

**SPECIAL ASSEMBLY MEETING
THE CITY AND BOROUGH OF JUNEAU, ALASKA**

Meeting Minutes - August 9, 2018

MEETING NO. 2018-23: The Special Meeting of the City and Borough of Juneau Assembly, held in the Assembly Chambers of the Municipal Building, was called to order at 5:00 p.m. by Mayor Ken Koelsch.

I. CALL TO ORDER / ROLL CALL

Assemblymembers Present: Ken Koelsch, Mary Becker, Rob Edwardson, Norton Gregory, Loren Jones, Jesse Kiehl, Jerry Nankervis, Maria Gladziszewski.

Assemblymembers Absent: None. *(Clerk's Note: There was one vacant Assembly seat at this time due to former member Beth Weldon resigning effective July 31, 2018 in order to file candidacy for Mayor.)*

Staff present: City Manager Rorie Watt, Deputy Manager Mila Cosgrove, Municipal Attorney Amy Mead, Municipal Clerk Beth McEwen, Finance Director Bob Bartholomew; Chief Housing Officer Scott Ciambor; Housing/Homelessness Coordinator Irene Gallion

II. AGENDA TOPICS

- A. Ordinance for Introduction: Ordinance 2018-43: An Ordinance Authorizing the Issuance of General Obligation Bonds in the Principal Amount of Not to Exceed \$7,000,000 to Finance Capital Improvements to the Facilities of the City and Borough, and Submitting a Proposition to the Voters at the Election to Be Held Therein on October 2, 2018.

This ordinance authorizes placing on the October 2, 2018 general election ballot the question of issuing \$7 million in fifteen-year general obligation bonds for the purpose of funding capital projects. The identified projects include: renovations to Centennial Hall, including upgrading the HVAC system, making improvements to the sound system, lighting system and technology, making improvements to the interior flooring, furnishings and wall systems and expanding the lobby area and construction of an enclosed and heated corridor between Centennial Hall and the potential new arts and culture center.

The temporary 1% sales tax approved by voters during the October 2017 general election will pay for \$2.5 million of the debt service. The remaining \$7 million of debt and interest would require .13 mills in property taxes for debt service payments. This amount of debt service would require an annual property tax levy of approximately \$13 (.13 mills) per \$100,000 of assessed

value or approximately \$51 for average single family home (estimated 2018 value \$393,000 per CBJ Assessor).

The annual payment funded by property taxes would be about \$635,000. The Assembly Finance Committee discussed this proposal at its July 25, 2018, meeting.

The City Manager recommends that this ordinance be introduced, referred to the Committee of the Whole on August 20, 2018 to allow for public testimony and set for public hearing at the Special Assembly meeting also on August 20, 2018.

Mr. Watt recommended Ordinance 2018-43 version (b) be introduced, and referred to the Assembly Committee of the Whole meeting on August 20 to allow for public testimony and set for public hearing at the Special Assembly meeting also on August 20.

Mr. Koelsch asked what the difference is between the initial version in the packet and version (b). Mr. Watt explained that at the request of the Assembly Finance Committee, version (b) now includes an additional "Whereas" clause which is the third whereas clause that provides intent language as follows:

"Whereas, if this bond issuance is successful, it is in the intent of the Assembly to supplement the facility needs of the City and Borough by providing a two million dollar grant from sales tax previously allocated to Centennial Hall to the New JACC project that is under development by the non-profit Partnership Board that is affiliated with the Juneau Arts and Humanities Council; and," ...

Mr. Gregory asked how much money has been raised for this project in total, what is the total cost and if the total amount has not been raised and this amount will not fulfill the balance that needs to be funded, where is the balance of that money going to be coming from.

Mr. Watt indicated that since this ordinance is up for introduction, there should not be any discussion of the contents or merits of it until the August 20 meeting. Mayor Koelsch asked Ms. Mead to provide an opinion on that. Ms. Mead explained that is true, that normally an ordinance is simply introduced, referred to committee, or not introduced. She noted that while this meeting is not the time to go into those discussions, Mr. Gregory can ask his questions and ask that the answers be brought back to the meetings on August 20.

Mr. Gregory noted that depending on the answers to those questions, he may not be voting in favor of introduction.

Mayor Koelsch asked for any further questions or objections. Mr. Gregory noted his objection.

Mr. Kiehl commented that in speaking to whether or not to introduce this ordinance, if it is not introduced, only the original plan with the larger dollar amounts would be before the body for consideration at the August 20 meeting.

MOTION by Mr. Kiehl to introduce Ordinance 2018-43(b), referred to the Assembly Committee of the Whole on August 20 and set for public hearing at the Special Assembly meeting, also on August 20.

Objection by Mr. Gregory was noted as previously stated.

Roll Call

Ayes: Becker, Edwardson, Kiehl, Nankervis, and Koelsch

Nays: Gregory, Jones

Motion carried 5:2

B. Scheduling Consideration: Ordinances 2018-39 and 2018-40

Ordinance 2018-39: An Ordinance Increasing the Hotel-Motel Room Tax by Two Percent and Providing for a Ballot Question Ratifying the Increase.

Ordinance 2018-40: An Ordinance Authorizing the Issuance of General Obligation Bonds in the Principal Amount of Not to Exceed \$12,000,000 to Finance Capital Improvements to the Facilities of the City and Borough, and Submitting a Proposition to the Voters at the Election to Be Held Therein on October 2, 2018.

Ordinance 2018-39 regarding an increase in Hotel/Bed Tax and Ordinance 2018-40 regarding bonds for Centennial Hall and the New JACC have been introduced and set for Public Hearing on August 13, 2018. The City Manager recommends that by motion the Assembly forward these Ordinances to the Committee of the Whole on August 20, 2018 and allow public testimony and set them for Public Hearing at the Special Assembly Meeting also on August 20, 2018.

Mr. Watt explained that 2018-39 regarding an increase in the Hotel-Motel bed tax and Ordinance 2018-40 regarding bonds for Centennial Hall and the New JACC were introduced and set for public hearing on August 13. Mr. Watt recommended that by motion, the Assembly forward these ordinance to the Committee of the Whole (COW) on August 20 and allow for public testimony at the COW meeting

and set them for public hearing at the Special Assembly meeting on August 20.

Ms. Gladziszewski joined the meeting at 5:05 p.m.

MOTION by Mr. Edwardson to forward Ordinances 2018-39 and 2018-40 to the Assembly Committee of the Whole on August 20 and allow for public testimony and then set them for public hearing at the Special Assembly meeting also on August 20.

Objection noted by Mr. Gregory who stated that increasing the hotel-motel room tax and increasing the rate of our hotel costs in our community is not advantageous to our community for a project that has yet to prove that it will have a positive financial impact on our community. He said it is unwise use of hotel-motel bed tax funds.

Additional discussion took place as to whether the objection was to both ordinances being introduced and/or scheduled as noted in the motion. Mayor Koelsch ruled that the motion was to take both ordinances as one matter for the purposes of scheduling as specified in Mr. Edwardson's motion.

Roll Call

Ayes: Edwardson, Gladziszewski, Jones, Kiehl, Nankervis, and Koelsch

Nays: Becker, Gregory

Motion carried 6:2

III. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

None.

IV. ADJOURNMENT

There being no further business to come before the Assembly, the meeting was adjourned at 5:10 p.m.

Signed: _____
Elizabeth J. McEwen, Municipal Clerk

Signed: _____
Kendell D. Koelsch, Mayor