Meeting of the Shareholders was held on May 23, 2015 at the Embassy Suites, 600 E. Benson Blvd., Anchorage, Alaska. The primary focus of the meeting was to elect three Board of Directors. Thirty two (32) shareholders and their families attended the meeting in person and 72.77 percent of voting shareholders were represented. Many prizes were given away to shareholders that attended the meeting. AKI would like to thank all the shareholders that participated in this year's election. Wishing all shareholders a great summer and hope to see you at next year's annual meeting.

### EARLY BIRD WINNERS

Congratulations to the 15 early Bird Winners of \$100 each:

- Timurphy Andrew
- Sally Carlough
- Abigail Haught
- Hunter Haught
- Victor Haught
- Lawrence Henry
- Jerry Inga
- Timothy Melovedoff Sr.
- Paula Peterson
- Elizabeth Rastopsoff
- Ralph Rastopsoff
- Adriene Rozelle
- Stephanie Simeonoff
- Sharon Wolkoff
- Thomas Wolkoff

### GRAND PRIZE WINNER

Congratulations to the Grand Prize Winner, **Cheryl Eluska**, who won \$750 cash.

## ELECTION RESULTS

Gary Rozelle, Sr.	7,887.75
Pauline O'Brien	6,111.46
Phyllis Amodo	4,755.61
Elizabeth Rastopsoff	2,215.89
Ralph Eluska Sr.	7,879.34
Sharon Wolkoff	1,694.84
Quorum Only	619.50

Gary Rozelle, Sr., Ralph Eluska, Sr., and Pauline O'Brien have been elected to serve three-year terms on the Akhiok-Kaguyak, Inc. Board of Directors to expire at the Akhiok-Kaguyak, Inc. Annual Meeting of Shareholders in 2018.



## 2015 Elder Award Recipients

Akhiok-Kaguyak, Inc. is pleased to acknowledge and honor our Elders. Fred Coyle Jr., and Ralph Eluska Sr. were both recognized this year as "Elder of the Year" at our Annual Meeting of Shareholders.



**FRED COYLE, JR.**

Fred Coyle, Jr. was born April 6, 1943. His parents were Fred Coyle Sr., and Jeannie Farsovitch Coyle. He went to school in Akhiok and Mt. Edgecombe in Sitka, Alaska. He started fishing with his brother in-law, Miney Agnot, in Alitak in 1957. He went gillnetting with his dad in 1967 and gillnetted most of his younger years. Fred ran his own boat called the M.B-14 and in 1969, the Pafco 18, and in 1970 the Collen Sue. He owned his first boat, the Miss Deidre, in 1970. He seined for 20 years. He enjoyed fishing. He also fished king crab, halibut and tanner crab.

He just retired and is now living in Wasilla. He celebrated his 50 year wedding anniversary with his lovely wife Irene R. Coyle.

Fred is heavily involved in the preservation of the Alutiiq language and is a board member on the Alutiiq Museum Board of Directors.

Congratulations Fred!



**RALPH ELUSKA, SR.**

Ralph was born in Akhiok, Alaska to Willie Eluska and Mary Peterson in 1945. He attended elementary school in Akhiok. He graduated from Mt. Edgecombe in 1964. He attended Fort Lewis College in Durango, Colorado and graduated in 1969 with a degree in Elementary Education. He taught elementary students, in Shiprock, New Mexico and Anchorage.

Ralph represented Alaska at the National Congress of American Indians for many years and he also represented the USA in the World Council of Indigenous Peoples. Locally he was foundign board member of the Pacific Northern Academy, a private school in Anchorage.

He and his wife Sharon, have two children; Cheryl and Ralph Jr., 2 grandchildren; Daniel and Morgan. Presently he is employed by the Bureau of Land Management.

Congratulations Ralph!



*Financial Report to Shareholders at AKI's Annual Meeting*

Last month the Corporation reported on the 2014 financial statements to the AKI Shareholders at the Annual Meeting in Anchorage. Here are some main points from that presentation: As of December 31, 2014, AKI's assets totaled over \$28.5 million. The main assets of AKI include land, an investment portfolio, and commercial buildings in Anchorage. The Corporation recorded a loss of approximately \$700,000 in 2014. Significant vacancies at AKI's commercial buildings and non-cash expenses contributed a great deal to the loss. After adjusting for the non-cash expenses, the Corporation provided more than \$653,000 in cash from its operations. This cash was used to further invest in AKI's commercial buildings and pay down the buildings'

debt. AKI's shareholder affairs expenses totaled \$102,400 and included \$58,000 in scholarships for shareholders.

The AKI Shareholders Permanent Fund (the Fund) recorded net income of almost \$258,000 due to revenues generated its investment portfolio. The Fund also paid two distributions to its beneficiaries – AKI shareholders – in 2014 totaling almost \$350,000. On May 22nd, the Fund's Board of Trustees declared a distribution of \$8.50/share that will be distributed on June 26, 2015.

If you have any questions regarding the 2014 Annual Reports, please call the AKI office.

*Commercial Property Report - Bernie Lewis, Property Manager*

**2015 Commercial Real Estate Market Conditions**

Each year BOMA puts out, for its members, a Market Watch survey, research provided by Reliant Advisory, LLC, on the current market conditions regarding commercial real estate. This year's report reflects the current economic conditions of our state, which we are all experiencing in some way. I was interviewed both by Reliant, LLC and the McDowell Group as brokers, property managers and others were asked to share how the budget cuts, decline in oil prices and other factors has impacted the office market.

In every environment Landlords recognize the importance of tenant retention, though Tenants are keenly aware of their ability to leverage conditions in their negotiations. The overall tone is somewhat cautious.

In 2014 approximately 150,000 square feet was added to the market with two new buildings, JL Properties building on International Airport Road, and the ALIO building downtown, which increased supply, though the ALIO building had little impact because of its existing tenant. Employment declined somewhat in 2014 and the net result was an increase in the office vacancy rate.

Two new Class A deliveries for 2015 include the Kuukpik Corporation's 60,000 sq ft. office building in Midtown off 36th, and CIRI's Fireweed Business Center on Fireweed Lane with 100,000 sq. ft. Both owners intend to occupy a portion of their buildings, though the remainder of the space will be available for other tenants to lease which will further increase the Class A office vacancy rate. There is some additional

construction in south Anchorage as well, but no additional construction expected during 2015.

At this time there is no significant construction expected for 2016.

With increased supply, no expectation for increased demand, low oil prices, downward pressure on employment, and impending state budget cuts we can expect higher vacancy rates in Class A, B and C office space, and we can expect rents to remain flat or possibly decrease as landlords attempt to attract and retain tenants in this environment.

The Class A vacancy rate for new space has jumped to 7.9%, they list Class A vacancy rate for existing space at approximately 3.8%, while the National Vacancy rate is roughly 14%. Overall vacancy rate for Class B office space is 8.9% which has increased since 2014.

Most notable vacancies in Midtown continue to be the NAM Building with 11,000 sq ft; JL Tower with 25,000 sq ft; Three Cedars building has 34,000 sq ft available, 188 West Northern Lights building with 35,000 sq ft, and JL's International Building with 45,000 sq ft. One note of optimism, even with our expected softening of the market, Anchorage is still insulated from the lower 48 and considered much healthier than national standards.

## Submit an Article

Shareholders are encouraged to submit articles and/or announcements that they would like to share with their fellow shareholders. We enjoy hearing of births, graduations, and other events. Below are guidelines to assist in the creation of your article or announcement.

Guidelines: AKI reserves the right to edit announcements and news articles for grammar, brevity and taste. Announcements and news articles submitted for the AKI newsletter must be submitted 7 days prior to publication. A limit of 200 words may be imposed depending on available space. Photographs are welcome in print or digital format with at least 300 dpi resolution.

Announcements and articles may be submitted by dropping it off at the AKI office or mailing it to: 1400 W Benson Blvd. Ste. 425, Anchorage, Alaska 99503, or emailing to: [becky.peratrovich@aki-kodiak.com](mailto:becky.peratrovich@aki-kodiak.com).

DATES FOR NEWSLETTERS AND ARTICLE SUBMISSION DUE DATES ARE:

SEPTEMBER (Due Aug. 25)

DECEMBER (Due Nov. 24)



Congratulations to Ashley Doctolero, daughter of Shareholder Irene St. Ada Coyle. Ashley was crowned & sashed Miss Ida'ina April 3, 2015 at the annual Ida'ina Pow wow/Gathering sponsored by Tyonek Native Corporation/Tebughna Foundation. Her crown & sash was a gift from Tyonek Native Corp/Tebughna Foundation made by artist Sophia Anderson. Her snow falling parka/dress was made by herself with the guidance & help of Cousin June Pardue. Ashley's reign will allow her to educate & answer any questions people may have about our sugpiat culture, traditions & regalia. Ashley is a part of an inter-tribal drum group called The Mount Susitna/Sleeping Lady drum, sing & dance group. She will travel & attend events in the next year throughout Alaska. Ashley is an artist & beads various styles of jewelry. Ashley competed against 4 other young ladies ages 16-25 years old. During Ashley's reign of Miss Ida'ina, she is and will continue to remain drug and alcohol free, she stands for sobriety, anti-bullying campaigns, stop the violence/domestic abuse & sexual abuse & indigenous women empowerment. She has a heart for our people that has ever been through or struggled with those issues.





## THANK YOU...

On behalf of our Shareholders, Board of Directors and Staff I would like to thank our Associates who donated door prizes for our Annual Meeting of Shareholders. We appreciate each one of them.

- GD Morris, LLC
- Altman Rogers & Company
- Jim Romerdaul
- Alutiiq Museum
- ComServ Realty
- KPMG

## WELCOME...New Shareholders

- Victor Haught
- Gracie Haught
- Shania Peterson

### ELDER SHARES

This is just a reminder; Elders shares are distributed when an Alaska Native shareholder turns 65 years of age. The shares that they own at the age of 65 is the number of elder shares that are matched, up to 100 shares. Example: When you turn 65 and you have 22 shares you would receive 22 elder shares. If you have 150 shares, you would receive 100 elder shares. The elder shares reflect the shares owned up to 100. We know this can be confusing at times and if you have any questions please give us a call at the office.

### SCHOLARSHIP INFORMATION

Applications are available at the AKI office and on our website, AKI-Kodiak.com. Scholarships are for registration, tuition and books. **Each shareholder is limited to one scholarship per year.** Applicants must fill out one application per year and check all of the semesters/quarters they are attending. Continuing students must also submit a completed application.

	Per Year	Deadline
Academic Achievement/Graduate Scholarships	Up to \$6,000	One Month Prior to class beginning
College/University Basic Scholarship	Up to \$6,000	One Month Prior to class beginning
Vocational Education Grant	Up to \$6,000	One Month Prior to class beginning
Career Development Grant	Up to \$1,000*	One Month Prior to class beginning

**\*Career development grants of \$1,000 can be awarded twice a year.**

**Please call if you would like to request an application or have any questions. Also, if you submitted an application and have not heard from the office, please call us. We have had instances of applications lost in the mail or sent to the wrong email address.**

**Please note: Scholarships are budgeted and capped at \$50,000 per year. Once the \$50,000 for the year has been reached, no more scholarships will be awarded until the following year.**

### DIRECT DEPOSIT AND CHANGE OF ADDRESS

AKI encourages shareholders to take advantage of direct deposit, for future distributions. It is important to keep your address current with AKI even if your checks are direct deposited. Payment receipts are mailed. If you have changed your address or phone number please put in a change of address form or contact the office. These forms are available on the website [www.AKI-Kodiak.com](http://www.AKI-Kodiak.com) for your convenience.



Akhiok-Kaguyak, Inc.  
1400 W. Benson Blvd., Suite 425  
Anchorage, AK 99503

## Distribution

The Board of Trustees declared an \$8.50 per-share distribution. Record date is May 26, with a distribution date of June 26, 2015. Please be sure we have a correct Address or Direct Deposit form on file.

### *Calendar of Events*

JULY 11

Quarterly Board Meeting & Shareholder Picnic in Akhiok