ASSEMBLY FINANCE COMMITTEE AGENDA

July 9, 2025 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. May 14, 2025

2. May 21, 2025

D. AGENDA TOPICS

3. Sales Tax Delinquencies and Legal Actions

4. Dockage Fee Increases

5. Seasonal Sales Tax

6. Biennial Budgeting

7. Information Only: Investment Report

E. NEXT MEETING DATE

8. August 6, 2025

F. SUPPLEMENTAL MATERIALS

9. Seasonal Sales Tax

a. Ordinance 2025-32 – Proposed Amendment by Assemblymember Steininger

b. Ordinance 2025-32 – Proposed Amendment by Assemblymember Kelly

c. Ordinance 2025-32 – Proposed Amendment by Assemblymember Bryson

10. Information Only: Investment Report

G. ADJOURNMENT

ADA accommodations available upon request: Please contact the Clerk's office 36 hours prior to any meeting so arrangements can be made for closed captioning or sign language interpreter services depending on the meeting format. The Clerk's office telephone number is 586-5278, e-mail:

city.clerk@juneau.gov.

ASSEMBLY FINANCE COMMITTEE MINUTES

May 14, 2025, 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 5:30 pm by Chair Woll.

B. ROLL CALL

Committee Members Present: Chair Christine Woll; Mayor Beth Weldon; Paul Kelly; Maureen Hall; Neil Steininger; Ella Adkison; Alicia Hughes-Skandijs; Wade Bryson

Committee Members Present Virtually: Greg Smith

Staff Members Present: Katie Koester, City Manager; Robert Barr, Deputy City Manager; Angie Flick, Finance Director; Adrien Wendel, Budget Manager, Craig Cimmons, Eaglecrest General Manager

Other Members Present: Mike Satre, Eaglecrest Board President

C. EXECUTIVE SESSION

1. Discussion on Collective Bargaining

<u>Motion</u>: by Mayor Weldon to move that the Assembly enter into Executive Session to discuss matters, the immediate knowledge of which could have an adverse effect on city finances, specifically an update on collective bargaining.

Chair Woll stated that she has a conflict with negotiations related to IAFF and will not participate in any part of the discussion that speaks to that agreement.

Motion passed by unanimous consent.

Break for Executive Session

Mayor Weldon stated that the Assembly met in Executive Session and was not able to conclude the business, so Executive Session will be reconvened after the conclusion of the Finance Meeting.

<u>Motion</u>: by Mayor Weldon to reconvene the Executive Session at the conclusion of the Finance Meeting.

Motion passed by unanimous consent.

D. APPROVAL OF MINUTES

2. May 7, 2025

The May 7, 2025 minutes were approved as presented.

E. AGENDA TOPICS

3. Eaglecrest

Angie Flick, Finance Director, presented the memos regarding Eaglecrest's FY26 budget and future financial outlook and funding options on packet pages 2 and 7, as well as the memo from Eaglecrest Board President Mike Satre on packet page 39. Ms. Flick asked if there were questions from the Assembly or Eaglecrest representatives.

Assemblymember Smith asked why the Eaglecrest snowcat replacement is not being funded by the Fleet Replacement Fund. Ms. Flick responded that in order for Eaglecrest to purchase the snowcat from the Fleet Replacement Fund, they would have had to make annual contributions to afford the purchase, which they have not done in previous years.

Mayor Weldon asked the Eaglecrest board members if they're comfortable going into a deficit. Mike Satre, Eaglecrest Board President, responded that before his time, there was a 10-year period where they did have a negative fund balance. They will have another negative fund balance from 2025 due to it being a terrible snow year. They don't like having a negative balance, but it has been a factor due to operating only in the winter season. Beginning in 2023, Eaglecrest has proposed plans to operate on a year-round basis in the future to generate increased revenues from cruise ship traffic, gondola, and other activities. Knowing this plan, they have forewarned the Assembly that gearing up for summer activities will cause a negative fund balance while working to bring summer operations online. Additionally, they needed to address employee hiring and retention issues by increasing the pay scale to be a competitive employer. The Board is hopeful that the Assembly will be able to support them for a few years as they prepare for expansion to year-round activities leading to increased revenues.

Assemblymember Kelly asked if the deficit goes against the Restricted Budget Reserve, the same source of funds that is used in emergency situations, would the deficit be treated as borrowing from the emergency fund? Ms. Flick answered that per Code, when there is a deficit, they are required to set up a reserve. The reserve could be set up using funds from the Restricted Budget Reserve. This would mean that if CBJ had a significant emergency, the city would not be able to tap into the portion of the Restricted Budget Reserve that had been set aside for the deficit reserve.

Chair Woll asked Mr. Satre if there are big capital expenses anticipated over the next five to ten years and how much are they estimated to be. Mr. Satre responded that staff has identified a little under $2,000,000 in additional capital outside of normal planned CIPs in the near future. Their goal is that year-round operations will put them in a better position to be able to fund these capital expenses. If this is not the case, they will have to make adjustments as their facilities continue to age and need replacing. Chair Woll asked what these large expenses are expected to be. Craig Cimmons, Eaglecrest General Manager, responded that Fish Creek Lodge has a roughly $12,000,000 replacement cost from an estimate that is a couple of years old, new lifts for Ptarmigan run $500,000 to $7,000,000 depending on if replacements are used or new. The two mechanics shops both need replacing, which will be approximately $8,000,000-10,000,000 not including the equipment. Mr. Satre added that these replacements will be required in the future to keep the operation running. This was part of the motivation to go to the Assembly and request getting the gondola, the partnership with Goldbelt, to be able to open year-round with the goal of being self-funding.

Assemblymember Hughes-Skandijs asked about work and costs that will be involved with preparing the infrastructure to accommodate the gondola. Mr. Satre responded that at the time the original agreement with Goldbelt was signed, they were all confident that the $10,000,000 in funds from Goldbelt would be sufficient to construct the gondola and some ancillary buildings, as well. Since that time, the environment has shifted and costs have increased dramatically. They will not have new estimates until later this year after the city engineer finalizes the procurement bid for the gondola construction package.

Mayor Weldon asked about the additional $226,000 requested for FY26 mountain maintenance CIP work. Mr. Satre responded that this is part of the roughly $2,000,000 that staff had identified for upcoming maintenance projects. These were the items that were high priority for this fiscal year. Mr. Cimmons said it's mostly catching up on deferred lift maintenance, plus snow making, building maintenance, including for Fish Creek Lodge where they're currently repairing a building that is meant to be replaced. These are high priority items to keep the operation running.

Chair Woll asked if the additional funding request will get the Black Bear lift operational. Mr. Cimmons responded that the CIP allocation of $350,000 in the proposed budget includes sufficient funding to repair Black Bear.

Assemblymember Kelly asked Ms. Flick if the Assembly could move the reserve out of the Restricted Budget Reserve, if at a later point in time they identified an alternate fund source. Ms. Flick responded that if the Body determined today that they want to use the Restricted Budget Reserve to cover the Eaglecrest deficit reserve, it is possible in the future to adjust where the deficit reserve is held.

Assemblymember Smith asked if it would be appropriate to put a reserve against the Capital Projects Fund, or do they need to select specific projects. Ms. Flick responded that all monies in the Capital Fund have been appropriated, and therefore in order to reallocate these funds for other purposes, the Assembly would need to direct staff which projects to deappropriate funds from.

Assemblymember Hughes-Skandijs asked if there a funding number that would allow Eaglecrest to thrive as a winter operation rather than a year-round operation, without consideration of a future gondola. Mr. Satre responded that the Board has tried to address the question of what it takes to properly pay their staff, what their true capital needs are from a deferred maintenance perspective, and what it will take to run winter operations, as well as what it will take to move them to a year-round operation. Mr. Cimmons added that this is a complicated question to answer. Ski areas are dynamic, and the parts are woven together, meaning if one part isn't thriving, it's going to impact other parts. One large aspect of this issue is pay rates, which are not currently competitive, and this impacts institutional knowledge, retention, recruiting, etc. Additionally, after years of Eaglecrest not having the funds to maintain its facilities properly, now they're at a tipping point and faced with much higher expenses than if the maintenance had been done on a timely basis in the past when it was first needed (due to inflation cost increases). Mr. Satre added that they have not run a scenario where it is a winter only facility, December through the beginning of April. Mr. Cimmons added that they have not run a scenario of altering the operational plan by reducing operations from five to three days open per week, which will make hiring and retaining employees more difficult and decrease revenues. They need to determine a dollar amount and then determine how they are going to operate with the resources available.

Chair Woll asked about a long-term projection for how deep this deficit might go before a gondola starts making money for Eaglecrest and whether there are data points to give more confidence about the long-term projections. Ms. Koester responded that there are many data points, chiefly among them the total cost of the gondola project that needs to be informed by what product is actually going to be built. Different pricing models will also impact future estimates. These numbers are not likely to be available for this budget cycle. Chair Woll asked if the pricing is a data point worth looking at in more detail, or should they just accept the best- and worst-case scenarios that are currently available in the Duncan Fund Balance Model (page 42). Ms. Koester responded that she does not have any better data at this time as pricing decisions will involve negotiations with Goldbelt that haven't happened yet.

Mayor Weldon asked if the $930,000 General Fund subsidy is already established in the budget. Ms. Flick responded that the $930,000 General Fund subsidy is included in the Manager's proposed budget, so if the Assembly were to approve the current proposed budget, then that $930,00 would be transferred from the General Fund to the Eaglecrest Fund for operations. Another option is that if it was decided that the funds would come from a loan or a deficit, the $930,000 could be pulled back from supporting Eaglecrest, allowing room in the proposed mill rate or it could be allocated towards other general fund needs.

Assemblymember Hall asked about the two trail worker positions for Eaglecrest and external funding request for Trail Mix for Eaglecrest hiking and biking trails. Is this something that Trail Mix could do? Deputy City Manager Robert Barr responded that it is something that could be explored. The city partners with Trail Mix on other projects. He is not sure if the cost would be less, but it could be considered. Assemblymember Hall asked if Eaglecrest staff had anything to add. Mr. Cimmons responded that the trail worker positions are year-round positions and do work on patrolling, medical support, avalanche work, etc., so they are not just summer positions.

<u>Motion:</u> by Mayor Weldon to accept the Eaglecrest proposed budget with the removal of the General Fund subsidy and reserve $4,217,400 of the Restricted Budget Reserve.

Mayor Weldon commented that she is trusting staff and accepting Eaglecrest budget as proposed, removing the General Fund subsidy because the City has lost Federal funding of approximately $1,000,000 for FY26.

Assemblymember Adkison commented that she is nervous about holding the Restricted Budget Reserve as there is a lot of uncertainty in funding, potential for a recession, and unlike in the past, if there is a funding crisis, it is doubtful that State or Federal support will be forthcoming.

Assemblymember Hughes-Skandijs stated that the numbers are of such a magnitude that she is not comfortable de-appropriating funds and putting the Restricted Budget Reserve at risk and would feel better about using General Funds for matching.

<u>Objection:</u> by Assemblymember Smith for the purpose of asking a question about the calculation for the needed reserve amount in the Mayor's motion.

Ms. Flick responded that the reserve amount is the expected deficit of $3,287,400 plus $930,000 which is the General Fund subsidy which would make $4,217,400.

Assemblymember Smith removed his objection.

<u>Objection:</u> by Assemblymember Bryson, who expressed concerns about continuing to fund an organization that is not self-supporting and is requesting a subsidy that exceeds their estimated revenue by almost $1,000,000.

Assemblymember Hughes-Skandijs commented that the city subsidizes many projects. However, going into a hole year after year is not sustainable in the long term. She expressed concerns about the future trajectory of the deficit and hold on the Restricted Budget Reserve if the Assembly allows Eaglecrest to go into a negative balance tonight.

Assemblymember Steininger said that his main concern with the motion is the removal of the General Fund subsidy from the existing operating budget for a City run and managed recreational facility. Removing General Fund support takes the City's "skin out of the game." The City subsidizes other recreational facilities that are only used by a small proportion of residents. He is supportive of giving Eaglecrest what they need to resolve staffing issues, but he worries about increasing the growing hole just to allow them to exist.

<u>Objection:</u> by Chair Woll who stated that although there may not be a choice tonight but to let the fund balance go negative, she does not support this as a long-term strategy. She would like to look at the options of using loans rather than the city holding money in reserve that cannot be used in the event of an emergency.

<u>Amendment #1:</u> by Assemblymember Adkison to amend the motion to change the reserve source from the Restricted Budget Reserve to the Unrestricted General Fund.

<u>Objection to Amendment #1</u>: by Assemblymember Smith and Kelly.

<u>Roll Call Vote on Amendment #1 to the Motion</u>
Ayes: Adkison, Hughes-Skandijs, Bryson, Steininger
Nays: Smith, Kelly, Hall, Mayor Weldon, Chair Woll

Amendment #1 failed. Four (4) Ayes, Five (5) Nays.

<u>Amendment #2:</u> by Assemblymember Smith to amend the motion to continue providing the General Fund subsidy to Eaglecrest, which would require $3,287,400 to be reserved in the Restricted Budget Reserve.

<u>Objection:</u> by Assemblymember Bryson.

<u>Roll Call Vote on Amendment #2 to the Motion</u>
Ayes: Smith, Steininger, Hall, Adkison, Hughes-Skandijs, Kelly, Chair Woll
Nays: Bryson, Mayor Weldon

Amendment #2 passed. Seven (7) Ayes, Two (2) Nays.

<u>Amendment #3:</u> by Assemblymember Hughes-Skandijs to amend the motion to accept Eaglecrest budget Option 2 on packet page 8 instead of accepting the budget as proposed.

Assemblymember Hughes-Skandijs expressed that although this option still creates a deficit, it offers a better balance with the reduced FTEs.

<u>Objection:</u> by Assemblymember Kelly for purpose of a question. He asked Ms. Flick where Amendment #3 would leave the deficit.

Ms. Flick responded that the amount that would need to be reserved is $2,986,300.

<u>Amendment to Amendment #3:</u> by Mayor Weldon to add back the Revenue Coordinator 0.61 FTE position. If this amendment passes, the amount that would need to be reserved from the Restricted Budget Reserve is $3,045,800.

<u>Objection:</u> by Assemblymember Hughes-Skandijs and Chair Woll, who were in support of the original amendment.

<u>Roll Call Vote on Amendment to Amendment #3</u>
Ayes: Mayor Weldon, Kelly, Steininger, Smith, Hall
Nays: Hughes-Skandijs, Adkison, Bryson, Chair Woll

Amendment to Amendment #3 passed. Five (5) Ayes, Four (4) Nays.

Chair Woll stated that this brings us back to the original amendment which was swapping out Option 1 with Option 2.

<u>Objection:</u> by Assemblymember Smith because removing these positions such as Ski Patrol Supervisor and Equipment Mechanic will hamper operations without making enough of a difference in the dollar amount. Mayor Weldon also objected for this reason.

Chair Woll and Assemblymember Adkison spoke in support of the amendment.

<u>Roll Call Vote on Amendment #3 as Amended</u> <u>*(to approve Option 2 with the 0.61 FTE for the Revenue Coordinator position added back, requiring $3,045,800 to be reserved)*</u>
Ayes: Hughes-Skandijs, Kelly, Adkison, Bryson, Steininger, Chair Woll
Nays: Mayor Weldon, Hall, Smith

Amendment #3, as amended, passed. Six (6) Ayes, Three (3) Nays.

<u>Objection to Original Motion as Amended:</u> by Assemblymember Bryson due to concerns that the subsidy will continue to increase year after year, which isn't sustainable for CBJ.

<u>Roll Call Vote on Original Motion as Amended</u> <u>*(to keep the General Fund subsidy and to accept Eaglecrest Budget Option #2 on packet page 8, with the 0.61 FTE for the Revenue Coordinator position added back in, requiring $3,045,800 to be reserved)*</u>
Ayes: Mayor Weldon, Smith, Kelly, Hall, Adkison, Hughes-Skandijs, Steininger, Chair Woll
Nays: Bryson

The original motion, as amended, passed. Eight (8) Ayes, One (1) Nay.

<u>Motion:</u> by Mayor Weldon to approve Eaglecrest's $226,000 additional capital request for maintenance issues to be funded by the General Fund.

<u>Amendment #1:</u> by Assemblymember Bryson to move the one-time Eaglecrest capital request to the Pending List.

Amendment #1 passed by unanimous consent.

The original motion, as amended, passed by unanimous consent.

Ms. Flick noted that there is another decision to be made regarding Eaglecrest, and that is their increment of $47,000 of expenditure authority for Eaglecrest's 50th anniversary.

Chair Woll commented that no one made that motion, and therefore the request will not proceed.

Motion: by Chair Woll to direct staff to bring back an analysis of what it would take to transition Eaglecrest staff onto the same pay scale as the City.

Motion passed by unanimous consent.

The Committee took a brief at ease.

4. FY26 Budget Risks (Supplemental Materials)

Ms. Koester stated that there are some very real vulnerabilities in the FY26 budget to consider with their decisions on the Pending List. There are several unknown risks including Medicaid funding, recessions, funding decisions the Assembly will still make for community grants, and sales tax and other major revenue collections. There are two holes in the FY26 budget. One is the Secure Rural Schools funding, which is a payment in lieu of taxes for the loss of tax revenue caused by federal land within municipal boundaries. US Congress failed to pass an extension to this funding, resulting in a $500,000 reduction in FY26 budget. The second hole is Community Assistance funding from the State of Alaska. The State Senate Finance Committee has not recapitalized Community Assistance funding. That fund is structured in a way that if the legislature doesn't put funding into it every year, it tiers down over time, resulting in an estimated $624,000 reduction in CBJ's FY26 budget. These two budget risks reduce CBJ's General Fund revenue by approximately $1,000,000 in FY26.

Assemblymember Steininger asked if the $624,000 is the entire Community Assistance funding.

Ms. Wendel responded that CBJ's FY25 Community Assistance payment was $755,000. In February staff received a letter from the State, stating that the FY26 award would be $624,000. That is the amount included in the FY26 budget. The Alaska Municipal League informed staff of an anticipated $700,000 reduction, so staff can only assume if the reduction is from FY25 that CBJ will see close to $0 in the FY26 budget. Ms. Wendel stated that the letter that was distributed to communities in February was prior to the Legislature's action to not recapitalize the fund.

Assemblymember Steininger responded with his understanding of what's going on with Community Assistance Fund. The legislature isn't recapitalizing it, but changing the way the distribution currently works which is a third of the $70,000,000 balance of the fund, so CBJ won't lose the entire distribution, unless the State has provided notice of something different.

Assemblymember Hughes-Skandijs asked about the Secure Rural Schools funding. Today she received seemingly good news from the National Association of Counties, that Secure Rural School funding was being reauthorized through 2027.

Ms. Flick answered that she sees the email Assemblymember Hughes-Skandijs referenced, however, CBJ has only received $27,000 for FY25, so that makes FY26 distributions less hopeful.

Ms. Flick added that staff has just finished looking at investment returns for the first quarter of calendar year 2025, and returns were not as low as expected.

5. Pending List – For Action

CBJ Internal Funding Requests

Chair Woll stated that the intent with the Pending List for action was to address the internal CBJ funding requests first, then Community Grants, in order of the largest ones first.

Ms. Flick referred the Assembly to page 46 of the supplemental packet, which shows the decisions that were made last week.

Pending List Item #5 - Restricted Budget Reserve Contribution

Motion: by Mayor Weldon to approve a $3,300,000 contribution to the Restricted Budget Reserve.

Amendment #1: by Assemblymember Kelly to reduce the $3,300,000 to $1,650,000.

Objection: by Assemblymember Adkison who would prefer to increase the reserve. Assemblymembers Bryson, Smith, and Mayor Weldon objected, as well.

Assemblymember Hughes-Skandijs spoke in support of the amendment to the motion.

Assemblymember Smith asked if it they pass this motion now, and then go through the list, would it be possible to change/reduce the amount later.

The Committee took a brief at ease.

Chair Woll stated that they have been advised by the attorney that once they've made a decision, they cannot go back to that decision later in the evening.

Amendment #2: by Assemblymember Smith to consider the Restricted Budget Reserve contribution at the end of the Pending List.

Objection: by Assemblymember Bryson to Assemblymember Smith's amendment.

Objection: by Chair Woll who suggested suspending the rules rather than moving the Restricted Budget Reserve contribution discussion.

Objection: by Mayor Weldon.

Roll Call Vote on Amendment #2 *(to consider the Restricted Budget Reserve at the end of the Pending List)*
Ayes: Smith, Kelly, Hughes-Skandijs
Nays: Adkison, Hall, Mayor Weldon, Bryson, Steininger, Chair Woll

Amendment #2 failed. Three (3) Ayes, Six (6) Nays.

<u>Roll Call Vote on Amendment #1 (</u>*<u>to reduce the contribution to the Restricted Budget Reserve from $3,300,000 to $1,650,000)</u>*
Ayes: Kelly, Smith, Hughes-Skandijs
Nays: Adkison, Hall, Mayor Weldon, Bryson, Steininger, Chair Woll

Amendment #1 failed. Three (3) Ayes, Six (6) Nays.

Chair Woll stated that this brings them back to the original motion to approve a $3,300,000 contribution to the Restricted Budget Reserve.

<u>Objection to Original Motion:</u> by Assemblymember Hughes-Skandijs because these funds were un-allocated from the City Hall Tenant Improvements budget which will be needed for improvements to the Burns Building. Assemblymember Kelly objected, as well.

Chair Woll spoke in favor of the motion, noting that last year the city needed $2,000,000 to help with the flood, they took it from the Restricted Budget Reserve as that was the only option. Since that time, they have done well with investments. Now there are other challenges including some decisions just made about Eaglecrest, so she is in support of this amount.

<u>Roll Call Vote on Original Motion</u>
Ayes: Mayor Weldon, Smith, Hall, Adkison, Bryson, Steininger, Chair Woll
Nays: Hughes-Skandijs, Kelly

Motion passed. Seven (7) Ayes, Two (2) Nays.

<u>Pending List Item #3 - Tlingit Haida Childcare Tenant Improvements</u>

<u>Motion:</u> by Mayor Weldon to approve $1,000,000 for Tlingit Haida childcare tenant improvements, $500,000 of which would be a grant and $500,000 would be repaid via an increase to the lease rate for the term of the lease.

<u>Objection:</u> by Assemblymember Adkison.

<u>Roll Call Vote on the Motion</u>
Ayes: Mayor Weldon, Smith, Kelly, Hall, Hughes-Skandijs, Bryson, Steininger
Nays: Adkison, Chair Woll

Motion passed. Seven (7) Ayes, Two (2) Nays.

<u>Pending List Item #4 - Dzantik'I Heeni Playground Project Site Preparation</u>

<u>Motion:</u> by Mayor Weldon to keep the Dzantik'I Heeni playground project for $735,000 on the Pending List until a decision is made on a bond ordinance for the School District.

<u>Objection:</u> by Assemblymember Hughes-Skandijs because she's ready to move this project tonight rather than delay it further.

<u>Objection:</u> by Assemblymember Hall because she does not agree with the delay.

<u>Objection:</u> by Assemblymember Kelly for the same reason as Assemblymember Hall and because there are children playing on unsafe playground equipment.

Assemblymember Steininger and Adkison spoke in support of the motion.

<u>Roll Call Vote on Motion</u>
Ayes: Mayor Weldon, Smith, Steininger, Adkison, Bryson
Nays: Hughes-Skandijs, Hall, Kelly, Chair Woll

Motion passed. Five (5) Ayes, Four (4) Nays.

<u>Pending List Item #2 - Streets - Fish Creek Road Eaglecrest Winter Maintenance (Grader Equipment Purchase)</u>

Ms. Koester recommended that a motion to withdraw this increment request be made. When faced with the question of other CIP projects to deappropriate, the Streets Department would like to try to see if the road can be maintained without additional equipment this year. It may mean accelerating the replacement of some of CBJ's other equipment on the fleet replacement schedule. However, that gives staff a year to assess operations and if needed, bring a request back next year.

<u>Motion:</u> by Mayor Weldon to remove the $423,000 for the grader equipment purchase from the Pending List.

Motion passed by unanimous consent.

<u>Additional Pending List Item – Eaglecrest Capital Request</u>

<u>Motion:</u> by Mayor Weldon to approve $226,000 for additional Eaglecrest capital maintenance costs from the General Fund.

Motion passed by unanimous consent.

The Committee took a brief at ease.

External Funding Requests

<u>Pending List Item #12 – JCF - Social Service Grants Increase (Assembly Sponsor: Hall)</u>

<u>Motion:</u> by Assemblymember Hall to approve a recurring $500,000 General Fund increase for the Social Service Grants.

<u>Amendment #1:</u> by Mayor Weldon to make this a one-time increase rather than a recurring one.

<u>Objection:</u> by Assemblymember Kelly.

<u>Roll Call Vote on Amendment #1</u>
Ayes: Mayor Weldon, Adkison, Hughes-Skandijs, Smith, Steininger, Chair Woll
Nays: Kelly, Bryson, Hall

Amendment #1 passed. Six (6) Ayes, Three (3) Nays.

Amendment #2: by Assemblymember Hughes-Skandijs to amend the amount of funding from $500,000 to $250,000.

Objection: by Assemblymember Adkison.

Roll Call Vote on the Amendment #2
Ayes: Hughes-Skandijs, Bryson, Mayor Weldon, Steininger, Hall
Nays: Adkison, Smith, Kelly, Chair Woll

Amendment #2 passed. Five (5) Ayes, Four (4) Nays.

The original motion, as amended, passed by unanimous consent.

Pending List Item #6 - AEYC - Juneau Child Care Apprenticeship Program (Assembly Sponsor: Kelly)

Motion: by Assemblymember Kelly to approve $250,000 of General Funds as one-time funding for AEYC's Juneau Child Care Apprenticeship Program.

Objection: by Mayor Weldon.

Roll Call Vote on Motion
Ayes: Kelly
Nays: Mayor Weldon, Smith, Hall, Adkison, Hughes-Skandijs, Bryson, Steininger, Chair Woll

Motion failed. One (1) Aye, Eight (8) Nays.

Pending List Item #11 - JAHC - Major Grants & Inflationary Increase (Assembly Sponsors: Adkison/Bryson)

Motion: by Assemblymember Bryson to approve $182,263 of General Funds as recurring funding for the Juneau Arts and Humanities Council.

Amendment #1: by Mayor Weldon to make this funding one-time and not recurring.

Objection: by Chair Woll.

Roll Call Vote on Amendment #1
Ayes: Mayor Weldon, Smith, Hall, Hughes-Skandijs, Steininger
Nays: Kelly, Bryson, Adkison, Chair Woll

Amendment #1 passed. Five (5) Ayes, Four (4) Nays.

Amendment #2: by Assemblymember Adkison to reduce the funding amount from $182,263 to $151,000.

Objection: by Mayor Weldon in favor of reducing the amount by more.

<u>Objection:</u> by Assemblymember Hughes-Skandijs.

<u>Roll Call Vote on Amendment #2</u>
Ayes: Adkison, Steininger, Bryson, Chair Woll
Nays: Mayor Weldon, Kelly, Smith, Hughes-Skandijs, Hall

Amendment #2 failed. Four (4) Ayes, Five (5) Nays.

<u>Amendment #3:</u> by Assemblymember Hughes-Skandijs to reduce the one-time amount from $182,263 to $8,080 representing a 4% inflationary increase over the Manager's proposed budget.

<u>Roll Call Vote on Amendment #3</u>
Ayes: Hughes-Skandijs, Mayor Weldon, Smith, Hall, Adkison
Nays: Kelly, Bryson, Steininger, Chair Woll

Amendment #3 passed. Five (5) Ayes, Four (4) Nays.

The Committee took a brief at ease.

The original motion, as amended, passed by unanimous consent.

<u>Pending List Item #15 - Southeast Alaska Food Bank – Strengthening Food Security Through Program Expansion and Collaboration (Assembly Sponsors: Adkison/Bryson)</u>

<u>Motion:</u> by Assemblymember Bryson to approve $150,000 of recurring General Funds for Southeast Alaska Food Bank.

<u>Amendment #1:</u> by Mayor Weldon in favor of reducing the amount from $150,000 to $75,000.

<u>Objection:</u> by Assemblymember Kelly and Chair Woll.

<u>Roll Call Vote on Amendment #1</u>
Ayes: Mayor Weldon, Smith, Steininger, Hall, Hughes-Skandijs, Bryson
Nays: Kelly, Adkison, Chair Woll

Amendment #1 passed. Six (6) Ayes, Three (3) Nays.

<u>Amendment #2:</u> by Mayor Weldon to make $75,000 for Southeast Alaska Food Bank as one-time instead of recurring.

<u>Objection:</u> by Assemblymember Bryson.

<u>Roll Call Vote on Amendment #2</u>
Ayes: Mayor Weldon, Smith, Adkison, Hughes-Skandijs, Steininger
Nays: Bryson, Kelly, Hall, Chair Woll

Amendment #2 passed. Five (5) Ayes, Four (4) Nays.

<u>Objection to Original Motion as Amended:</u> by Assemblymember Hughes-Skandijs.

Roll Call Vote on Original Motion as Amended
Ayes: Bryson, Kelly, Hall, Adkison, Steininger
Nays: Hughes-Skandijs, Smith, Mayor Weldon, Chair Woll

The original motion, as amended, passed. Five (5) Ayes, Four (4) Nays.

Pending List Item #14 - REACH, Inc. - Group Home Heat Pump Installations and 7-Passenger Van Purchase (Assembly Sponsor: Bryson)

Motion: by Assemblymember Bryson to approve $100,000 of General Funds for REACH.

Amendment #1: by Assemblymember Smith to reduce the amount from $100,000 to $50,000 because there are other programs available to provide funds for transportation and vehicles like what is being requested.

Objection: by Assemblymember Hughes-Skandijs.

Assemblymember Smith stated that the program is called the Human Services Transportation Grant and referenced information of them awarding grants from 2023.

Objection: by Assemblymember Hall because she thinks this grant is no longer active and that REACH may be able to seek funding from Heat Smart instead.

Objection: by Assemblymember Kelly for purposes of a question. He asked if there are mechanisms to require how the money is spent and to enforce them.

Mr. Barr responded that there are ways to ensure proper use of funds by using Memorandums of Agreement with grantees with outlined terms and conditions.

Assemblymember Kelly withdrew his objection.

Assemblymember Smith noted that he did a Google search and was able to find information that in FY26, the State has intent to apply for this grant. The page was updated April 30th of this year, so it appears that the grant is still active.

Assemblymember Hall withdrew her objection.

Roll Call Vote on Amendment #1
Ayes: Smith, Mayor Weldon, Hall, Steininger
Nays: Hughes-Skandijs, Adkison, Kelly, Bryson, Chair Woll

Amendment #1 failed. Four (4) Ayes, Five (5) Nays.

Amendment #2: by Assemblymember Smith to add that the grant for the heat pump would only be awarded after REACH has determined the request isn't eligible under Heat Smart funding.

Amendment to Amendment #2: by Assemblymember Steininger to state that the portion associated with the van would only be awarded if it is not eligible for the Human Services Social Services Grant.

<u>Objection to the Amendment to Amendment #2</u>: by Assemblymember Adkison.

<u>Roll Call Vote on Amendment to Amendment #2</u>
Ayes: Steininger, Smith, Hall, Mayor Weldon
Nays: Kelly, Adkison, Hughes-Skandijs, Bryson, Chair Woll

Amendment to Amendment #2 failed. Four (4) Ayes, Five (5) Nays.

<u>Objection to Amendment #2</u>: by Assemblymember Adkison, stating that she does not want to make grant compliance more difficult for nonprofit organizations.

Assemblymember Steininger spoke in support of the amendment as he feels the City should be the funder of last resorts when there are other funds available to meet some of the needs, so it's appropriate to put conditions on grant applicants that they seek other, additional sources of funding.

<u>Roll Call Vote on Amendment #2</u>
Ayes: Smith, Steininger, Hall, Hughes-Skandijs, Kelly, Mayor Weldon
Nays: Adkison, Bryson, Chair Woll

Amendment #2 passed. Six (6) Ayes, Three (3) Nays.

<u>Objection to Original Motion as Amended</u>: by Chair Woll

<u>Roll Call Vote on Original Motion as Amended</u>
Ayes: Bryson, Kelly, Adkison, Mayor Weldon, Hughes-Skandijs, Hall
Nays: Steininger, Smith, Chair Woll

The original motion, as amended, passed. Six (6) Ayes, Three (3) Nays.

<u>Pending List Item #10 - Friends of the Marie Drake Planetarium - Planetarium Upgrade with Auxiliary Portable (Assembly Sponsor: Kelly)</u>

<u>Motion:</u> by Assemblymember Kelly to approve $43,000 of General Funds as one-time funding for the Friends of Marie Drake Planetarium.

<u>Objection:</u> by Assemblymember Adkison for the purpose of a question.

Assemblymember Adkison asked what the purpose of these funds will be.

The Committee took a brief at ease.

Assemblymember Kelly responded that this would be funding for replacing an aging control unit computer in the Marie Drake Planetarium. They would also fund a projector to go into the schools. Some of these costs may be offset with fundraising from other sources.

<u>Amendment #1:</u> by Assemblymember Hughes-Skandijs to increase the amount of one-time funding from $43,000 to the originally requested amount of $78,000.

Amendment #1 passed by unanimous consent.

<u>Objection to Original Motion as Amended:</u> **by Chair Woll.**

<u>Roll Call Vote on Original Motion as Amended</u>
Ayes: Kelly, Adkison, Mayor Weldon, Hughes-Skandijs, Smith, Hall
Nays: Steininger, Bryson, Chair Woll

The original motion, as amended, passed. Six (6) Ayes, Three (3) Nays.

<u>Pending List Item #9 - Downtown Business Association - Family-Friendly Capital City (Assembly Sponsor: Bryson)</u>

<u>Motion:</u> **by Assemblymember Bryson to approve $75,000 of one-time funding from General Funds for the Downtown Business Association.**

Assemblymember Steininger declared a potential conflict of interest, noting that his partner sits on the Downtown Business Association Board. He has spoken to the city attorney and was informed that it's okay for him to participate in the discussion.

<u>Amendment #1:</u> **by Assemblymember Hughes-Skandijs to reduce the one-time funding for the Downtown Business Association from $75,000 to $37,500.**

Assemblymember Smith noted that this amount is close to what they had funded the Downtown Business Association in the past at $40,000, and at this amount, it did not allow for expansion of downtown lighting, so no big Christmas tree downtown, limited promotions for Gallery Walk, etc.

<u>Amendment to Amendment #1:</u> **by Assemblymember Bryson to increase the funding amount to $50,000 from $37,500.**

Amendment to Amendment #1 passed by unanimous consent.

Amendment #1, as amended, passed by unanimous consent.

<u>Objection to Original Motion as Amended:</u> **by Assemblymember Hughes-Skandijs.**

Assemblymember Hughes-Skandijs noted that this is an organization that benefits its own members, and other such organizations, such as the Juneau Chamber, manage to fund themselves with member dues, etc. She stated there comes a point when it becomes incumbent on the organization to figure out how to fund themselves independent of a city grant every year.

<u>Roll Call Vote on Original Motion as Amended</u>
Ayes: Bryson, Kelly, Steininger, Adkison, Mayor Weldon, Smith, Hall
Nays: Hughes-Skandijs, Chair Woll

The original motion, as amended, passed. Seven (7) Ayes, Two (2) Nays.

<u>Pending List Item #16 - Trail Mix, Inc. - Eaglecrest Biking and Hiking Trail Construction and Improvement (Assembly Sponsor: Steininger)</u>

Assemblymember Bryson spoke to declare a conflict as his daughter just started working for Trail Mix, so he recused himself from the discussion.

<u>Motion:</u> by Assemblymember Steininger to approve $54,000 of one-time General Funds for Trail Mix.

<u>Objection:</u> by Mayor Weldon.

Mayor Weldon expressed that she loves Trail Mix and they do a great job, but at some point they're going to have to figure out how to start charging people for using the trails at Eaglecrest.

Assemblymember Steininger responded that regarding the question of charging people to use the trail facilities at Eaglecrest, they are currently not charging because they don't have enough product to charge for. This would allow them to have enough product to be able to start charging. They are looking at how to set up a charging mechanism that would be a low burden to staff for enforcement and collection.

Assemblymember Smith asked if this was the whole cost of the project.

Assemblymember Steininger responded that this is four weeks of construction work as well as materials, so it's the full cost of the work that they can achieve in four weeks. They anticipate getting two trails constructed in that time, depending on conditions and challenges.

Assemblymember Smith asked if Trail Mix intends to work with the Mountain Bike Alliance.

Assemblymember Steininger answered that they do intend to work with Mountain Bike Alliance, as that's where the expertise is on trail design and guidance, and there is a partnership there.

Mayor Weldon withdrew her objection.

<u>Objection:</u> by Assemblymember Hughes-Skandijs due to budgetary pressures.

Assemblymember Hall spoke in support of this project because it will jump start Eaglecrest's ability to generate revenue. If they had to go out and hire trail crew to do this work, it would stall the project.

<u>Roll Call Vote on the Motion</u>
Ayes: Steininger, Smith, Hall, Mayor Weldon,
Nays: Hughes-Skandijs, Kelly, Adkison, Chair Woll

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

<u>Pending List Item #17 - United Way of Southeast Alaska – Working Together to Prepare for and Recover from Disasters (Assembly Sponsor: Hughes-Skandijs)</u>

<u>Motion:</u> by Assemblymember Hughes-Skandijs to approve $40,000 of recurring General Funds for United Way of Southeast Alaska.

<u>Amendment #1:</u> by Assemblymember Smith to change the funding from recurring to one-time.

<u>Objection to Amendment #1:</u> by Assemblymember Adkison.

<u>Roll Call Vote on Amendment #1</u>
Ayes: Smith, Kelly, Hall, Steininger, Chair Woll
Nays: Adkison, Mayor Weldon, Bryson, Hughes-Skandijs

Amendment #1 passed. Five (5) Ayes, Four (4) Nays.

The original motion, as amended, passed by unanimous consent.

<u>Pending List Item #8 - Coastal Alaska Avalanche Center - Juneau's Backcountry Avalanche Forecast (Assembly Sponsor: Smith)</u>

<u>Motion:</u> by Assemblymember Smith to approve $24,000 of one-time General Funds for Coastal Alaska Avalanche Center.

<u>Objection:</u> by Mayor Weldon.

<u>Roll Call Vote on the Motion.</u>
Ayes: Smith, Steininger, Hall, Atkison, Bryson, Kelly
Nays: Mayor Weldon, Hughes-Skandijs, Chair Woll

Motion passed. Six (6) Ayes, Three (3) Nays.

<u>Pending List Item #13 - The League of Women Voters Juneau – Capital Students - Capitol Visits (Assembly Sponsor: Smith)</u>

<u>Motion:</u> by Assemblymember Smith to approve $5,000 of recurring General Funds for the League of Women Voters Juneau.

Assemblymember Smith noted that this program gets every Juneau school system 8th grader to visit the Capitol and the courthouse to see the different branches of the Government. It offers important civics lessons. The program is mostly supported by volunteers. They realized that they need someone to implement and facilitate the program and estimated $10,000 per year for this purpose. They are also willing to fundraise for some of the funds, hence the reduction to $5,000.

<u>Amendment #1:</u> by Assemblymember Adkison to increase the amount to $10,000, the original request amount.

Assemblymember Adkison stated that this is truly an excellent program and felt that $5,000 difference is worth it to support this program.

Assemblymember Kelly stated for the record that his fiancé is on the Board of the League of Women Voters, and he has spoken to the city attorney, who doesn't see a conflict.

Assemblymember Smith stated that the League of Women Voters has informed him that they do not need the extra $5,000 so he opposes the amendment.

Roll Call Vote on Amendment #1
Ayes: Adkison, Kelly, Steininger, Mayor Weldon, Hughes-Skandijs, Chair Woll
Nays: Smith, Bryson, Hall

Amendment #1 passed. Six (6) Ayes, Three (3) Nays.

The original motion, as amended, passed by unanimous consent.

Pending List Item #7 - American Legion Auke Bay Post 25 - Centennial Hall Veteran Event Rental Space (Assembly Sponsor: Adkison)

Motion: by Assemblymember Adkison to move $2,000 of recurring General Funds for the American Legion Auke Bay Post 25 for Centennial Hall veteran event rental space.

Objection: by Assemblymember Smith and Hughes-Skandijs.

Amendment #1: by Assemblymember Kelly to change the amount from recurring to one-time funding.

Objection to Amendment #1: by Assemblymember Adkison.

Roll Call Vote on Amendment #1
Ayes: Kelly, Steininger, Hughes-Skandijs, Smith, Hall
Nays: Adkison, Bryson, Mayor Weldon, Chair Woll

Amendment #1 passed. Five (5) Ayes, Four (4) Nays.

Objection to the Original Motion as Amended: by Assemblymember Hughes-Skandijs.

Roll Call Vote on the Original Motion as Amended
Ayes: Adkison, Mayor Weldon, Kelly, Hall, Steininger
Nays: Hughes-Skandijs, Smith, Bryson, Chair Woll

The original motion, as amended, passed. Five (5) Ayes, Four (4) Nays.

Motion by: Assemblymember Smith to move notice of reconsideration on the vote for the Social Services Grants increase.

Motion passed by unanimous consent.

Chair Woll stated that due to the late time, the remaining topics on the agenda would be addressed at next week's Finance Committee meeting. The Committee would now enter back into Executive Session.

Motion: by Mayor Weldon to move that the Assembly enter into Executive Session to discuss matters, the immediate knowledge of which could have an adverse effect on city finances, specifically an update on collective bargaining.

Motion passed by unanimous consent.

Break for Executive Session.

6. **Set Mill Rates – For Action**

   This agenda topic will be addressed at the May 21, 2025 Assembly Finance Committee meeting.

7. **Final FY26 Budget Decisions**

   a. **CIP Resolution 3090 – forwarded to the full Assembly on May 7, 2025**

   b. **Mill Levy Ordinance 2025-03**

   c. **CBJ Budget Ordinance 2025-01**

   This agenda topic will be addressed at the May 21, 2025 Assembly Finance Committee meeting.

8. **Information Only**

   a. **Fund Balances – updated May 8, 2025**

F. NEXT MEETING DATE

9. **May 21, 2025**

G. SUPPLEMENTAL MATERIALS

10. **May 7, 2025 Minutes**

11. **Eaglecrest Revenue Model & Additional Information**

12. **FY26 Budget Risks**

H. ADJOURNMENT

The Executive Session was adjourned at 10:45 p.m.

ASSEMBLY FINANCE COMMITTEE MINUTES

May 21, 2025, 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 5:33 pm by Chair Woll.

B. ROLL CALL

Committee Members Present: Chair Christine Woll; Mayor Beth Weldon; Greg Smith; Paul Kelly; Maureen Hall; Neil Steininger; Ella Adkison; Alicia Hughes-Skandijs; Wade Bryson

Staff Members Present: Katie Koester, City Manager; Robert Barr, Deputy City Manager; Angie Flick, Finance Director; Adrien Wendel, Budget Manager

Other Members Present: None

C. APPROVAL OF MINUTES

1. May 14, 2025 (Supplemental Material)

The May 14, 2025 minutes were not available for approval during this meeting and will instead be approved at the July 9, 2025 meeting.

D. AGENDA TOPICS

2. Set Mill Rates – For Action

Angie Flick, Finance Director, stated that the packet includes information that various Assemblymembers had requested relating to setting the mill rate. Ms. Flick said that the recurring budget items that the Assembly has added would require a mill rate of 10.44, which would be an increase over the Manager's proposed budget mill rate of 10.19.

Chair Woll requested a breakdown of details leading to a mill rate of 10.44.

Ms. Flick explained that through incremental requests from the Manager's budget, items were added that were not included in the Manager's proposed budget. $130,000 was added for restoring Library funding due to loss of federal grants. Roughly $86,000 was added for supplies and services related to the Communications Division in the Administration Department. $75,000 was added to the School District's additional non-instructional funding request. An additional $71,000 for a junk vehicle contract came in after the Manager's proposed budget was submitted. There was an FTE added to the Law Department for about $66,000. A Park Ranger FTE increased from 0.5 to 1.0 FTE which added approximately $39,000. In the Community Grants process, the League of Women Voters was granted a $10,000 recurring appropriation. These additions are reduced by about $17,500 in net savings due to the City handling the winter maintenance of Fish Creek Road versus paying the Alaska Department of Transportation and Public Facilities to maintain it. These items total roughly $460,000 of increased expenses on a recurring basis, which is equivalent to 0.07 mills.

Additionally, there are potential risks for the loss of expected revenue including $550,000 of Secure Rural Schools funding (0.08 mills) and $624,000 of Community Assistance Program funding (0.1 mills).

Consequently, the City is adding 0.07 mills for expenditures and potentially losing the equivalent of 0.18 mills in revenues. These changes would amount to an increase from the Manager's proposed mill rate of 10.19 to a mill rate of 10.44.

Chair Woll asked if Assemblymembers had questions regarding the mill rate.

Assemblymember Bryson asked what would happen if the City did not increase the mill rate to cover one of the at-risk revenues, such as Secure Rural Schools.

Robert Barr, Deputy City Manager, responded that despite the name, the Secure Rural Schools funding supports the Streets Division's operations, and if that funding does not materialize, the City would request funding from the General Fund to support those operations or face service reductions.

Chair Woll asked what the difference in property taxes paid for a median home value of $515,500 would be between the mill rate 10.04 and a proposed new rate of 10.19.

Ms. Flick responded that for a median home valued at $515,500, at those rates, it would be an increase of approximately $98.50 for the year.

Motion: by Mayor Weldon to set the mill rate at 10.19.

Mayor Weldon spoke to her motion to say that she accepts the Manager's proposal of a 10.19 mill rate. Historically, she has tended to try to lower the proposed rate. However, this year the City is facing additional pressures on the budget over those in prior years.

Mayor Weldon stated that there is an $11,800,000 General Fund balance, the City must address collective bargaining, and is facing possible losses of expected income. However, she stated that the City shouldn't be taxing residents for losses that are not confirmed, so she agrees with the Manager's proposed 10.19 mill rate with the understanding that it may need to be increased next year.

Assemblymember Alicia Hughes-Skandijs stated that a 10.44 mill rate will be necessary to pay for the budget and what was added to it considering the loss of federal funds. She reminded the Committee that they voted to accept increments from the Manager's Office, add recurring costs from Pending List items, and to keep the libraries open every day. With collective bargaining negotiations still pending, she stated that 10.44 is a more conservative rate to ensure coverage of the upcoming changes.

Assemblymember Bryson noted that the Marketplace Facilitator Rule that was recently corrected by ordinance will bring higher revenue from Marketplace Facilitator companies. He noted that the community is unhappy with the City due to reasons including the Local Improvement District (LID) process (for the HESCO barriers for outburst floods), the homelessness situation, and two active ballot initiatives out for signature that if passed, will have a significant impact on the City's ability to balance the budget. He recommends keeping the mill rate at 10.19 because if it is raised, the community will be upset and the ballot initiatives to limit taxes will be more likely to pass.

Objection: by Assemblymember Hughes-Skandijs for the purpose of making an amendment.

<u>Amendment #1:</u> by Assemblymember Hughes-Skandijs to set the mill rate at 10.44.

<u>Objection:</u> by Assemblymember Kelly for purpose of a question.

Assemblymember Kelly asked what amount it would take to make up the difference between mill rates of 10.44 and 10.19.

Ms. Flick answered that the difference would be $1,633,225.

Assemblymember Kelly removed his objection.

<u>Objection:</u> by Assemblymember Smith, citing that a 0.4 increase in the mill rate would represent one of the most significant increases in the past 20 years. He expressed concern that the proposed increase is excessive and suggested that alternative sources of additional revenue should be considered.

<u>Objection:</u> by Mayor Weldon because there is an Assembly goal to keep the cost of living down and a mill rate of 10.44 is counter to this goal.

Assemblymember Steininger spoke in opposition of 10.44 and in favor of the 10.19 mill rate.

<u>Objection:</u> by Assemblymember Kelly to disagree with the increasing the mill rate to 10.44.

Chair Woll asked staff for an update on the two potential revenue sources that may be lost that were brought up at the last meeting.

Ms. Flick responded with updates regarding federal Secure Rural Schools funding and the State Community Assistance Program. She stated that the Secure Rural Schools program has successfully passed an initial stage of the federal approval process, signifying progress; however, numerous subsequent steps remain before final approval can be achieved. Staff has reached out to the State to request an update on the Community Assistance Program, however, at this time, an update has not been received from the State or AML.

The Committee discussed the amendment.

<u>Roll Call Vote on Amendment #1</u>
Ayes: Hughes-Skandijs, Adkison, Chair Woll
Nays: Smith, Kelly, Hall, Mayor Weldon, Bryson, Steininger

Amendment #1 failed. Three (3) Ayes, Six (6) Nays.

<u>Amendment #2:</u> by Assemblymember Bryson to amend the mill rate from 10.19 to 10.24.

<u>Objection:</u> by Assemblymember Kelly who would prefer to set the mill rate at 10.26.

The Committee discussed the amendment.

Assemblymember Kelly removed his objection.

Amendment #2 passed by unanimous consent.

<u>Amendment #3:</u> by Assemblymember Woll to amend the mill rate from 10.24 to 10.26.

<u>Objection:</u> by Mayor Weldon who stated that she prefers the 10.24 rate.

Assemblymember Adkison spoke in support of the amendment.

The Committee discussed the amendment.

<u>Roll Call Vote on Amendment #3</u>
Ayes: Woll, Kelly, Adkison, Chair Hughes-Skandijs
Nays: Mayor Weldon, Smith, Hall, Bryson, Steininger

Amendment #3 failed. Four (4) Ayes, Five (5) Nays.

The original motion, as amended, passed by unanimous consent.

3. **Final FY26 Budget Decisions**

   a) **CIP Resolution - updated May 15, 2025**

<u>Motion:</u> by Mayor Weldon to move the CIP resolution to the full Assembly.

The motion passed by unanimous consent.

   b) **Mill Levy Ordinance 2025-03**

<u>Motion:</u> by Mayor Weldon to move the mill levy ordinance as amended with the mill rate being 10.24 to the full Assembly.

The motion passed by unanimous consent.

   c) **CBJ Budget Ordinance 2025-01**

<u>Motion:</u> by Mayor Weldon to move the CBJ Budget Ordinance 2025-01 to the full Assembly with an amendment.

<u>Amendment:</u> by Mayor Weldon to fund the private docks for the full fiscal year through June 30, 2026.

<u>Objection to the Amendment:</u> by Assemblymember Hughes-Skandijs.

Assemblymember Smith and Chair Woll spoke in favor of the amendment.

<u>Roll Call Vote on Amendment</u>
Ayes: Mayor Weldon, Bryson, Hall, Smith, Steininger
Nays: Hughes-Skandijs, Adkison, Kelly, Chair Woll

Amendment passed. Five (5) Ayes, Four (4) Nays.
The original motion, as amended, passed by unanimous consent.

The Committee recessed at 6:17 pm.
The Committee reconvened at 6:29 pm.

4. Seasonal Sales Tax

Chair Woll requested a brief introduction to the Seasonal Sales Tax proposals by their authors.

Seasonal Sales Tax Discussion Points and Recommendations from Assemblymembers Hughes-Skandijs, Smith and Steininger

Assemblymember Steininger introduced the Hughes-Skandijs-Smith-Steininger Proposal on packet pages 18-19.

Mayor Weldon thanked Assemblymember Steininger and asked if the tax exemption for utilities included refuse disposal/trash collection.

Ms. Flick answered that this exemption would include residential curbside trash pickup, however, it has not been established if this exemption would include tax on refuse brought to the dump.

Assemblymember Bryson asked if the authors had considered what the economic impact would be for Juneau residents who will continue to purchase items, taxed at the higher rate, in the summer season. He stated that he is assuming this proposal would follow the SNAP definition of food items, only removing the sales tax from non-prepared food, and utilities. He noted that this proposal estimated a savings of tax for residents of $800 and asked if the authors had considered residents' additional spending in the summer and how this would impact them.

Assemblymember Smith responded that there is not an analysis that provides this level of detail.

Assemblymember Bryson asked how many businesses in Juneau are not grocery stores or utility providers, and how many businesses will be charging an additional 2.5% tax.

Ms. Flick answered that this information could be obtained, however, it was not available at the time of the meeting.

The Committee continued to discuss the proposal.

Seasonal Sales Tax Recommendation from Assemblymember Kelly

Assemblymember Kelly presented his proposal and recommendation on packet pages 20-21, noting that the percentages for Options 2 and 3 had been transposed with the higher tax rate listed in the fall instead of summer. He clarified that his intention was for the higher sales tax rate to apply during the summer months and the lower rate during the winter.

Assemblymember Bryson asked if the proposal chosen by the Committee would have to go to a community vote.

Ms. Flick answered that a change to the tax amount must go to public election, however, tax exemptions can be adopted by the Assembly via ordinance.

The Committee continued to discuss the proposals.

The Committee took a brief at ease.

Motion: by Mayor Weldon to move to introduce an ordinance following the principles of the Hughes-Skandijs-Smith-Steininger proposal for introduction at the June 9, 2025 regular Assembly meeting, and be referred back to the Assembly Finance Committee on July 9, 2025 for additional work and potential public comment (while keeping the title flexible to ensure Assembly can adjust the rates if required).

The motion passed by unanimous consent.

5. **Information Only:**

   d) **Fund Balances - updated May 15, 2025**
   e) **Pending List with Final Decisions - updated May 15, 2025**

E. NEXT MEETING DATE

6. **July 9, 2025**

F. SUPPLEMENTAL MATERIALS

7. **Private Dock Passenger Fee Funding Clarification Memo**

   This topic was discussed under *Agenda Topic #3 – Final FY26 Budget Decisions c) CBJ Budget Ordinance 2025-01.*

8. **Seasonal Sales Tax Discussion Points and Recommendations from Assemblymembers Hughes-Skandijs, Smith and Steininger**

   This topic was discussed under *Agenda Topic #4 – Seasonal Sales Tax.*

9. **Seasonal Sales Tax Recommendation from Assemblymember Kelly**

   This topic was discussed under *Agenda Topic #4 – Seasonal Sales Tax.*

10. **School Bond Ordinance - Draft**

    Motion: by Mayor Weldon to move a general obligation bond ordinance to the full Assembly with an amendment.

    Amendment: by Mayor Weldon to increase the amount from not to exceed $10,000,000 to not to exceed $10,735,000 for the Dzantik'I Heeni playground.

    The Committee discussed the amendment.

    The amendment passed by unanimous consent.

    The original motion, as amended, passed by unanimous consent.

Assemblymember Smith raised the topic of utility rates and the possibility of using a bond for utilities. He noted that even with a 5% rate increase, an additional investment in utilities of as much as $17,000,000 is required. He stated that the possibility of utility rates being raised by more than 5% for the first year exists. He suggested implementing a higher increase in rates in the first year, to be offset by a general obligation bond.

Assemblymember Adkison stated that she is against raising the first-year rates, and she is in favor of a bond.

Motion: by Assemblymember Smith to direct staff to introduce a general obligation bond ordinance for wastewater and water utilities in the amount of up to $8,000,000.

Objection: by Assemblymember Hughes-Skandijs due to concerns that the utility rates were not raised enough and doubts that there will be voter support for a utility bond in addition to a school bond and a prior year utility bond.

Roll Call Vote on the Motion
Ayes: Smith, Kelly, Hall, Mayor Weldon, Steininger
Nays: Hughes-Skandijs, Adkison, Bryson, Chair Woll

Motion passed. Five (5) Ayes, Four (4) Nays.

G. ADJOURNMENT

The meeting was adjourned at 7:58 p.m.

DATE: June 24, 2025

TO: Chair Woll and Assembly Finance Committee

FROM: Angie Flick, Finance Director

SUBJECT: **Sales Tax Compliance Update**

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

The purpose of this memo is to share some of the progress that has been made on working with vendors to gain compliance with CBJ Sales Tax Codes. During the COVID pandemic, attempts to aggressively pursue delinquent merchants were largely paused, which led to a large backlog of aging delinquencies. Attached is a memo from Mr. Mitchell in the CBJ Law Department outlining several cases. The information in his memo is all public data. In addition to the work with Law, staff have also been working diligently to write off smaller balances to a third-party collections agency. Also attached is a copy of the most recent quarterly sales tax delinquency publication that will appear in the Juneau Empire on June 28, 2025, and is posted on the Finance website.

Over the last several months, a team comprised of Sales Tax Compliance Accountants, CBJ's Revenue Collector, the Revenue Officer, Treasurer and CBJ Law have worked diligently to move cases through various processes. The end goal is the same: to have a merchant be in compliance with CBJ Code as it relates to sales tax. The actions that are pursued vary based on many factors, and each situation has unique circumstances. Even though I work with Treasury and Law and am aware of the cases, I often need a reminder of some of the terms. I've included some of the ones that I felt could be useful to you.

Debtor's Examinations may occur after a judgment has been issued in a case. It is an opportunity for the creditor (us) to learn more about the debtor's property and assets in case the parties are unable to agree to a payment plan or other ways to resolve the judgment debt. Once these assets have been identified, the creditor can then ask the court to move forward with execution procedures, which can involve bank sweeps, wage and PFD garnishments, and the like.

A **Confession of Judgment** (COJ) occurs when the debtor admits to the creditor that they owe a debt and agree on the debt amount (as opposed to conducting a contested civil case, or the creditor seeking a default judgment in a case in which the debtor has been non-responsive). These generally are accompanied by a Stipulation to Postpone Execution, which is an agreement between the parties that the debtor will comply with an agreed upon payment plan, while the creditor agrees not to ask the court to execute on the debtor's assets. Merchants on a COJ are required to remain in compliance with their sales tax account while also making the COJ payments.

CBJ will file civil cases when a business is delinquent in their sales tax and have failed to work out a plan with the Finance Department on how to get caught up (or are completely non-responsive with the Finance Department). These are only filed after repeated attempts at contact and resolution. Sometimes the merchant filed a sales tax report and just failed to remit the sales tax, other times they have failed to do either.

MEMORANDUM

DATE: June 20, 2025

TO: Angie Flick, Director of Finance
Department of Finance

FROM: Clinton Mitchell, Assistant Municipal Attorney

SUBJECT: Delinquent Sales Tax Collection Update

CITY AND BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY

LAW DEPARTMENT
155 Heritage Way
Juneau, AK 99801
Ph: (907) 586-5242
Fax: (907) 586-4567

This memo provides an update on the Finance Department and CBJ Law's ongoing efforts to collect delinquent sales tax from local businesses.

Through regular monthly meetings, we continue to coordinate our efforts to recover outstanding tax debts. The Finance Department maintains a quarterly public listing of businesses that are delinquent in their sales tax obligations. When public notice and direct mail communications from both the Finance Department and Law do not result in compliance, cases are escalated for civil court filings. Repeat offenders who either refuse to respond or fail to engage in communication are also evaluated for potential criminal charges.

Recent Legal Actions
Over the past six months, the Law Department has secured the following Default Judgments:
- *Alaska Resort Condos Inc. DBA Super 8 Hotel* – $741,059.75
- *Juneau Landscape Services LLC* – $39,916.71
- *Gile's Alaska Music One* – $63,988.24

Pending Motions for Default Judgment:
- *Haienadangle LLC DBA Bowl of Pho* – over $130,054.80
- *Golddigger Restaurants* – over $55,072.01

New Civil Complaints Filed:
- *Spice LLC* – $36,124.71
- *Southeast Junk Removal* – $26,610.79
- *Molly Ventures DBA McGivney's Sports Bar & Grill* – $69,488.17
- *Keller Williams the Alaska Group* – $48,020.38
- *Jojo's Roofing* – $47,051.74

Confessions of Judgment Received:
- *Glacier Salt Cave* – $23,848.60
- *Molly Ventures DBA McGivney's Sports Bar & Grill* – $89,119.88
- *Mac Ventures DBA McGivney's Downtown Sports Bar & Grill* – $35,834.74
- *Aurora Projekt* – $56,363.68
- *Glow Up Salon* – $16,959.39
- *BTC USA Holdings DBA Frontier Media LLC* – $162,720.13

Most of these businesses have either begun making regular payments or paid their debts in full via lump-sum settlements.

Additional Enforcement Actions
Debtor's examinations have been conducted for individuals or businesses that have failed to respond to court proceedings or have defaulted on payment plans. These include:
- *Serendipity LLC*
- *Giles Alaska Music One*
- *Law Office of Elizabeth Zeigler*
- *Juneau Landscape Services*
- *Alaska Unlimited Realty*

CBJ has also filed Writs to Execute on 2025 PFDs for the following businesses:
- *Artisan Southeast LLC*
- *Abby's Kitchen LLC*
- *Alaska Unlimited Realty*
- *Serendipity LLC*
- *Your Fence Professional*
- *Salon Dolce*
- *Rainforest Farms*
- *Wee Fishie Shoppe*
- *Totemic Treasures*
- *Skeins Fine Yarns*

Criminal Proceedings
The Criminal Division has filed charges against the owners of *Haienadangle (Bowl of Pho), Nail Bar*, *Alaska Unlimited Realty*, *Glacier Salt Cave*, and *Aurora Projekt*. In several cases, charges have been dismissed after the responsible parties signed Confessions of Judgment and committed to repayment. Failure to file and/or remit sales taxes is a class A misdemeanor.

CBJ continues to refine and improve our enforcement processes to make collections more efficient and effective. These efforts not only support current debt recovery but also strengthen our capacity for future sales tax compliance initiatives.

City and Borough of Juneau
Delinquent Sales Taxes
As of June 28, 2025

The businesses reported in this listing are delinquent in filing and/or remitting sales tax. By law, sales taxes collected by merchants in the normal course of business must be held in trust for the City and Borough.

Failure to remit the sales tax will result in significant financial penalties and interest being charged. The penalty for failure to file is $25. The penalty and interest charged for failure to remit sales tax when due is 5% per month, up to a maximum of 25%, plus interest at 13% per annum. The City and Borough is actively pursuing the collection of the taxes owed. For flagrant violations, merchants can be and have been charged with Class A misdemeanors. Class A misdemeanors are punishable by up to one year in jail and/or a $25,000 fine.

The delinquent merchants listed in this report represent a small minority of the merchants conducting business in the borough. The majority of merchants comply with the filing and remitting requirements. The delinquent tax amount shown in this report represents less than 1% of the City and Borough's annual sales tax collections.

The Sales Tax Office welcomes any information that will assist in enforcement and compliance. Questions should be addressed to the Sales Tax Office at 586-5215 ext. 4901 or Revenue Collections at 586-5215 ext. 4908.

Mandy Judy
Revenue Officer

Active Businesses

BUSINESS NAME	TAX DUE
RELAXATION	$5,679
A LITTLE BAZAAR	$5,328
ALES BAKERY	$5,209
ALASKAN GIFTS	$4,849
JUNEAU RENTAL SPACE LLC	$3,750
SOL TANNING SALON	$3,350
SCORPION EQUITY LLC	$3,344
JUNEAU PHARMACY INC	$3,326
KAPPLER COMPUTER SERVICES INC	$3,188
ANDYS FLOORS AND MORE LLC	$3,002
SEQUENCE BOARD SHOP	$2,977
TIMELESS BUILDERS	$2,434
A & A HANDYMAN SERVICES	$2,419
D & L RENTALS II	$2,409
SENTINEL COFFEE AND TEA	$2,403
MAPLEBEAR INC	$1,675
BLOOM CHILDRENS ART STUDIO	$1,565
ESB INC	$1,473

SARAH ASPER-SMITH		$1,241
GOLD STREET B&B		$1,180
SOGGY PAWS GROOMING		$931
HAIR BY TAGUCHI		$694
CELLCO PARTNERSHIP		$526
PEROV FAMILY PROPERTIES LLC		$488
HAIR TODAY BY APPOINTMENT ONLY LLC		$473
PANHANDLE POWERBOATS LLC		$425
DIMENSIONS		$306
MONAT GLOBAL CORP		$281
LEAH STURGIS JEWELRY ART		$264
ZNP LLC		$209
TRUSTED TATTOO COMPANY		$200
EQUIFAX WORKFORCE SOLUTIONS LLC		$188
BEST WINDOW BLINDS		$160
VIVINT INC		$126
M&G RENTALS LLC		$108
GE GRID SOLUTIONS LLC		$100
	Total	**$66,278**

Collections

The following businesses have been forwarded to the CBJ Law Department for further collection action.

ALASKA RESORT CONDOS INC dba JUNEAU SUPER 8 HOTEL		$568,189
HAIENADANGLE LLC dba BOWL OF PHO		$83,745
NAIL BAR		$76,129
RAINFOREST FARMS LLC		$42,159
MOLLY VENTURES INC dba MCGIVNEYS SPORTS BAR & GRILL		$41,611
LAW OFFICE OF ELIZABETH ZIEGLER		$40,585
GOLDDIGGER FILIPINO RESTAURANT JUNEAU		$36,494
JOJO'S ROOFING		$28,311
SPICE LLC		$23,184
ALASKA UNLIMITED REALTY LLC		$22,038
JUNEAU FOOD TOURS - TASTE ALASKA!		$20,718
SOUTHEAST JUNK REMOVAL		$17,948
SERENDIPITY LLC		$13,163
GLACIER SALT CAVE & SPA		$12,767
BIG JIMS CHARTERS LLC		$7,999
KELLER WILLIAMS, THE ALASKA GROUP		$7,248
JUNEAU LANDSCAPE SERVICES LLC		$7,195
	Total	**$1,049,484**

The following businesses were referred to a third-party collection agency within the last quarter for further collection action.

ISG INC dba JUNEAU'S GREEN MARKET	$18,293
LIKE NEW CLEANING SERVICE	$4,858
GLACIER SALT CAVE & SPA LLC	$4,352
PAMPERED PAWS GROOMING	$3,922
ENERGY WORKS	$3,105
EL SOMBRERO INC	$3,002
START SMART BOOKKEEPING SERVICES LLC	$2,861
GREEN HAMMER SERVICES	$2,002

SEAWEED VENTURES LLC		$1,978
EL CHINGON		$1,966
BOWMAN TAMI PIANO INSTRUCTOR		$1,927
FERA PHOTOGRAPHY		$1,421
NORTHERN TEA HOUSE		$1,270
RICKSHAW REEF		$1,020
PANHANDLE PRODUCE LLC		$980
HIGH TIDE TATTOO		$614
SHARA KAY TATTOO		$516
FROST QUEEN WITH A TOUCH OF HEAT		$490
SOUTHEAST 3D PRINTING		$248
RAVENS CREATIONS		$242
FAMILY TREE		$165
	Total	**$55,233**

JUDGMENTS

The following businesses have failed to comply with their judgment's repayment plan (Confession of Judgment with a Repayment Stipulation). The Revenue Collection Office welcomes any information that will assist in enforcement.

WOOLY MAMMOTH CR CASE		$189,309
MOLLY VENTURES INC dba MCGIVNEYS SPORTS BAR & GRILL		$85,845
RAINFOREST FARMS, LLC & WCC, INC, d.b.a. GREEN LEAF ALASKA		$80,404
ROYAL MAJESTY INC		$72,649
ALASKA UNLIMITED REALTY LLC		$50,595
AURORA PROJEKT		$48,963
SHRI KRISHNA LTD., INC.		$46,695
THANE ORE HOUSE		$44,916
GOLD IN QUARTZ		$36,206
YOUR FENCE PROFESSIONAL		$30,435
GREENEY ENTERPRISES		$15,077
ABBY'S KITCHEN, LLC		$15,044
MAJESTIC GEMS LLC		$9,907
ARTISAN SOUTHEAST LLC		$9,390
SKEINS FINE YARNS		$5,403
SALON DOLCE		$4,110
DISH DASH DELIVERIES LLC		$3,533
LAW OFFICE OF ELIZABETH ZIEGLER		$3,002
TOTEMIC TREASURES		$2,631
	Total	**$754,113**

NONFILERS

The City and Borough of Juneau (CBJ) sales tax ordinance 69.05.070(a) states that every person making sales, rentals, or performing services within the city and borough shall complete a return for the required filing period setting forth the total amount of all sales, rentals, and services, regardless of whether such transactions are taxable or nontaxable.

These merchants have failed to respond to requests to file sales tax returns. Under CBJ sales tax ordinance 69.05.100(a), noncompliance with these requests to file may result in the Revenue Officer making an assessment based on an estimate.

BUSINESS NAME

125 MILL ST LLC
16 LOAVES
4389 TAKU
50 SHADES OF GREY TATTOO & SOCIAL CLUB
6M INC
8TH WONDER FOUNTAIN OF YOUTH SPA
907SANTAKENNEY
A & A HANDYMAN SERVICES
A GLACIER WALK BED & BREAKFAST
A JAMES ART
A LITTLE BAZAAR
A WHOLE LOT OF AWESOME
A WORLD OF WELLNESS LIFESTYLE
A.L. HAY LLC
A1 MAINTENANCE
AARDVARK ISLAND PLOW
AARDVARKS ARMORY
ACCIO CLEANERS
ACUITY SPECIALTY PRODUCTS GROUP INC
ADVENTURE BOUND ALASKA
AGAPE HOUSE LLC
AK REI GROUP LLC
AK REUSE LLC
AK WATER LLC
AKMOBILEAUTOTECH
AKOOKIE CO
AKSALA & CO DISTRIBUTORS LLC
ALASKA BUSH CARPENTERS
ALASKA COOKIE CO
ALASKA DENTAL ARTS LLC
ALASKA DIRECTIONAL LLC
ALASKA DTS LLC
ALASKA FOOD CACHE
ALASKA GRAFIX
ALASKA MAGICK
ALASKA SPORTS TV
ALASKA TATTOO AND ART STUDIO
ALASKA WELLNESS CENTER
ALASKAN BINOCULARS LLC
ALASKAN COASTAL CRUISES

ALASKAN CUSTOM FURNITURE LLC
ALASKAN GIFTS
ALASKAN GROWN 907
ALASKAN LOTUS PHOTOGRAPHY
ALASKAN MER-MADE LINX
ALASKAN VACATION HUB
ALES BAKERY
ALEX'S CHAMPION COACHING & TRAINING
ALL-STAR ADVENTURES
ALL-STAR AUTO LLC
ALPENGLOW LLC
ALPHA GENOMIX LABORATORIES INC
AMIGOS AUTO SALES
AMPLE IT SOLUTIONS LLC
AMPP GLOBAL CENTER INC
ANA WOHLHUETER
ANAYALATION FAB CO
ANDYS FLOORS AND MORE LLC
ANGEL WESTON DISH DASH DRIVER
ANIMAL AUSTINS TREE SERVICE
ANNA LINDGREN THERAPY
APB, LLC, dba THE HOT BITE, THE HUDDLE JUNEAU & ALASKA PROBIOTICS
ARCADIA CUSTOM CARPENTRY
ARTE OPECADO
ASLAN
ASSURANCE WIRELESS USA LP
AT SAXAN
ATTA BOY CONSTRUCTION LLC
ATTENTION 2 DETAIL
AUGUSTO FABIAN, JR
AURORA ESSENCES
AURORA MAINTENANCE SERVICE
AURORA MANAGEMENT GROUP LLC
AWL CHARTERS
AWN TOWER COMPANY LLC
B&P SPORTS WEAR
B&R ALASKA
BACKCOUNTRY RELIEF
BAKER BUILDING
BAYSHORE LANDSCAPING & STONEWORKS
BEADOLLEDUP
BEAST MODE MAFIS
BEAUTIFULLY YOU
BEAUTY BAR
BELARDI & SONS CONSTRUCTION
BELLALUNA LLC
BIG A AUTOMOTIVE
BIG BOSS SEAFOOD BOIL LLC
BIG IRON CULINARY LLC
BIG JIMS CHARTERS LLC
BIRDWINGS FINE CHOCOLATE
BLACK AND WHITE RAVEN COMMUNICATIONS
BLACK MARKET JUJU
BLACK ROBB TATTOOS
BLACK WOLF PHOTOGRAPHY
BLUE BEAR RETREAT LLC
BODY ARTS BY NIKKI

BOWMAN TAMI PIANO INSTRUCTOR
BRATLIE BUSINESS ENTERPRISES
BRENDA TAYLOR CONSULTING
BRIAN SENA
BROWN SUGAR LLC
BUN DADDY
BUTTERFLY CREATIONS
C T CORPORATION SYSTEM
CALAFIA COVE
CAMERON PLUMBING & HEATING SUPPLY LLC
CAMPFIRE KITCHEN LLC
CANDLY F SUA
CAPITAL APPLIANCE REPAIR
CAPITAL CITY AGGRESSIVE RECYCLE AND REMODEL
CAPITAL PREHOSPITAL EDUCATION
CAPITALCITY WINDOWS LLC
CARLOS FOOD TRUCK LLC
CEED ENTERPRISES LLC
CENTER FOR SYSTEMATIC THERAPY & RESEARCH SERVICES
CH2M HILL, INC
CHEROKEE VALLEY CONSTRUCTION
CHEZ ALASKA COOKING SCHOOL LLC
CHICKWEED BOTANICALS
CHILKAT RENTALS LLC
CHILLCAT CLIMATE SOLUTIONS
CHRISTIANSON COMMUNICATIONS, INC
CHRYSTAL NEVIUS
COLDWELL BANKER RACE REALTY - M DURAN PROPERTY MANAGEMENT
COLLECTIVE CHANGE LLC
COLLECTIVE49 LLC
COLLIER WM J DDS
COMMON CENTS BUSINESS SERVICES
CONCEPT CAFE
CONTRACTASAURUS
COOGAN CONSTRUCTION CO
COOL SPOTS TOURISM SERVICES
COPPER SHIELD CONSULTING LLC
CRANOR COUNSELING
CREATIONS FROM A RAVEN'S TALE
CUMMINS PLOWING & GENERAL MAINT
D & L RENTALS II
D & Z NAILS
D&M PRECISION AUTO
DANGGAD
DANIELS TREE SERVICE AND YARD CARE
DAREN OSTLIE
DARLENE JOY LEE
DATA ENTRY COMPANY
DC LLC
DEISHEETAAN DESIGNS
DELGADO JOHN
DELL EQUIPMENT FUNDING LP
DENALI FIRE PROTECTION LLC
DEREK CALLENDER
DESIGN2 LAST INC
DEVELOPMENTAL AND YOGA THERAPY SERVICES
DIRTBAG TATTOO

DISCOVER 24/7
DOUGLAS BNB
DOWNTOWN PAYEE SERVICES
DR SWINTON LLC
DREAM GREEN CLEANING AND LANDSCAPE LLC
DUPONT DOGS
ECI/HYER INC
ECOTRUST
EIGHT ZERO TECHNOLOGIES
EL PEREZOSO
ELEMENTS BODY SYSTEMS
ELEVATE UAS LLC
ELISSA PET PRO
EMBRACE BEAUTY
EMPRESS MENTALITY
ENERGY EFFICIENCY ASSOCIATES
EPIC ADVENTURES AND LOGISTICS
EPICTETUS-AQUILA
EQUIFAX WORKFORCE SOLUTIONS LLC
ERIKA MOSER FAGERSTROM
ESB INC, dba SALON 907
EVERYBODYS TREE SERVICE
EXTANT PERCH, THE
F&S INVESTMENTS
F/V BIG DEAL
F/V CAROL W
F/V DIAL WEST
F/V LADY LOUISE
FABULOUS CLEANING
FAIRWINDS CONSULTING LLC
FAST BREAK CLUB INC
FERA PHOTOGRAPHY
FIDOLO TATTOO CO
FINS AND FUR CONSULTING LLC
FLARE INDUSTRIES LLC
FORAKER GROUP
FOREIGN LOCAL EXPRESS
FREE BIRD DESIGNS
FREEDOM OF EXPRESSION TATTOO
FRESH CLEANING SERVICE
FRINGE & FIREWEED
FRITZ MARINE LLC
FROG HOUSE PRODUCTIONS
FRONTIER PROPERTIES LLC
FRONTIER SERVICES LLC
FROST QUEEN WITH A TOUCH OF HEAT
GABRIEL VASQUEZ
GALAU ENTERPRISES
GATLING SERVICES LLC
GCB SPECIALTY CONTRACTORS
GENE CHILTON SILVER & GOLD
GEORGE CUELLAR
GLACIER GOURMET
GLACIER HAVEN
GLACIER PACK STUDIO
GLACIER SWEETS AND TREATS
GODKINS BLADES & BUCKETS

GOLD CREEK CAFE
GOOD VIBES TATTOO LLC
GO-TO CONSTRUCTION LLC
GRAMMA'S TLC
GREEN CLEANING TEAM, THE
HAIENADANGLE LLC, dba BOWL OF PHO
HAIR BY BROOKE
HAIR BY RHONDA
HALAU HULA O OLILI ULA
HALLUM REPAIR
HANDYMAN BLEVINS
HANDYMAN SERVICE SOUTHEAST
HARBOR WHOLESALE GROCERY INC.
HDM HIDEAWAY
HEADLINES
HIGH TIDE TATTOO
HOLLIS SUPPLY, INC
HONEY CLEAN
HOOD CONSTRUCTION LLC
HOOP RATS BASKETBALL CLUB
HOOPES BBQ
HORSECHIEF SERVICES
HOTH VENTURES
HOUSE O HOGANSON H2O 140
HUMAN RESOURCE CONSULTING
HURLEY DEVELOPMENT LLC
IDEAL OPTION PLLC
IEBIA STYLES
ILIANA'S JANITORIAL SERVICES
INCE RESOLUTIONS
INK MASTER ARLINGTON
INK MASTERS TATTOO SHOW
INKEDCRAZY
INKMASTERS LAREDO
INN THE WILDES
INSIDE PASSAGE OUTFITTERS
INTELLIGENT TRANS SOCIETY OF AK
IVIE PHOTOGRAPHY
JACKSON SERVICES
JARDELL KEVIN
JEANS PROPERTY
JERICHO ENTERPRISES LLC
JESSALYN WARD DESIGNS
JESSICA TREVINO
JESSICA WILLIAMS-KOWALCIK
JMAS LLC
JOHN C WYNNE
JOHN HANLON
JOHN HARLEY CONSULTING
JOHNS MECHANICAL SERVICES
JOJO'S ROOFING
JONATHAN M YAZZIE
JOSTENS CAMPUS PHOTOGRAPHY SE
JOY IN DESIGNS
JUMPP INTEGRATED PEDIATRIC HEALTH CORP
JUNEAU ADVENTURES
JUNEAU AIRBNB LLC

JUNEAU ALASKA COMMUNICATIONS LLC
JUNEAU ASSOCIATES IN RADIATION MEDICINE
JUNEAU CLASSIC TOURS
JUNEAU CLIMBING & RECREATION
JUNEAU DISC GOLF CLUB
JUNEAU FAMILY ACUPUNCTURE
JUNEAU FOOD TOURS - TASTE ALASKA!
JUNEAU HOME ORGANIZERS
JUNEAU I LLC
JUNEAU LIONS CLUB
JUNEAU ROLLERGIRLS INC
JUNEAU SHUTTLE LLC THE
JUNEAU WEAR
JUNEAU YOUTH FOOTBALL LEAGUE
JUNO MIDTOWN SERVICES
JUNO PARTY ANIMALS & SKIN INSPIRATIONS
JUNO PAWN & LOAN
JUNO PAYDAY LOANS LLC
KARHU KUSTOMS LLC
KARHU KUSTOMS LLC
KATAPULT GROUP INC
KAYA MOUNTAIN CONSTRUCTION LLC
KBCAD
KELLY RENTALS
KIMLINGER CUSTOMS LLC
KING ECONOMICS GROUP
KNOOKS N KRANNIES
KRAFTED AK
KRISS CUSTOM AUTO REPAIR
LA HOUTARY PE CONSULTING
LABOR 1
LANDMARK APOSTOLIC CHURCH`
LANDMARK DEVELOPMENT LLC
LAST FRONTIER CABINETS & MILLWORK LLC
LAURALYE MIKO
LAVISH LASHES
LAW OFFICE OF ELIZABETH ZIEGLER
LAW OFFICE OF LEIGH ANN BAUER
LAW OFFICE OF MARCUS L ROGERS
LAYERS OF ALASKA LLC
LC CONSULTING
LEGISLATIVE CONSULTANTS LLC
LEONARD & EDNA SACCHEUS
LFM SERVICES
LIBERTY MOBILE OF PUERTO RICO INC
LICKETY SPLIT LOGISTICS INC
LIGHTHOUSE TUTORING
LIGNUM VITAE, LLC
LIONS DEN ART COLLECTIVE
LITTLE GLASS GARDEN
LIVING ROOM PROJECT, THE
LOBAUGH CONSTRUCTION
LOGAN ROPER
LORENZOS GENERAL CONTRACTOR LLC
LOVE IN EVERY FIBER
LUCILLES ENTERPRISE INC
MAGELLAN SWEET RETREAT LLC

MARCEL CONSTRUCTION
MARIE KATHLEEN PHOTOGRAPHY
MARIS MARINES CLEANER
MARK VECELLIO TATTOO
MC DETAIL
MD CONSTRUCTORS
MEET ME IN ALASKA
MEGHAN LINDQUIST PA-C
MEMORY BOX PHOTOGRAPHY
MIAH LAGER
MILES CONTRACTING LLC
MIXED BREED MEDIA
MOON WELL MAGIC
MORGAN ROPER
MOTHERS MILK UNLIMITED
MOUNTAIN FLOUR
MURPHYS KETTLE KORN
NAIL BAR
NANOOK ENTERPRISE LLC
NATURAL ARTIST ENTERPRIZE
NELSON MERRELL
NEST AK LLC
NEW EARTH FUNGI
NEWSCYCLE SOLUTIONS INC
NIEMI-JEFFERSON PARTNERSHIP
NORTH STAR SAVANNAH
NORTHERN LIGHTS ANTIQUES & TREASURES LLC
NORTHERN SOLSTICE PREPAREDNESS
NORTHKUT PRODUCTIONS
NZM LABS LLC
OBERLE SATTERFIELD UNLIMITED
ODELL CAR AND RIDE SHARE
ONE LLC
OREGON ALASKA BOOKKEEPING SERVICE
ORGANIC ALASKA
OROZCO CONSTRUCTION LLC
OSTREA ENGINEERING
OTAKU WINZ
P. DAVIDSON CONSULTING
PACIFIC PATHWAYS
PANHANDLE COMPUTER SERVICES
PARTYLITE GIFTS, INC.
PATRICK SEARS TATTOOS
PAVITT CONSTRUCTION LLC
PEDICAB CHRIS
PEETZ CONSTRUCTION LLC
PEROV FAMILY PROPERTIES LLC
PIE IN THE SKY
PINOYZ TOYZ
PLAIN JANE'S
PLECOS WORLDWIDE
POISED WANDERER LLC
PRO EX FLOORING LLC
PRONTO TRANSPORTS
PROTEALES MOOD JEWELRY
PUP CUTS
QUEEN FONDA LIMITED LLC

QUICK CLEAN UP
R&M ENGINEERING-KETCHIKAN INC.
R&U CONSULTING
RAIN COUNTRY INC
RAINFOREST CUSTOM LLC
RAINFOREST YOGA
RAINY DAY CRAFTS
RAPID IMPACT CONSULTING SERVICES LLC
RC PLOWING & TRUCKING LLC
REAL ESTATE SERVICES INC
REALD INC
RED STEEL STRUCTURES
REGAL PLANT DESIGNS LLC
RELIABLE COMFORT INSULATION LLP
RESTORATIVE
RICKSHAW REEF, dba JUNEAU PEDICAB
RICKSHAW RUBACHER
RIGHT HAND MARKETING
RIVER BEND RENTAL
RKS CONSTRUCTION
ROADRUNNER FENCE COMPANY INC
ROCK DOG COURIER
ROCKY RIVER STAMPS
RONET MUNOZ
ROOTS AK
RORY TAWK SANG LIAN
ROWDY DOG MEDIA
ROYAL GEMS
RPM QUALITY BUILDERS
RUBY ROUSER
RUNES AND RELICS
RYDER CONSTRUCTION LLC
S & A QUALITY INSULATORS LLC
S & D DESIGNS
S.E. PRO CLEANERS LLC
SAILING ALASKA LTD
SALON ANAHATA
SALON EDGE
SALTY SISTERS DESIGNS
SAVIKKO-FRANCIS
SCHUON SERVICES LLC
SCORPION EQUITY LLC
SCRUB LIFE +
SDI TATTOO, LLC
SEA AND MOUNTAIN MECHANICAL
SEABORN PHOTOGRAPHY
SEAK CARE SOLUTIONS LLC
SEAN PEREZ
SEASIDE BED AND BREAKFAST
SECOND GROWTH HOMES LLC
SENTINEL COFFEE AND TEA
SHAMMYS HOUSEKEEPING
SHARP CHOICES
SHAWN BETHERS MAINTENANCE
SHAWN JAY WELLS
SHREE AMARAPUR INC, dba DIAMONDS R FOREVER
SIETE MARES

SIGMA CONSULTING & ENGINEERING LLC
SILVER LININGS INN
SILVER TIP SEAFOODS
SINGING ROSE LLC
SLEEPY COURT RENTALS
SMALL FRY
SMUGGLERS COVE RETREAT
SOJOURN DESIGNS
SOL TANNING SALON
SORRIL MEDIA
SOUTHEAST 3D PRINTING
SOUTHEAST ABATEMENT
SOUTHEAST ALASKA EXPRESS PEDICAB
SOUTHEAST ALASKA GUIDE SERVICES
SOUTHEAST ALASKA ORGANIZATION FOR ANIMALS
SOUTHEAST ALASKA TONGASS HARLEY OWNERS GROUP
SOUTHEAST EVENTS
SOUTHEAST EXTERIOR WORKS LLC
SOUTHEAST JUNK REMOVAL
SOUTHEAST TREE SERVICES
SOUTHEAST UROLOGY LLC
SPARKLE JUNEAU HOUSEKEEPING
SPRUCE ENTERPRISES LLC
SS MECHANICAL
STAINED CROWN
STEEL KING CONSTRUCTION
STIKINE TRUCKING
STOKED BEEKEEPING CO
STONE PROPERTIES LLC
STREET TACOS
STRUCTURED COMMUNICATION SYSTEMS, INC
STUDIO A
SUMMIT EARTHWORKS LLC
SUMMIT FIRE SYSTEMS LLC
SWEETS AND TREATS BY BEKA
T2 HANDYMAN SERVICES
TAFY DANCE ALASKA LLC
TAKU RIVER SPORTSMENS ASSOC
TANYA HOWARD
TATTOOS BY BATCH
TATTOOS BY GIO
TAYLOR RIDDLE DBA RIDDLE VALLEY GAMES
TESLA LEASE TRUST
TFW CONSTRUCTION
THAIS TAYLOR DESIGNS
THE ALASKA COMMITTEE
THE CUTTING EDGE SALON SPA
THE END ZONE
THE KAT SHACK
THE VIEW SPA LLC
THE V-SPOT
THS LLC
THUNDER STRIKERS CLUB
TIDES MAN
TINNEA & ASSOCIATES LLC
TLC TRACY LOVES CLEANING
TLINGIT AESTHETICS

TNS CLEANING
TOE BEANS LLC, dba JUNEAU NATURAL
TONGASS CRITTER CARE
TONGASS HOLDINGS LLC
TOP GEAR & GIFTS
TRAFALGAR VENTURES LLC
TRANE U.S. INC
TROUBLED RAVEN
TROUTT LAW OFFICE, LLC
TRUE NORTH ART AND TATTOO EXPO
TRUSTED TATTOO COMPANY
TUPOU ENTERPRISES
TURNAGAIN HORTICULTURE COMPANY, dba RAINFOREST FARMS
UNCHARTED BEAUTY AK
UNINU LLC
UNKO J'S
V & R ENTERPRISES LLC
VALLA GALLERY TATTOO
VERIDITAS RISING
VERIZON CONNECT NWF INC.
VICTORY IS MINE LANDSCAPING
VIDEOJET TECHNOLOGIES INC
VIRGINIA'S HAIR SALON
VP GENERAL CONSTRUCTION LLC
WASH ME MOBILE DETAILING
WEATHER PERMITTING ALASKA LLC
WEEKEND WARRIOR
WHALE WATCH ALASKA
WILD ALASKA CRUISES, LLC
WILD ALASKA TREATS
WILD ALASKAN HALIBUT INC
WILD ALASKAN WARES
WILD MELODY JUNEAU
WILD SPRUCE ART WORKS LLC
WILD YUKON FURS INC
WILDFLOWER COURT INC
WILLOW & HAMMER LANDSCAPE & HOME SERVICES
WILLOW & LUNA
WINDFALL FARM
WOOSH KINAADEIYI INC
WORD OF MOUTH SOAP
WORLD CINEMA INC
WREN AND RAVEN BOTANICALS
WW KNITS
WYLDFISH
XPRESS RETAIL LLC
Y CAKES ALASKA LLC
YAAW TEI YI INC
YANCEY NILSEN
YARD CARE PROFESSIONALS
ZEN DOG MEDIA LLC
ZENHEN LLC

DATE: June 18, 2025

TO: Chair Woll and Assembly Finance Committee

FROM: Angie Flick, Finance Director

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

SUBJECT: **Dockage Fee Usage and Restrictions**

The purpose of this memo is to provide the Assembly Finance Committee (AFC) with information related to restrictions, permissions, best practices and methods for enterprise generated revenue, specifically dockage fees.

Definitions

Enterprise Fund – generally enterprise funds are used to segregate financial activities in which the government operates more like a business and are used to record revenues related to providing goods and services to third parties.

General Fund – records the revenue and expenditures not accounted for in another fund and is usually the government's main operating fund. It is used to record revenues related to taxes, fines and assessments, and grants. Typically expenditures related to services that benefit the entire community are recorded in the general fund such as government administration (legislation, management, law, human resources, finance), public safety, maintenance of streets, parks and libraries, etc.

Dockage Fee – the charge assessed to vessels for berthing at the Steamship Wharf, the Cruise ship Terminal, the Intermediate Vessel Float (IVF), the Port Field Office Float (PFO), and the Inside of the Cruise Ship Terminal (ICT). (CBJ Code Title 05 CBJAC 15.030)

"Marine Passenger Fees" or MPF – in common conversation and planning, CBJ often calls the combination of the Marine Passenger Fee and Port Development Fees simply "Marine Passenger Fees" or MPF. In fact, there are three distinct fees that make up MPF as we regularly talk about it.

Marine Passenger Fee - In October 1999, voters approved a $5 per person cruise ship passenger fee. The CBJ began collecting revenues in April 2000. Marine passenger fees can be used for mitigating the impacts of cruise ship passengers on local services and for port related capital projects.

Port Development Fees - The Port Development Fund includes revenues from the $3 per passenger CBJ Port Development Fee and the $5 per passenger State Marine Passenger Fee. By Federal law these funds (both the CBJ and State funds) are use-restricted to the safety and efficiency of the cruise ships and their passengers.

Governmental Accounting Board Standards (GASB) - The organization that establishes accounting and financial reporting standards for U.S. state and local governments that follow Generally Accepted Accounting Principles (GAAP). The GASB standards are recognized as authoritative by state and local governments, state Boards of Accountancy, and the American Institute of CPAs (AICPA).

Restrictions and Permissions

CBJ Charter Section 9.16 – Enterprise Funds

> Revenues from an enterprise, whether established before or after July 1, 1970, shall be first used for debt retirement, construction, acquisition, operation, maintenance, repair, and capital improvement of the enterprise.

Per CBJ Code Title 05 CBJAC 15.020 – Port Fee Policy, part (b):

> *Enterprise fund.* Except as otherwise provided, all fees and charges assessed by the CBJ Docks and Harbors Department shall be deposited into an enterprise fund that is used to finance the port activities of the CBJ Docks and Harbors Department. The enterprise fund is established under the authority of Section 9.16 of the "Home Rule Charter of the City and Borough of Juneau, Alaska" and CBJ Ordinance Title 85.

CBJ Code can be amended by the Assembly, however even without the specific code language, financial standards would dictate that if the fees are for the use of the dock (and not considered a tax or fine) then they would need to be recorded in the enterprise fund.[1] The foundation for this section of code is financially sound from a GASB perspective.

Best practice dictates that enterprise rates or fees are charged for particular services and cover the cost of providing the services. Costs of providing services is broad, but typically include the direct cost of services (labor, supplies, and materials), indirect costs (overhead such as management, full cost recovery, insurances, etc.), depreciation, debt and funding capital or one-time equipment and facility maintenance and replacement.

Specifically in the case of Docks, there are a suite of fees charged by Docks and Harbors intended to fully recover the cost of providing services. Currently, a portion of the MPF collected is utilized to fund dock costs. With the approved increase in dockage fees, this portion of MPF can be redirected in future years.

Utilizing Enterprise Revenue

Unless specifically restricted, the Assembly can transfer funds out of an enterprise fund into another fund, including the general fund. As with all financial decisions, the reasons ought to carry the normal high level of reasonability, defendability, transparency and policy intent that CBJ typically employs when making funding choices.

Specifically, with the dockage fees, it is understood that the docks are an entry way for literally millions of people to access the streets, stores, restaurants, sights, services and treasures that the city has to offer. It would be reasonable to first ensure that the Dock enterprise is fully covering the cost of its operations and future capital infrastructure needs with dockage and other fees; and then consider the greater impact of the people on the city. A transfer, or series of transfers, from the dock fund to other funds to offset the cost of those visitors may be considered by the Assembly and would be appropriate from an accounting standards perspective. This would be similar in nature, although less restrictive, than the transfer of MPF to fund services that meet those fund restrictions.

Summary

The docking fees are positioned squarely in the dock enterprise fund per code and accounting standards. To move the collection of the revenue into the general fund for general use would not be allowable by either the code or accounting standards. However, the use of the funds for a broader use due to the impact of visitors entering the city via the docks can be accomplished through the use of substantiated transfers for specific services. If the desire of the Assembly is to maximize the use of the docking fees in this broader sense, it is recommended that the AFC direct staff to explore and determine appropriate funding opportunities for AFC consideration and direction.

CITY AND BOROUGH OF
JUNEAU
ALASKA'S CAPITAL CITY
COMMUNITY DEVELOPMENT

(907) 586-0715
jill.lawhorne@juneau.gov
www.juneau.org/community-development
155 Heritage Way • Juneau, AK 99801

June 17, 2025

To: Chair Woll, and Finance Committee Members

From: Jill Lawhorne, Director Jill Lawhorne

Through: Katie Koester, City Manager

Subject: Sales Tax Exemption for Construction Materials

In response to the inquiry regarding sales tax exemptions for construction materials.

Under current policy, a Builder Sales Tax Exemption Card is issued with each qualifying building permit. This card is typically provided to the property owner, not the contractor—as contractors generally utilize their own resale certificate issued through the Tax Office.

Key Points:

- The exemption does not apply to maintenance, as maintenance activities do not require a building permit.
- The exemption is not issued for demolition, utility, or grading permits unless those include actual construction (e.g., building a wall).
- An exception was made for GLOF-related demo permits, where cards were issued to support recovery efforts.
- Dump runs and trash removal are not tax-exempt under this policy, as they are not considered part of on-site construction activity.

Tax Exempt Card Use Example: A property owner is rehabbing a dwelling unit. The owner applies for a building permit and is issued a tax-exempt card. The rehab requires building materials, such as sheetrock, countertops, cabinets, paint, flooring, nails—these materials are part and parcel of the dwelling unit and remain—as such, these materials are tax exempt. Other materials, supplies, or equipment that are rented or belong to the contractor and leave the site at the end of the project, these items are not tax exempt.

This practice aligns with Title 69.05.040(5)(b), which limits exemptions to on-site construction services and materials.

Please let me know if further clarification is needed.

Presented by: Manager
Introduced: 6/9/2025
Drafted by: Law Department

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2025-32

An Ordinance Amending the Sales Tax Code of the City and Borough of Juneau.

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

Section 1. Classification. Sections 2 and 3 of this ordinance, if approved by a majority of qualified voters voting on the question in accordance with Sections 4 and 5, shall be of a general and permanent nature and shall become a part of the City and Borough code. Sections 4 and 5 are noncode sections.

Section 2. Amendment of Section. CBJC 69.05.020, Imposition of rate, is amended to read:

69.05.020 Imposition of rate.

(a) There shall be levied and collected a tax equal to the percentage of the selling price on retail sales and rentals made and services performed within the City and Borough as follows:

(1) ~~Within the entire City and Borough: One percent.~~

(2) Within the entire City and Borough:~~, an additional three percent.~~ 2.5% October 1 through March 31 and 6.5% April 1 through September 30.

(3) Effective October 1, 2023, within the entire City and Borough:~~,~~ an additional one percent.

(4) Subsection (a)(3) of this section shall be automatically repealed on September 30, 2028.

***

~~(c) Subsection (a)(2) and this subsection (c) are automatically repealed on July 1, 2027.~~

***

Section 3. Amendment of Section. CBJC 69.05.040, Exemptions, is amended to read:

69.05.040 Exemptions.

***

(43) ~~Reserved.~~ Effective January 1, 2026, essential food and utilities.

(a) As used in this section, "essential food and utilities" means:

(i) Sales of "food" as defined by the Food and Nutrition Act of 2008, 7 USC § 2012(c);

(ii) Sales of electricity by a utility;

(iii) Sales of heating fuel, including wood, wood pellets, and fuel oil;

(iv) Sales of water and wastewater service by the City and Borough of Juneau; and

(v) Sale of curbside refuse and curbside recycling collection.

***

Section 4. Submission of Question to Voters. In accordance with Article IX, Section 9.17, of the Home Rule Charter of the City and Borough of Juneau, the question of whether to amend the rate of sales tax, as laid out in Section 2, shall be submitted to the qualified voters of the City and Borough at the next regular municipal election. Although not required by Charter or Code, the question of whether to add an additional exemption, as laid out in Section 3, shall be submitted to the qualified voters of the City and Borough at the next regular election. The Municipal Clerk shall prepare the ballot proposition as provided by this ordinance and shall perform all necessary steps in accordance with law to place this proposition before the voters.

Section 5. Proposition. The proposition to be submitted to the voters as required by Section 3 shall read substantially as follows:

Explanation

This ballot proposition, if approved, will do two things. First, it will change the current sales tax rates. Second, it will exempt essential food and utilities from sales tax.

This ballot proposition would implement a new permanent sales tax at a rate of 2.5% October 1 through March 31 and 6.5% April 1 through September 30, and repeal the temporary 3% sales tax and permanent 1% sales tax.

Current CBJ Sales Tax	***Proposed CBJ Sales Tax***
-	NEW: October 1- March 31 – 2.5%
-	NEW: April 1- September 30 – 6.5%
Temporary 1%	No change
Permanent 1%	Repealed
Temporary 3%	Repealed

PROPOSITION NO. ___

Authorization to Amend the Sales Tax Code of the City and Borough of Juneau. Shall the City and Borough of Juneau implement a 2.5% sales tax October 1 through March 31 and a 6.5% sales tax April 1 through September 30, exempt essential food and utilities from sales tax, and repeal the permanent sales tax of 1% and temporary sales tax of 3%?

YES [ ]
NO [ ]

Section 6. Effective Dates. The amendments set forth in Sections 2 and 3 of this ordinance shall become effective on January 1, 2026, if the proposition required by Sections 4 and 5 of this ordinance is approved by a majority of the qualified voters of the City and Borough voting on the proposition at the next regular municipal election.

Adopted this _______ day of July 2025.

____
Beth A. Weldon, Mayor

Attest:

____
Breckan L. Hendricks, Municipal Clerk

DATE: June 17, 2025

TO: Chair Woll and Assembly Finance Committee

FROM: Angie Flick, Finance Director

SUBJECT: **Budgeting Process – Biennial or Annual**

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

The purpose of this memo is to frame a conversation about the City and Borough of Juneau budget process such that the Assembly Finance Committee (AFC) can determine if it wishes to practice biennial budgeting or annual budgeting.

Requirements

Both Finance and Law have searched the CBJ Charter and Code for a requirement to do either biennial or annual budgeting. No requirement for either practice has been uncovered. Alaska Statute 29.35.100 states:

> (a) The governing body shall establish the manner for the preparation and submission of the budget and capital program. After a public hearing, the governing body may approve the budget with or without amendments, and shall appropriate the money required for the approved budget.

The CBJ Charter, Section 9.3 calls for public hearings of the budget by May 1. Section 9.7 calls on the Assembly to adopt a budget by June 15.

Biennial Budget Process

A biennial budget process creates a budget plan and provides budget authority for two years. Typically, governments who practice this method perform a minimal, mid-cycle adjustment for the last year of the budget. Practicing a biennial budget by definition increases the risk to planned revenue and expenses and is typically accompanied by a healthy fund balance to address unplanned changes to the budget.

If the AFC adopts a true biennial budget process, there will likely need to be process adjustments, specifically starting the process earlier in the first two-year cycle giving the Assembly, Manager and staff sufficient time to focus on two years. Benefits might include introducing larger picture priorities for the budget, cyclical priority or zero-based budgeting, or other processes that are a large lift to do annually. It could also free up Assembly and staff bandwidth to tackle other significant issues in the second year of the cycle.

Annual Budget Process

An annual budget is generally practiced at CBJ today. Each year, direction is given by the Assembly with respect to the next fiscal year's budget. The Manager and staff prepare, review and present the upcoming year's budget to the Assembly for consideration.

If the AFC adopts a true annual budget process, there are minimal changes required to the process. The Assembly or Manager can still direct cyclical priority or zero-based budget development for all or parts of the CBJ budget as the environment demands. The annual budget brings with it the same risk as is experienced today.

Action

Discuss and determine if the AFC would like to adopt either a biennial budget process or an annual budget process.

Assemblymember Steininger

Amendment____.

2025-32: An Ordinance Amending the Sales Tax Code of the City and Borough of Juneau.

Section 2.
69.05.020 Imposition of rate.

(a) There shall be levied and collected a tax equal to the percentage of the selling price on retail sales and rentals made and services performed within the City and Borough as follows:

(1) ~~Within the entire City and Borough: One percent.~~

(2) Within the entire City and Borough:~~, an additional three percent.~~ ~~2.5%~~ 3% October 1 through March 31 and ~~6.5%~~ 5.5% April 1 through September 30.

(3) Effective October 1, 2023, within the entire City and Borough:~~,~~ an additional one percent.

(4) Subsection (a)(3) of this section shall be automatically repealed on September 30, 2028.

Section 5.

This ballot proposition would implement a new permanent sales tax at a rate of ~~2.5%~~ 3% October 1 through March 31 and ~~6.5%~~ 5.5% April 1 through September 30, and repeal the temporary 3% sales tax and permanent 1% sales tax.

Current CBJ Sales Tax	***Proposed CBJ Sales Tax***
-	NEW: October 1- March 31 – ~~2.5%~~ 3%
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Permanent 1%	Repealed
Temporary 3%	Repealed

PROPOSITION NO. ___

Authorization to Amend the Sales Tax Code of the City and Borough of Juneau. Shall the City and Borough of Juneau implement a ~~2.5%~~ 3% sales tax October 1 through March 31 and a ~~6.5%~~5.5% sales tax April 1 through September 30, exempt essential food ~~and utilities~~ from sales tax, and repeal the permanent sales tax of 1% and temporary sales tax of 3%?

YES [ ]
NO [ ]

Assemblymember Steininger

Amendment___.

2025-32: An Ordinance Amending the Sales Tax Code of the City and Borough of Juneau.

Section 3.
69.05.040 Exemptions.
***

(43) ~~Reserved.~~ Effective January 1, 2026, essential food ~~and utilities.~~

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(i) Sales of "food" as defined by the Food and Nutrition Act of 2008, 7 USC § 2012(c);

~~(ii) Sales of electricity by a utility;~~

~~(iii) Sales of heating fuel, including wood, wood pellets, and fuel oil;~~

~~(iv) Sales of water and wastewater service by the City and Borough of Juneau; and~~

~~(v) Sale of curbside refuse and curbside recycling collection.~~

Assemblymember Kelly

Amendment_____.

2025-32: An Ordinance Amending the Sales Tax Code of the City and Borough of Juneau.

Section 3.
69.05.040 Exemptions.
***

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(i) Sales of "food" as defined by the Food and Nutrition Act of 2008, 7 USC § 2012(c);

(ii) Sales of electricity by a utility;

(iii) Sales of heating fuel, including wood, wood pellets, and fuel oil;

(iv) Sales of water and wastewater service by the City and Borough of Juneau; and

(v) Sale of curbside refuse, ~~and~~ curbside recycling collection, and curbside compost removal.

***

Assemblymember Bryson

Amendment____.

2025-32: An Ordinance Amending the Sales Tax Code of the City and Borough of Juneau.

~~**Section 3. Amendment of Section.** CBJC 69.05.040, Exemptions, is amended to read:~~

~~**69.05.040 Exemptions.**~~
~~***~~

~~(43) Reserved. Effective January 1, 2026, essential food and utilities.~~

~~(a) As used in this section, "essential food and utilities" means:~~

~~(i) Sales of "food" as defined by the Food and Nutrition Act of 2008, 7 USC § 2012(e);~~

~~(ii) Sales of electricity by a utility;~~

~~(iii) Sales of heating fuel, including wood, wood pellets, and fuel oil;~~

~~(iv) Sales of water and wastewater service by the City and Borough of Juneau; and~~

~~(v) Sale of curbside refuse and curbside recycling collection.~~

~~***~~

Section 5. Proposition. The proposition to be submitted to the voters as required by Section 3 shall read substantially as follows:

Explanation

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PROPOSITION NO. ___

Authorization to Amend the Sales Tax Code of the City and Borough of Juneau. Shall the City and Borough of Juneau implement a 2.5% sales tax October 1 through March 31 and a 6.5% sales tax April 1 through September 30, ~~exempt essential food and utilities from sales tax,~~ and repeal the permanent sales tax of 1% and temporary sales tax of 3%?

Treasury Division
Department of Finance
155 Heritage Way
Juneau, AK 99801
(907) 586-5215

To: Assembly Members
From: Ruth Kostik, Treasurer
Date: April 29, 2025
RE: Quarterly Investment Report

In accordance with 57.25.015(8), please find below a report of investment activity for the quarter ending March 31, 2025.

The City & Borough of Juneau investments are comprised of short-term, mid-range, and long-term portfolios. The short-term investments are largely the liquid cash accounts, including a business interest sweep account at First National Bank of Alaska, and funds held in the Alaska Municipal League Investment Pool (AMLIP) Series I accounts. Mid-range investments include funds held in the AMLIP Series II account, and the portfolio managed on the City's behalf by Insight Investments. The long-term investments are holdings at Vanguard primarily related to the Jensen-Olsen Arboretum Endowment and the Library Endowment.

This most recent quarter finished up from last quarter with an overall 1.606% rate of return (ROR) on all short and mid-term investments.

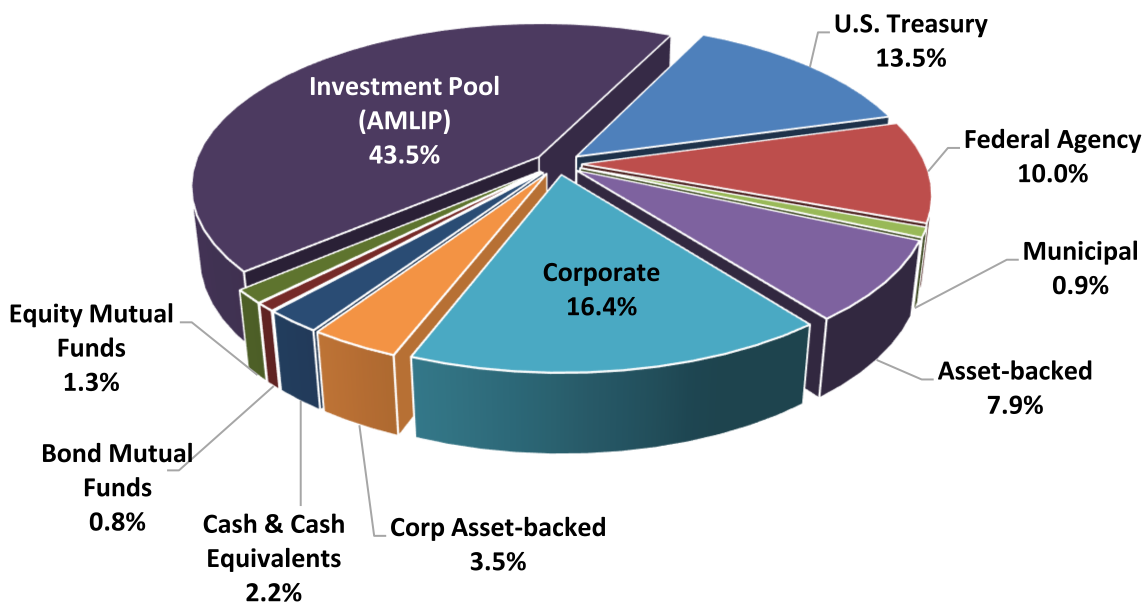
Investment Performance by Quarter
current and three preceding quarters

	Quarter Ended March 31, 2025			Quarter Ended December 31, 2024		
	Total Income	Market Value	ROR	Total Income	Market Value	ROR
Short-Term	$ 1,303,311	$ -	0.901%	$ 1,713,554	$ -	1.194%
Mid-Range	$ 1,750,771	$ 2,865,646	2.062%	$ 1,047,546	$ (1,593,539)	-0.243%
Long-Term	$ 47,141	$ (25,157)	0.276%	$ 59,931	$ (192,024)	-1.634%
TOTAL	**$ 3,101,223**	**$ 2,840,489**	**1.578%**	**$ 2,821,031**	**$ (1,785,563)**	**0.275%**

	Quarter Ended September 30, 2024			Quarter Ended June 30, 2024		
	Total Income	Market Value	ROR	Total Income	Market Value	ROR
Short-Term	$ 1,277,315	$ -	0.446%	$ 1,081,166	$ -	1.107%
Mid Range	$ 1,040,484	$ 5,028,144	2.012%	$ 1,243,654	$ 999,107	1.038%
Long-Term	$ 41,489	$ 407,189	5.875%	$ 50,589	$ 82,086	1.768%
TOTAL	**$ 2,359,287**	**$ 5,435,333**	**1.308%**	**$ 2,375,409**	**$ 1,081,193**	**1.076%**

Treasury Division
Department of Finance
155 Heritage Way
Juneau, AK 99801
(907) 586-5215

Investment Breakdown by Investment Type
As of March 31, 2025
Fair Market Value: $379,282,973



Investment Breakdown by Institution
As of March 31, 2025
Closing Balance: $380,326,285