



ASSEMBLY FINANCE COMMITTEE AGENDA

June 3, 2026 at 5:30 PM

Assembly Chambers/Zoom Webinar

<https://juneau.zoom.us/j/93917915176> or 1-253-215-8782 Webinar ID: 939 1791 5176

- A. **CALL TO ORDER**
- B. **ROLL CALL**
- C. **APPROVAL OF MINUTES**
 - 1. **April 11, 2026 - Page 3**
 - 2. **April 22, 2026 - Page 20**
- D. **AGENDA TOPICS**
 - 3. **FY25 Audit Review - Page 28**
 - 4. **Sales Tax Code Ordinances - Regular Business - Page 96**
 - a. Ordinance 2026-20 An Ordinance Amending the Uniform Sales Tax, Hotel-Motel Tax, and Real and Property Tax Codes Relating to Returns, Penalties and Interest, and Definitions. - Page 97
 - b. Ordinance 2026-21 An Ordinance Updating the Uniform Alaska Remote Seller Sales Tax Code. - Page 104
 - c. Ordinance 2026-22 An Ordinance Updating Portions of Title 69 to Comply with the March 31, 2026, Changes Recommended by the Alaska Remote Sellers Sales Tax Commission. - Page 118
 - 5. **Sales Tax Code Ordinances - Foregone Revenue - Page 125**
 - a. Ordinance 2026-25 An Ordinance Amending the Uniform Sales Tax Code to Repeal the Exemption of Commission Charged by an Agent of Travel, Lodging, or Tours Under CBJC 69.05.040. - Page 125
 - b. Ordinance 2026-XX An Ordinance Amending the Uniform Sales Tax Code Exemptions Under CBJC 69.05.040. (Non-Profit Sales) - Page 127
 - 6. **Bond Ordinances - Page 131**
 - a. Ordinance 2026-XX General Obligation Bonds in the Principal Amount of Not to Exceed \$9,400,000 to Finance Water and Wastewater Utilities Capital Improvements. - Page 140
 - b. Ordinance 2026-XX General Obligation Bonds in the Principal Amount of Not to

Exceed \$16,000,000 to Finance School District Facilities Capital Improvements. -
Page 144

E. NEXT MEETING DATE

7. July 8, 2026, 5:30 PM

F. SUPPLEMENTAL MATERIALS

8. Ordinance 2026-32 Non-Profit Sales – Mayor Weldon Amendment

G. EXECUTIVE SESSION

9. Discussion on Collective Bargaining

The City Manager recommends the Assembly recess into executive session to discuss an update to collective bargaining negotiations, the immediate knowledge of which would adversely affect the finances of the municipality.

Suggested Motion: "I move that the Assembly enter into Executive Session to discuss collective bargaining negotiations, the immediate knowledge of which would adversely affect the finances of the municipality, and ask for unanimous consent."

H. ADJOURNMENT

ADA accommodations available upon request: contact the Clerk's Office (907)586-5278 or city.clerk@juneau.gov at least 36 hours prior to a meeting, to request ADA arrangements.



ASSEMBLY FINANCE COMMITTEE MINUTES

April 11, 2026 at 10:30 AM

Assembly Chambers/Zoom Webinar

<https://juneau.zoom.us/j/93917915176> or 1-253-215-8782 Webinar ID: 939 1791 5176

A. CALL TO ORDER

The meeting was called to order at 10:34 pm by Chair Woll

B. ROLL CALL

Committee Members Present: Chair Christine Woll; Mayor Beth Weldon; Greg Smith; Paul Kelly; Maureen Hall; Neil Steininger; Nathaniel (Nano) Brooks; Alicia Hughes-Skandijs; Ella Adkison

Staff Members Present: Katie Koester, City Manager; Robert Barr, Deputy City Manager; Angie Flick, Finance Director; Adrien Wendel, Budget Manager; Marc Wheeler, Director, Parks and Recreation; Nate Rumsey, Deputy Director, Engineering and Public Works; Denise Koch, Director, Engineering and Public Works; Ashley Heimbigner, Director, Communications and Engagement

C. APPROVAL OF MINUTES

1. March 4, 2026 Assembly Finance Committee

The March 4, 2026 AFC minutes were approved as presented.

2. March 18, 2026 Joint Assembly Finance Committee with Docks and Harbors Board and the Board of Education

The March 18, 2026 Joint AFC minutes were approved as presented.

D. AGENDA TOPICS

Note: The "Budget Book" referred to during this meeting is officially titled *Fiscal Year 2027 Proposed Budget* and may be viewed or downloaded at www.juneau.org/budget.

The Committee reviewed and discussed their Budget Process Agreements.

3. FY26 Update and FY27 Manager's Proposed Budget

Finance Director Angie Flick reviewed the day's agenda.

Ms. Flick stated that the budget process starts with a review of the current year budget and forecasts for both revenues and expenses. Of note for FY26 revenue is a reduction in State grants as they are being reduced or not renewed, and this trend will likely continue into the future. Investment earnings are doing well, with an additional \$3,700,000 anticipated for the General Fund.

With the passage of the Sales Tax ballot measures exempting food and residential utilities in

October, a sales tax revenue decrease of about \$6,400,000 was anticipated for FY26 (packet page 26). Based on the first two quarters of data, sales tax revenue is projected to decrease by an additional \$3,000,000 above initial estimates due to soft returns in Q1 and Q2; not necessarily related to the exemptions. Other sales tax revenue sources including Liquor, Tabacco, and the Hotel Bed Tax, are down as well.

The increase on the other revenue line at the bottom of packet page 26 is due to the return of the FY24 Gastineau Human Services Assembly Grant for the permanent supportive housing project that fell through due to insufficient secured outside funding. This is classified as “other” revenue as this was the return of an appropriation made in a prior year, not a new stream of revenue.

Year-to-year sales tax shows roughly a \$9,000,000 decrease from FY25 to FY26 (packet page 27). In the quarter-to-quarter comparison for October-December, there was an anticipated revenue drop in sales tax revenue of about \$900,000 because of the ballot initiatives. The actual decrease was \$1,300,000(packet page 28 and 29).

Ms. Flick explained that when businesses report their sales tax, they also report their sales and exemptions. Based on this data, commercial sales are still strong, however, for retail sales, which are representative of individual spending, the numbers are soft. The commercial side is also showing a large percentage of sales that are exempt from sales tax, such as pass-through freight, medical services, resale of goods, etc. It should be noted that the first full quarter of sales tax with the new exemptions ended on March 31, 2026, and these tax filings are due on April 30, 2026. New reports will likely be finished around May 20, 2026. Hopefully by that time the budget will have moved forward for full adoption by the Assembly, however this delay in getting quantified information is part of the reason for phasing in budget reductions.

Chair Woll asked if sales tax is coming in lower than expected in FY26 for reasons other than the exemptions. Ms. Flick responded that this is correct. When looking at the sales tax drop for utilities for the 2nd quarter of FY26, there was a bigger drop than expected, so a conclusion can be drawn that there is more to this drop than just the exemptions.

Ms. Flick also referred to the sales tax charts in the back of the Budget Book. Doc-7 shows sales tax by quarter, and the estimated impact of the utility/food exemptions on FY26 and FY27. As quarterly sales tax returns are filed over time, better and more concrete data will be available to reevaluate these early estimates.

Mayor Weldon asked if most businesses are required to file sales tax returns monthly. Ms. Flick said that there are many organizations that file monthly and additional organizations that remit monthly while filing quarterly. Staff evaluate data on a quarterly basis and therefore need to wait until the quarterly data is received and processed to get a full assessment of the impact.

The FY26 sales tax annual totals chart shows the drops from the original budgeted amount to the forecast without exemptions, to the forecast with exemptions, and then to the Q1 and Q2 actuals (packet page 30), noting that Q1 tends to be the strongest quarter, and Q1 for FY26 was not affected by the new exemptions.

Ms. Flick stated that in terms of other sales-related taxes (packet page 31), so far in FY26 and with the forecast, Remote Sellers Tax is on track with the originally budgeted amount, which was a bit less than FY25. Hotel Bed, Liquor, and Tobacco Taxes are showing some softness overall for the FY26 forecast (the chart on the bottom of the page shows dollar amounts in millions).

Mayor Weldon asked about the steady rate of the Remote Sellers Tax, noting that people order food products online, and she would expect these orders would be impacted by the food exemption. Ms. Flick responded that there has not been a decline in the Remote Sellers Tax, and that an upturn in this revenue is expected. Amazon has recently taken the position that they no longer have a physical nexus in the State, as that was based on textbook rentals that they no longer do. Now, instead of Amazon reporting and remitting sales tax directly to CBJ, this revenue will flow through their remote sellers. Overall, not much impact is expected from this change, though there may be a shift in the revenue in these tax categories and some change from the food tax exemption.

Mayor Weldon expressed surprise that the Marijuana Tax is staying flat rather than growing based on anecdotal observations of marijuana use in town. Ms. Flick stated that she does not have insight into that aspect of the market. She added that the City has engaged with an auditing firm to do sales tax audits of some representative businesses in various industries, and one of these businesses is a marijuana shop. The results of the audit may reveal more insight as the process continues over the next few months.

Assemblymember Hall asked if vapes are included with Marijuana and Tobacco Sales Taxes. Ms. Flick responded that the Assembly passed an amendment to the City Code so that Tobacco excise tax would include e-cigarettes and vapes. She noted that Staff are aware that there has not been a notable change in Tobacco Sales Tax revenue and are working on an information push to vendors to ensure that businesses are following the current sales tax guidelines.

Assemblymember Steininger asked about the increase in Remote Sales Tax from FY21 to FY25 and if this is due to vendors coming into compliance or a shift in consumer behavior. Ms. Flick answered that she believes this increase is due to vendors becoming aware and compliant. She added that one of the benefits of working with the Alaska Remote Sellers Sales Tax Commission (ARSSTC) is that they do their own enforcement and represent the authority of the State. Part of this increase may be economic recovery in the years following COVID, but she believes for the most part, it is due to compliance.

Ms. Flick referred to the Non-General Government Fund expenses on packet page 32, noting that the Fleet Maintenance and Reserve line includes maintenance and fuel, which account for a small portion of this expense, and the Fleet and Equipment Reserve Fund which is where City departments make contributions annually for future scheduled major equipment replacements which are scheduled based on estimated useful life of the equipment. The under-budget amount of \$2,500,000 on this line is tied to Capital City Fire and Rescue (CCFR) replacement of a fire engine and ladder truck which are \$1,200,000 and \$1,700,000 each and have been on order. Delivery of these vehicles was expected in FY26 but now it looks likely they will be delivered in FY27.

Ms. Flick explained that when the replacement schedule shows that a piece of equipment is due to be replaced, the equipment is evaluated to see if it has more useful life or does it genuinely need to be replaced. Due to this practice, it has been possible to extend the life of some equipment and push replacement into future years which accounts for around \$400,000 in savings.

On February 25, 2026, at the Joint AFC Meeting with Juneau International Airport Board, the crucial need for an Aircraft Rescue and Fire Fighting (ARFF) vehicle was discussed. A few weeks after that discussion, an ARFF vehicle was found, and due to spending authority in the Fleet Fund, the City was able to purchase that vehicle which is expected to be delivered late this summer. This under budget amount includes this ARFF purchase.

Assemblymember Hughes-Skandijs asked about the Hospital line that is almost \$3,500,000 over budget. Ms. Flick responded that, based on discussions with the Bartlett Regional Hospital (BRH) CEO and CFO, this is due to the acquisition of various clinics and expansion of services and related staffing, equipment, and supplies expenses. BRH did not seek expenditure appropriation authority prior to these changes. Ms. Flick anticipates that the Hospital will be coming before the Assembly to request that authority prior to the end of the current fiscal year.

Assemblymember Kelly asked what happens if the Assembly does not grant them that spending authority. Ms. Flick answered that the Hospital will not be asking for General Fund support as they have enough fund balance to cover the overspending. At this point, they do not have authority to spend revenue that has been received through operations at these new clinics. In general, any organization under the purview of the Assembly is expected to request and be granted spending authority before embarking on a project, whether it is anticipated to generate revenue or not.

Ms. Flick summarized the General Fund expenses on packet page 33. Katie Koester, City Manager, noted that the Personnel Services surplus is due to intentional lapses in filling positions as a hedge against the expected budget uncertainty both this year and next year related to last October's ballot measures.

Ms. Flick summarized the General Government Fund Balance chart on packet page 34 (a more detailed breakdown can be found in the Budget Book, Doc-1 and Doc-2). Ms. Flick explained the changes detailed in the Restricted Budget Reserve (RBR) column. \$3,300,000 was contributed to the RBR as part of the FY26 budget process; subsequently \$3,045,800 of the RBR balance was reserved for Eaglecrest's FY26 operational deficit. The Eaglecrest de-appropriation for \$540,348 reflects unneeded expenditure authority post-implementation of the conversion of Eaglecrest's positions to CBJ's pay schedule.

Ms. Flick added additional context to the budget changes impacting fund balance on packet page 34. Assemblymember Hughes-Skandijs asked what is in the "revenue forecast below budget" line. Ms. Flick responded that this consists of reductions to various items including permits, user fees, grants, and other revenue items that flow into the General Fund.

Assemblymember Brooks asked about the "investment income above estimates" line, and how

much was originally estimated. Ms. Flick answered that originally \$6,600,000 was estimated and now \$10,400,000 is expected for investment revenue.

Chair Woll asked what happens if the Body moves forward with ending the Revenue Sharing Agreement (RSA) for the gondola and no longer wants to allow Eaglecrest to operate at a deficit. Ms. Flick responded that the answer to this question depends on the decisions and directions that the Assembly provides regarding Eaglecrest. The negative balance will need to be resolved eventually. Some options are a transfer from the General Fund, an investor taking over operations who pays back the deficit, or there may be a different method that is appropriate depending on the Assembly's actions.

Ms. Flick gave an overview of FY27 with pie charts that summarize revenue, expenditures, and Full-Time Equivalents (FTEs) across the entire entity including Juneau School District (JSD), Bartlett Regional Hospital (BRH), and the City and Borough of Juneau (CBJ) on packet pages 37-41 (see also the Budget Book as referenced on the packet pages).

Ms. Flick summarized revenue source information detailed on packet pages 42-50. These sources include Sales Tax, Other Taxes, Property Tax, Marine Passenger Fees, Dockage Fees, Permit and User Fees, investment earnings, grants, community assistance, and other revenues. She noted that FY26 sales tax revenues are expected to drop by \$9,100,000 from the budgeted amount to the forecast. These revenues are expected to drop by \$14,000,000, from \$70,100,000 to \$56,000,000 from the FY26 to FY27 Budgets. These decreases are due to the sales tax exemptions ballot proposition in addition to other anticipated softening of sales tax revenues.

Property tax valuations are based on property values as of January 1 of the calendar year, and are impacted by exemptions, appeals, etc. The valuations on packet page 48 may still change due to ongoing and pending appeals. Overall, property values increased by 2.1% from FY26 to FY27. This was unexpected as the assumption was that properties in the Mendenhall River flood area would see depressed values, yet actual property sales data have defied this expectation.

Regarding the reduction in community assistance from the State (packet page 50), Ms. Koester noted that one of the things this funding supports is Emergency Programs, and a policy decision was made that those positions are critical given the likelihood that emergencies will continue to occur. Consequently, some emergency positions that were being reimbursed by 50% are now being fully funded by the General Fund. The Emergency Programs Grant is a Federal pass-through grant that comes through the State. This grant has not been cancelled; however, it has not yet been received, and the future of it is in question. A decision was made to not budget for it, even though, theoretically, it still exists. This type of grant future insecurity is a struggle in communities across the State are facing.

Chair Woll asked about the increase in Parks and Recreation (P&R) fees (packet page 50). P&R Director Marc Wheeler answered that user fees were increased across the board by around 10% to 25%. For example, an adult swim day pass will go from around \$9 to \$10 and annual pass from \$325 to \$400 roughly. He noted that the projections are based on keeping the same hours of operation and reminded the Body that if operational hours are cut, P&R fee revenue will go down as well.

Ms. Flick summarized general government expenditures for FY26 and the FY27 Proposed Budget on packet page 51 (with additional detail on Budget Book page 33). The General Fund directly supports some departments that are not considered General Fund (packet page 52). She noted that \$800,000 of the Education – Operation expense is not additional spending, rather it is a cost shift for funding that the State is no longer paying that is being redirected to CBJ. The Lands and Resources line is a combination of expenses for Floyd Dryden School and the Municipal Building. As CBJ takes occupancy of the new Municipal Building, some of this expense will be adjusted in next year's budget. Eaglecrest's current proposed budget anticipates continuing to receive a \$930,000 subsidy from CBJ as in previous years. The \$200,000 for Bartlett is from a decision made a couple of years ago to support home health and hospice programs that BRH was struggling to financially operate.

Ms. Flick reviewed the budget directions from the Body's conversations in December 2026 (packet page 53). Topics that were discussed at that time were the mill rate reduction, wage increases, the sales tax reductions on both operating and CIP side, plus one-time MEBA and unrepresented expenses. The Committee gave directions to the Manager and to themselves to do a range of things. One direction was for the Manager to reduce the budget by \$3,000,000 to \$4,000,000 using budget assumptions. Another direction was for the Assembly to make service reductions to save between \$2,000,000 and \$4,000,000. Another goal was to increase revenue by \$2,000,000.

At the time these directions were made, it was known that the sales tax revenue loss estimates were based on extrapolation, not hard numbers. It was acknowledged that it may be necessary to pull \$1,200,000 to \$4,200,000 from the General Fund fund balance. This gives some flexibility if the estimate of revenue loss ends up being higher or lower than estimated. Ms. Flick added that it is her responsibility to state that in general, using fund balance for operations is generally not advised and should not be a regular course of action. However, in this current situation, it is appropriate and could be used as a short-term strategy while awaiting real numbers regarding the revenue loss impact.

Progress has been made toward reaching these directions and goals as shown on packet page 55. Ms. Flick stated that the City Manager was able to use assumptions to reduce the budget by using the vacancy factor and recognizing salary savings due to vacant positions. This process reduces the budget, however, it does not reduce FTEs, as no positions have been cut. This means that some departments may be in a position where they have authority to fill positions from an FTE perspective, however, they do not have budget authority to fill the position. Should the Body decide to cut services in the future, they may also decide to cut FTEs.

Ms. Flick added that another area that was scrutinized was historical spending on various contracted services and supplies. In general, departments are asked to absorb inflationary price increases. Actual spending was compared to the budget in various categories, and where spending is less than budget, reduction decisions were made, as CBJ does not typically operate on a "use it or lose it" spending philosophy. Fleet Fund contributions were also reduced for some departments. These budget assumption changes achieved \$3,900,000 in budget savings, which is on the high end of the \$3,000,000 to \$4,000,000 savings direction.

Additionally, \$2,300,000 of revenue increase can be attributed to use of dockage fees and increased P&R fees to offset the General Fund spending, where the goal was \$2,000,000.

Assemblymember Hughes-Skandijis asked for clarification regarding the vacancy factor and FTE savings, and how this works in practice. Ms. Flick gave an example scenario with a hypothetical department that has 15 FTEs and has typically only had five of these positions filled. This department has had their salary budget cut using the vacancy factor that was created by having 10 open positions. In this situation, if they decide to fill the vacant positions, budget authority to pay the employees they would hire no longer exists even though the FTEs exist. The department director would need to have a conversation with the City Manager and make a supplemental appropriation request. This request must be approved before the department could fill positions that have been un-budgeted in order to pay the new employees when they are hired.

Ms. Koester stated that as a City Manager, she would like to clarify that typically, if an organization comes in under budget, that feat is celebrated. Simultaneously, the community has looked at this carefully with CBJ and determined that it is a sign of over-taxation, which in part lead to the ballot initiatives that cut tax revenues for the City. These budget assumption reductions are cutting real money from the budget, reducing the budget "cushion," and increasing the possibility of CBJ being over budget at the end of the year.

Chair Woll asked about the year-to-year reduction in the Capital Improvement Plan that has been presented. Ms. Flick answered that the proposed CIP for FY27 shows a decrease of \$4,400,000 which is directly related to the anticipated sales tax loss.

Ms. Flick summarized the FY27 revenue and expense gap and progress as shown on packet page 55 and referred to Budget Book page 41. This chart shows using \$7,700,000 of fund balance for operations, which is more than the anticipated \$1,200,000 to \$4,200,000 amount, plus \$2,600,000 for one-time expenses.

Assemblymember Brooks asked how much in service reduction savings should the Assembly try to find. Ms. Flick responded that if the Body can find \$4,000,000 in savings, that would reduce the fund balance needed for operations to \$3,700,000. If they only come up with \$2,000,000 reduction, then \$5,700,000 of fund balance will be required. Ms. Flick's recommendation is to aim for the higher amount of \$4,000,000 in service reductions.

Ms. Flick reviewed the details on packet pages 56 and 57 and referred to Budget Book Doc-2. Ms. Flick referenced the CIP allocation to the Restricted Budget Reserve line. She explained that as part of the CIP development, she has a responsibility to the Engineering Department to notify them of the expected sales tax revenue that they may plan to spend on 1% and 3% projects. In addition, specific projects are also called out based on directions from the Body and the City Manager. Through this process, after the CIP was introduced to the Public Works and Facilities Committee, it was recognized that there was about \$2,700,000 in additional sales tax funding available that wasn't allocated as part of the original plan development. One of the items on the 1% tax is contribution to the Restricted Budget Reserve. Therefore, an internal decision was made for the Manager's Proposed Budget to show a transfer from CIP to the Restricted Budget Reserve for a host of reasons, including Eaglecrest, Glacial Lake Outburst Flood (GLOF)

prevention and mediation, etc.

Ms. Flick also referred to the Municipal Building maintenance line (packet page 56). This is being added to the budget as an annual amount, while simultaneously, building lease expenses will be reduced from operational expenses with the move to the new Municipal Building. As these lease expenses will be eliminated from the annual operating expenses of the City, they have been moved to one-time expenses (packet page 57).

Floyd Dryden maintenance was paid out of the General Fund in FY26. With the lease that is now in place there, that building's maintenance costs are now being fully covered by the tenant.

On the non-recurring side, based on direction for the Manager's Proposed Budget, the FY27 Eaglecrest deficit amount would be reserved within the Restricted Budget Reserve which will cause a reduction in the RBR balance to reserve funds for that deficit.

CCFR has been using salary savings and vacancy factor for an apprenticeship program that has proven very successful. 3.84 FTEs have been included in non-recurring costs to enable them to reactivate the apprenticeship program in FY27.

Ms. Flick noted the additional items at the bottom of packet page 57 which are potential uses for the fund balance that are in process. Ms. Flick also noted that per resolution, the recommended RBR balance is \$24,200,000 compared to the current projected balance at the end of FY27 of \$17,200,000.

Ms. Flick summarized the additional fiscal pressures that are listed on packet page 58.

Mayor Weldon asked about the General Fund subsidy to Fleet Maintenance of \$26,600 and why that happens when there is a Fleet Fund (packet page 57). Ms. Flick answered that this represents the operational fleet maintenance expense, not funding for fleet replacement, and subsidizes the fund due to internal fees being insufficient to cover costs. Ms. Flick added that an evaluation of internal rates associated with fleet repairs is planned for the FY28 budget process. Ms. Koester added that the wash bay at Streets is a project that was supposed to pay for itself. However, there has not been enough support from other departments to fund the wash bay, and that is a large cause of this transfer.

Mayor Weldon asked if there is a process to review the City's insurance coverage to ensure that CBJ is not paying for insurance coverage on property that is no longer owned or where coverage is not needed or could be reduced. Ms. Flick responded that she believes that Risk Management does an assessment annually and she will confirm that this is the case.

Ms. Flick referenced packet page 59 along with Budget Book Doc-16, noting that the mill rate in the Manager's Proposed Budget is 9 mills, which is the new cap exclusive of debt service. The actual mill rate will be 9.92 as 0.92 is required to fund general obligation bond debt service.

Ms. Flick summarized the FY27 Budget Summary on packet page 60.

Chair Woll commented that CIP funding has been reduced by \$4,000,000 due to cuts resulting

from the election. She has heard from the public that they would like to see fewer new projects, and this proposed budget cuts new projects significantly.

The Committee recessed at 12:39 pm.

The Committee reconvened at 1:10 pm.

4. FY27 Capital Improvement Plan

Engineering and Public Works Deputy Director Nate Rumsey gave the FY27 CIP presentation (packet pages 62-75) which provides an overview of the CIP development process and a breakdown of proposed FY27 funding source allocations. The draft CIP resolution was introduced at the April 1, 2026, Special Assembly meeting and the CIP is scheduled to come back before the AFC and the Assembly several times during the budget process.

The development of the CIP process is extensive and takes much coordination and choreography over an 8-month period with input from operating departments, Finance, the Manager's Office, and the Assembly. This presentation is organized in line with the CIP Resolution, broken down by fund source allocation (packet page 63).

Mr. Rumsey reviewed the funding categories (packet page 64 through 68). The 3% Sales Tax revenue amounts are based on projections from Finance and direction provided by the Manager's Office. General Sales Tax funds typically go to projects and operations that do not have clear or dedicated funding sources. Areawide Streets Sales Tax typically support Streets-related projects. Some of this funding is also allocated to Water and Wastewater components of Streets projects for two reasons. This is done when there is an opportunity to optimize funding and reduce rework when a road is already being dug up and there is a need to improve or repair underlying utilities. This also happens because there is more need for utility maintenance and repairs than available funds, so it is important to identify chances to optimize the use of funds to meet multiple needs simultaneously.

Engineering and Public Works Director Denise Koch explained that as part of the CIP planning process, Streets and Utilities meet with Engineering and Public Works to identify their priorities and areas of work that intersect in order to maximize cost savings.

Mr. Rumsey continued with the voter approved Special 1% Sales Tax which are funds set aside for specifically identified projects that were approved as part of a ballot initiative. Due to the decreased amount of revenue expected from this tax, and based on feedback and input, some adjustments have been made to the allocation of these funds as shown on packet page 68.

Mr. Rumsey summarized the Passenger Fee CIP allocations on packet page 70.

Departments that generate revenue contribute their own funds toward CIP priorities, which are also typically vetted by an associated board. Mr. Rumsey summarized these Enterprise funds on packet page 71, and Unscheduled funding (packet page 72). Unscheduled funding is identified primarily for transparency and for planning purposes. Often, these projects are aspirational in nature and do not have an identified funding source or are projects that require a local match to capitalize on a funding opportunity. Projects listed under the Unscheduled Funding section of

the CIP Resolution are not included in the budget appropriation.

Mr. Rumsey noted that although EPW coordinates, consolidates and assembles the CIP Book, EPW does not establish the priorities (packet page 73). EPW works with Finance to understand the availability of funding and try to match the priorities with funding sources to the best of their ability. The draft CIP Book includes a list of departmental requests for FY27 and their out-year priorities. There is a newly introduced column for FY27 which identifies which requests are proposed for funding for the year. This column was added to show all the requests that were made by departments and the requests that are proposed for funding in the FY27 CIP.

Mr. Rumsey concluded the presentation with a summary of packet page 74. He stated that their goal is to use the available funding toward the highest priorities, ensure that they will not focus attention on limited CIP funds with new construction. Of the \$23,200,000 of sales tax funded CIPs, approximately 76% will be used for identified maintenance and repair of existing infrastructure. If the Restricted Budget Reserve amount of \$2,720,000 is removed from that calculation, that number changes to 87%. The vast majority of sales tax funding for CIPs is going to maintenance and infrastructure repair projects.

Ms. Koester noted that when the Manager's Office gave direction to reduce CIP spending, the direction also included a reduction in Eaglecrest's annual appropriation and the parks and playground maintenance appropriation. Direction from the Assembly at the December retreat was to hold steady with maintenance spending. It was a commiserate reduction of around 30%.

Assemblymember Hall asked about the \$500,000 for childcare listed on packet page 74, and if this is for maintenance. Ms. Koester responded that this is for an approved grant for Southeast Childhood Collective. Ms. Flick noted, for context, that the 1% includes projects that are typically considered capital projects, and it also includes other things that require funding, such as childcare, the Restricted Budget Reserve, and some IT project funding, etc. that are considered more operational in nature. Ms. Koester commented that the line items underneath the \$23,200,000 in sales tax funded CIP projects are ones that would not be categorized as maintenance and repairs.

Ms. Koester stated that CBJ has a comprehensive process to score and identify maintenance projects and prioritize them, and there is a running list for EPW and Facilities Maintenance. Much of CBJ's maintenance is for small repairs funded by the operating budget rather than CIP.

Assemblymember Smith asked about the reductions moving forward, and if more cuts will need to be made to maintenance of things like streets and drainage. Ms. Flick answered that the reductions were based on assumptions, and that when the time comes to look at the budget for next year and beyond to build that forecast, staff will have more actual data regarding the impact of the ballot initiative budget cuts. This will allow them to be more accurate in their forecast predictions, which may be good or bad depending on the numbers. Additionally, the 3% Sales Tax will be coming up again on the ballot in October 2026, and the 1% Sales Tax will need to go on the ballot in October 2027. Through these processes, there will be a resetting of what will be funded through these taxes.

The Committee continued to discuss how decreased revenue may cause projects to be delayed and/or cut in FY27 and future years as funding is inadequate to meet the needs and requests of all departments. Mr. Rumsey added that even if the ballot initiatives had not passed, there would still have been projects that would not have been funded, as there was already a deflated level of funding support.

Assemblymember Smith asked if there is a way to avoid falling far behind in maintenance in terms of pavement management. Ms. Koch responded that there is a pavement management program for area-wide paving that monitors streets. There are schedules and cycles for repaving, however, in the field monitoring is also done to see if streets are deteriorating faster or slower than expected. This allows flexibility to do repairs where they are most needed. However, it is likely that as the budget shortfall squeezes funding, that some maintenance will be deferred longer than is ideal. The schedule gives a big picture overview of anticipated needs, and reality sometimes causes priorities to shift.

Assemblymember Steininger asked if the City should be setting expectations for the public regarding repairs of the many potholes that resulted from the 2025-2026 winter storms. Ms. Koch responded that she is aware that this is a priority for the public. The Streets crew is aware of the different streets and conditions. Streets considers input from the public to prioritize their available Budget for repairs. The public is encouraged to contact Streets or use a form on their website to report problematic potholes and other issues:

<https://juneau.org/engineering-public-works/streets/report-a-problem>

5. Community Input Summary

Communications and Engagement Director Ashley Heimbigner presented the Community Input Summary (packet pages 133 - 155). Ms. Heimbigner thanked Ms. Flick and her staff for their support in providing budget information for the Communications team, and she thanked her staff, Phil Huebschen, Tasha Elizarde, and Charles Williams, for all their work on this project.

Ms. Heimbigner stated that in November 2025, the Body said that input from the Juneau community was one of the first things needed to determine the FY27 Budget, and they gave direction to Communications to reach out for public engagement. The input survey has been completed, with 4,400 respondents, and Ms. Heimbigner reviewed the process details as laid out on packet page 134 - 136.

Ms. Heimbigner summarized the survey and additional input form results on packet pages 137 through 146. She noted that people commented that it was very challenging to pick only the top 4 or 5 items of their highest and lowest choices. She highlighted some of the differences in priorities between different demographic and geographic groups. The top three priorities overall were Streets, Schools, and Public Safety (packet page 140). The full 2026 Survey Report with comments is available at <https://juneau.org/wp-content/uploads/2026/02/Final-Juneau-Budget-Survey-Report-2026.pdf>. Additional information regarding Community Compass is available at <https://juneau.org/community-compass>.

For revenue generation (page 144), respondents were given the opportunity to choose all that

apply. Survey respondents say they are interested in the Assembly pursuing and evaluating alternative revenue generation opportunities. Only 22% of respondents selected no new or increased taxes or user fees.

The additional input form allowed open space for comments (packet page 146) and received 125 submissions. Over half of these comments related to Assembly actions regarding Telephone Hill. 37% of the form comments were received on the last two days of the form being open.

Additional input form comments are available at <https://juneau.org/wp-content/uploads/2026/04/CBJ-Community-Compass-Additional-Input-Form-All-Comments.pdf>

Ms. Heimbigner described the CBJ Community Compass Workshops (packet pages 147 - 153). Each of three workshops had capacity for 25 attendees, and were fully booked, however, due to the winter storms and one workshop having to be rescheduled due to weather, there were only 46 participants. The insights gained were valuable, however, not statistically significant compared to the survey data due to the small number of workshop participants. She summarized the workshop exercises which were consensus driven (pages 149 - 150) and results (pages 151 – 153).

Ms. Heimbigner noted that the themes and insights were consistent throughout the survey and the workshops and summarized these themes as shown on packet page 153, and the summary for the Assembly on page 154.

Mayor Weldon commented that it was interesting to watch the dilemma that the workshop participants experienced. When they were running out of time, that were told they would have to vote. They did not like that, but it is what happens when the budget season is ending. There was a bonus round with a hypothetical scenario considering how to handle a loss of the 3% sales tax. Mayor Weldon said that for the bonus round, participants had to cut 30% of the budget to accommodate the loss of that 3% tax revenue. It wiped out entire departments and essentially changed the City. This scenario caused frustration, a number of participants did not like it, and some said if that happens, they would move away from Juneau.

Ms. Heimbigner noted that the bonus round information was not included in the report because all three groups did not get to this round. No one left the workshops feeling satisfied, and this was challenging for both participants and facilitators. Causing frustration was not the goal, however, it may have been a valuable demonstration of how difficult these budget decisions are.

Chair Woll stated that the reductions in the CIP that showed up in both the community workshops and the Assembly workshops were interesting because people say they want core services protected and to maintain current services. She opined that CIP is the easiest area to cut politically, as public will show up to protest a \$1,000,000 cut that impacts a pool, but not the same cut to a CIP project. She asked if workshop participants noted projects that they would like to see cut. Ms. Heimbigner responded that in the workshops, if people wanted to cut projects, they needed to be reminded that they were looking for cuts in annual operating costs rather than one-time cuts. Participants expressed wanting to see CIP cuts in new construction, new development, and new major projects, and the desire to focus on funding maintenance of existing structures. Mayor Weldon added that suggestions were also made for delaying

construction projects.

Ms. Heimbigner added that there were also suggestions to privatize or shift some CIP costs such as water and wastewater infrastructure projects to alternative revenue streams or other funding sources such as bonds, increased rates, or user fees for non-core services.

6. Initial Service Reduction Discussion

Ms. Koester summarized the CBJ budget input guidance for FY27 on packet page 98. These principles reflect both community input and Assembly direction thus far in the budget process and can be used to guide decisions and as tools for communicating with the public. This is a list of five things, and not a priority order.

Chair Woll asked if the Assembly agrees with these principles or would like to see changes. Mayor Weldon noted that *#3 Minimize Resident Impact* concerns her because there will be an impact to the public, particularly with increasing prices for recreation user fees.

Assemblymembers Brooks and Smith agreed that as careful as they will be, there will inevitably be impact on the community. The extent of the impacts will vary from citizen to citizen depending on what services they use, need, and value.

Assemblymember Hughes-Skandijs stated that she thinks these principles will be useful, and opined that *#5 Prioritize Disaster Response and Mitigation* is really a facet of *#1 Protect Core Services*.

Assemblymember Hall suggested that regarding *#3 Minimize Resident Impact*, she would prefer to include senior citizens in this group along with families and working age residents and preserve the quality of life as best as can be done across the lifespan of Juneau residents.

The Assembly continued to discuss the topic.

Assemblymember Smith noted that there is a risk that the Unrestricted General Fund balance could potentially get very low or to zero if the Body does not take strong action involving difficult decisions.

Chair Woll stated that she agrees that prioritizing disaster response is a core service, while also segregating the idea of protecting lives from protecting properties, and certainly prioritizing protecting lives. She added that resources are going toward GLOF prevention and mediation because the impact to our community if the houses along the river were lost would be devastating. Along those lines, she added that housing is also a core service.

Ms. Koester stated that it is important to communicate with constituents that their guidance and input has been heard, and to demonstrate this is the case in the conversations the Assembly has and the decisions that they make.

Ms. Koester summarized the budget input reductions guidance (packet page 99). She noted that Telephone Hill and the "new" Municipal Building projects have contributed to the public's

disinterest in new projects overall. The public input has shown that constituents want safety, infrastructure, and maintenance to be prioritized, and these are priorities for the Assembly as well. A more challenging area is the concept that recreation, though popular and beloved, is not a core service. The public feedback demonstrated a great deal of support for recreation services such as pools and Eaglecrest.

Ms. Koester added that the Assembly Grants are not a large portion of the budget, but they are highly visible to the public as they are in the news. It is important to note that there is a focus on maintaining social service programs.

Chair Woll asked the Committee members to share their priorities. Assemblymember Adkison stated that her definition of core services includes many social services as well as roads, schools, and utilities. Especially with service cuts at the State and Federal levels, local government may be the last hope for some of these highly needed services to continue. She asked the group to consider the short and long-term consequences of these services not being funded. The relatively small amounts that the City provides to some of these groups is essential for matching funds enabling them to receive funding from other sources and continue their operations.

Chair Woll asked Assemblymember Adkison where she would look for cuts to protect the social services she wants to keep. Assemblymember Adkison responded that she agrees that recreation is not a core service. She wants to be discerning in terms of funding only the grants that truly matter to people's lives and those that would not receive adequate funding from other sources without the Assembly grants.

Assemblymember Kelly stated that he wants to protect core services and some social services. He also agrees that recreation is not a core service, however, he would like to preserve recreation as much as possible. Looking at the public input, recreation is important to younger people, and it is crucial to ensure that younger generations come to and stay in Juneau to maintain a viable continuous community. He agrees that modest cuts to recreation may be required, but this needs to be balanced with attracting and keeping people in this community while also supporting the aging population.

Chair Woll asked Assemblymember Kelly where he would like to see reductions. He responded that much of his reductions come from P&R, and the biggest cuts that he proposed were to landscaping. As much as he wants Juneau to be a beautiful capital city, that is not as important to him as supporting education, core services, and some other recreational opportunities.

Assemblymember Brooks would cut services that are offered by the City that have redundancies or that could be subcontracted to private industry or other community partners that are already doing similar work and provided some examples of ways this could be accomplished. In terms of grants, he would want to look at alternative ways that some of these organizations could be funded. Potentially some organizations that are already financially stable and have robust fund accounts could take on some of the funding burden for other community partners and continue to function as they have been without taxpayer funding.

Assemblymember Hall stated that she would want to look at grant funding that could potentially

find alternative revenue sources other than the City. She mentioned the Affordable Housing Fund and noted that there seem to be many new housing units being built in CBJ, and perhaps that is an area where they could pause some funding. She noted that having recreation opportunities is great, however, people can play in the woods and outdoors. She appreciates having pools, a skating rink, and the ski area, however, putting lots of money into parks may not be necessary when there are woods and outdoor places for people to play and explore.

Assemblymember Steininger reiterated what Assemblymember Kelly stated about the City's demographics and the survey results. He sees the importance of heeding the survey results from younger people, as keeping them here in Juneau means they will contribute to the economy, pay taxes, and support CBJ on an ongoing basis. Looking at the future viability of the City, it is important to balance out the need for cuts that will reduce the attractiveness of Juneau and alienate younger current and potential residents. He recommended coming up with some creative ideas to maintain some of the existing services that people want to keep. Additionally, he opined that it will be important to consider whether some of the cuts will be permanent or temporary and look at how they are positioning the budget for two to three years in the future.

Assemblymember Hughes-Skandijs commented that she understands that Juneau constituents value public services, and she values them also, regardless of whether she uses them or not. It is the Assembly's job to prepare a balanced budget, and that is a heartbreaking challenge because inevitably, some people will be disappointed with cuts that are made. As much as people suggest finding alternative sources of revenue, realistically, the only way forward is by making cuts. She stated that she does want to preserve social service grants because that is a requirement to do so as a city. If these nonprofits disappeared, CBJ would have to provide some of the services they were providing, possibly at a greater cost to taxpayers. She will be looking at P&R facilities and whether a field house, two pools, and a skating rink are truly needed. She wants to ensure that they are not making decisions for FY27 that they will regret in FY28. She will be looking at community partners such as Travel Juneau and Juneau Economic Development Committee (JEDC), not that she does not value their services, however, she sees the multitude of City services that are provided and realizes that these need to be reduced to core services for residents.

Assemblymember Smith stated that these are very difficult choices for all the members of the Body. The City Manager has already made cuts, and more are needed. Simultaneously, when you look at the City's departments and divisions and drill down into what is being done, these are important services that are being provided. Recreation is not a core service in the way that fire, safety, police are, however, it serves as a strong motivator for people to move to and stay in Juneau, and removing recreational services will have an impact. It may be worth seeking some one-time savings opportunities to help with the fund balance and provide a bridge to keep some of these beloved services open.

Mayor Weldon agreed with much that has already been said. Regarding some of the Community Grants, if these partner entities are unable to function, it will cost CBJ more than the grants to replace these services. She believes that recreation is a core service and is crucial to attract and keep families in Juneau, though some cuts to it may be needed, possibly through reduced capital projects. She is still looking at options that may include moving Facilities Maintenance to Marie

Drake, closing the Mount Jumbo facility, and stopping all work at Jackie Renninger Park. She is looking around town thinking about what projects can be stopped and where funds can be saved.

Chair Woll agreed with the consensus about looking closely and carefully at recreation and grants to see where strategic cuts can be made while protecting social services. Recreation cuts will be difficult to implement while minimizing the impact. She added that the surveys showed that residents want more benefits from the tourism industry, and one revenue income stream that could be spent differently is the hotel bed tax, and the Body could make a policy decision to use these funds in other ways.

Ms. Koester stated that Assemblymembers are welcome to bring their questions to her, and that she and Ms. Flick will work together on the numbers and what the impacts would be to help the Committee in understanding how different decisions could change the budget outlook. It is appropriate for the Body to ask staff for input, advice, and general guidance as to how to shift or mitigate the impact of potential decisions, though the policy decision will be for the Committee to decide.

Chair Woll, Ms. Koester, and Ms. Flick gave the Assemblymembers an overview of the materials provided in their packets and their tasks to be done and reviewed the upcoming meetings on the AFC Budget Calendar.

Assemblymember Hughes-Skandijs mentioned delinquent sales tax as these are revenues that could be used to address the budget shortfall. She asked about remedies for entities who are not in compliance with filing and remitting their sales tax and about licensing for liquor or marijuana businesses. Ms. Flick answered that the opportunity to protest licensing is part of the formal requirements for those entities doing business in licensed industries. If such a business needs a permit, there is an internal check to ensure they are in compliance with their licensing before issuing a permit. At this time, CBJ does not issue business licenses that could be revoked if a business does not properly handle their sales taxes. Enacting business licensing would require proper code changes, ordinances, and an enforcement staff to make it useful. CBJ Law is working on ways to improve collection of delinquent sales tax via the court system, including the use of liens when appropriate.

7. Information Only: Delinquent Sales Tax

8. Information Only: AFC Budget Calendar

E. NEXT MEETING DATE

9. April 22, 2026 at 5:30 PM

F. SUPPLEMENTAL MATERIALS

10. Community Input Summary

11. Initial Service Reduction Discussion

G. ADJOURNMENT

The meeting was adjourned at 3:31 pm.

ADA accommodations available upon request: contact the Clerk's Office (907)586-5278 or city.clerk@juneau.gov at least 36 hours prior to a meeting, to request ADA arrangements.



ASSEMBLY FINANCE COMMITTEE MINUTES

April 22, 2026, at 5:30 PM

Assembly Chambers/Zoom Webinar

<https://juneau.zoom.us/j/93917915176> or 1-253-215-8782 Webinar ID: 939 1791 5176

A. CALL TO ORDER

The meeting was called to order at 5:32 pm by Chair Woll

B. ROLL CALL

Committee Members Present: Chair Christine Woll; Mayor Beth Weldon; Paul Kelly; Maureen Hall; Neil Steininger; Nathaniel (Nano) Brooks; Alicia Hughes-Skandijs; Ella Adkison

Committee Members Absent: Greg Smith

Staff Members Present: Katie Koester, City Manager; Adrien Wendel, Budget Manager; Emily Wright, Municipal Attorney

Staff Members Present Virtually: Angie Flick, Finance Director

Staff Members Absent: Robert Barr, Deputy City Manager

C. AGENDA TOPICS

1. Service Reduction Summary

Chair Woll stated that the intent of this discussion regarding service reductions is to determine and prioritize the information needed from staff to help make these difficult decisions and not necessarily make these decisions at this meeting.

Finance Director Angie Flick gave an overview of the layout of the service reduction summary (packet pages 8 - 10).

Assemblymember Adkison asked about transitioning prosecution from the City to the State (page 9, item 24), and if there would be operational gains as well as expense reduction benefits from doing this. City Manager Katie Koester answered that this is a service that is provided by the State everywhere in Alaska except Anchorage and Juneau, where the citizens wanted a higher level of service, and were willing to pay for it. Ms. Koester stated that she thinks the City should continue to question State services that are being pushed onto local government and that this is a policy decision for the Body to make. She pointed out that the potential almost \$1,000,000 savings of making this change is the cost of keeping a pool open annually.

CBJ Municipal Attorney Emily Wright explained that Juneau took on prosecutorial work from the State, as did Anchorage, to have more autonomy in decision making about what happens in the community and the prosecutorial response. The division of labor between misdemeanors and felonies made sense. She stated that the State District Attorney's Office in Juneau is another

entity that prosecutes and they cover all Southeast Alaska, not just CBJ. The State DA's Office in Juneau has been going through serious funding issues over the past few years and has struggled to keep up with their own caseload in a way that is responsive to the Southeast community. Ms. Wright said that the City pays for using the Lemon Creek Correctional Center.

Giving prosecution authority back to the State would result in a loss of local autonomy in terms of ability to respond to crime within Juneau. The State Attorney General would be in charge of criminal prosecution. The State District Attorneys who would carry out prosecutions are appointed by the Governor and the Attorney General.

Chair Woll asked about items on the table on pages 9 and 10 that show neither operating nor one-time costs. Ms. Flick answered that for some of these items an estimate was unavailable in the time that staff had to create this report. Staff will provide estimates for these items if the Body provides direction to do so. Additionally, some of the items without a cost were ones where results of a change would not be seen in FY27 due to time limitations.

Assemblymember Hughes-Skandijs asked about the Mount Jumbo facility move (page 9 item 9) and if the \$191,000 would be an annual savings and if the moving costs are reflected. Ms. Koester responded that the one-time moving costs would be about \$225,000 so about net neutral for FY27. Much of the savings for moving Building Maintenance will be in drive time, which leads to a policy decision – to reduce staffing or allocate drive time to the continuous list of City maintenance needs. She estimated \$60,000 would be true ongoing savings from not operating the building. The remaining \$130,000 would be maintenance worker drive time between various CBJ facilities. This will result in more time doing maintenance rather than moving between locations, however, the only way that number is realized as savings is if FTEs are reduced. She also noted that these maintenance expenses are charged to the CBJ departments that are being repaired or maintained and are not in all cases charged to the General Fund.

Chair Woll noted that the service reduction summary list (pages 9 -10) includes four items that received a high level of agreement among Assemblymembers. These are Mount Jumbo, Reduction of Pool Services, Dimond Park Field House, and City Museum, and she asked the Body what type of information they would appreciate from staff regarding these items.

Assemblymember Kelly asked what is meant by the term "mothball" that is on some of the items. Ms. Koester stated that for this situation, mothball means closing a facility but keep it in a status whereby it could potentially be reopened. There would likely be ongoing costs for maintenance, security, etc.

Assemblymember Hughes-Skandijs said that she would like information about how facility closures would impact the FTEs associated with the facilities, and if there is data related to closing one pool versus the other in terms of impact and savings.

Assemblymember Adkison asked the differential between CIP needs for Dimond Park compared to Augustus Brown.

Chair Woll asked for clarification about the Field House and a breakdown of how it is used, by

what organizations, and what the impact of a closure would be.

Assemblymember Brooks asked for information related to the required minimum square footage for operation of the City Museum. Assemblymember Steininger commented that having worked with the State Museum he observed it can be very difficult for museums to divest collection assets depending on the terms under which the museum came into possession of artifacts. His question is, would it be possible for the City Museum to fully divest itself of its collection.

Motion: by Assemblymember Hall to direct staff to provide more information regarding the impacts of increasing utility rates to offset their maintenance (Item #39), with the assumption that future General Fund support will no longer be needed.

Objection: by Assemblymember Adkison for the purpose of an amendment.

Amendment: by Assemblymember Adkison to direct staff to bring back scenarios where some or all of the Streets Sales Tax that is currently subsidizing Utilities be reallocated back to Streets.

Amendment passed by unanimous consent.

Motion as amended passed by unanimous consent.

Motion: by Assemblymember Adkison to ask staff to bring back information regarding the proposal for cat licenses (Item #41).

Objection: by Assemblymember Brooks for the purpose of an amendment.

Amendment: by Assemblymember Brooks that a requirement for owners to carry pet insurance be added.

Objection to the Amendment: by Mayor Weldon because the cost may be prohibitive for some residents.

Assemblymembers Hughes-Skandijs and Hall also objected to the amendment.

Amendment was withdrawn by Assemblymember Brooks.

Original motion passed by unanimous consent.

Motion: by Assemblymember Steininger to direct staff to bring back more information on changing City employees to a 36-hour workweek (Item #23).

Objections: by Assemblymembers Adkison, Kelly, Mayor Weldon, and Chair Woll.

Roll Call Vote on Motion

Ayes: Steininger, Hall

Nays: Adkison, Kelly, Mayor Weldon, Hughes-Skandijs, Brooks, Chair Woll

Motion failed. Two (2) Ayes, Six (6) Nays.

Motion: by Assemblymember Brooks to direct staff to provide information regarding travel and training, specifically separating travel and training that is mandatory and required from elective travel and training (Item #21).

Objection: by Assemblymember Adkison

Roll Call Vote on Motion

Ayes: Brooks, Kelly, Steininger, Mayor Weldon, Hughes-Skandijs, Hall, Chair Woll

Nays: Adkison

Motion passed. Seven (7) Ayes, One (1) Nay.

Motion: by Assemblymember Woll to direct staff to bring back more information on transferring prosecution back to the State, specifically information regarding the true impact that this change would have on the community.

Objection: by Assemblymember Brooks for the purpose of an amendment.

Amendment: by Assemblymember Brooks to add that the information brought back would be more comprehensive of what it would look like to give responsibility back to the State, and what it would look like if CBJ took on more felony prosecutions.

Objection to the Amendment: by Assemblymember Steininger and Mayor Weldon.

Amendment was withdrawn by Assemblymember Brooks.

Objection to the Original Motion: by Assemblymember Adkison.

Roll Call Vote on Motion

Ayes: Woll, Steininger, Kelly, Chair Hughes-Skandijs

Nays: Adkison, Mayor Weldon, Brooks, Hall

Motion failed. Four (4) Ayes, Four (4) Nays.

Motion: by Mayor Weldon to direct staff to bring back more information on the impact of eliminating 0.5 FTE in the Clerk's Office (Item #32).

Motion passed by unanimous consent.

Motion: by Assemblymember Hall to direct staff to check in with Bartlett Regional Hospital (BRH) about the impact of eliminating the \$200,000 Home Health and Hospice General Fund support (Item #28).

Motion passed by unanimous consent.

Motion: by Assemblymember Adkison to direct staff to bring back information on a 340B pharmaceutical program with BRH (Item #20).

Motion passed by unanimous consent.

Motion: by Mayor Weldon to direct staff to bring back information on leasing the Douglas Fire Station (Item #40).

Objection: by Assemblymember Kelly.

Roll Call Vote on Motion

Ayes: Mayor Weldon, Hall, Adkison, Hughes-Skandijs, Brooks, Steininger

Nays: Kelly, Chair Woll

Motion passed. Six (6) Ayes, Two (2) Nays.

Assemblymember Hall asked if it would be possible for the Jensen-Olson Arboretum to charge for commercial use of the facility, as they are not allowed to charge for general public admission (Item 14). Ms. Koester answered that the Jensen-Olson Arboretum would legally be allowed to charge for commercial uses with a commercial use permit.

Chair Woll stated that staff will be bringing information back to the Committee as requested.

2. Empowered Board Follow-Ups

Ms. Flick summarized the memo (packet page 2) and stated that the Manager's Proposed Budget includes the budgets of the various empowered boards. In a typical year, these would have been reviewed at the all-day Saturday AFC budget retreat. However, this year, the Body has seen many of these budgets earlier in this process through joint meetings. Ms. Flick confirmed that if the Body takes no action other than moving the Manager's Proposed Budget forward to the full Assembly, then the empowered board budgets will be included as they are currently presented. Ms. Flick noted that there are plans in place to discuss Eaglecrest, that additional information has been requested regarding BRH, and that the Body may decide to make budget reduction changes. She asked if the Body had any questions, information requests, or directions regarding the empowered board budgets.

Assemblymember Hall asked for additional information regarding the School District's Base Student Allocation (BSA) and if that is going to change. Ms. Flick will contact the Board of Education Superintendent Hauser and School District CFO to obtain this information.

Motion: by Mayor Weldon to accept the Docks & Harbors and the Juneau Airport budgets as presented.

Motion passed by unanimous consent.

The Committee recessed at 6:44 pm.

The Committee reconvened at 6:57 pm.

3. Foregone Revenue

Assemblymember Steininger reviewed the foregone revenue memos. One is from Ms. Flick to the Assembly Finance Committee, dated October 30, 2025, and lists forty-seven identified areas of foregone revenue (page 15). The other is from Mayor Weldon and Assemblymembers

Hughes-Skandijs and Steininger to the Assembly, dated April 20, 2026 (page 13), and has a culled list of foregone revenue items for consideration sorted by category. Mr. Steininger noted that a great deal of information is available regarding the items that were omitted from this list in case any Assemblymembers would like to review or bring any of these items back to the Body for further discussion.

Assemblymember Kelly asked about property tax on commercial vessels which did not specify a dollar amount that may be saved and asked how much revenue is being foregone on this item. Ms. Flick answered that there is not good order of magnitude on this item. She explained that for some of these items, particularly where an exemption already exists, the City receives data on a total amount of sales, and a total amount that was exempted, but they do not receive a number of sales transactions. Consequently, they do not have the necessary data available to calculate an estimate.

Assemblymember Hall asked how other communities handle property tax on commercial vessels and how the value for these vessels is assessed. Ms. Flick stated that there are other communities where property tax is charged for commercial vessels, and one option for assessing commercial vessels would be to tax by the length of the vessel, like how airplanes are assessed by length.

Assemblymember Adkison asked about the recommendation for a biannual exemption application for government and non-profit retail stores. She asked if this would be comparable to the non-profit property tax exemption and would this be much of a burden to staff. Ms. Flick responded that there is a very small population of thrift stores in CBJ, the City wants a process of ensuring that the nature of these non-profit stores does not change over time, that the exemptions that are being used meet the public purpose, and that this exemption is not being misused by private, for-profit businesses. With the small number of non-profit thrift stores in the community and doing this every other year, this could reasonably be handled by staff.

Chair Woll asked for clarification as to how selling items or services as a business venture is differentiated from selling for fundraising purposes. Ms. Flick responded that there are good examples from other states about defining types of sales. A non-profit selling goods or services that are regularly available to the public via a storefront would be required to collect and remit sales tax from the customers the same as a for-profit business. Schools or non-profit groups selling one-off raffle, ticket, or fundraising items like calendars or wrapping paper that are sold for a limited time without a storefront would be considered fundraising.

Assemblymember Hall relayed a constituent suggestion for a non-profit to designate a particular use for the sales tax they collect. Ms. Flick responded that there is not a method by which general sales tax collected by non-profits can be designated to a particular area or usage. However, if the Body wanted to create a particular type of tax, that is within their purview.

Assemblymember Brooks asked for additional information about the first two items on the Mayor's Foregone Revenue memo (packet page 13), property tax on commercial aircraft and property tax on commercial vessels. He asked how these would be implemented, and the cost of implementing them, and stated that he generally is not supportive of adding new taxes. Ms. Flick

answered that the first item, property tax on commercial fixed-wing and rotary wing aircraft already exists, so would not be a new tax. However, these are fixed tax amounts based on the weight of the aircraft, and this rate has not been adjusted in 15 years. The recommendation listed is to adjust the rate relative to the Consumer Price Index (CPI), and perhaps to do so in a phased approach to avoid the sudden impact of 15 years of CPI catch up all at once.

Regarding the commercial vessels tax, this would be removing the current property tax exemption and creating a new tax, and there would be work involved in setting up and establishing new tax valuation and collection methods. Once this is established, she does not believe it will cause a large increase in effort for the Assessor's Office staff.

Motion: by Mayor Weldon to bring back ordinances for the items recommended for action on the memo to the Assembly Finance Committee.

Amendment: by Assemblymember Woll to eliminate retail sales by non-profits and governments from the list for consideration.

Objections: to the Amendment by Mayor Weldon and Assemblymembers Kelly and Steininger.

Roll Call Vote on Amendment

Ayes: Woll

Nays: Mayor Weldon, Kelly, Hall, Adkison, Brooks, Steininger, Hughes-Skandijs

Amendment failed. One (1) Aye, Seven (7) Nays.

Original motion passed by unanimous consent.

Motion: by Mayor Weldon to bring back an ordinance on senior hardship exemptions.

Motion passed by unanimous consent.

Motion: by Mayor Weldon to bring back ordinances for the two items under New Revenue Options on the memo to discuss after the conclusion of the budget cycle.

The Committee discussed the motion.

Mayor Weldon withdrew her motion.

Motion: by Assemblymember Steininger to instruct staff to bring back additional information on the two new revenue options listed on the memo to the Finance Committee after the budget process.

Motion passed by unanimous consent.

4. 3% Temporary Sales Tax Renewal

Ms. Flick stated that staff had been instructed to have an ordinance drafted for renewal of the 3% Sales Tax to be added to the October 2026 election ballot, and Ms. Wright has provided a

draft (packet pages 3 – 6). The draft shows a side-by-side comparison of the current and the new proposed temporary sales tax for ease of comparison.

Motion: by Mayor Weldon to forward Ordinance 2026-13 to the full Assembly.

Motion passed by unanimous consent.

5. Information Only: AFC Budget Calendar

D. NEXT MEETING DATE

6. April 29, 2026 at 5:30 PM

E. SUPPLEMENTAL MATERIALS

7. Service Reduction Summary

8. Foregone Revenue

F. ADJOURNMENT

The meeting was adjourned at 7:37 pm.

ADA accommodations available upon request: contact the Clerk's Office (907)586-5278 or city.clerk@juneau.gov at least 36 hours prior to a meeting, to request ADA arrangements.

CITY AND BOROUGH OF JUNEAU, ALASKA

LETTER TO THE ASSEMBLY

Year Ended June 30, 2025

March 31, 2026



Elgee Rehfeld

Certified Public Accountants

elgeerehfeld.com
(907) 789-3178

9309 Glacier Highway, Suite B-200
Juneau, Alaska 99801

March 31, 2026

The Members of the Assembly
City and Borough of Juneau, Alaska

Dear Members:

We have audited the financial statements of the City and Borough of Juneau, Alaska (the City and Borough) as of and for the year ended June 30, 2025, and have issued our report thereon dated March 31, 2026. We did not audit the financial statements of the Juneau School District, a discretely presented component unit, or Bartlett Regional Hospital, an enterprise fund. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Juneau School District and Bartlett Regional Hospital, is based solely on the report of the other auditors.

Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated April 9, 2025, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of the system of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the system of internal control of the City and Borough solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We were not able to conduct our financial statement audit consistent with the planned scope and timing we previously communicated to you. We delayed the completion of the audits as

requested documentation and the draft annual comprehensive financial report (ACFR), necessary for completion of our audit procedures, were not available as originally scheduled. Changes to the general ledger continued throughout the audit process, creating inefficiencies, and delayed our ability to conclude the audit. Bartlett Regional Hospital's separately issued financial statements required to complete our work were not available until early March 2026.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence. Our financial statement preparation and accounting assistance services are designed to ensure our independence is not impaired. Management of the entity reviews and accepts responsibility for the pension and OPEB schedules and the City and Borough draft ACFR, which are prepared from the respective accounting systems and records provided to us. We applied safeguards to ensure the identified risks to our independence, related to our assistance, were reduced to an acceptable level.

Significant Risks Identified

Our audit standards require we communicate significant risks identified in the planning phase and that we design our audit to provide reasonable assurance that the financial statements are free of material misstatement whether caused by error or fraud. The significant risks identified are consistent with the risks we discussed with you during planning and at the conclusion of our audit procedures.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City and Borough is included in Note 1 to the financial statements.

As described in Note 1 to the financial statements, during the year, the City and Borough changed aspects of its financial statement presentation by adopting Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, No. 102 *Certain Risk Disclosures*, and No. 105 *Subsequent Events*. Only GASB Statement No. 101, *Compensated Absences* had an impact on the City and Borough's financial reporting, and on beginning equity for the year ended June 30, 2025. As described in Note 20 to the financial statements, during the year, the City and Borough determined that the prior period adjustments of \$(1,761,234), \$(371,421), \$(359,157), and \$(86,391) to the net position of the governmental activities and business-type activities of the government-wide statements, and the net position of the enterprise funds, and internal service funds, respectively, were necessary and reported under GASB No. 101.

No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates and Related Disclosures

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

We evaluated the key factors and assumptions used to develop the values below in determining that it was reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units. The most sensitive accounting estimates affecting the financial statements are:

- Management's estimates of the net pension liability, OPEB asset, OPEB liabilities, and related deferred inflows and outflows, which are based on information provided by the State of Alaska.
- Management's estimates of the net realizable value of accounts, taxes, assessments and government agency receivables, which are based on historical collections of these receivables, current market conditions and management's assessment of the collectability of the various individual and classes of receivables.
- Management's estimates of the compensated absences requires estimating future usage based on historical data. The estimation process requires liabilities to be recognized for accumulated, unused leave (e.g. sick or vacation time) that is "more likely than not" to be used or paid out, rather than just what is vested at termination.
- Management's estimate of the reserves for losses and loss adjustment expenses represents (a) individual case estimates for reported losses, (b) estimates for unreported losses based on past experience modified for current trends, and (c) estimates of expenses for investigating and settling claims. The reserves are based on the estimated ultimate cost of settling the claims, including the effects of inflation and other societal and economic factors. These estimates are limited to the appropriate per occurrence retention for the coverage and policy year.

Financial Statement Disclosures

The financial statement disclosures are neutral, consistent and clear.

Significant Difficulties Encountered During the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate, and communicate to the appropriate level of management:

- All known and likely misstatements identified during the audit, other than those that we believe are trivial.
- All material, corrected misstatements that were brought to the attention of management as a result of our audit procedures.
- The effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole.

The following material adjustments, identified as a result of our audit, were brought to the attention of, and corrected by, management in the issued financial statements:

- Governmental Activities and Debt Service fund were adjusted to reduce \$10 million of Bond Receivable and Other Financing Source – Bond Proceeds balances as the bond was not officially issued until fiscal year 2026.
- Business-Type Activities and the Harbor enterprise fund were adjusted to reduce an overstatement of \$8,612,914 in Lease Receivables and Deferred Inflows.
- Business-Type Activities and the Airport enterprise fund were adjusted by \$1,018,690 to increase unearned revenue and reduce revenue related to the passenger facility charge program for amounts received but not expended on eligible costs as of year-end.
- Sales and hotel tax accrual and revenue were increased by \$2,705,731 to correct a calculation error.

The following summarizes an uncorrected financial statement misstatement whose effect in the current and prior periods, as determined by management, is immaterial, both individually and in the aggregate, to the financial statements taken as a whole and each major fund:

- In the Harbor and Port enterprise funds unamortized bond premiums were expensed when the bond refunding was recorded. The amounts, per GAAP, should be amortized over the refunded bond term and a gain or loss on refunding recorded. The amounts were not considered significant, and a correction was not posted by management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City and Borough's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management related to the financial statements, which are included in the attached management representation letter.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, other than the

independent auditors of Juneau School District and Bartlett Regional Hospital, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the City and Borough, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City and Borough's auditors.

Other Information in Documents Containing Audited Financial Statements

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the City and Borough's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

Internal Control and Other Matters

Deficiencies in Internal Controls over Financial Reporting

Material Weaknesses and Significant Deficiency in Internal Controls over Financial Reporting Noted During Current Year Audit

As described in our *Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*, we identified deficiencies in internal controls over financial reporting that we consider to be material weaknesses and a significant deficiency, as listed below:

2025-001: Material Weakness in Internal Controls over Financial Reporting – Timely and Accurate Reconciliation of Significant Accounts – Debt Issuance, Tax Accruals, and Unearned Revenue

Internal controls over financial reporting were not sufficiently designed or implemented to accurately review accounting data used in recording for debt issuance, tax accruals or unearned revenue. Calculations and support contained undetected errors in the

application of accounting standards or spreadsheet errors which caused account balances to be inaccurate despite going through an internal review process.

2025-002: Material Weakness in Internal Controls over Financial Reporting – Lease Receivable Valuation and Monitoring

Internal controls were not sufficiently designed and implemented to ensure leases with variable payments were appropriately valued and the variable portion of the subsequent payments tracked for reporting and disclosure purposes.

2025-003: Significant Deficiency in Internal Controls over Financial Reporting – Compliance Schedule Preparation

Internal controls were not sufficiently designed and implemented to ensure a system for the preparation of the compliance schedules was in place or reviews of the draft schedules were completed in a timely manner for year-end reporting.

Material Weakness and Significant Deficiencies in Internal Controls over Financial Reporting Noted During the Prior Year Audit and Their Current Status

As described in our prior year *Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*, we identified deficiencies in internal control over financial reporting we considered to be significant deficiencies, as described below:

2024-001: Material Weakness in Internal Controls over Financial Reporting – Timely and Inaccurate Reconciliation of Specific Accounts

Internal controls over financial reporting were not sufficiently designed or implemented to accurately prepare and reconcile the accounting records for the City and Borough as of year-end in a timely manner.

Status: Partially Resolved – Significant improvements were made in the fiscal year 2025 close process and ACFR preparation, but due to deficiencies identified related to ensuring accurate reporting of specific accounts, the material weakness is not fully resolved. See Material Weakness 2025-001.

2024-002: Significant Deficiency in Internal Controls over Financial Reporting – Financial Statement Presentation of Lease and SBITA Payments and Additions

Internal controls over financial reporting were not sufficiently designed or implemented to correctly present payments or new leases in the general ledger for governmental funds.

Status: Resolved.

2023-001: Significant Deficiency in Internal Controls over Financial Reporting – Timely Reconciliation of Significant Accounts and Preparation of the Annual Comprehensive Financial Report (ACFR)

Internal controls over financial reporting were not sufficiently designed or implemented to accurately close the accounting records and prepare the ACFR for the City and Borough as of year-end in a timely manner.

Status: Closed since repeated as material weakness 2024-001.

2023-002: Significant Deficiency in Internal Controls over Financial Reporting – Implementation of New Accounting Standard

Internal controls were not sufficiently designed and implemented to ensure GASB Statement No. 96 was implemented prior to the audit.

Status: Resolved - was repeated as significant deficiency 2024-002 and resolved in fiscal year 2025.

Significant Deficiency in Internal Controls over Compliance and Compliance Findings Noted During the Prior Year Audit and its Current Year Status

As described in our prior year *Independent Auditor's Report on Compliance for Each Major Federal Program, Report on Internal Control over Compliance, and Report on Schedule of Expenditures of Federal Awards in Accordance with the Uniform Guidance*, we identified major program noncompliance and a deficiency in internal control over compliance that we considered to be a significant deficiency, as described below:

2024-003: Significant Deficiency in Internal Controls over Compliance and Compliance – Setup and Monitoring of Reporting and Match (Airport Improvement Program, ALN 20.106)

Status: Deficiency resolved.

The other independent auditors report for Bartlett Regional Hospital, dated February 27, 2026, identified a deficiency in internal control that is considered to be a material weakness, listed as item 2025-001. The details of the deficiency are not included in this letter.

Other Internal Control Matters Noted During the Current Year and Prior Year Audits

During our audits we noted other internal control matters that were opportunities for strengthening internal controls and operating efficiency that we discussed with management. These items did not affect our reports on the financial statements of the City and Borough.

Lease Database Reconciliation

In our fiscal year 2024 audit we reported that documentation provided for leases did not clearly support general ledger balances. Additional reconciliation was required to adequately support the financial statements and to compile data needed for disclosures. We recommend the lease database be reviewed periodically to ensure it is up-to-date

and the reconciliation at year-end include a compilation of data needed for the financial statements and disclosures.

While improvement was made over preparation of data for financial statement disclosures and reporting, a full review of the database was not completed as of year-end and input issues were discovered during audit procedures for Harbor leases. We continue to recommend periodic reviews of the database and further recommend lease input be limited to the Finance department.

Finance and Accounting Policies and Procedures

Significant progress was made in fiscal year 2024 and 2025 in capturing process documentation. We continue to recommend the internal assessment of finance and accounting related policies, and related documentation and training continue in fiscal year 2025. In addition, as new accounting standards are adopted, the Finance department should ensure changes are documented and implemented, and training is provided in a timely manner. GASB Statement No. 103, *Financial Reporting Model Improvements* effective in fiscal year 2026, will require dedicated time and resources to ensure it is accurately implemented for year-end reporting.

Coordination with Bartlett Regional Hospital

The significant delay in the completion of the Bartlett Regional Hospital (BRH) audit impacted the completion of the City's annual financial statements and several reconciling differences were completed well after year-end. Key accounts and data related to capital assets, construction in process and debt must be reconciled between the two entities, as well as BRH grant information, which is reported in CBJ's compliance schedules. We recommend the implementation of a timeline and procedures for shared accounts and data be formalized between the two finance departments to ensure reconciliations and reviews occur on a timely basis.

.....

This information is intended solely for the use of the Assembly, federal and state granting authorities and management of the City and Borough and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Elgee Rehfeld



155 Heritage Way
Juneau, AK 99801
907-586-5215

March 31, 2026

Elgee Rehfeld, LLC
9309 Glacier Highway, Suite B-200
Juneau, Alaska 99801

This representation letter is provided in connection with your audit of the financial statements of the City and Borough of Juneau, Alaska (City and Borough) as of June 30, 2025 and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of the City and Borough in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP). We understand that the financial statements of Bartlett Regional Hospital and Juneau School District were audited by other independent auditors and not by you.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information such that, in the light of surrounding circumstances, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. For purposes of these representations, references to the financial statements exclude the financial statements of Bartlett Regional Hospital and Juneau School District, which were audited by other independent auditors and not by you.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of March 31, 2026:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated April 9, 2025, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
2. The financial statements referred to above have been fairly presented in accordance with U.S. GAAP and include all properly classified funds, required supplementary information, and notes to the basic financial statements.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

5. With respect to financial statement preparation, we have performed the following:
 - Made all management decisions and performed all management functions;
 - Assigned a competent individual to oversee the services;
 - Evaluated the adequacy of the services performed;
 - Evaluated and accepted responsibility for the result of the service performed; and
 - Established and maintained controls, including a process to monitor the system of internal control.
6. The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures, are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of the applicable financial reporting framework.
7. All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
8. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
9. The effects of uncorrected misstatements summarized in Letter to the Assembly and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the applicable opinion units and to the financial statements as a whole.
10. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
11. With regard to investments and other instruments reported at fair value:
 - a. The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - b. The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - c. The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
 - d. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
12. The component unit, as well as joint ventures with an equity interest, are included and are properly disclosed.
13. All funds and activities are properly classified.
14. All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
15. All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
16. Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
17. All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.

18. All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
19. All interfund and intra-entity transactions and balances have been properly classified and reported.
20. If applicable, special items and extraordinary items have been properly classified and reported.
21. Deposit and investment risks have been properly and fully disclosed.
22. Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
23. All required supplementary information is measured and presented within the prescribed guidelines.
24. With regard to pensions and OPEB, we believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.
25. We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements.

Information Provided

26. We have provided you with:
 - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - b. Additional information that you have requested from us for the purpose of the audit; and
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d. A written acknowledgement of all the documents that we expect to issue that will be included in the annual comprehensive financial report (ACFR) and the planned timing and method of issuance of that ACFR;
 - e. A final version of the ACFR (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report.
27. The financial statements and any other information included in the ACFR are consistent with one another, and the other information does not contain any material misstatements.
28. All transactions have been recorded in the accounting records and are reflected in the financial statements.
29. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
30. We have provided to you our evaluation of the entity's ability to continue as a going concern, including significant conditions and events present, and we believe that our use of the going concern basis of accounting is appropriate.
31. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a. Management;
 - b. Employees who have significant roles in internal control; or
 - c. Others where the fraud could have a material effect on the financial statements.
32. We have no knowledge of instances, that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance,

- whether communicated by employees, former employees, vendors (contractors), regulators, or others.
33. We have no knowledge of any instances, that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that has a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
 34. We have no knowledge of any instances, that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
 35. We have a process to track the status of audit findings and recommendations.
 36. We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
 37. We have provided views on your reported audit findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
 38. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
 39. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
 40. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
 41. The City and Borough has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
 42. We have disclosed to you all guarantees, whether written or oral, under which the City and Borough is contingently liable.
 43. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
 44. There are no:
 - a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62.
 45. The City and Borough has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
 46. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

47. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.

Reported Findings

48. We have provided to you our views on reported audit findings, conclusions, and recommendations, as well as planned corrective actions.

Fraud, Noncompliance with Laws, Regulations, Provisions of Contracts or Grant Agreements, and Abuse

49. We have taken timely and appropriate steps to remedy fraud, noncompliance with laws, regulations, or provisions of contracts or grant agreements, reported to us.

Supplementary Information in Relation to the Financial Statements as a Whole

With respect to the supplementary information accompanying the financial statements:

50. We acknowledge our responsibility for the presentation of the supplementary information in accordance with U.S. GAAP.
51. We believe the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP.
52. The methods of measurement or presentation have not changed from those used in the prior period.
53. We believe the significant assumptions or interpretations underlying the measurement or presentation of the supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.
54. When the supplementary information is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the supplemental information (compliance schedules and PFC schedule) no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.
55. We acknowledge our responsibility to include the auditor's report on the supplementary information in any document containing the supplementary information and that indicates the auditor reported on such supplementary information.
56. We acknowledge our responsibility to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.

Required Supplementary Information

With respect to the required supplementary information accompanying the financial statements:

57. We acknowledge our responsibility for the presentation of the required supplementary information in accordance with U.S. GAAP.
58. We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with U.S. GAAP.
59. The methods of measurement or presentation have not changed from those used in the prior period.
60. We believe the significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

With respect to the passenger facility charge report, we represent the following to you:

61. We are responsible for compliance with the requirements laws, regulations, contracts, and grants applicable to its passenger facility charge program.
62. We are responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above.

Environmental Remediation

63. We have provided you with information regarding any pending environmental remediation claims.

Use of Specialist

64. We agree with the findings of specialists performing actuarial services and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.

Single Audits and Passenger Facility Charges Audit

With respect to federal and state awards, we represent the following to you:

65. We are responsible for understanding and complying with and have complied with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, and the *Passenger Facility Charge Guide*.
66. We are responsible for the preparation and presentation of the schedule of expenditures of federal awards (SEFA) in accordance with the Uniform Guidance, the schedule of state financial assistance (SSFA) in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, and the Schedule of Passenger Facility Charges (PFC) in accordance with the *Passenger Facility Charge Guide*.

67. We believe the schedule of expenditures of federal awards (SEFA) and the schedule of state financial assistance (SSFA), including their form and content, are fairly presented in accordance with the Uniform Guidance and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, and the *Passenger Facility Charge Guide*.
68. The methods of measurement or presentation have not changed from those used in the prior period.
69. We believe the significant assumptions or interpretations underlying the measurement or presentation of the SEFA, SSFA, and PFC, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.
70. We are responsible for including the auditor's report on the schedule of expenditures of federal awards and the auditor's report on the schedule of state financial assistance in any document that contains the schedules and that indicates that the auditor has reported on such information.
71. We have identified and disclosed all of our government programs and related activities subject to the Uniform Guidance, the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, and the *Passenger Facility Charge Guide* compliance audits.
72. We have notified you of federal awards and funding increments that were received before December 26, 2014, and differentiated those awards from awards and funding increments received on or after December 26, 2014, and subject to the audit requirements of the Uniform Guidance.
73. As the SEFA, SSFA and PFC are not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA, SSFA and PFC no later than the date of issuance by the entity of the SEFA, SSFA, PFC and the auditor's report thereon.
74. We have, in accordance with the Uniform Guidance and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, identified in the SEFA or SSFA, expenditures made during the audit period for all awards provided by federal and state agencies in the form of grants, federal or state cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, food commodities, direct appropriations, and other assistance.
75. We have provided to you our interpretations of any compliance requirements that have varying interpretations.
76. We have made available to you all federal and state awards (including amendments, if any) and any other correspondence relevant to federal or state programs and related activities that have taken place with federal or state agencies or pass-through entities.
77. We have received no requests from a federal or state agency to audit one or more specific programs as a major program.
78. We have identified and disclosed to you all amounts questioned and any known noncompliance with the requirements of federal and state awards, including the results of other audits or program reviews, or stated that there was no such noncompliance. We also know of no instances of noncompliance with direct and material compliance requirements occurring subsequent to period covered by the auditor's report.
79. We have disclosed to you any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
80. We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal and state program financial reports and claims for advances and reimbursements.

81. Federal and state program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared (and are prepared on a basis consistent with the SEFA, SSFA, and PFC).
82. The copies of federal and state program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal or state agency or pass-through entity, as applicable.
83. We have properly classified amounts claimed or used for matching in accordance with related guidelines in the Uniform Guidance, the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, and the *Passenger Facility Charge Guide*, as applicable.
84. We have charged costs to federal and state awards in accordance with applicable cost principles.
85. We are responsible for and will accurately prepare the summary schedule of prior audit findings to include all findings required to be included, and we have provided you with all information on the status of the follow-up on prior audit findings by federal and state awarding agencies and pass-through entities, including all management decisions.
86. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
87. The reporting package does not contain personally identifiable information.
88. We have disclosed all contracts or other agreements with service organizations and disclosed to you all communications from these service organizations relating to noncompliance at the organizations.
89. We have reviewed, approved, and taken responsibility for the financial statements and related notes and an acknowledgment of the auditor's role in the preparation of this information.
90. We have disclosed to you the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.

In addition:

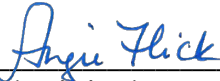
91. We are responsible for understanding and complying with the requirements of federal and state statutes, regulations, and the terms and conditions of federal and state awards related to each of our federal and state programs and have identified and disclosed to you the federal and state statutes, regulations, and the terms and conditions of federal and state awards that are considered to have a direct and material effect on each major federal and state program; and we have complied with these direct and material compliance requirements.
92. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal and state programs that provide reasonable assurance that we are managing our federal and state awards in compliance with federal and state statutes, regulations, and the terms and conditions of the federal and state award that could have a material effect on our federal and state programs. Also, no changes have been made in the internal control over compliance or other factors that might significantly affect internal control, including any corrective action taken by management with regard to significant deficiencies and material weaknesses in

internal control over compliance, have occurred subsequent to the period covered by the auditor's report.

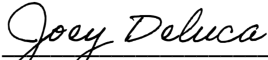
93. We are responsible for and have accurately completed the appropriate sections of the Data Collection Form. We are also responsible for submitting our state single audit reporting package to the State of Alaska.
94. We are responsible for taking corrective action on audit findings of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*.



Katie Koester, City Manager



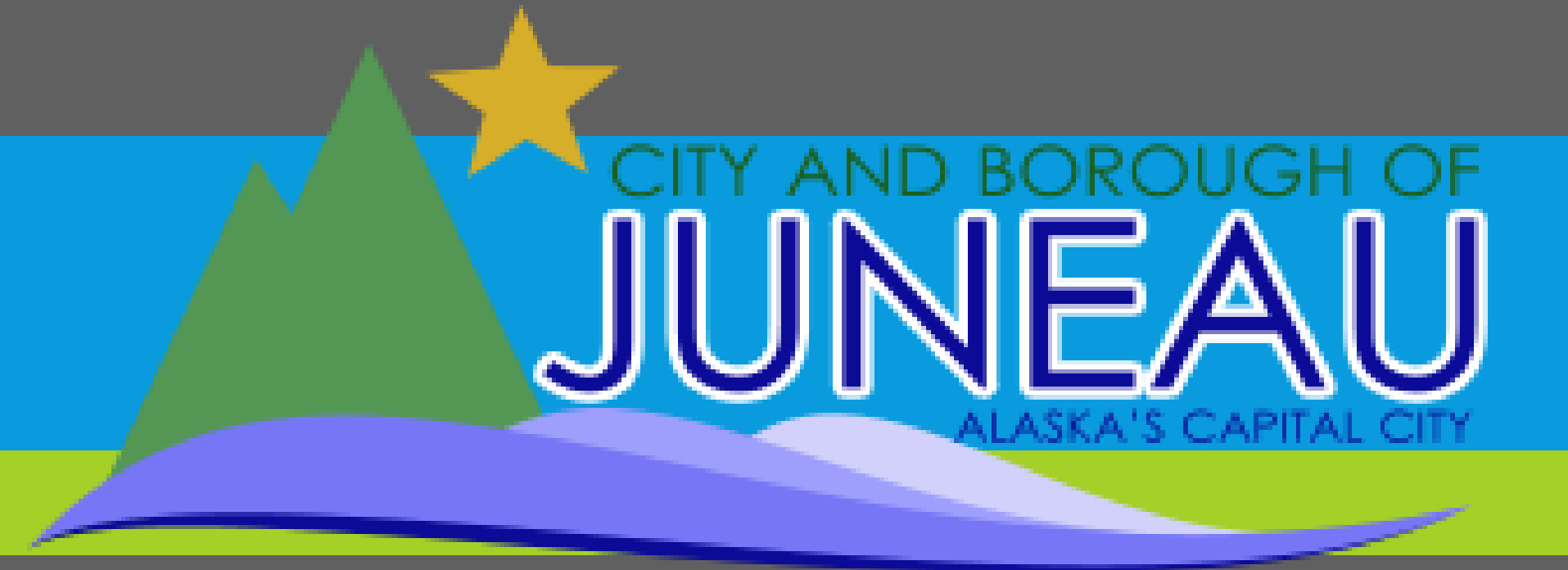
Angie Flick, Finance Director



Joey Deluca, Controller



Ruth Kostick, Treasurer



Fiscal Year 2025 Audit Presentation

June 3, 2026

Karen Tarver, CPA

Elgee Rehfeld, LLC



ENGAGEMENT PARTNER



- Karen Brewer Tarver, CPA
- 25+ years of working on audits of CBJ, JSD and BRH.
- Karen@erakcpa.com
- (907) 789-3178



CONCURRING PARTNER

- Sarah Griffith, CPA
- 20+ years of working on audits of CBJ, JSD and BRH.
- Sarah@erakcpa.com
- (907) 789-3178



FY25
TEAM
MEMBERS

CBJ Financial Statement and Compliance Audits

Team Members – Adam Sycks, Jill Smith, Ammon Washburn, Katie Tarver, Batsuren Ganbat

CBJ Accounting and Reporting Assistance

PERS Pension and OPEB calculations – Jill Smith, Andrew Ringle

ACFR Assistance – Andrew Ringle, Sophia Schauwecker



WHAT WAS DIFFERENT FOR FY25?



FY25 – THREE AUDIT FIRMS

City and Borough of Juneau

Elgee Rehfeld, LLC

BRH Enterprise Fund of CBJ

Eide Bailey, LLP

Juneau School District (Component Unit of CBJ)

Altman, Rogers & Company



FY25 – THREE AUDIT FIRMS

- **The "Referred-to" Auditor:** The secondary firm remains independently responsible for the quality and reporting of its own component audit.
- **The Audit Report:** The group auditor's report will clearly state the division of responsibility, identifying the other firm and specifying the portions of the city's financial statements they audited.



FY25 – THREE AUDIT FIRMS

Paragraph from in our Independent Auditor's Report for CBJ's FY25 Audit.

We did not audit the financial statements of the Juneau School District, a discretely presented component unit, which represents 100% of the assets, net position and revenues of the discretely presented component units. We did not audit Bartlett Regional Hospital, an enterprise fund, which represent 21%, 11% and 67% of the assets, net position and revenues of the business-type activities. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Juneau School District and Bartlett Regional Hospital, are based solely on the report of the other auditors.





WHAT WE AUDIT



The background of the slide features a collage of financial data. At the top, there's a bar chart with months from May to December labeled. Below it, a pie chart is partially visible. To the right, a stack of US dollar bills is shown. In the bottom right corner, a calculator is partially visible. A blue horizontal band across the middle contains the main title, and a yellow-green band below it contains the subtitle. The bottom of the slide shows a close-up of a financial table with various numerical values.

"ACFR" ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year 2025

125,058	154,568	95,054	124,500
125,487	56,845	97,511	125,000
124,000	110,000	99,011	154,000
105,450	150,000	99,216	95,000
86,502	35,000	101,090	154,200
	83,000	101,684	110,000
	45,000	101,962	89,000
		102,747	50,000
			68,700
			123,000

MANAGEMENT'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS: FY25 TRANSMITTAL LETTER

The Honorable Mayor and Assembly
Ms. Katie Koester, City Manager
City and Borough of Juneau
Juneau, Alaska 99801

I am pleased to transmit to you the City and Borough of Juneau's (CBJ) Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2025.

The CBJ Charter, Section 9.18, and our bonding covenants require annual independent audits be made of our financial records and transactions. The audits are to be performed by a certified public accountant designated by the Assembly. As part of the annual financial audit, we also comply with the requirements of the Federal Single Audit Act Amendments of 1996, the related OMB 2 CFR Part 200 (formerly Circular A-133), and the State of Alaska audit requirements under 2 AAC 45.010 by presenting the Schedule of Expenditures of Federal Awards (SEFA) and the Schedule of Expenditures of State Awards (SESA).

The ACFR is prepared by the CBJ Finance Department and Elgee Rehfeld, LLC. The responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the CBJ. The enclosed data is accurate in all material aspects and presented in a manner that fairly sets forth the financial position and results of operations of the CBJ, on a government-wide and fund basis.

To provide a reasonable basis for making these representations, a comprehensive internal control framework has been designed and established to protect the government's assets from loss, theft or misuse. These internal controls also allow for the preparation of the financial statements in conformity with generally accepted accounting principles (GAAP). The framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

CBJ – FY25 ACFR SECTIONS

Management's Discussion and Analysis
(required supplementary information)

Government-wide Financial
Statements (pages 17-19)

Fund Financial Statements
(pages 20-37)

Notes to the Basic Financial Statements (pages 38-103)

Required Supplementary Information (pages 104-122)

Governmental Funds - Special Revenue Funds, Debt Service Fund, Capital Projects Funds,
Fiduciary Funds and Permanent Fund (pages 123-157)

Proprietary Funds - Enterprise Funds and Internal Service Funds (pages 158-180)

Capital Assets Used in the Operation of
Governmental Funds (pages 181-184)

Additional Information (pages 185-193)

Statistical Section (unaudited) (pages 194-232)

CBJ ACFR CONTENTS

BASIC FINANCIAL STATEMENTS

AUDITOR EXPRESSES AN
OPINION ON
GOVERNMENTAL AND
BUSINESS-TYPE ACTIVITIES,
EACH MAJOR FUND, AND
AGGREGATE REMAINING
FUND INFORMATION AND
NOTES TO THE BASIC
FINANCIAL STATEMENTS

Basic Financial Statements include:

- **Government Wide Financial Statements**
(Governmental & Business-Type Activities)
 - Statement of Net Position
 - Statement of Activities
- **Fund Financial Statements**
 - Governmental Funds
 - Balance Sheet
 - Statements of Revenues, Expenditures and Changes in Fund Balances
 - Proprietary Funds
 - Statement of Net Position
 - Statement of Activities
 - Statement of Cash Flows
- **Notes to the Basic Financial Statements**



OPINION UNITS IN ACFR

- **Governmental Activities**

- *Combines all governmental funds and 2 internal services funds*
- *Presented on economic resources measurement focus and the accrual basis of accounting*

- **Governmental Funds**

- *Presented on current financial resources measurement focus and the modified accrual basis of accounting*
- Major Funds:
 - General Fund
 - Sales Tax Special Revenue Fund
 - Pandemic Response Special Revenue Fund
 - General Debt Service Fund
 - Other Governmental Funds
 - *Combines all non-major governmental funds*



OPINION UNITS IN ACFR

- **Business-Type Activities**

- *Combines all enterprise funds and 1 internal services fund*
- *Presented on economic resources measurement focus and the accrual basis of accounting*

- **Proprietary Funds Major Funds**

- *Presented using same focus and basis of accounting as Business-Type Activities*
- Major Enterprise Funds:
 - Juneau International Airport
 - Bartlett Regional Hospital (BRH audited by Eide Bailly)
 - Areawide Water Utility
 - Areawide Wastewater Utility
 - Boat Harbors
 - Dock
 - Internal Service Funds (Total)



CBJ ACFR CONTENTS

REQUIRED SUPPLEMENTARY INFORMATION

**AUDITOR DOES NOT
EXPRESS AN OPINION
OVER REQUIRED
SUPPLEMENTARY
INFORMATION**

Required Supplementary Information includes

- Management Discussion and Analysis
- Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual
(Presented for each governmental major fund)
- Schedules of Proportionate Share of the Net Pension and Net OPEB Liabilities
- Schedules of Contributions to Alaska Public Retirement System and OPEB Plans

CBJ ACFR CONTENTS

SUPPLEMENTARY INFORMATION

AUDITOR EXPRESSES AN
'IN RELATION TO'
OPINION ON SUPPLEMENTARY
INFORMATION

*NO OPINION IS EXPRESSED ON
THE OTHER SUPPLEMENTARY
INFORMATION*

Supplementary Information includes

- Combining statements
 - Non-Major Governmental Funds
 - Enterprise Funds
- Individual fund statements

Other Supplementary Information includes

- Introductory section
- Statistical section
- Capital Assets Used in Operation of Governmental Funds schedule
- Current and Closed Capital Project Schedules

SINGLE AUDIT REPORTS

“SINGLE AUDIT”
REFERS TO
COMPLIANCE
AUDITS DONE IN
CONJUNCTION
WITH A
FINANCIAL
STATEMENT
AUDIT

- **Compliance Reports (FY25) on each Major Program**
 - **Federal Major Program(s)**
 - Airport Improvement Program, Fish and Wildlife Cluster & Flood Mitigation (THRHA ICDBG-IT)
 - Represent 44% of the total FY25 expenditures funded by federal assistance
 - **State Major Program(s)**
 - State of Alaska, Department of Revenue, Commercial Passenger Vessel Excise Taxes
 - Represent 90% of total FY25 expenditures funded by State of Alaska assistance
 - **FAA Passenger Facility Charges Program and Schedule**

THE AUDIT PROCESS

- Planning and risk assessment
- Testing of significant internal controls
- Testing of balances and significant transactions and disclosures
- Conclude audit procedures
- Draft auditor reports
- Issuance



CONCLUDING THE AUDIT

- In concluding the audit, we accumulate:
 - All *known and likely misstatements* identified during the audit.
 - All *material corrected misstatements* that were brought to the attention of management as a result of our audit procedures.
- Evaluate *the effect of uncorrected misstatements* in current year and prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole.
- Evaluate design, implementation or operating effectiveness of *key control deficiencies* identified and the impact of the deficiencies on the on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole.

TIMING OF OUR AUDITS

City and Borough of Juneau (CBJ only)

Fieldwork – June-July & October-February
Reports Issued – March 31, 2026*

**not typical timing –
Planned issuance was by December 31st*



FY25 – TIMING CHALLENGES

- **Areas not ready at beginning of audit**
 - Variable lease activity not fully reviewed/reconciled
 - Capital assets not fully reviewed/reconciled
 - Debt refunding activity not fully reviewed/reconciled
 - Implementation of new standard still in progress
 - Grant activity not fully reviewed/reconciled
- **Internal software usage changes**
 - Changes occurring after year-end through issuance to get internal records adjusted to final balances for ACFR preparation
- **Turnover within finance departments**
- **Federal compliance supplement issued late**
- **Other audits received later than planned**



FY25 – TIMING CHALLENGES

CBJ and BRH Integration

Most BRH capital projects are administered by CBJ. CBJ also provides services such as legal and risk management that are booked at the BRH level through the CBJ interfund. Accordingly, in order to meet the deadlines for the close and reporting for BRH, it is important that the relative capital asset, cash and related expense accounts are reported timely by CBJ to BRH and BRH to CBJ and final reconciliations between the two entities be completed for these shared activity areas/accounts in a timely manner.

“Shared” accounts with most impact on ACFR:

- Leases
- Capital assets
- Debt
- Transfers / interfund activity

CBJ is unable to complete the final internal service allocations until BRH and JSD financial statements are issued.



HISTORICAL ISSUANCE DATES

(LAST 12 YEARS)

Fiscal Year	CBJ ACFR	BRH Fund Financial Statements	JSD Financial Statements
FY2025	3/31/2026	2/27/2026	11/25/2025
FY2024	2/14/2025	12/20/2024	11/6/2024
FY2023	3/29/2024	1/2/2024	11/10/2023
FY2022	3/31/2023	11/29/2022	11/4/2022
FY2021*	12/28/2021	12/13/2021	11/4/2021
FY2020	12/29/2020	12/23/2020	11/6/2020
FY2019	12/20/2019	11/25/2019	10/31/2019
FY2018	12/20/2018	11/20/2018	11/5/2018
FY2017	12/22/2017	11/28/2017	11/2/2017
FY2016	1/23/2017	11/23/2016	11/9/2016
FY2015	12/18/2015	12/4/2015	12/14/2015
FY2014	12/10/2014	11/21/2014	11/4/2014
*FY21 CBJ Compliance issued		3/17/2022	



REFERRED TO AUDITOR FY25 AUDIT RESULTS

Altman, Rogers & Company's report dated 11/25/2025

JSD - Financial Statements audit

- Unmodified opinions on all opinion units

JSD - Federal & State Compliance audits

- Unmodified opinions on major programs

Edie Bailly's report dated 2/27/2026

BRH - Financial Statements audit

- Unmodified opinion
- 1 Material Weakness in Internal Controls over Financial Reporting



CBJ FY25 AUDIT RESULTS

ACFR / Financial Statements audit

- Unmodified opinions on all opinion units
- 2 Material Weaknesses in Internal Controls over Financial Reporting
- 1 Significant Deficiency in Internal Controls over Financial Reporting

Federal & State Compliance audits

- Unmodified opinions on major programs



INDEPENDENT AUDITOR'S REPORT: OPINIONS

INDEPENDENT AUDITOR'S REPORT

To the Members of the Assembly
City and Borough of Juneau, Alaska

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City and Borough of Juneau, Alaska (the City and Borough), as of and for the year ended June 30, 2025, and the related notes to the basic financial statements, which collectively comprise the City and Borough's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of, and additional audit procedures performed by, the other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City and Borough, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITOR'S REPORT: OPINIONS (CONTINUED)



Elgee Rehfeld
Certified Public Accountants

elgeerehfeld.com
(907) 789-3178

9309 Glacier Highway, Suite B-200
Juneau, Alaska 99801

INDEPENDENT AUDITOR'S REPORT

To the Members of the Assembly
City and Borough of Juneau, Alaska

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City and Borough of Juneau, Alaska (the City and Borough), as of and for the year ended June 30, 2025, and the related notes to the basic financial statements, which collectively comprise the City and Borough's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of, and additional audit procedures performed by, the other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City and Borough, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Juneau School District, a discretely presented component unit, which represents 100% of the assets, net position and revenues of the discretely presented component units. We did not audit Bartlett Regional Hospital, an enterprise fund, which represent 21%, 11% and 67% of the assets, net position and revenues of the business-type activities. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Juneau School District and Bartlett Regional Hospital, are based solely on the report of the other auditors.



Elgee Rehfeld
Alaska's CPA Firm

INDEPENDENT AUDITOR'S REPORT: BASIS FOR OPINIONS

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and Borough and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



INDEPENDENT AUDITOR'S REPORT : MANAGEMENT'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Responsibilities of Management for the Financial Statements

The City and Borough's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City and Borough's ability to continue as a going concern for twelve months beyond the financial statement issuance date, including any currently known information that may raise substantial doubt shortly thereafter.



INDEPENDENT AUDITOR'S REPORT: AUDITOR'S RESPONSIBILITIES

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



INDEPENDENT AUDITOR'S REPORT: AUDITOR'S RESPONSIBILITY UNDER GAAS

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City and Borough's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City and Borough's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



INDEPENDENT AUDITOR'S REPORT: REQUIRED SUPPLEMENTARY INFORMATION

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension and OPEB schedules on pages 5-16, 105-108, and 109-120, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

INDEPENDENT AUDITOR'S REPORT: SUPPLEMENTARY INFORMATION

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City and Borough's basic financial statements. The combining and individual fund financial statements and schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Comprehensive Financial Report

Management is responsible for the other information included in the annual comprehensive financial report (ACFR). The other information comprises the introductory and statistical sections, and the schedules on pages 182-192 but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

INDEPENDENT AUDITOR'S REPORT: OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have issued our report dated March 31, 2026 on our consideration of the City and Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other

- 3 -

matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City and Borough's internal control over financial reporting and compliance.

Elgee Rehfeld

March 31, 2026



Auditor Responsibility

Planned Scope and Timing
of Audit and Significant
Risks Identified

Compliance Regarding
Independence

Entity's Significant
Accounting Policies Aspects

- Significant Accounting Policies – Use & Changes
- Significant Accounting Estimates
- Significant Disclosure

Uncorrected and Corrected
Misstatements

Difficulties, Disagreements,
Representations and
Consultations with or by
Management

Other Significant Matters,
Findings or Issues

CBJ - LETTER TO THE ASSEMBLY

LETTER TO THE ASSEMBLY – SIGNIFICANT ACCOUNTING POLICIES

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City and Borough is included in Note 1 to the financial statements.

As described in Note 1 to the financial statements, during the year, the City and Borough changed aspects of its financial statement presentation by adopting Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, No. 102 *Certain Risk Disclosures*, and No. 105 *Subsequent Events*. Only GASB Statement No. 101, *Compensated Absences* had an impact on the City and Borough's financial reporting, and on beginning equity for the year ended June 30, 2025. As described in Note 20 to the financial statements, during the year, the City and Borough determined that the prior period adjustments of \$(1,761,234), \$(371,421), \$(359,157), and \$(86,391) to the net position of the governmental activities and business-type activities of the government-wide statements, and the net position of the enterprise funds, and internal service funds, respectively, were necessary and reported under GASB No. 101.



LETTER TO ASSEMBLY - SIGNIFICANT ESTIMATES

- **Pension and OPEB Assets, Liabilities, Deferred In/Outflows**
 - Based on information provided by the State of Alaska
- **Accounts, Taxes, Assessments and Other Receivables**
 - Based on historical collection, market conditions
 - Assumes ability to collect
 - Accuracy of allowance for doubtful accounts
- **Compensated Absences**
 - Based on historical data and estimate of future usage
 - Uses a “more likely than not” evaluation of accumulated, unused leave
 - Annually adjusted
- **Self-insurance reserves for claims liabilities**
 - Represents reserves for reported and unreported losses
 - Based on an estimated (by an actuary) ultimate cost of settling the claims

LETTER TO ASSEMBLY – UNCORRECTED AND CORRECTED MISSTATEMENTS

Corrected Misstatements

- Governmental Activities and Debt Service fund were adjusted to reduce \$10 million of Bond Receivable and Other Financing Source Bond Proceeds balances as the bond was not officially issued until fiscal year 2026.
- Business-Type Activities and the Harbor enterprise fund were adjusted to reduce an overstatement of \$8,612,914 in Lease Receivables and Deferred Inflows.
- Business-Type Activities and the Airport enterprise fund were adjusted by \$1,018,690 to increase unearned revenue and reduce revenue related to the passenger facility charge program for amounts received but not expended on eligible costs as of year-end.
- Sales and hotel tax accrual and revenue were increased by \$2,705,731 to correct a calculation error.

LETTER TO ASSEMBLY – UNCORRECTED AND CORRECTED MISSTATEMENTS CONT.

Uncorrected Financial Statement Misstatements

Unamortized bond premiums were expensed when the bond refunding was recorded. The amounts, per GAAP, should be amortized over the refunded bond term and a gain or loss on refunding recorded. The amounts were not considered significant, and a correction was not posted by management.

LETTER TO THE ASSEMBLY: DEFICIENCIES IN INTERNAL CONTROLS OVER FINANCIAL REPORTING

2025-001: Material Weakness in Internal Controls over Financial Reporting: Timely and Accurate Reconciliation of Specific Accounts- Debt Issuance, Tax Accruals, and Unearned Revenue

Internal controls over financial reporting were not sufficiently designed or implemented to accurately review accounting data used in recording for debt issuance, tax accruals or unearned revenue. Calculations and support contained undetected errors in the application of accounting standards or spreadsheet errors which caused account balances to be inaccurate despite going through an internal review process

LETTER TO THE ASSEMBLY: DEFICIENCIES IN INTERNAL CONTROLS OVER FINANCIAL REPORTING

2025-002: Material Weakness in Internal Controls over Financial Reporting - Lease Receivable Valuation and Monitoring

Internal controls were not sufficiently designed and implemented to ensure leases with variable payments were appropriately valued and the variable portion of the subsequent payments tracked for reporting and disclosure purposes.



LETTER TO THE ASSEMBLY: DEFICIENCIES IN INTERNAL CONTROLS OVER FINANCIAL REPORTING

2025-003: Significant Deficiency in Internal Controls over Financial Reporting - Compliance Schedule Preparation

Internal controls were not sufficiently designed and implemented to ensure a system for the preparation of the compliance schedules was in place or reviews of the draft schedules were completed in a timely manner for year-end reporting.

LETTER TO THE ASSEMBLY – INTERNAL CONTROL MATTERS AND RECOMMENDATIONS PRIOR YEAR FINANCIAL REPORTING

2024-001: Material Weakness in Internal Controls over Financial Reporting - Timely and Inaccurate Reconciliation of Specific Accounts

Status: Partially resolved – see 2025-001

2024-002: Significant Deficiency in Internal Controls over Financial Reporting - Financial Statement Presentation of Lease and SBITA Payments

Status: Resolved

2023-001: Significant Deficiency in Internal Controls over Financial Reporting - Timely Reconciliation of Significant Accounts and Preparation of the ACFR

Status: Closed since repeated material weakness 2024-001

2023-002: Significant Deficiency in Internal Controls over Financial Reporting – Implementation of New Accounting Standard

Status: Resolved, was repeated as significant deficiency 2024-002 and resolved FY2025

LETTER TO THE ASSEMBLY – INTERNAL CONTROL MATTERS AND RECOMMENDATIONS PRIOR YEAR COMPLIANCE

2024-003 : Significant Deficiency in Internal Controls over Compliance and Compliance – Setup and Monitoring of Reporting and Match (Airport Improvement Program)

Status: Deficiency Resolved



FY25 MATERIAL WEAKNESS FOR BRH REPORTED BY EIDE BAILLY IN THEIR REPORT DATED FEBRUARY 27, 2016

Bartlett Regional Hospital
Schedule of Findings and Responses
Year Ended June 30, 2025

**2025-001 Financial Statement Preparation and Adjustments
Material Weakness in Internal Control over Financial Reporting**

Criteria: A properly designed system of internal control over financial reporting includes preparation of an entity's financial statements and accompanying notes by internal personnel of the entity. Management is responsible for establishing and maintaining internal control over financial reporting and procedures related to the fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles (GAAP).

Condition: The Hospital does not have an internal control system designed to provide for the preparation of financial statements being audited, including related disclosures in accordance with GAAP. Material adjusting journal entries were also identified related to equity in central treasury, capital assets, accounts payable, compensated absences and SBITAs as part of the audit process.

Cause: This deficiency is due to the limited resources in the financial reporting process as well as turnover in the accounting department.

Effect: This control deficiency could result in misstatements to the financial statements as well as required information being omitted from the financial statements. Furthermore, it is possible that new standards may not be adopted and applied timely to the interim financial reporting. Furthermore, the need for these adjustments indicates that the Hospital's interim financial information is not materially correct, which may affect management decisions made during the course of the year.

Recommendations: We recommend that management continue reviewing operating procedures in order to obtain the maximum internal control over financial reporting possible under the circumstances to enable staff to reconcile all accounts prior to commencement of audit procedures.

Views of Responsible Officials: Management agrees with the finding.

LETTER TO THE ASSEMBLY – OTHER INTERNAL CONTROL COMMENTS

Lease Database Reconciliation

- In our fiscal year 2024 audit we reported that documentation provided for leases did not clearly support general ledger balances. Additional reconciliation was required to adequately support the financial statements and to compile data needed for disclosures.
- While improvement was made over preparation of data for financial statement disclosures and reporting, a full review of the database was not completed as of year-end and input issues were discovered during audit procedures for Harbor leases.
- ***We continue to recommend periodic reviews of the database and further recommend lease input be limited to the Finance department.***

LETTER TO THE ASSEMBLY – OTHER INTERNAL CONTROL COMMENTS

Finance and Accounting Policies and Procedures

- Significant progress was made in fiscal year 2024 and 2025 in capturing process documentation. As new accounting standards are adopted, the Finance department should ensure changes are documented and implemented, and training is provided in a timely manner
- GASB Statement 103, *Financial Reporting Model Improvements*, effective FY26, will require dedicated time and resources to ensure it is accurately implemented.
- ***We continue to recommend the internal assessment of finance and accounting related policies, and training continue in fiscal year 2026.***

LETTER TO THE ASSEMBLY – OTHER INTERNAL CONTROL COMMENTS

Coordination with Bartlett Regional Hospital

- The significant delay in the completion of the Bartlett Regional Hospital (BRH) audit impacted the completion of the City's annual financial statements and several reconciling differences were completed well after year-end
- Key accounts and data related to capital assets, construction in process and debt must be reconciled between the two entities, as well as BRH grant information, which is reported in CBJ's compliance schedules.
- *We recommend the implementation of a timeline and procedures for shared accounts and data be formalized between the two finance departments to ensure reconciliations and reviews occur on a timely basis.*

CONCLUSION



Thank you to the CBJ Finance and Treasury Departments for their assistance in our audit.



We are happy to meet with members of the Assembly to discuss any items related to our audit.



Questions?





DATE: May 27, 2026

TO: Assembly Finance Committee

FROM: Angie Flick, Finance Director

155 Heritage Way
Juneau, AK 99801
Phone: (907) 586-5215

SUBJECT: Sales Tax Ordinances: 2026-20, 2026-21 and 2026-22 – Remote Sellers and Housekeeping

The purpose of this memo is to provide the Assembly Finance Committee (AFC) with background and context for three sales tax related ordinances that were introduced on May 18, 2026 and will be in front of the Assembly for public hearing and action on June 8, 2026.

2026-20 An Ordinance Amending the Uniform Sales Tax, Hotel-Motel Tax, and Real and Property Tax Codes Relating to Returns, Penalties and Interest, and Definitions.

This ordinance was drafted to address several areas that have concerns for merchants and CBJ as the sales tax code is administered. Definitions have been added for commercial, common carrier, heating fuel, lease or rental and residential to provide better clarity. The other component that is addressed in this ordinance is around timeliness. As technology and services evolve, the old method of having a postmark on an envelope from the US Postal Service is no longer effective or reliable. This ordinance revises when a report or payment is considered filed or paid to be when they are received by CBJ.

The ability for the Treasurer to waive penalties and interest with respect to both sales tax and property tax has been added to codify existing internal policies and provide clarity for the public. Additionally, the interest rate for late payment of sales tax is set to a constant rate rather than changing annually in accordance with Wall Street activity. The ability to amend sales tax returns is important and necessary, but also creates potential significant liabilities for CBJ. This ordinance limits the amount of time in which a merchant can amend a sales tax return that reduces the amount of taxes owed to one year.

2026-21 An Ordinance Updating the Uniform Alaska Remote Seller Sales Tax Code.

In March 2026, the Alaska Remote Sellers Sales Tax Commission (ARSSTC) adopted changes to the Uniform Code to allow communities to optionally delegate sales tax reporting, collection and enforcement for online marketplace facilitators including short term rentals, vehicle sharing services, food delivery and the like. This ordinance reflects those updates.

2026-22 An Ordinance Updating Portions of Title 69 to Comply with the March 31, 2026, Changes Recommended by the Alaska Remote Sellers Sales Tax Commission.

The purpose of this ordinance is to opt-into the ARSSTC newly adopted area of marketplace facilitators. A year ago (May 20, 2025) the Assembly created a requirement for marketplace facilitators to collect and remit sales taxes and hotel bed taxes on behalf of their sellers. This ordinance will delegate oversight of marketplace facilitators to the ARSSTC. While CBJ retains complete authority to establish and modify its local sales tax rates and exemptions; the ARSSTC is better positioned to oversee these online corporations that are facilitating sales into numerous jurisdictions within Alaska.

Recommended Action: Discuss the above ordinances and move to the full Assembly for public hearing and action on June 8.

Presented by: The Manager
Presented: 05/18/2026
Drafted by: Law Department

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA
Serial No. 2026-20

An Ordinance Amending the Uniform Sales Tax, Hotel-Motel Tax, and Real and Property Tax Codes Relating to Returns, Penalties and Interest, and Definitions.

BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

Section 1. Classification. This ordinance is of a general and permanent nature and shall become a part of the City and Borough of Juneau Municipal Code.

Section 2. Amendment of Chapter. Chapter 69.05, Uniform Sales Tax, is amended to read:

Chapter 69.05 UNIFORM SALES TAX

69.05.010 Definitions.

The following words, terms and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Commercial means a location which is significantly used for business activities designed to generate sales and profit, including, but not limited to offices, retail, industrial warehouses, nonprofits, hospitals, condominiums and multi-family properties, and hospitality properties.

Common carrier means a commercial enterprise whose primary business activity is the transportation of goods for a fee.

1
2 ***

3 Heating fuel means fuel used to generate heat for occupancy.

4 Lease or rental means any transfer of possession or control of tangible real or personal
5 property for a fixed or indeterminate term for consideration. A lease or rental may include
6 future options to purchase or extend.

7 ***

8 Residential means a home which is maintained for year-round use. Residential includes
9 bundled residences, townhomes, attached homes, condominiums, and manufactured homes.

10 ***

11
12 **69.05.062 Monthly remittance of estimated sales tax.**

13 (a) *Monthly deposit report.* Every person making sales, rentals, or performing services
14 within the City and Borough, including marketplace facilitators on behalf of sellers, who
15 incurs sales tax liability or a combined sales tax and hotel-motel tax liability, as levied
16 under chapter 69.05 or chapter 69.07, of \$1,000.00 or more in the month shall, on or
17 before the 15th day of the month following the month in which the tax liability was
18 incurred, complete a monthly deposit report declaring estimated sales tax liability and,
19 if applicable, hotel-motel tax liability, for the month and transmit the report to the City
20 and Borough. If the 15th day is a Saturday, Sunday, or federal, state, or City and
21 Borough holiday, the due date will be extended until the next business day. The ~~United~~
22 ~~States Postal Service postmark~~ date received by the City and Borough shall determine
23 the date of filing for mailed reports.
24
25

1
2 **69.05.070 Periodic returns, penalties, and interest for delinquency.**

3 ***

4 (b) The tax levied under this chapter, whether or not collected from the buyer, except for
5 credit transactions covered in subsection (c) of this section, must be remitted by the
6 seller or marketplace facilitator on behalf of a seller to the City and Borough at the time
7 of transmitting the return, and if not so remitted or if the return is not timely filed, such
8 tax is delinquent. A late filing penalty of \$25.00 shall be added to all late returns. The
9 ~~postmark~~ date received by the City and Borough shall determine the date of filing
10 mailed returns. In addition, a late payment penalty of five percent per month or any
11 fraction thereof, until a total late payment penalty of 25 percent has accrued shall be
12 added to all returns until such tax, penalty, and interest thereon have been paid. Such
13 penalty shall be assessed and collected in the same manner as the tax is assessed and
14 collected. In addition to these penalties, interest on the delinquent tax from the due date
15 until paid shall accrue and be collected in the same manner the delinquent tax is
16 collected. The annual interest rate on delinquent tax shall be 12 percent per year. ~~five~~
17 ~~percent per year above the Wall Street Journal Prime Rate, or similar published rate, on~~
18 ~~January 2nd each year, rounded to the nearest full percentage point, as determined by~~
19 ~~the finance director; provided, however, that if such calculated rate would fall below ten~~
20 ~~percent per year, the interest rate shall be ten percent per year, and if the calculated~~
21 ~~rate would exceed 15 percent per year, the interest rate shall be 15 percent per year.~~

22
23
24 ***

25 **69.05.72 Waiver of penalties and interest.**

- 1
- 2 (a) A filer may request a waiver of penalties and interest within 60 days of the application
- 3 of such penalties and interest.
- 4 (b) The treasurer or their designee may waive penalties and interest for extraordinary
- 5 circumstances beyond the merchant's control, including, but not limited to, illness or the
- 6 death of the merchant or an immediate family member, or a natural disaster that
- 7 prevents timely compliance. A good compliance waiver may be issued if the merchant
- 8 has a demonstrated history of compliance for 36 continuous months or more.
- 9
- 10 (c) Extraordinary circumstances do not include late filing due to a merchant's inadvertence,
- 11 oversight, or lack of knowledge regarding the filing requirements or deadline; an
- 12 employee neglecting to file or pay; financial hardship; returned payments; or failure to
- 13 pick up or read mail or to make arrangements for an appropriate and responsible person
- 14 to pick up or read mail.

15 ***

16 **69.05.135 Amended sales tax returns.**

- 17
- 18 (a) An amended sales tax return, with supporting documentation, may be accepted by the
- 19 sales tax office, but only in the following circumstances:
- 20 (1) The amended return is filed within one year of the original due date for the
- 21 return for amended returns reducing the originally reported tax due; and
- 22 (2) The filing includes a written justification for requesting approval of the amended
- 23 return; or
- 24 (3) An amended return that increases the tax due from the amount originally
- 25 reported can be submitted at any time.

1
2 (b) The sales tax office shall notify the merchant in writing (by email or otherwise) whether
3 they accept or reject an amended return, including the reasons for any rejection.

4
5 (c) The sales tax office may adjust a return if, after investigation, they determine the
6 figures included in the original returns are incorrect; and the sales tax office adjusts the
7 return within three years of the original due date for the return.

8 ***

9 **Section 3. Amendment of Chapter.** Chapter 69.07, Hotel-Motel Room Tax, is
10 amended to read:

11 **Chapter 69.07 HOTEL-MOTEL ROOM TAX**

12 ***

13 **69.07.045 Monthly remittance of estimated hotel-motel tax.**

14
15 (a) *Monthly deposit report.* Every operator or hosting platform who incurs hotel-motel tax
16 liability or a combined sales tax and hotel-motel tax liability, as levied under chapter
17 69.05 or this chapter, of \$1,000.00 or more in the month shall, on or before the 15th day
18 of the month following the month in which the tax liability was incurred, complete a
19 monthly deposit report declaring estimated hotel-motel tax liability and, if applicable,
20 sales tax liability for the month and transmit the report to the City and Borough. If the
21 15th day is a Saturday, Sunday or federal, state or City and Borough holiday, the due
22 date will be extended until the next business day. ~~The United States Postal Service~~
23 ~~postmark~~ date received by the City and Borough shall determine the date of filing for
24 mailed reports.
25

1
2 **69.07.050 Periodic returns, penalties, and interest for delinquency.**

3 ***

4 (b) The tax levied under this chapter, whether or not collected from the buyer, except for
5 credit transactions covered in subsection (c) of this section, must be remitted by the
6 seller to the City and Borough at the time of transmitting the return, and if not so
7 remitted or if the return is not timely filed, such tax is delinquent. A late filing penalty
8 of \$25.00 shall be added to all late returns. ~~The postmark~~ date received by the City and
9 Borough shall determine the date of filing mailed returns. In addition, a late payment
10 penalty of five percent per month or any fraction thereof, until a total late payment
11 penalty of 25 percent has accrued, shall be added to all returns until such tax, penalty
12 and interest thereon have been paid. Such penalty shall be assessed and collected in the
13 same manner as the tax is assessed and collected. In addition to these penalties,
14 interest at a rate of 15 percent per year on the delinquent tax from the date of
15 delinquency until paid shall accrue and be collected in the same manner the delinquent
16 tax is collected.
17

18
19 ***

20 **Section 4. Amendment of Chapter.** Chapter 69.10, Real and Personal Property
21 Tax, is amended by adding a new section to read:

22 **Chapter 69.10 REAL AND PERSONAL PROPERTY TAX**

23 ***

24 **69.10.410 Waiver of penalties and interest.**

25 (a) A taxpayer may request a waiver of penalties and interest within 60 days of the
application of such penalties and interest.

- 1
- 2 (b) The treasurer or their designee may waive penalties and interest for extraordinary
- 3 circumstances beyond the taxpayer’s control, including, but not limited to, illness or the
- 4 death of the property owner or an immediate family member, or a natural disaster that
- 5 prevents timely payment.
- 6
- 7 (c) Extraordinary circumstances do not include late payment due to a taxpayer’s
- 8 inadvertence, oversight, or lack of knowledge regarding the property tax obligations or
- 9 deadline; an employee neglecting to file or pay; financial hardship; returned payments;
- 10 failure to receive a property tax bill; or failure to pick up or read mail or to make
- 11 arrangements for an appropriate and responsible person to pick up or read mail.
- 12 (d) Appeals of a denial of a waiver may be submitted to the finance director for review
- 13 within 15 days of the denial. The finance director may consider all information provided.
- 14 The director’s decision is final.

15 ***

16 **Section 5. Effective Date.** This ordinance shall be effective 30 days after its

17 adoption.

18 Adopted this _____ day of _____, 2026.

20 _____
21 Beth A. Weldon, Mayor

22 Attest:

23 _____
24 Breckan L. Hendricks, Municipal Clerk

Presented by: The Manager
Presented: 05/18/2026
Drafted by: Law Department

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2026-21

An Ordinance Updating the Uniform Alaska Remote Seller Sales Tax Code.

BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

Section 1. Classification. This ordinance is of a general and permanent nature and shall become a part of the City and Borough of Juneau Municipal Code.

Section 2. Amendment of Chapter. Chapter 69.06, Uniform Alaska Remote Seller Sales Tax, is amended to read:

Chapter 69.06 UNIFORM ALASKA REMOTE SELLER SALES TAX

69.06.010 Interpretation.

- (a) ~~To In order to~~ prevent evasion of the sales taxes and to aid in its administration, it is presumed that all sales and services by a person or entity engaging in business are subject to the sales tax.
- (b) The application of the tax to be collected under this chapter shall be broadly construed and shall favor inclusion rather than exclusion.
- (c) Exemptions from the tax to be collected under this chapter shall be narrowly construed against the claimant and allowed only when such exemption clearly falls within an exemption in the member jurisdiction's code.

1
2 (d) The scope of this chapter shall apply to remote sellers or marketplace facilitators,
3 delivering products or services into member jurisdictions ~~municipalities adopting this~~
4 ~~Code, within the State of Alaska.~~

5 (Serial No. 2024-36, § 2, 12-16-2024, eff. 1-15-2025)

6 ***

7
8 **69.06.040 Obligation to collect tax; threshold criteria.**

9 (a) Any remote seller or marketplace facilitator must collect and remit sales tax in
10 compliance with all applicable procedures and requirements of law, provided the remote
11 seller or marketplace facilitator has met the following threshold criteria ("threshold
12 criteria") in the current or previous calendar year:

13 The remote seller's statewide gross sales, including the seller's marketplace facilitator's
14 statewide gross sales, from the sale(s) of property, products or services delivered into the state
15 meets or exceeds \$100,000.00.

16 (b) For purposes of determining whether the threshold criteria are met, remote sellers or
17 marketplace facilitators shall include all gross sales, from all sales of goods, property,
18 products, or services rendered within the State of Alaska.

19 (c) Unless a member jurisdiction provides otherwise in its sales tax code, the ~~The~~ following
20 marketplace facilitators are excluded from the obligation to collect tax outlined in this
21 section:

- 22
23 (1) Delivery network companies that deliver tangible personal property on behalf of
24 a marketplace seller that is engaged in business in a member jurisdiction,
25 (2) Accommodations intermediaries ~~Marketplaces that facilitate facilitating~~ the
rental of transient lodging accommodations ~~in hotels, commercial transient~~

1
2 ~~lodging facilities, homes, apartments, cabins, or other residential dwelling units,~~
3 and

4 (3) Marketplaces that facilitate or perform travel agency services.

5 (Serial No. 2024-36, § 2, 12-16-2024, eff. 1-15-2025)

6 **69.06.050 Reporting and remittance requirements for local and remote sales.**

- 7
- 8 (a) Sellers with a physical presence in a member jurisdiction conducting only local sales
9 shall report and remit to, and comply with standards of, including audit authority, the
10 member jurisdiction.
- 11 (b) Sellers with a physical presence in a member jurisdiction that also have remote or
12 internet-based sales where the point of delivery is in a different member jurisdiction
13 shall:
- 14 (1) Report and remit the remote or internet sales to the commission; and
15 (2) Report and remit the local sales to the member jurisdiction.
- 16 (c) Sellers with a physical presence in a member jurisdiction that also have remote or
17 internet-based sales where the point of delivery is in the same member jurisdiction shall
18 report and remit those remote sales to the member jurisdiction.
- 19 (d) Sellers and marketplace facilitators that do not have a physical presence in a member
20 jurisdiction must report and remit to the commission all remote sales where the point of
21 delivery is in a member jurisdiction.
- 22 (e) A marketplace facilitator is considered the remote seller for each sale facilitated through
23 its marketplace and shall collect, report, and remit sales tax to the commission.
24
25

1
2 (f) Unless a member jurisdiction provides otherwise in its sales tax code, the The following
3 marketplace facilitators shall report and remit to, and comply with standards of,
4 including audit authority, the member jurisdiction:

- 5 (1) Delivery network companies that deliver tangible personal property on behalf of
6 a marketplace seller that is engaged in business in a member jurisdiction,
7
8 (2) Accommodations intermediaries that facilitate Marketplaces facilitating the
9 rental of transient lodging accommodations ~~in hotels, commercial transient~~
10 ~~lodging facility, homes, apartments, cabins or other residential dwelling units,~~
11 and
12 (3) Marketplaces that facilitate or perform travel agency services.

13 (Serial No. 2024-36, § 2, 12-16-2024, eff. 1-15-2025)

14 ***

15 **69.06.090 Remote seller and marketplace facilitator registration requirement.**

- 16 (a) If a remote seller's gross statewide sales meets or exceeds the threshold criteria under
17 CBJC 69.06.040, the remote seller shall register with the commission. If the remote
18 seller is a marketplace seller and only makes sales in Alaska through a marketplace,
19 the marketplace seller is not required to register with the commission. The marketplace
20 seller must submit an affidavit attesting to these facts on a form provided by the
21 commission.
22
23 (b) If a marketplace facilitator's gross statewide sales meets or exceeds the threshold
24 criteria under CBJC 69.06.040, the marketplace facilitator shall register with the
25 commission. Unless a member jurisdiction provides otherwise in its sales tax code, this
~~This~~ requirement does not apply to the following marketplace facilitators:

- 1
- 2 (1) Delivery network companies that deliver tangible personal property on behalf of
- 3 a marketplace seller that is engaged in business in a member jurisdiction,
- 4 (2) Accommodations intermediaries that facilitate ~~Marketplaces facilitating the~~
- 5 rental of transient lodging accommodations ~~in hotels, commercial transient~~
- 6 ~~lodging facility, homes, apartments, cabins or other residential dwelling units,~~
- 7 and
- 8
- 9 (3) Marketplaces that facilitate or perform travel agency services.
- 10 (c) A remote seller or marketplace facilitator meeting the threshold criteria shall apply for
- 11 a certificate of sales tax registration within 30 calendar days of the effective date of this
- 12 chapter or within 30 calendar days of meeting the threshold criteria, whichever occurs
- 13 second. Registration shall be to the commission on forms prescribed by the commission.
- 14 (d) An extension may be applied for and granted based on criteria established by the
- 15 commission, based on evidence produced to describe time necessary to update software
- 16 or other technical needs, not to exceed 90 days.
- 17
- 18 (e) Upon receipt of a properly executed application, the commission shall confirm
- 19 registration, stating the legal name of the remote seller or marketplace facilitator, the
- 20 primary address, and the primary sales tax contact name and corresponding title. The
- 21 failure of the commission to confirm registration does not relieve the remote seller or
- 22 marketplace facilitator of its duty to collect and remit sales tax.
- 23 (f) Each business entity shall have a sales tax registration under the advertised name.
- 24 (g) The sales tax certificate is non-assignable and non-transferable.
- 25

1
2 (h) The sales tax certificate satisfies a member jurisdiction's requirement to obtain a
3 municipal business license, provided the remote seller does not have a physical presence
4 in that member jurisdiction.

5 (Serial No. 2024-36, § 2, 12-16-2024, eff. 1-15-2025)

6 ***

7
8 **69.06.150 Extension of time to file tax return.**

9 Upon written application of a remote seller or marketplace facilitator, stating the reasons
10 therefor, the commission may extend the time to file a sales tax return but only if the
11 commission finds each of the following:

12 ~~(a)(1)~~ For reasons beyond the remote seller's or marketplace facilitator's control, the remote
13 seller or marketplace facilitator has been unable to maintain in a current condition the
14 books and records that contain the information required to complete the return;

15 ~~(b)(2)~~ Such extension is a dire necessity for bookkeeping reasons and would avert undue
16 hardship upon the remote seller or marketplace facilitator;

17 ~~(c)(3)~~ The remote seller or marketplace facilitator has a plan to cure the problem that caused
18 the remote seller or marketplace facilitator to apply for an extension and the remote
19 seller or marketplace facilitator agrees to proceed with diligence to cure the problem;

20 ~~(d)(4)~~ At the time of the application, the remote seller or marketplace facilitator is not
21 delinquent in filing any other sales tax return, in remitting sales tax to the commission
22 or otherwise in violation of this chapter;

23 ~~(e)(5)~~ No such extension shall be made retroactively to cover existing delinquencies.

24
25 (Serial No. 2024-36, § 2, 12-16-2024, eff. 1-15-2025)

1
2 **69.06.280 Definitions.**

3 Adoption of definitions does not compel an individual municipality to exempt certain
4 defined items. Each municipality should specifically adopt definitions necessary for consistency
5 to implement both brick-and-mortar sales tax code and provisions related to remote sellers or
6 marketplace facilitators. For definitions that have no applicability to brick-and-mortar sales
7 tax code, municipality may choose to either include definitions in the definitional section of
8 general sales tax ordinance or adopt the common definitions by reference.
9

10 Accommodation means any room or rooms, lodgings, or accommodations in any hotel, motel,
11 inn, tourist camp, tourist cabin, camping grounds, club, short-term rental, or any other place in
12 which rooms, accommodations, space, or accommodations are furnished to transients for a
13 consideration and upon which an accommodations Tax or sales tax is imposed.

14 Accommodation fee means the room charge less the discount room charge, if any, provided
15 that the accommodations fee shall not be less than \$0.

16 Accommodations intermediary means any person other than an accommodations provider
17 that (i) facilitates the sale of an accommodation, and (ii) either (a) charges a room charge to the
18 customer, and charges an accommodations fee to the customer, which fee it retains as
19 compensation for facilitating the sale; (b) collects a room charge from the customer; or (c)
20 charges a fee, other than an accommodations fee, to the customer, which fee it retains as
21 compensation for facilitating the sale. For purposes of this definition, “facilitates the sale”
22 includes brokering, coordinating, or in any other way arranging for the purchase of the right to
23 use accommodations via a transaction directly, including via one or more payment processors,
24 between a customer and an accommodations provider.
25

1
2 Accommodations provider means a person who owns, operates or controls any facility or
3 structure in which there is rented or offered for rent accommodations, the rent for which is
4 taxable under an accommodations tax or sales tax.

5 ***

6 Discount room charge means the full amount charged by the accommodations provider to
7 the accommodations intermediary, or an affiliate thereof, for furnishing the accommodations.

8 ***

9
10 *Goods for resale* means:

11 ~~(a)(1)~~ The sale of goods by a manufacturer, wholesaler, or distributor to a retail vendor,
12 and sales to a wholesale or retail dealer who deals in the property sold for the
13 purpose of resale by the dealer.

14 ~~(b)(2)~~ The sale of personal property as raw material to a person engaged in
15 manufacturing components for sale, where the property sold is consumed in the
16 manufacturing process of, or becomes an ingredient or component part of, a
17 product manufactured for sale by the manufacturer.

18 ~~(c)(3)~~ The sale of personal property as construction material to a licensed building
19 contractor where the property sold becomes part of the permanent structure.

20
21 *Lease or rental* means any transfer of possession or control of tangible personal property or
22 real property for a fixed or indeterminate term for consideration. A lease or rental may include
23 future options to purchase or extend.

24 ***

1
2 *Marketplace* means a physical or electronic place, platform or forum, including a store,
3 booth, internet website, catalog, or dedicated sales software application, where products or
4 services are offered for sale or rental.

5 *Marketplace facilitator* means a person that contracts with marketplace sellers to facilitate
6 for consideration, regardless of whether deducted as fees from the transaction, the sale or
7 rental of the marketplace seller's property, product, or services through a physical or electronic
8 marketplace operated by the person, and engages:
9

10 (a) Directly or indirectly, through one or more affiliated persons, in any of the
11 following:

- 12 (1) Transmitting or otherwise communicating the offer or acceptance between
13 the buyer and marketplace seller;
- 14 (2) Owning or operating the infrastructure, electronic or physical, or
15 technology that brings buyers and marketplace sellers together;
- 16 (3) Providing a virtual currency that buyers are allowed or required to use to
17 purchase products from the marketplace seller; or
- 18 (4) Software development or research and development activities related to
19 any of the activities described in (b) of this subsection, if such activities
20 are directly related to a physical or electronic marketplace operated by the
21 person or an affiliated person; and

22 (b) In any of the following activities with respect to the seller's products:

- 23 (1) Payment processing services;
- 24 (2) Fulfillment or storage services;
- 25 (3) Listing products for sale;

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- (4) Setting prices;
- (5) Branding sales as those of the marketplace facilitator;
- (6) Order taking;
- (7) Advertising or promotion; or
- (8) Providing customer service or accepting or assisting with returns or exchanges.

Physical presence, for the purposes of CBJC 69.06.050 means a seller who establishes any one or more of the following within a member jurisdiction:

- ~~(a)(1)~~ Has any office, distribution or sales house, warehouse, storefront, or any other place of business within the boundaries of the member jurisdiction;
- ~~(b)(2)~~ Solicits business or receiving orders through any employee, agent, salesman, or other representative within the boundaries of the member jurisdiction or engages in activities in this state that are significantly associated with the seller's ability to establish or maintain a market for its products in this state;
- ~~(c)(3)~~ Provides services through any employee, agent, salesman, or other representative or holds inventory within the boundaries of the member jurisdiction;
- ~~(d)(4)~~ Rents or leases property located within the boundaries of the member jurisdiction.

A seller that establishes a physical presence within the member jurisdiction in any calendar year will be deemed to have a physical presence within the local taxing jurisdiction for the following calendar year.

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2 *Point of delivery* means the location at which property or a product is delivered, ~~or~~ service
3 rendered, or accommodation is physically located.

4 ~~(a)(1)~~ When the product is not received or paid for by the purchaser at a business
5 location of a remote seller in a member jurisdiction, the sale is considered
6 delivered to the location where receipt by the purchaser (or the purchaser's
7 recipient, designated as such by the purchaser) occurs, including the location
8 indicated by instructions for delivery as supplied by the purchaser (or recipient)
9 and as known to the seller;

10
11 ~~(b)(2)~~ When the product is received or paid for by a purchaser who is physically present
12 at a business location of a remote seller in a taxing jurisdiction the sale is
13 considered to have been made in the member jurisdiction where the purchaser is
14 present even if delivery of the product takes place in another member
15 jurisdiction. Such sales are reported and tax remitted directly to the member
16 jurisdiction and not to the commission;

17
18 ~~(c)(3)~~ When the service is not received by the purchaser at a business location of a
19 remote seller, the service is considered delivered to the location where the
20 purchaser receives the service;

21 ~~(d)~~ For accommodation rentals, the point of delivery is the physical location of the
22 accommodation.

23 ~~(e)(4)~~ For products or services transferred electronically, or other sales where the
24 remote seller or marketplace facilitator lacks a delivery address for the
25 purchaser, the remote seller or marketplace facilitator shall consider the point of
delivery of the sale to be the billing address of the buyer.

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Receive or receipt, for the purposes of CBJC 69.06.030 and the definition of point of delivery means:

- ~~(a)(1)~~ Taking possession of property or product;
- ~~(b)(2)~~ Making first use of services;
- ~~(c)(3)~~ Taking possession or making first use of digital goods, whichever comes first.

The terms "receive" and "receipt" do not include temporary possession by a shipping company on behalf of the purchaser.

Room charge means the entire amount charged to the transient to secure the right to use or possess any accommodation that is subject to an Accommodations Tax, including any mandatory fees or charges by an accommodations intermediary.

Sale or retail sale means any transfer of property for consideration for any purpose other than for resale. A transfer includes a lease or rental.

Sales price or purchase price means the total amount of consideration, including cash, credit, property, products, and services, for which property, products, services, or bundled transactions are sold, leased, or rented, valued in money, whether received in money or otherwise, without any deduction for the following:

- ~~(a)(1)~~ The seller's cost of the property or product sold;
- ~~(b)(2)~~ The cost of materials used, labor or service cost, interest, losses, all costs of transportation to the seller, all taxes imposed on the seller, and any other expense of the seller;

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2 ~~(c)(3)~~ Charges by the seller for any services necessary to complete the sale, other than
3 delivery and installation charges;

4 ~~(d)(4)~~ Delivery charges;

5 ~~(e)(5)~~ Installation charges; and

6 ~~(f)(6)~~ Credit for any trade-in, as determined by state law.

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9 *Services* means all services of every manner and description, which are performed or
10 furnished for compensation, and delivered electronically or otherwise into a member
11 jurisdiction, including, but not limited to:

12 ~~(a)(1)~~ Professional services;

13 ~~(b)(2)~~ Services in which a sale of property or product may be involved, including
14 property or products made to order;

15 ~~(c)(3)~~ Utilities and utility services not constituting a sale of property or products,
16 including, but not limited to, sewer, water, solid waste collection or disposal,
17 electrical, telephone services and repair, natural gas, cable or satellite television,
18 and Internet services;

19 ~~(d)(4)~~ The sale of transportation services;

20 ~~(e)(5)~~ Services rendered for compensation by any person who furnishes any such
21 services in the course of his trade, business, or occupation, including all services
22 rendered for commission;

23 ~~(f)(6)~~ Advertising, maintenance, recreation, amusement, and craftsman services;

24 ~~(g)(7)~~ Digital services.
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2 Transient means the person purchasing the right to use or occupy an accommodation for
3 thirty (30) days or less.

4 ***

5 (Serial No. 2024-36, § 2, 12-16-2024, eff. 1-15-2025)

6 **69.06.290 Supplemental definitions.**

7 For purposes of CBJC 69.06, the commission may promulgate supplemental definitions that
8 are incorporated into this Remote Seller Sales Tax Code, provided they are not in conflict with
9 or contrary to the definitions set forth in CBJC 69.05. Supplemental definitions are available at
10 www.arsstc.org/code. Provisions of the supplemental definitions that are amended, deleted, or
11 added prior to or after the effective date of the latest amendment to this chapter shall be
12 applicable for purposes of this chapter on the effective date provided for such amendments,
13 deletions, or additions, including retroactive provisions.

14
15 (Serial No. 2024-36, § 2, 12-16-2024, eff. 1-15-2025)

16 **Section 3. Effective Date.** This ordinance shall be effective 30 days after its
17 adoption.

18 Adopted this _____ day of _____, 2026.

21 _____
Beth A. Weldon, Mayor

22 Attest:

23
24 _____
Breckan L. Hendricks, Municipal Clerk

Presented by: The Manager
Presented: 05/18/2026
Drafted by: Law Department

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2026-22

**An Ordinance Updating Portions of Title 69 to Comply with the
March 31, 2026, Changes Recommended by the Alaska Remote Sellers
Sales Tax Commission.**

BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

Section 1. Classification. This ordinance is of a general and permanent nature and shall become a part of the City and Borough of Juneau Municipal Code.

Section 2. Amendment of Section. CBJC 69.05.010, Definitions, is amended to read:

69.05.010 Definitions.

The following words, terms and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Accommodation means any room or rooms, lodgings, or accommodations in any hotel, motel, inn, tourist camp, tourist cabin, camping grounds, club, short-term rental, or any other place in which rooms, space, or accommodations are furnished to transients for a consideration and upon which an accommodations tax or sales tax is imposed.

Accommodation fee means the room charge less the discount room charge, if any, provided that the accommodations fee shall not be less than \$0.

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2 Accommodations intermediary means any person other than an accommodations provider
3 that (i) facilitates the sale of an accommodation, and (ii) either (a) charges a room charge to the
4 customer, and charges an accommodations fee to the customer, which fee it retains as
5 compensation for facilitating the sale; (b) collects a room charge from the customer; or (c)
6 charges a fee, other than an accommodations fee, to the customer, which fee it retains as
7 compensation for facilitating the sale. For purposes of this definition, “facilitates the sale”
8 includes brokering, coordinating, or in any other way arranging for the purchase of the right to
9 use accommodations via a transaction directly, including via one or more payment processors,
10 between a customer and an accommodations provider.

11
12 Accommodations provider means a person who owns, operates or controls any facility or
13 structure in which there is rented or offered for rent accommodations, the rent for which is
14 taxable under an accommodations tax or sales tax.

15 ***

16 Delivery network company means a business that facilitates, through the use of an internet
17 website or mobile application, the delivery of products or services.

18 ***

19
20 Discount room charge means the full amount charged by the accommodations provider to
21 the accommodations intermediary, or an affiliate thereof, for furnishing the accommodations.

22 ***

23 Marketplace facilitator means a person or entity, including but not limited to
24 accommodation intermediaries, delivery network companies, digital networks, peer-to-peer
25 vehicle sharing marketplaces, marketplaces that facilitate or perform travel agency services,
transportation network companies, and hosting platforms as defined elsewhere in this title,

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2 that contracts with sellers to facilitate for consideration, regardless of whether deducted as fees
3 from the transaction, the sale or rental of the seller's property, product, or services through a
4 physical or electronic marketplace operated by the person, and engages:

5 (a) Directly or indirectly, through one or more affiliated persons, in any of the
6 following:

- 7 (1) Transmitting or otherwise communicating the offer or acceptance between
8 the buyer and seller;
9
10 (2) Owning or operating the infrastructure, electronic or physical, or
11 technology that brings buyers and sellers together;
12 (3) Providing a virtual currency that buyers are allowed or required to use to
13 purchase products from the seller; or
14 (4) Software development or research and development activities related to
15 any of the activities described in (b) of this subsection (3), if such activities
16 are directly related to a physical or electronic marketplace operated by the
17 person or an affiliated person; and

18 (b) In any of the following activities with respect to the seller's products:

- 19 (1) Payment processing services;
20 (2) Fulfillment or storage services;
21 (3) Listing products for sale;
22 (4) Setting prices;
23 (5) Branding sales as those of the marketplace facilitator;
24 (6) Order taking;
25 (7) Advertising or promotion; or

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2 (8) Providing customer service or accepting or assisting with returns or
3 exchanges.

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5 Peer-to-peer vehicle sharing marketplace means a marketplace facilitator, whether operated
6 through a website, mobile application, or other electronic platform, through which a person
7 offers a motor vehicle for rental to another person, and the marketplace facilitator, directly or
8 indirectly, facilitates the transaction.

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11 Retail sale or sale means any transfer sale of real or tangible personal property, including
12 barter, credit, installment, and conditional sales, for consideration for any purpose other than
13 resale in the regular course of business. The delivery of property in the City and Borough by a
14 seller whose principal place of business is outside the City and Borough to a buyer or consumer
15 is a retail sale made within the City and Borough if such retailer maintains any office,
16 distribution, or sales house, warehouse, or any other place of business, or solicits business or
17 receives orders through any agent, salesman, or other type of representation within the City
18 and Borough. A transfer includes a lease or rental.

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20 Room charge means the entire amount charged to the transient to secure the right to use or
21 possess any accommodation that is subject to an accommodations tax, including any mandatory
22 fees or charges by an accommodations intermediary.

23 ***

24 **Section 3. Amendment of Chapter.** Chapter 69.05, Uniform Sales Tax, is
25 amended by adding a new section to read:

Chapter 69.05 UNIFORM SALES TAX

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3 **69.05.175 Marketplace facilitator centralized administrative provisions.**

4 (a) All sales of goods, services and rentals facilitated by a marketplace facilitator having a
5 point of delivery in the City and Borough shall be considered remote sales.

6 (b) The City and Borough hereby delegates the administration, collection, remittance, and
7 enforcement of sales taxes on the sales of goods, services and rentals facilitated by a
8 marketplace facilitator to the Alaska Remote Seller Sales Tax Commission.
9

10 **Section 4. Amendment of Section.** CBJC 69.07.010, Definitions, is amended to
11 read:

12 **69.07.010 Definitions.**

13 The following words, terms and phrases, when used in this chapter, shall have the
14 meanings ascribed to them in this section, except where the context clearly indicates a different
15 meaning:

16 ***

17 *Marketplace facilitator* has the meaning provided in CBJC 69.05.010 and includes a hosting
18 platform that facilitates the rental of a suite, room, or rooms to a transient through a physical
19 or electronic marketplace. ~~means a person or entity, including transportation network~~
20 ~~companies and hosting platforms, that contracts with sellers to facilitate for consideration,~~
21 ~~regardless of whether deducted as fees from the transaction, the sale or rental of the seller's~~
22 ~~property, product, or services through a physical or electronic marketplace operated by the~~
23 ~~person, and engages:~~

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25 (a) ~~Directly or indirectly, through one or more affiliated persons, in any of the~~
~~following:~~

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- ~~(1) — Transmitting or otherwise communicating the offer or acceptance between the buyer and seller;~~
- ~~(2) — Owning or operating the infrastructure, electronic or physical, or technology that brings buyers and sellers together;~~
- ~~(3) — Providing a virtual currency that buyers are allowed or required to use to purchase products from the seller; or~~
- ~~(4) — Software development or research and development activities related to any of the activities described in (b) of this subsection (3), if such activities are directly related to a physical or electronic marketplace operated by the person or an affiliated person; and~~

~~(b) — In any of the following activities with respect to the seller's products:~~

- ~~(1) — Payment processing services;~~
- ~~(2) — Fulfillment or storage services;~~
- ~~(3) — Listing products for sale;~~
- ~~(4) — Setting prices;~~
- ~~(5) — Branding sales as those of the marketplace facilitator;~~
- ~~(6) — Order taking;~~
- ~~(7) — Advertising or promotion; or~~
- ~~(8) — Providing customer service or accepting or assisting with returns or exchanges.~~

Section 5. Amendment of Chapter. Chapter 69.07, Hotel-Motel Room Tax, is amended by adding a new section to read:

Chapter 69.07 HOTEL-MOTEL ROOM TAX

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69.07.175 Marketplace facilitator centralized administrative provisions.

- (a) All sales of goods, services and rentals facilitated by a marketplace facilitator having a point of delivery in the City and Borough shall be considered remote sales.
- (b) The City and Borough hereby delegates the administration, collection, remittance, and enforcement of hotel-motel room taxes on the rentals facilitated by a marketplace facilitator to the Alaska Remote Seller Sales Tax Commission.

Section 6. Effective Date. This ordinance shall be effective on October 1, 2026.

Adopted this _____ day of _____, 2026.

Beth A. Weldon, Mayor

Attest:

Breckan L. Hendricks, Municipal Clerk

Presented by: The Manager
Presented: 05/27/2026
Drafted by: Law Department

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2026-25

An Ordinance Amending the Uniform Sales Tax Code to Repeal the Exemption of Commission Charged by an Agent of Travel, Lodging, or Tours Under CBJC 69.05.040.

BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

Section 1. Classification. This ordinance is of a general and permanent nature and shall become a part of the City and Borough of Juneau Municipal Code.

Section 2. Amendment of Section. CBJC 69.05.040, Exemptions, is amended to read:

69.05.040 Exemptions.

The tax levied under this chapter shall not apply to the following transactions:

(24) ~~*[Reserved.]* The commission charged by an agent for the sale of travel, lodging or tours to the performer of the service. The commission exemption does not apply to the retail price of the travel, lodging or tour charged to the consumer.~~

Section 3. Effective Date. This ordinance shall be effective October 1, 2026.

Adopted this _____ day of _____, 2026.

Beth A. Weldon, Mayor

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Attest:

Breckan L. Hendricks, Municipal Clerk

Attachment D

Presented by: The Manager
Presented: MM/DD/YYYY
Drafted by: Law Department

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2026-XX

An Ordinance Amending the Uniform Sales Tax Code Exemptions Under CBJC 69.05.040.

BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

Section 1. Classification. This ordinance is of a general and permanent nature and shall become a part of the City and Borough of Juneau Municipal Code.

Section 2. Amendment of Section. CBJC 69.05.040, Exemptions, is amended to read:

69.05.040 Exemptions.

The tax levied under this chapter shall not apply to the following transactions:

(12) Sales, services and rentals to a buyer, ~~or made by a seller,~~ organized and administered solely by an organization that has a current 501(c)(3), 501(c)(4), or 501(c)(19) exemption ruling from the Internal Revenue Service and an exemption certificate from the manager, provided this exemption applies to sellers only if the income from the sale is exempt from federal income taxation. ~~This exemption does not apply to the sale of pull tab games.~~

(13) Retail sales, services, and rentals of real or tangible personal property to or by the state, a rural education attendance area or like entity, a federally

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2 recognized Indian tribe, or a municipality. This exemption does not apply to the
3 following:

4 (a) Sales of pull-tab games by federally recognized Indian tribes, political
5 subdivisions, and municipalities; or

6 (b) Retail sales, services, and rentals of real and tangible personal property
7 by the City and Borough listed in this subsection (13)(b)(1)-(10):

- 8 1. Bartlett Regional Hospital sales, services, and rentals;
- 9 2. Capital Transit passenger fares and passes;
- 10 3. Sales of municipal real property, gravel, and minerals;
- 11 4. Parks and recreation department sales, services, and rentals;
- 12 5. Eaglecrest Ski Area sales, services, and rentals;
- 13 6. Hagevig Fire Training Center sales, services, and rentals;
- 14 7. Juneau International Airport sales, services, and rentals;
- 15 8. Sewer utility and water utility sales, services, and rentals;
- 16 9. Port and harbor sales, services, and rentals authorized by title 85
17 of this Code;
- 18 10. Juneau-Douglas City Museum.

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21 (c) Retail sales, services, and rentals of real and tangible personal property
22 by federally recognized Indian tribes listed in this subsection (13)(c)(1)-(5):

- 23 1. Sales of tangible personal property;
- 24 2. Admissions, concessions, or prepared food sales;
- 25 3. Retail services offered to the general public for a fee;
4. Commercial or short-term residential rentals; or

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2 5. Activities primarily commercial in nature or conducted in
3 competition with for-profit businesses.

4 (14) ~~Reserved.~~ Retail sales, services, and rentals by a seller, organized and
5 administered solely by an organization that has a current 501(c)(3), 501(c)(4),
6 or 501(c)(19) exemption ruling from the Internal Revenue Service and an
7 exemption certificate from the manager. This exemption does not apply to the
8 following:

- 9 a. Sales of tangible personal property;
10 b. Admissions, concessions, or prepared food sales;
11 c. Retail services offered to the general public for a fee;
12 d. Commercial or short term residential rentals; or
13 e. Activities primarily commercial in nature or conducted in
14 competition with for-profit businesses.

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16 (15) ~~Reserved.~~ Thrift stores, raffle tickets, silent auctions, fundraising activities,
17 including events and sales campaigns conducted for a limited duration and not
18 on a continuous or ongoing basis, and administered solely by an organization
19 that has a current 501(c)(3), 501(c)(4), or 501(c)(19) exemption ruling from the
20 Internal Revenue Service and an exemption certificate from the manager,
21 provided this exemption applies to sellers only if the income from the sale is
22 exempt from federal income taxation. This exemption does not apply to the sale
23 of pull-tab games, lotteries, or bingo.

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Section 3. Effective Date. This ordinance shall be effective October 1, 2026.

Adopted this _____ day of _____, 2026.

Beth A. Weldon, Mayor

Attest:

Breckan L. Hendricks, Municipal Clerk



Office of the City Manager

155 Heritage Way
Juneau, Alaska 99801
PHONE: (907) 586-5240
FAX: (907) 586-5385
Katie.Koester@juneau.gov

TO: Chair Woll, Assembly Finance Committee
FROM: Katie Koester, City Manager
DATE: May 20, 2026
RE: Potential Bond Projects for October 2026 Ballot

The purpose of this memo is to organize Assembly debate around potential bonds for school major maintenance projects and utility infrastructure on the October 2026 municipal ballot. As a reminder, the last regular meeting for items to make it on the ballot this year is July 27. Notwithstanding a special meeting, an ordinance would be introduced at your next (June 8) Regular Meeting.

Bond for School Projects

At the April 20, 2026, Joint Assembly and Juneau School District (JSD) Facilities Committee meeting, JSD staff presented [bond proposal alternatives](#) at both \$10M and \$15M level for consideration. It looks a lot like the list [developed in 2025](#) and includes roof improvements, security upgrades and boiler replacements in both bond proposals with the addition of major HVAC projects (including but not limited to: direct digital controls, fire alarm fan, lighting control upgrades, control valve replacements) at Dzantik'i Heeni, Sayeik: Gastineau, Auke Bay, and Mendenhall River Community School in the \$15M proposal.

Update on State Funded School Debt Bond Reimbursement

The moratorium on school debt bond reimbursement sunsetted last July — implementing a 60/40 or 50/50 cost share between state and local government. The current operating budget funds school debt bond reimbursement, however, the obligation for the State to fund school debt in the future will remain subject to the appropriation of the legislature and veto pen of the governor. Eligible projects include construction of new school facilities, additions to existing facilities, and major maintenance projects that protect the structure, correct code deficiencies, or improve energy efficiency.

Utility Infrastructure

In 2025 the Assembly discussed, but decided to postpone moving forward with a Utility bond for 2025. The Utility has a lengthy list of projects outlined in the 6-year CIP. In 2025 the Utility Advisory Board (UAB) recommended the attached two scenarios for bond projects ([\\$10M and \\$20M](#)). However, some of these projects are funded. My recommendation is to keep the bond language broad and task UAB with specific project recommendations after passage. Example bond language could be “water and wastewater utility improvements to replace aging infrastructure including underground water and wastewater mains, pump replacements, lift station improvements and technology upgrades.” The Utility would work with Finance to manage the debt to maximize cash flow and project readiness.

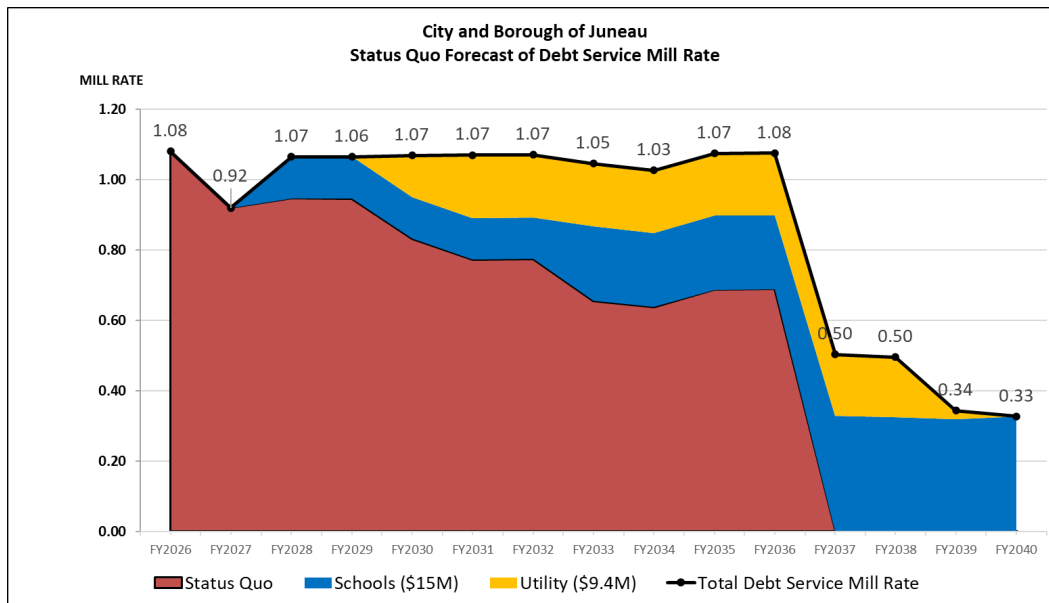
Last year the Assembly passed a 5% annual rate increase with the commitment of \$9.4M in non-utility revenue (sales tax or bond debt) over 5 years. The FY27 draft CIP contains \$1.7M in underground utility

infrastructure. If the Assembly chooses to use bonds, instead of sales tax, to offset rate increases my recommendation would be to bond for \$9.4M, thereby freeing up sales tax revenue in this year's CIP and subsequent CIPs. In order to complete the FY27 underground utility project, I would recommend changing that funding source to utility fund balance (which would be offset in future years through bond proceeds). Though 1% of sales tax has traditionally been spent on street reconstruction projects, it is approved as part of the temporary 3% and can be used for operations.

The Ordinance from last year is included after this memo for the body to review and decide a path forward. That Ordinance called for \$8M in bonds for utility infrastructure. If the Body wishes to change the amount to \$9.4M as recommended, a new ordinance must be drafted and introduced.

Debt Service and the Mill Rate

The 9 mill cap that voters placed on the mill rate last year excludes debt service. The FY27 proposed budget consists of 9 mills general operations + 0.92 mills in debt service. Any debt approved this year would result in an increase in the future combined mill rate. GLOF mitigation (both mid-term and enduring solutions and maintenance) will put pressure on the mill rate and should be in the back of your mind as you make decisions that impact property taxes. As CBJ manages with reduced sales tax revenue for capital projects, the Assembly may look to use debt to fund projects that have historically been funded through sales tax (parks and playgrounds, streets and major maintenance).



Recommendation: Discuss appetite to put bond projects on the ballot.

Potential motion: Move to introduce an ordinance to place a \$10 or \$15M bond for school projects and/or \$9.4M bond for Utility projects on the October 2026 municipal ballot.

Enc:

2025 UAB Bond Scenarios

2026 JSD Bond Project Proposal

2025-33 An Ordinance Authorizing the Issuance of General Obligation Bonds in the Principal Amount of Not to Exceed \$8,000,000 to Finance Water and Wastewater Utilities Capital Improvements



Projects for Bond

Section G, Item 3.

—Sewer \$10MM

Project Name	Cost Estimate
MWWTP SBR Waste Pumps Replacement	\$ 431,000
MWWTP Biosolids Loadout Upgrade	\$ 4,200,000
MH SBR Influent Valve Replacement	\$ 540,000
MWWTP Pretreatment Improvements (FOG/grit removal)	\$ 7,221,200
MWWTP Treatment Upgrade - UV Disinfection Sys replacement	\$ 5,762,000
MWWTP Outfall maintenance and rehabilitation	\$ 330,000
MWWTP MCC upgrades/replacements	\$ 264,000
Road Reconstruction \$2M /yr (Sewer Piping)	\$ 11,200,000
MWWTP Site Improvements (lighting, security, access, HVAC)	\$ 1,500,000

Total: \$30.4MM

Projects for Bond

— Sewer \$10MM – Our List

Project Name	Cost Estimate	#
MWWTP SBR Waste Pumps Replacement	\$ 431,000	1
MWWTP Biosolids Loadout Upgrade	\$ 4,200,000	1
MH SBR Influent Valve Replacement	\$ 540,000	2
MWWTP Pretreatment Improvements (FOG/grit removal)	\$ 7,221,000	1
MWWTP Treatment Upgrade - UV Disinfection Sys replacement	\$ 5,762,000	2
MWWTP Outfall maintenance and rehabilitation	\$ 330,000	1
MWWTP MCC upgrades/replacements	\$ 264,000	1
Road Reconstruction \$2M per year	\$ 11,200,000	1
MWWTP Site Improvements (lighting, security, access, HVAC)	\$ 1,600,000	2

Total: \$9.8MM



Projects for Bond - \$20M

Project Name	Cost Estimate
MWWTP SBR Waste Pumps Replacement	\$ 431,000
MWWTP Biosolids Loadout Upgrade	\$ 4,200,000
MH SBR Influent Valve Replacement	\$ 540,000
MWWTP Pretreatment Improvements (FOG/grit removal)	\$ 7,221,200
MWWTP Treatment Upgrade - UV Disinfection Sys replacement	\$ 5,762,000
MWWTP Outfall maintenance and rehabilitation	\$ 330,000
MWWTP MCC upgrades/replacements	\$ 264,000
Road Reconstruction \$2M/yr (Sewer Piping)	\$ 11,200,000
MWWTP Site Improvements (lighting, security, access, HVAC)	\$ 1,500,000
LCB SCADA & Security Upgrade	\$ 656,000
PRV Station Improvements & SCADA Upgrades (Crowhill, 5th St Douglas)	\$ 261,000
Potable Water Distribution Instrumentation	\$ 461,400
LCB well pump VFD conversion and programming upgrades	\$ 1,848,000
Salmon Creek Plant Filter Replacement	\$ 3,036,000
Salmon Creek Reservoir major rehab	\$ 1,782,000
Condition Assessment	\$ 282,000
Road Rehab Projects \$2M/yr (Water Piping)	\$ 11,200,000

Total: \$50.9MM



Projects for Bond - \$20M

Combined \$20MM – Our List (~\$15M/\$5M)

Project Name	Cost Estimate	
MWWTP SBR Waste Pumps Replacement	\$ 431,000	1
MWWTP Biosolids Loadout Upgrade	\$ 4,200,000	1
MH SBR Influent Valve Replacement	\$ 540,000	2
MWWTP Pretreatment Improvements (FOG/grit removal)	\$ 7,221,200	1
MWWTP Treatment Upgrade - UV Disinfection Sys replacement	\$ 5,762,000	2
MWWTP Outfall maintenance and rehabilitation	\$ 330,000	1
MWWTP MCC upgrades/replacements	\$ 264,000	1
Road Reconstruction \$2M per year (TBD)	\$ 3,000,000	1
MWWTP Site Improvements (lighting, security, access, HVAC)	\$ 1,500,000	2
LCB SCADA & Security Upgrade	\$ 656,000	2
PRV Station Improvements & SCADA Upgrades (Crowhill, 5th St Douglas)	\$ 261,000	1
Potable Water Distribution Instrumentation	\$ 461,400	1
LCB well pump VFD conversion and programming upgrades	\$ 1,848,000	1
Salmon Creek Plant Filter Replacement	\$ 3,036,000	2
Salmon Creek Reservoir major rehab	\$ 1,782,000	2
Condition Assessment	\$ 282,000	1
Road Rehab Projects – TBD (Glacier Hwy Water main rehab?)	\$ 2,500,000	2

Total: \$19.9MM (~\$13M/\$7M)



Engineering and Public Works Department
155 Heritage Way
Juneau, Alaska 99801
Telephone: 586-0800 Facsimile: 586-4565

DATE: May 27, 2026

TO: Neil Steininger, Chair
Joint Assembly / JSD Facilities Committee

THROUGH: Denise Koch, Engineering and Public Works Director

FROM: Kristy Germain, Juneau School District

SUBJECT: Bond Project List

The Juneau Board of Education met on Tuesday, April 14, 2026 and approved, without objection, the following motion:

“I move that the Juneau Board of Education adopt the Facilities Bond project lists in the amounts of \$10 million and \$15 million, and the updated CIP version that does not include the bond projects, and forward to CBJ.”

The Joint CBJ Assembly / School Board Facilities Committee met on April 20, 2026 and approved to forward a bond of \$16M to the Finance Committee. The prepared bond document included \$15.772M in projects. Discussion and amendment were related to rounding the bond to \$16M with the difference going towards flood control, mitigation, and erosion control. Later discussion in the meeting included flood mitigation that has already taken place at Mendenhall River Community School with tree cutting and design for riverbank armoring. The US Army Corps of Engineers has now taken over this project moving forward.

The proposed bond list includes roofs at three schools: a partial refoof at Juneau-Douglas High School: Yadaa.at Kalé (JDHS), partial reroof at Sayeik: Gastineau Community School (SGCS), and full reroof at Síí Eetí Shaanáx - Glacier Valley (SES-GV). Districtwide security and safety upgrades are included in the bond list along with heating, ventilation and cooling (HVAC) projects at JDHS, SES-GV, Dzantik’i Heeni, and Kaḡdigoowu Héen Elementary (KHE) and HVAC controls at the schools not included in the Renew America’s Schools grant. Additional information and project descriptions are included on the attached bond list.

The documents are [linked here](#) for the \$16M Bond List, an Updated CIP that does not include the bond projects, and our submitted JSD departmental CIP.

16M (3 roofs, security, boilers, with HVAC controls) 2026 added notes in bold						
Funding requested through DEED CIP Y/N	Funding requested through CBJ CIP Y/N	Confirmed funding Y/N	Category	Project	New Column TPC Escalated 5%/yr to Summer 2027 (FY28)	Additional information and/or project description March 2026 notes added in bold for Joint Assembly / School Facilities Committee materials.
Y	Y	N	Roof	JDHS Partial Reroof	\$ 636,300.00	Roof between Aux. Gym & Main Gym, over band rooms, hallway, and locker rooms. Full demo and replacement, add fall protection.
N	N	N	Roof	Glacier Valley Reroof	\$ 3,501,750.00	Main School Building, full demo and replacement, add fall protection. Warranty expiration in 2006.
N	N	N	Roof	Sayeik: Gastineau Partial Reroof	\$ 1,102,500.00	Alternate 2 areas that were not reroofed in FY21 under BE21-189: Gym, Commons, Library, Entry, Mech. Penthouse: remove and reinstall FP at gym, provide FP at other Alt. 2 roof areas.
CBJ requested of Legislative	Y	N (CBJ "unscheduled")	Safety and Security	JSD Districtwide Security and Safety Upgrades	\$ 2,205,000.00	Security cameras district-wide on common viewing platform, entry security, Access Controls linked to security cameras, playground safety surfacing and fencing.
Y	Y	N, Phase 3 Construction not funded	Heating & Ventilation	JDHS Boiler Phase 3 Construction	\$ 1,424,000.00	JDHS has two boilers, which are at the end of their life expectancy. Parts are difficult to procure. Lack of energy efficiency is a concern as we use 55 gallons an hour operating these boilers. Deferred Maintenance funds are replacing the two boilers only. Additional funds are needed for full scope of project. JDHS Boiler Project Phase 2 to be completed Summer 2026 with Deferred Maintenance funds. Phase 3 design to be completed with Deferred Maintenance funds. Phase 3 Construction not yet funded. CBJ PM provided a cost estimate of 1.424M.
N	Y	N	Heating & Ventilation	KHE Boiler and Valve Replacement, Room Renovation	\$ 961,800.00	Funding to replace KHE's three boilers that are original to the building, 1997. Replacement will achieve improved energy efficiency.
N	Y	N	Heating & Ventilation	GV and DH Boiler Room (s) Renovation	\$ 1,320,900.00	Funding to replace boilers at Glacier Valley and Dzanik'i Heemi schools.
Subtotal (Rounded)					\$ 11,152,250.00	
N	Y	N	Heating & Ventilation	HVAC Controls for 4 Schools not included in Renew America's Schools Grant Districtwide HVAC and Boiler Controls Upgrade: GA, DH, AB, MRCS.	\$ 4,620,000.00	CBJ's recent project at Floyd Dryden is similar, TPC \$1.1M: The scope of the project was to essentially recommission the whole HVAC system. Provide direct digital control (DDC) for HVAC and lighting control upgrades. The work also includes, but is not limited to, addition of fire alarm fan shutdown, control valve replacements, balance valve replacements, and associated commissioning, testing, adjusting, and balancing.
Total (Rounded)					\$ 15,772,250.00	

Dept. CIP w/o bond items

Priority	DRAFT Project	FY 27	FY28	FY29	FY30	FY31	FY32	Notes for discussion
1	JSD Annual Deferred Maintenance	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	
2	Interior and Exterior Light Controls (Districtwide)		\$2,000,000					HBV and JDHS controls require ebay purchases
3	MRCS Flooring and Security Entrance (DEED CIP)		\$1,500,000	\$1,500,000				Hallway and Classroom flooring pulling away at some walls and seams.
4	JDHS Chef Lab renovation and ventilation			\$1,000,000				Ventilation upgrades needed, redesign would support Culinary program of CTE and commercial kitchen.
5	DH Gym Floor and Bleachers					\$2,412,000		Recommended priority, patches are not holding. Bleachers have to be removed to replace floor so projects should be done together.
6	Elementary Covered Playground repair							Seven schools, pressure wash, paint, roof panel replacement needed in some areas. Cost estimate needed.
7	JDHS Greenhouse repair							Protection of the structure and repair before more costly/extensive repair is needed. Greenhouse is in use by science classes. Updated cost estimate needed; previous estimate was \$200,000.
8	Playground fencing and safety surfacing improvements (Districtwide)							Fencing repairs, replacement, and additional playground fencing in areas. Assessment of fall protection, pea gravel or recycled tire material, and improvements. Cost estimate needed.
9	Pave parking and drop-off areas at KHE & AB							Cost estimate needed.

DEPARTMENT CAPITAL IMPROVEMENT PLAN 6 YEAR PRIORITIES

Department: Juneau School District

Date: _____

Compiled by: Kristy Germain and Mark Ibias

Phone number: 907-523-1740

Note: Round the estimated project cost to the nearest thousand

Priority	Project	FY27	FY28	FY29	FY30	FY31	FY32
<i>EXAMPLE #1</i>	<i>Aurora Harbor Rebuild Phase III</i>	<i>\$1,500,000</i>					
1	JSD Annual Deferred Maintenance	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
2	JSD Districtwide Security and Safety Upgrades (Legislative)	\$2,000,000					
3	RAS's HVAC Controls Matching funds: JD, HBV, SES:GV, KHE, & TM	25% matching	25% matching				
4	Interior and Exterior Light Controls (Districtwide)		\$2,000,000				
5	JDHS Boiler Room Renovation Phase 3 (DEED CIP)		\$1,750,000				
6	Structure Repair & Roof Replacement Phase 1-4: JDHS, SES:GV, SA:GA		\$2,500,000	\$1,500,000	\$1,500,000		
7	MRCs Classroom & Hallway Flooring and Security Entrance Phase 1 and 2 (DEED CIP)		\$1,500,000	\$1,500,000			
8	JDHS Chef Lab Renovation (DEED)			\$1,000,000			
9	Kaxdigoowu Heen Boiler and Valve Replacement, Room Renovation			\$1,500,000			
10	SES:GV and DH Campus Boiler Room(s) Renovation			\$1,750,000			
11	Districtwide HVAC and Boiler Controls Upgrade: GA, DH, AB, MRCs				\$4,000,000		
12	Dzantik'i Heeni Gym Floor and Bleacher Replacement					\$2,412,000	
13							
14							
15							
Totals:		\$3,000,000	\$8,750,000	\$8,250,000	\$6,500,000	\$3,412,000	\$1,000,000

Presented by: The Manager
Introduced: 06/08/2026
Drafted by: Bond Counsel

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2026-xx

An Ordinance Authorizing the Issuance of General Obligation Bonds in the Principal Amount Not to Exceed \$9,400,000 to Finance Water and Wastewater Utilities Capital Improvements within the City and Borough, and Submitting a Proposition to the Voters at the Election to Be Held Therein on October 6, 2026.

WHEREAS, certain water and wastewater utilities capital improvements within the City and Borough of Juneau, Alaska (the “City and Borough”) are needed in order to meet the current and future needs of the City and Borough; and

WHEREAS, the water and wastewater utilities projects described in Section 3 below (the “Projects”) have been identified and approved by the Assembly of the City and Borough as necessary to meet the needs of the City and Borough; and

WHEREAS, in order to provide funds for paying the cost of constructing and equipping the Projects, it is deemed necessary and advisable that the City and Borough issue and sell its unlimited tax levy general obligation bonds in the principal amount not to exceed \$9,400,000 (the “Bonds”);

NOW, THEREFORE, BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

Section 1. Classification. This ordinance is a noncode ordinance.

Section 2. Findings. The Assembly of the City and Borough hereby finds and declares that the acquisition, construction and equipping of the Projects identified in Section 3 hereof are necessary and are in the best interest of the inhabitants of the City and Borough.

Section 3. Purposes. To improve water and wastewater utilities service by improving water and wastewater utilities infrastructure, including, but not limited to, the following, the Assembly has determined that the City and Borough is in need of certain water and wastewater utilities capital improvements including work at the Mendenhall Wastewater Treatment Plant: FOG/grit removal, outfall maintenance/rehabilitation, site improvements (lighting, security, HVAC and access); sequential batch reactor influent valve replacement and other wastewater utility infrastructure projects.

The foregoing are herein referred to as the “Projects.” The cost of all necessary architectural, engineering, design, and other consulting services, inspection and testing, administrative and relocation expenses, costs of issuance of the Bonds and other costs incurred in connection with the Projects that are approved by the electors shall be deemed capital improvement costs of the approved Projects. The approved Projects may be completed with all necessary furniture, equipment and appurtenances.

If the City and Borough shall determine that it has become impractical to accomplish any portion of the approved Projects by reason of changed conditions or needs, incompatible development or costs substantially in excess of those estimated, the City and Borough shall not be required to accomplish such portions and shall apply Bond proceeds as set forth in this section.

Interest earnings on Bond proceeds may be used and applied by the City and Borough, at the direction of the City Manager or such individual’s designee, for the Projects or for other water or wastewater utilities infrastructure capital improvements or for the retirement of the Bonds or other general obligation bonds of the City and Borough.

If the approved Projects have been completed in whole or in part, or their completion duly provided for, or their completion found to be impractical, the City and Borough may apply Bond proceeds or any portion thereof as provided in Section 10.10 of the Home Rule Charter.

In the event that the proceeds of sale of the Bonds, plus any other monies of the City and Borough legally available, are insufficient to accomplish the approved Projects, the City and Borough shall use the available funds for paying the cost of those portions of the approved Projects for which the Bonds were approved deemed by the Assembly most necessary and in the best interest of the City and Borough. No Bond proceeds shall be used for any purpose other than a capital improvement.

Section 4. Details of Bonds. The Assembly hereby authorizes the issuance of general obligation bonds in order to fund the costs of the Projects described in Section 3 (the “Bonds”). The Bonds shall be sold in such amounts and at such time or times as deemed necessary and advisable by the Assembly and as permitted by law and shall mature over a period of up to 10 years of date of issue. The Bonds shall be issued in an aggregate principal amount of not to exceed \$9,400,000. The Bonds shall bear interest to be fixed at the time of sale or sales thereof. Both principal of and interest on the Bonds shall be payable from annual tax levies to be made upon all of the taxable property within the City and Borough, without limitation as to rate or amount and in amounts sufficient with other available funds, to pay such principal and interest as the same shall become due.

The full faith, credit, and resources of the City and Borough are hereby irrevocably pledged to the payment of both the principal and interest on such Bonds. The exact form, terms, conditions, contents, security, options of redemption, and such other matters relating to the issuance and sale of said Bonds as are deemed necessary and advisable by the Assembly shall be as hereinafter fixed by ordinance and resolution of the City and Borough.

Section 5. Submission of Question to Voters. The Assembly hereby submits to the qualified electors of the City and Borough the proposition of whether or not the City and Borough should issue the Bonds for the purpose of financing the costs of the approved Projects at the regular municipal election to be held on October 6, 2026.

The City and Borough clerk shall prepare the ballot proposition to be submitted to the voters as provided by this ordinance and shall perform all necessary steps in accordance with law to place the proposition before the voters at the regular election.

Section 6. Ballot Proposition. The proposition to be submitted to the qualified voters of the City and Borough as required by Section 5 above shall read substantially as follows:

Explanation

The proposition will authorize the issuance of \$9,400,000 in general obligation bond debt for paying the cost of undertaking certain water and wastewater utilities capital improvements including work at the Mendenhall Wastewater Treatment Plant: FOG/grit removal, outfall maintenance/rehabilitation, site improvements (lighting, security, HVAC and access); sequential batch reactor influent valve replacement and other wastewater utility infrastructure projects. The average annual debt service costs, assuming an interest rate of 3.5%, would be approximately \$1,153,000. Currently, this amount of debt service would require an annual property tax levy of approximately \$17.20 per \$100,000 of assessed value. The examples of debt service and the property tax levy are provided for illustrative purposes only.

PROPOSITION NO. ___

GENERAL OBLIGATION BONDS

\$9,400,000

To improve water and wastewater utilities services by improving water and wastewater utilities infrastructure, including, but not limited to, work at the Mendenhall Wastewater Treatment Plant: FOG/grit removal, outfall maintenance/rehabilitation, site improvements (lighting, security, HVAC and access); sequential batch reactor influent valve replacement and other wastewater utility infrastructure projects within the City and Borough, shall the City and Borough of Juneau, Alaska, issue and sell its general obligation bonds, maturing within 10 years of their date of issue, in the aggregate principal amount of not to exceed \$9,400,000?

BONDS, YES

BONDS, NO

After voter approval of the proposition and in anticipation of the issuance of the Bonds, the City and Borough may issue short term obligations, under such date and in such amount, form, terms, maturity, and bearing such rate or rates of interest, all as may hereafter be fixed by ordinance of the City and Borough, consistent with limitations imposed by State law and by the Home Rule Charter and Code of the City and Borough.

Section 7. Notice of Election. The Assembly shall cause a notice of election to be published once a week for three consecutive weeks in a newspaper for general circulation in the City and Borough. The first notice shall be published not later than September 16, 2026, which is 20 days prior to the regular municipal election. The notice shall contain the information required by Section 10.5 of the Home Rule Charter of the City and Borough.

Section 8. Effective Dates.

(a) The authority to issue general obligation bonds proposed in Section 6 of this ordinance shall become effective on the day following the date the election results are certified for the regular municipal election held on October 6, 2026, if a majority of the qualified voters voting on the proposition set forth in Section 6 votes for the proposition.

(b) Section 6 of this ordinance authorizing the submission of the ballot proposition to the qualified voters of the City and Borough shall become effective thirty days after adoption of this ordinance.

Adopted this 27th day of July, 2026.

Beth A. Weldon, Mayor

Attest:

Breckan L. Hendricks, Municipal Clerk

Presented by: The Manager
Introduced: 06/08/2026
Drafted by: Bond Counsel

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2026-xx

An Ordinance Authorizing the Issuance of General Obligation Bonds in the Principal Amount Not to Exceed \$16,000,000 to Finance Capital Improvements at Various Schools within the City and Borough, and Submitting a Proposition to the Voters at the Election to Be Held Therein on October 6, 2026.

WHEREAS, various school capital improvements within the City and Borough of Juneau, Alaska (the “City and Borough”) are needed in order to meet the current and future needs of the City and Borough; and

WHEREAS, renovations and improvements to several school buildings described in Section 3 below (the “Projects”) have been identified and approved by the Assembly of the City and Borough and the Juneau School Board as necessary to meet the needs of the City and Borough; and

WHEREAS, in order to provide funds for paying the cost of acquiring, renovating, replacing and upgrading the Projects, it is deemed necessary and advisable that the City and Borough issue and sell its unlimited tax levy general obligation bonds in the principal amount not to exceed \$16,000,000 (the “Bonds”);

NOW, THEREFORE, BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

Section 1. Classification. This ordinance is a noncode ordinance.

Section 2. Findings. The Assembly of the City and Borough hereby finds and declares that the acquisition, renovations, replacements and upgrades of the Projects identified in Section 3 hereof are necessary and are in the best interest of the inhabitants of the City and Borough.

Section 3. Purposes. To improve school facilities and safety by making capital improvements to various school buildings, including, but not limited to, the following, the School Board and the Assembly have determined that the City and Borough is in need of the following school improvements:

- Partial reroof of Juneau-Douglas High School;
- Reroof of Glacier Valley Elementary School;

- Partial Reroof of Sayeik: Gastineau Community School;
- Security and safety upgrades Districtwide;
- Boiler room renovation and dualsource upgrade at Juneau-Douglas High School;
- Boiler and valve replacement and room renovation at Kaxdigoowu Heen Elementary School;
- Boiler room renovations at Sit Eeti Shaanax – Glacier Valley Elementary School and Dzantik’i Heeni;
- HVAC improvements for Mendenhall River Community School, Auke Bay Elementary School, Sayeik: Gastineau Community School and Dzantik’i Heeni Campus; and
- Flood mitigation and protection improvements.

The foregoing are herein referred to as the “Projects.” The cost of all necessary architectural, engineering, design, and other consulting services, inspection and testing, administrative and relocation expenses, costs of issuance of the Bonds and other costs incurred in connection with the Projects that is approved by the electors shall be deemed capital improvement costs of the approved Projects. The approved Projects may be completed with all necessary furniture, equipment and appurtenances.

If the City and Borough shall determine that it has become impractical to accomplish any portion of the approved Projects by reason of changed conditions or needs, incompatible development or costs substantially in excess of those estimated, the City and Borough shall not be required to accomplish such portions and shall apply Bond proceeds as set forth in this section.

Interest earnings on Bond proceeds may be used and applied by the City and Borough, at the direction of the City Manager or such individual’s designee, for the Projects or for other School District capital improvements or for the retirement of the Bonds or other School District general obligation bonds of the City and Borough.

If the approved Projects have been completed in whole or in part, or its completion duly provided for, or its completion found to be impractical, the City and Borough may apply Bond proceeds or any portion thereof as provided in Section 10.10 of the Home Rule Charter.

In the event that the proceeds of sale of the Bonds, plus any other monies of the City and Borough legally available, are insufficient to accomplish the approved Projects, the City and Borough shall use the available funds for paying the cost of those portions of the approved Projects for which the Bonds were approved deemed by the Assembly most necessary and in the best interest of the City and Borough. No Bond proceeds shall be used for any purpose other than a capital improvement.

Section 4. Details of Bonds. The Assembly hereby authorizes the issuance of general obligation bonds in order to fund the costs of the Projects described in Section 3 (the “Bonds”). The Bonds shall be sold in such amounts and at such time or times as deemed necessary and advisable by the Assembly and as permitted by law and shall mature over a period of up to 15 years of date of issue. The Bonds shall be issued in an aggregate principal amount of not to exceed

\$16,000,000. The Bonds shall bear interest to be fixed at the time of sale or sales thereof. Both principal of and interest on the Bonds shall be payable from annual tax levies to be made upon all of the taxable property within the City and Borough, without limitation as to rate or amount and in amounts sufficient with other available funds, to pay such principal and interest as the same shall become due.

The full faith, credit, and resources of the City and Borough are hereby irrevocably pledged to the payment of both the principal and interest on such Bonds. The exact form, terms, conditions, contents, security, options of redemption, and such other matters relating to the issuance and sale of said Bonds as are deemed necessary and advisable by the Assembly shall be as hereinafter fixed by ordinance and resolution of the City and Borough.

Section 5. Submission of Question to Voters. The Assembly hereby submits to the qualified electors of the City and Borough the proposition of whether or not the City and Borough should issue the Bonds for the purpose of financing the costs of the approved Project at the regular municipal election to be held on October 6, 2026.

The City and Borough clerk shall prepare the ballot proposition to be submitted to the voters as provided by this ordinance and shall perform all necessary steps in accordance with law to place the proposition before the voters at the regular election.

Section 6. Ballot Proposition. The proposition to be submitted to the qualified voters of the City and Borough as required by Section 5 above shall read substantially as follows:

Explanation

The proposition will authorize the issuance of \$16,000,000 in general obligation bond debt for paying the cost of undertaking certain school district capital improvements including reroofing or partial reroofing at Juneau-Douglas High School, Glacier Valley Elementary School and Sayeik: Gastineau Community School, security and safety upgrades Districtwide, boiler room and boiler renovations and upgrades at Juneau-Douglas High School, Kaxdigoowu Heen Elementary School, Sit Eeti Shaanax – Glacier Valley Elementary School and Dzantik’i Heeni; HVAC improvements at Mendenhall River Community School, Auke Bay Elementary School, Sayeik: Gastineau Community School and Dzantik’i Heeni Campus; and school flood mitigation improvements. The average annual debt service costs, assuming an interest rate of 3.9%, would be approximately \$1,443,000. Currently, this amount of debt service would require an annual property tax levy of approximately \$21.52 per \$100,000 of assessed value. Some of the projects may qualify for State reimbursement under the State’s School Construction Bond Debt Reimbursement Program. The funding for the State’s reimbursement program is subject to annual appropriation. If the State fully funds the reimbursement program and determines all the projects are eligible, the total annual debt service costs after State reimbursement, assuming an interest rate of 3.9%, will be approximately \$721,500. Currently, this amount of debt service would require an annual property tax levy of approximately \$10.76 per

\$100,000 of assessed value. The examples of debt service and the property tax levy are provided for illustrative purposes only.

PROPOSITION NO. ___

GENERAL OBLIGATION BONDS

\$16,000,000

To improve school facilities and safety by acquiring, renovating, replacing and upgrading school buildings, including, but not limited to, reroofing or partial reroofing at Juneau-Douglas High School, Glacier Valley Elementary School and Sayeik: Gastineau Community School, security and safety upgrades Districtwide, boiler room and boiler renovations and upgrades at Juneau-Douglas High School, Kaxdigoowu Heen Elementary School, Sit Eeti Shaanax – Glacier Valley Elementary School and Dzantik’i Heeni; HVAC improvements at Mendenhall River Community School, Auke Bay Elementary School, Sayeik: Gastineau Community School and Dzantik’i Heeni Campus; and school flood mitigation improvements within the City and Borough, shall the City and Borough of Juneau, Alaska, issue and sell its general obligation bonds, maturing within 15 years of their date of issue, in the aggregate principal amount of not to exceed \$16,000,000?

BONDS, YES

BONDS, NO

After voter approval of the proposition and in anticipation of the issuance of the Bonds, the City and Borough may issue short term obligations, under such date and in such amount, form, terms, maturity, and bearing such rate or rates of interest, all as may hereafter be fixed by ordinance of the City and Borough, consistent with limitations imposed by State law and by the Home Rule Charter and Code of the City and Borough.

Section 7. Notice of Election. The Assembly shall cause a notice of election to be published once a week for three consecutive weeks in a newspaper for general circulation in the City and Borough. The first notice shall be published not later than September 16, 2026, which is 20 days prior to the regular municipal election. The notice shall contain the information required by Section 10.5 of the Home Rule Charter of the City and Borough.

Section 8. Effective Dates.

(a) The authority to issue general obligation bonds proposed in Section 6 of this ordinance shall become effective on the day following the date the election results are certified for the regular municipal election held on October 6, 2026, if a majority of the qualified voters voting on the proposition set forth in Section 6 votes for the proposition.

(b) Section 6 of this ordinance authorizing the submission of the ballot proposition to the qualified voters of the City and Borough shall become effective thirty days after adoption of this ordinance.

Adopted this 27th day of July, 2026.

Beth A. Weldon, Mayor

Attest:

Breckan L. Hendricks, Municipal Clerk

Mayor Weldon 6/3/2026 Amendment -AFC
Explanation of Changes:

- (1) Places tribes on equal footing with state and local governments; and
- (2) Creates equity in non-profit exemption language.

Presented by: The Manager
Presented: 06/08/2026
Drafted by: Law Department

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2026-32(b)

An Ordinance Amending the Uniform Sales Tax Code Exemptions Under CBJC 69.05.040.

WHEREAS, the Assembly finds that there is public purpose to the provision of social services by non-profits designed to assist vulnerable, disadvantaged, or distressed individuals and communities

BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

Section 1. Classification. This ordinance is of a general and permanent nature and shall become a part of the City and Borough of Juneau Municipal Code.

Section 2. Amendment of Section. CBJC 69.05.040, Exemptions, is amended to read:

69.05.040 Exemptions.

The tax levied under this chapter shall not apply to the following transactions:

- (12) Sales, services, and rentals to a buyer, or social services provided ~~made~~ by a seller, organized and administered solely by an organization that has a current 501(c)(3), 501(c)(4), or 501(c)(19) exemption ruling from the Internal Revenue Service and an exemption certificate from the manager, provided this exemption applies to sellers only if the income from the sale is exempt from

1
2 federal income taxation. ~~This exemption does not apply to the sale of pull-tab~~
3 ~~games.~~

4 (13) Retail sales, services, and rentals of real or tangible personal property to or by
5 the state, a rural education attendance area or like entity, a federally
6 recognized Indian tribe, or a municipality. This exemption does not apply to the
7 following:

8 (a) Sales of pull-tab games by federally recognized Indian tribes, political
9 subdivisions, and municipalities; or

10 (b) Retail sales, services, and rentals of real and tangible personal property
11 by the City and Borough listed in this subsection (13)(b)(1)-(10):

- 12 1. Bartlett Regional Hospital sales, services, and rentals;
- 13 2. Capital Transit passenger fares and passes;
- 14 3. Sales of municipal real property, gravel, and minerals;
- 15 4. Parks and recreation department sales, services, and rentals;
- 16 5. Eaglecrest Ski Area sales, services, and rentals;
- 17 6. Hagevig Fire Training Center sales, services, and rentals;
- 18 7. Juneau International Airport sales, services, and rentals;
- 19 8. Sewer utility and water utility sales, services, and rentals;
- 20 9. Port and harbor sales, services, and rentals authorized by title 85
21 of this Code;
- 22 10. Juneau-Douglas City Museum.

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Section 3. Effective Date. This ordinance shall be effective October 1, 2026.

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Adopted this _____ day of _____, 2026.

Beth A. Weldon, Mayor

Attest:

Breckan L. Hendricks, Municipal Clerk