

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

Meeting Minutes - April 25, 2018

MEETING NO. 2018-12: The Regular Meeting of the City and Borough of Juneau Assembly, held in the Assembly Chambers of the Municipal Building, was called to order at 7:00 p.m. by Mayor Ken Koelsch.

I. CALL TO ORDER / ROLL CALL

Assembly Present: Mary Becker, Rob Edwardson (teleconference), Norton Gregory, Loren Jones, Jesse Kiehl, Ken Koelsch, Jerry Nankervis (teleconference arrived at 5:45 p.m.), and Beth Weldon.

Assembly Absent: Maria Gladziszewski.

Staff Present: Mila Cosgrove, Deputy City Manager; Laurie Sica, Municipal Clerk; Bob Bartholomew, Finance Director; Elisabeth Jensen, Budget Analyst; Sam Muse, Controller; Lindsey Foster, Parks and Recreation Administrative Officer; Chuck Bill, BRH CEO; Mark Miller, JSD Superintendent; David Means, JSD Administrative Officer.

School Board Members Present: Brian Holst, Jeff Short, Josh Keaton, Steve Whitney.

II. PUBLIC HEARING

- A. Ordinance 2018-10 An Ordinance Establishing the Rate of Levy for Property Taxes for Calendar Year 2018 Based Upon the Proposed Budget for Fiscal Year 2019.

This ordinance establishes the mill rates for property taxes for 2018, which funds a significant portion of the City and Borough of Juneau's FY19 operating budget. The Charter requires the Assembly to adopt, by ordinance, the tax levies necessary to fund the budget before June 15.

The mill levies presented in this ordinance support the City Manager's FY19 Proposed Budget that will be reviewed by the Assembly Finance Committee. As part of the budget review process, the Assembly Finance Committee will review and recommend, to the Assembly, the final mill levies. The final mill levies must be adopted on or before June 15.

For FY19 both the operating and debt service mill rates remain unchanged. This ordinance proposes a total mill levy of 10.66; the components of which are:

<u>Operation Mill Rate by Service Area</u>	Millage
Roaded Service Area	2.30
Fire Service Area	0.36
Areawide	6.70
Operating Total	9.36
Debt Service	1.30
Total	10.66

The City Manager recommends holding the charter required public hearing for this ordinance, followed by referral back to the Assembly Finance Committee for further review.

Public Comment:

None.

Assembly Action:

MOTION, by Gregory, to refer Ordinance 2018-10 to the Finance Committee.
Hearing no objection, the motion passed.

B. Ordinance 2018-11 An Ordinance Appropriating Funds from the Treasury for FY19 City and Borough Operations.

This ordinance appropriates \$340,694,400 for the City and Borough of Juneau's FY19 operating budget, excluding the school district. It is necessary to appropriate all transfers between funds that support operations, debt service and capital projects as well as the associated expenditures within the funds themselves. These transfers account for \$95,402,600 of the FY19 operating budget. During the weekly Finance Committee meetings in April and May we will walk through the components of the budget and the explain changes from the prior year.

The Charter requires that a public hearing be held on the FY19 operating budget by May 1, 2018, and adoption by June 15, 2018.

The City Manager recommends holding the charter required public hearing for this ordinance, followed by referral back to the Assembly Finance Committee for further review.

Public Comment:

None.

Assembly Action:

MOTION, by Weldon, to refer Ordinance 2018-11 to the Finance Committee.

Hearing no objection, the motion passed.

C. Ordinance 2018-12(b) An Ordinance Appropriating Funds from the Treasury for FY19 School District Operations.

This ordinance will appropriate to the school district an FY19 operating budget of \$85,799,900. This is an overall decrease in the budget of \$1.50 million from the FY18 Adopted Budget. The school district's operating budget is:

· General Operations	\$70,161,000
· Special Revenue (pupil transportation, food service, etc)	7,194,500
· Student Activities/Other	<u>8,444,400</u>
Total Budget	\$85,799,900

The FY19 school budget is supported with a combination of funding sources that includes local funding of \$27,789,100. This consists of: \$26,412,600 for general operations, and \$1,376,500 for programs and activities outside of the CAP. These programs and activities include: \$1,181,500 for student activities, \$50,000 for pupil transportation, \$50,000 for food service and \$95,000 for Community Schools. The \$26.4 million in general operations support is an increase of \$0.6 million over FY18 Amended. The other program and activities funding is an increase of \$0.5M over FY18.

State statute requires the Assembly to determine the total amount of local educational funding support to be provided and provide notification of the support to the School Board within 30 days of the school district's budget submission. The district's budget was submitted March 30, 2018. To meet this timing provision, it is necessary for the Assembly to determine the amount of funding and provide notice in the month of April. This amount cannot subsequently be reduced, unless the amount exceeds the state funding CAP, but it can be increased. If the Assembly does not set the amount and furnish the school board with notice within 30 days, the amount requested by the school district is automatically approved. By Charter, the Assembly is required to appropriate the school district's budget no later than May 31, 2018.

At this meeting, the Assembly needs to state, by motion, the amount of local

funding to be provided to the school district.

The City Manager recommends holding the charter required public hearing for this ordinance, followed by a motion to set the amount of local funding to be provided to the school district and then to refer the ordinance back to the Assembly Finance Committee for additional review.

Public Comment:

Kimberly Vaughn, President of Juneau Dip Sticks, spoke about the importance of school and said her focus is the automotive program. She said that the program helps students learn life skills and helps them succeed. UAS offers credit for these college classes taken in high school. She spoke about the ripple effect of success in educating people in a wide range of fields.

John Kurland, urged the Assembly to support the full funding outside of the cap. He no longer has children in the school district but participates on the high school site council and appreciates the support of the Assembly.

Brenda Taylor also works on the high school site council and said she spoke on her own behalf. She asked for the Assembly support for funding outside of the cap and said she appreciates the strong support of the Assembly. The administration and school board are doing everything to make the school the best it can be despite the flat funding from the legislature. She said there are 36 students in one English class and the teacher has reached out to the parents to assist in evaluation, but this is not a permanent solution to the problem. We are encouraging students to take on-line and correspondence classes, but there is a lack of the social benefits that come from the students meeting together to discuss the topics. She said she was wearing "red for ed." She welcomed a school tax or income tax locally or statewide in order to support the schools.

Arnold Liebelt said the Assembly has a difficult situation and he appreciates the lobbying at the state level from the school board and superintendent. One thing we can focus on are electives, particularly auto mechanics, industrial arts, theatre, woodshop, arts. Those classes can't be taken on-line, and if children are not exposed to these skills, children may not know they can excel in these areas. He asked the Assembly to fund the school to the greatest extent possible.

Josh Smith spoke on behalf of his classmates, in particular in support of the auto mechanics classes. Metal, wood and auto shop were helpful in shaping him. He is now working at Waste Management. He likes to work with his hands and fix things and these classes kept him in school and kept his enjoyment level up. If it weren't for his teacher, Steve Squires, he would not have been able to do simple car repair

on his own. Keeping vocational programs alive in the high school can only benefit the state and the local businesses. He asked the Assembly to please help make these programs work financially.

Assembly Action:

MOTION, by Jones, to set the amount of local funding to be provided to the school district at the cap, \$26,412,600.

Ms. Weldon asked to hear from Mr. Bartholomew. Mr. Bartholomew reviewed the current funding picture locally and statewide and explained the Assembly's role in the funding process.

Hearing no objection, the motion passed.

MOTION, by Jones, to refer Ordinance 2018-12 to the Finance Committee.

Hearing no objection, the motion passed.

- D. Resolution 2819(b) A Resolution Adopting the City and Borough Capital Improvement Program for Fiscal Years 2019 Through 2024, and Establishing the Capital Improvement Project Priorities for Fiscal Year 2019.

This resolution would adopt the Capital Improvement Program (CIP) for Fiscal Years 2019 through 2024, as required by Charter Section 9.4, and lists the capital projects that will be initially appropriated by ordinance in FY 2019.

The Public Works and Facilities Committee (PWFC) reviewed the CIP at its meeting on February 26, 2018, and forwarded the plan to the Assembly.

The Assembly Finance Committee (AFC) reviewed the CIP at its meeting on April 11, 2018, and forwarded the plan to the Assembly.

The City Manager recommends holding the charter required public hearing for this resolution, followed by referral back to the Assembly Finance Committee for further review.

Public Comment:

None.

Assembly Action:

MOTION, by Kiehl, to refer Resolution 2819(b) to the Finance Committee.
Hearing no objection, the motion passed.

III. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

None.

IV. ADJOURNMENT

There being no further business to come before the Assembly, the meeting adjourned at 6:00 p.m.

Signed: _____
Laurie Sica, Municipal Clerk

Signed: _____
Kendell D. Koelsch, Mayor