SPECIAL ASSEMBLY MEETING
THE CITY AND BOROUGH OF JUNEAU, ALASKA

December 2, 2017 8:00 AM

Bartlett Regional Hospital Board Room
Meeting 2017-22 Worksession

I. CALL TO ORDER / ROLL CALL

II. AGENDA TOPICS

A. Review and Status Update of 2017 Assembly Goals and Priorities

B. Discussion and Reaffirmation of Existing Goals and Priorities

C. High Level Fiscal Overview

D. High Level Assembly Budget Direction

E. Assembly Discussion of Possible Additions to the 2018 Assembly Goals and Priorities List

F. Assembly Procedures and Protocols

III. ADJOURNMENT

ASSEMBLY AGENDA/MANAGER'S REPORT
THE CITY AND BOROUGH OF JUNEAU, ALASKA

Review and Status Update of 2017 Assembly Goals and Priorities

ATTACHMENTS:

	Description	Upload Date	Type
🗋	Status Report on Goals and Priorities	12/1/2017	Staff Report

Assembly Goals 2017

Assembly Goals set at
December 3, 2016 retreat

Housing - Assure adequate and affordable housing for all CBJ residents

	Implementing Actions	Responsibility	*Status Update - Dec 2, 2017*
1	Increase affordable and workforce housing availability through identifying and implementing strategies from the housing action plan.	Assembly, Manager, Chief Housing Officer, CDD, Lands,	In process - Assembly received update at the November 20, 2017 COW meeting during the update on the Juneau Economic Development Plan.
2	Area Plans: Complete Lemon Creek Area plan, begin Downtown Area plan.	CDD, Planning Commission, Manager, Assembly	In process - Assembly received the draft Lemon Creek Area plan at the November 20, 2017 COW meeting. Initial planning has begun for the Downtown Area Plan.
3	Refine Subdivision Ordinance	CDD, Law, PC, Assembly	Subdivision ordinance was adopted, ongoing revisions required to keep pace with Assembly objectivies.
4	Decide density, zoning, and access to Peterson Hill and promote co-development.	Assembly Housing Committee, Staff, PC, Assembly	The construction bid for the first phase of development was approved by the Assembly at the November 27, 2017 Assembly meeting. Construction will begin as soon as weather allows.
5	Finish disposal of lots in Renninger subdivision.	Lands, Manager	All lots have either been disposed of or approved by the Assembly for disposal. Lands & Resources continues to work to dispose of the remaining lots for housing.

Economic Development - Assure Juneau has a vibrant, diverse local economy

	Implementing Actions	Responsibility	*Status Update - Dec 2, 2017*
6	Solve Current Downtown Parking/Investigate Park and Ride System	Manager, Lands, Engineering/Public Works	Ongoing: Manager has formed an Ad Hoc committee who is moving slowly toward solutions.
7	Implement Juneau Economic Development Plan	Lands, Manager's Office	Ongoing: Staff have been directed to monitor activities of community partners and update the Assembly on a regular basis. Assembly received update at the November 20, 2017 COW.
8	Identify route, permit, bid and construct the extension of North Douglas Highway as far as existing funding allows	Engineering	First phase of construction is complete. Second phase scheduled to be completed by early summer 2018.
9	Continue AJ Mine Review: Review and possibly revise mining ordinance, review and revise as needed draft lease agreement, review and revise as needed unit agreement	Manager, Engineering, CDD, Planning Commission, Assembly	A consultant was hired to review the mining ordinance and provide recommendations to the Mining Subcommitee. The subcommitte met to solidify membership and will now begin review of the consultant's recommendations.
10	Juneau Access: Support the construction of a road north out of Juneau	Assembly	Assembly continues to advocate for Juneau Access through the Governor's office.
11	Next Generation Workforce: Support continued education funding, and child care with an emphasis on kindergarten readiness.	Assembly	Ongoing: Assembly considers specific requests at budget time.
12	Downtown Revitalization Action Strategies including Gastineau Apartments	CDD, Engineering/Public Works, Lands, Planning Commission, Manager, Law, Assembly	Litigation on the Gastineau continues. Assembly funded a downtown coordinator position for DBA, Downtown Area planning has begun, and housing initiatives for the downtown area are underway.
13	Expand Juneau's Position as Research Center	Assembly	Ongoing: JEDC and other community partners continue to work toward expanding Juneau's reputation as a research center of excellence. In addition, the Assembly continues to lobby the US delegation to move exisiting NOAA fisheries research positions from Washington State to the Juneau.
14	Identify future industrial land	Lands Office, CDD	Ongoing

Assembly Goals 2017

Assembly Goals set at
December 3, 2016 retreat

Sustainable Budget and Organization - Assure CBJ is able to deliver services in a cost efficient and effective manner that meets the needs of the community

	Implementing Actions	Responsibility	*Status Update - Dec 2, 2017*
15	Examine both revenues (Tax) and expenditures to assure the CBJ maintains a sustainable budget that meets the community's needs.	Assembly, Manager, all operating departments.	Assembly adopted a sustainably balanced budget for FY16, 17 & 18. In FY17 State budget reductions to debt service payment reimbursement for school bonds, after CBJ budget adoption, required a $2 million draw from available fund balance.
16	Deferred Maintenance/Asset Management long term plan	Manager, Engineering/Public Works, Parks and Recreation, Airport, Docks and Harbors, Eaglecrest	Ongoing: Manager has High Level Asset Management Cabinet in place and developing plan for CBJ. JSD has an active committee. Operating departments are working asset management at the lower level.
17	Upgrade CBJ Technology- online payments, website updates	MIS, Finance, Library, Manager, Assembly	The ability to both file sales tax returns and make payments online should be live by March 31, 2018. Analysis on the broader citizen payment web portal is underway. A solution should be determined by April 30, 2018 and then a work plan & time line can be developed.
18	Communications Plan to Keep the Public Informed	Manager, Assembly	Added 1/2 PIO to staff. Working on consistent/proactive communication on city issues.

Community Wellness/Public Safety - Juneau has a local environment that is safe and welcoming for all citizens

	Implementing Actions	Responsibility	*Status Update - Dec 2, 2017*
19	Partner with non-profits and other government agencies to support efforts to address both homelessness and public inebriate issues in Juneau.	Assembly, Manager, Community partners	Housing First was fully occupied by the end of October. The Homeless Taskforce made several recommendations for action. Grant funding from the MHTA was secured for a homeless & housing coordinator.
20	Partner with non-profits and other government agenices to address Opiod epidemic.	Assembly, Manager, Community partners	Public Safety taskforce is working on this issue.
21	Develop strategies to respond to the impacts of SB91.	Assembly, Manager, Law, JPD, Community Partners	Public Safety Taskforce is working on this issue. Municipal Attorney has been actively involved at the state level to develop revisions to SB91 and is workign with community partners on a misdemeant reeducation program. Asssembly supported SB54.
22	Ensure that Juneau has a functioning local solid waste disposal option into the future.	Engineering and Public Works	Ongoing. Assembly approved $2million of 1% money for the RecycleWorks program and is looking at revisions to the rate structure and expansion of operations with the goal of getting to 25% diversion by 2023.
23	Implement a long term solution for Juneau's bio solids.	Engineering and Public Works	Construction of the biosolids dryer is underway. Anticipated completion is January 2019.
24	Review options for addressing Fireworks Noise	Law, JPD, Manager, Assembly	Complete: Community guidelines around fireworks and the noise oridinace were established and appear to working effectively.

Other

	Implementing Actions	Responsibility	*Status Update - Dec 2, 2017*
25	Complete Eagle Ordinance review and revision	CDD, Law Department, PC, Assembly	Draft ordinance is set to go to the COW.

ASSEMBLY AGENDA/MANAGER'S REPORT
THE CITY AND BOROUGH OF JUNEAU, ALASKA

High Level Fiscal Overview

ATTACHMENTS:

	Description	Upload Date	Type
🗋	Budget Strategy	11/30/2017	Exhibit
🗋	Available Fund Balance	11/30/2017	Exhibit
🗋	Projected Reserve	11/30/2017	Exhibit
🗋	Resolution 2629	11/30/2017	Resolution

City and Borough of Juneau
Manager's Office
Preliminary Plan/Strategy for Preparing the FY19 & 20 CBJ Budgets
December 02, 2017

Overview:
Staff has initiated the process to develop the FY19 & 20 biennial budget. The preliminary objective is to propose a sustainably balanced budget for FY19 & 20, within the current level of tax and service fee revenue. Preliminary revenue projections indicate $1 million in excess of the amount needed to balance a budget status quo to the current year (FY18). This revenue increase is attributable to sales tax revenue being higher and more stable than original projections. The revenue increase will probably not be sustainable into the FY20 budget.

The Manager will have departments prepare budgets at the FY18 levels while gathering information on new needs. Numerous needs are being discussed that could require an increased level of funding. More detail and analysis will be provided in these areas. Guidance from the assembly received by mid-January can be incorporated into budget development.

We ended FY17 with $12 million in the available fund balance. CBJ is in a strong financial position to maneuver as necessary to address potential decreases in state revenue and cost shifting. The overall economy is flattening out and starting to contract some, primarily due to impacts from the shrinking of the state operating and capital budgets.

Recent Budget History:
CBJ was last faced with significant budget shortfalls in 2014 as we were preparing the FY15 & 16 budgets. A 2-year process was initiated immediately by the assembly and staff to raise new sustainable revenues (tobacco tax and changes in exemptions) and reduce the operating budget by over $3 million. Beginning in FY14 federal (Secure Rural Schools program) and state (revenue sharing & one time reduction in school debt reimbursement) government revenues, started to decline. The combination of new revenues, cost reductions and use of available fund balance (FY17) was used to offset the lost revenue and fund new priorities (Housing Coordinator, CDD Compliance & ½ time Communications position & economic development efforts).

By FY17 the full effect of the budget actions were realized and we had sustainably balanced budgets. At that time the near and midterm outlook was for economic contraction, with projected lower tax revenues. A budget education and prioritization exercise was undertaken by CBJ staff last winter to prepare for potential downsizing of local government. New CBJ Budget web pages were created and numerous presentations were held. The education efforts were well received and appreciated while the prioritization efforts received mixed feedback.

The objective of these outreach efforts was to help prepare CBJ make sustainable reductions, if necessary, while continuing to provide a safe and satisfying quality of life for Juneau citizens and visitors. Thankfully significant reductions were not needed to balance the FY17 & 18 budgets.

Current Status:
There will be numerous challenges as we develop the biennial FY19 & 20 budget. We appear to have adequate financial resources to sustain the current budget level. But the public, assembly and staff have all identified areas where additional budget resources may be needed. We need to be cautious as we analyze and discuss the options and factor in the impacts of potential economic contraction.

The Finance Department has completed the initial forecast for the FY19 property and sales tax revenues. The preliminary FY20 forecast should be completed by mid-January. Initially there are one time revenues ($1+ million of sales tax revenue and fund balance) available to fund some increased needs in FY19. To sustain any increases into FY20 could require reprioritization of existing services (e.g. some existing services/programs are reduced to fund higher priorities) or increased revenues or some combination.

To provide a quick picture of CBJ's budget/financial status the following information is provided in the packet:

1. Available fund balance status
2. Budget reserve balance and guidelines

Management has in place a continual process for evaluating the current budget to identify cost savings and adequacy of user fees. The operating departments will begin in January 2018 to develop their FY19 & 20 budgets. Any identified cost reductions and fee increases will be included and flagged for discussion with the assembly and public.

City and Borough of Juneau
General Government Available Fund Balance
as of June 30, 2017 (prepared November 2, 2017)

	General Governmental Funds		Sales Tax Fund		**Total Available**
(Usage)/Contribution of/to Fund Balance during FY17.	(3,052,600)	*	1,682,400	**	**(1,370,200)**
FY17 Available Fund Balance	**7,829,500**		**4,868,600**		**12,698,100**

Note * - The use of GG fund balance was primarily due to the unexpected reduction in state funding for school debt reimbursement after the CBJ Assmebly had adopted the FY17 budget.

Note ** - The contribution to Sales Tax fund balance was the result of actual tax revenues exceeding the budget forecast.

CBJ Restricted Budget Reserve

	General Government
FY17 Budget Reserve (unaudited)	14,810,000
FY18 & 19 Scheduled Contributions	1,450,000
Projected Budget Reserve June 30, 2019	**$ 16,260,000**

Presented by: The Manager
Introduced: 10/08/2012
Drafted by: J.W. Hartle

RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2629

A Resolution Establishing Guidelines for the Amount, Use, and Replenishment of the City and Borough Budget Reserve.

WHEREAS, in 1990, a Mayor's Fiscal Task Force was created to establish a framework for City and Borough management of any significant loss in State revenue; and

WHEREAS, the Mayor's Task Force determined that a budget reserve is appropriate and necessary to ensure adequate resources in the event of an emergency or significant unanticipated reduction in revenues; and

WHEREAS, the 1990 task force recommended that a budget reserve of at least $10 million be maintained; and

WHEREAS, in 2011, a Mayor's Task Force was created to make recommendation on the following three issues:

- Whether the budget reserve should be maintained;
- At what amount the reserve should be maintained; and
- Under what circumstances should the reserve be accessed.

WHEREAS, the 2011 Task Force held public meetings on this issue and reported to the Assembly with a draft resolution and transmittal letter; and

WHEREAS, the Assembly has reviewed the work of the Task Force and reached the following conclusions.

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

Section 1. It is the intent of the Assembly that the amount of the CBJ budget reserve be adjusted on an annual basis based on general governmental revenues from the most recently-audited annual financial statements, using the Government Finance

Officers Association's recommended reserve target of not less than two months (16.7%) of annual operating revenues.

Section 2. It is further the intent of the Assembly that use of the budget reserve be limited to the following circumstances:

- To provide for temporary funding of unforeseen needs of an emergency or nonrecurring nature; or
- To permit orderly budget reductions and/or tax adjustments, for a period not to exceed two fiscal years, when funding sources are lost or substantially reduced.

Section 3. It is further the intent of the Assembly that approval by the Assembly shall be required prior to any use of the reserve.

Section 4. It is further the intent of the Assembly that, in the event the budget reserve falls below the target as determined under Section 1, a plan for replenishment be developed by the City Manager and presented to the Assembly that allows for orderly budget reductions and/or tax adjustments.

Section 5. It is further the intent of the Assembly that reserve replenishment take priority over tax reductions, and accordingly that the Assembly not reduce the mill rate or other tax rates when reserves are below target.

Section 6. Effective Date. This resolution shall be effective immediately upon adoption.

Adopted this 8th day of October, 2012.

Bruce Botelho, Mayor

Attest:

Laurie J. Sica, Clerk