ASSEMBLY FINANCE COMMITTEE MINUTES

August 6, 2025, at 5:30 PM
Assembly Chambers/Zoom Webinar

CITY AND BOROUGH OF JUNEAU ALASKA'S CAPITAL CITY

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A. CALL TO ORDER

The meeting was called to order at 5:31 pm by Chair Woll.

B. ROLL CALL

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

Committee Members Present Virtually: None

Committee Members Absent: Mayor Beth Weldon

Staff Members Present: Katie Koester, City Manager; Angie Flick, Finance Director; Dallas Hargrave, Human Resources and Risk Management Director; Adrien Wendel, Budget Manager

Other Staff Members Present: Craig Cimmons, Eaglecrest General Manager; Kristy Germain, Operations Director for Juneau School District; Frank Houser, Superintendent of Juneau Schools, Debbie Sorenson, Board of Education President

C. APPROVAL OF MINUTES

1. July 9, 2025

The July 9, 2025 minutes were approved as presented.

D. AGENDA TOPICS

2. Eaglecrest Updates & Position Conversion

Eaglecrest Position Conversion

Finance Director Angie Flick provided a brief overview of the Eaglecrest position conversion.

During the budget process, the Assembly provided a substantial personnel increase for Eaglecrest, and Chair Woll asked Staff to investigate converting Eaglecrest from its own classification and compensation plan to the City's plan. Converting Eaglecrest from its current system will involve integrating Eaglecrest positions into the CBJ pay scale and amending the Personnel Rules. Reasons for making this transition include consistency, clarity of promotional processes, setting candidate and employee expectations for wage rate and merit increases, and efficiencies of scale for Administration, Finance, and Human Resources, etc.

This change would also mean some loss of autonomy for the Eaglecrest Board and General Manager. Currently, the Eaglecrest General Manager has flexibility to place employees in different pay steps, whereas under the new system, the City Manager's approval would be required for such changes. Under the existing arrangement, the Eaglecrest Board has control over pay-rate changes within their financial allocation from the Assembly and this would change.

Additional financial considerations are that this conversion would entitle unrepresented Eaglecrest employees to the approved 3% pay increase at the start of FY27 and 5% at the beginning of FY28 as well as the lump sum payment at the start of FY27. They would receive regular merit pay increases depending on their merit increase schedule per the Personnel Rules. These increases would be cared for through the normal budget process, however, these incremental increases to Eaglecrest's operating budget are worth noting.

As a preliminary aspect of this process, the Eaglecrest management team updated all Eaglecrest position descriptions. Human Resources was then able to initiate work on cross walking Eaglecrest positions, based on responsibilities, complexities, and requirements for a candidate to be successful in each role, from the Eaglecrest pay scale to the CBJ pay scale. This is currently a work in progress.

A side-by-side comparison of Personnel Rules between Eaglecrest and the City is in process, and initial work on this is reflected on packet pages 12-18.

Finance has used this initial data to analyze the cost of moving these positions to the City's pay scale to make a preliminary assessment that these costs could be covered by Eaglecrest's FY26 personnel services allocation.

Should the Committee decide to pursue this transition, a future step will be writing an objective set of conversion rules to move people/positions from the Eaglecrest pay system to the City's pay system so that this process is done fairly and impartially. Once that is done, and it appears that the change is truly affordable, then a final personnel rule modification request would be brought before the appropriate bodies.

Assemblymember Hughes-Skandijs joined the meeting at 6:10 pm.

Assemblymember Kelly asked for clarification that if the Committee takes no action, the status quo is to proceed with the conversion.

Ms. Flick responded that yes, if the Committee takes no action, then Staff will present to the Eaglecrest Board on the following night and continue with the transition unless other direction is provided.

Assemblymember Bryson asked if there is an option to approve the raises without converting Eaglecrest staff onto the CBJ pay scale and Personnel Rules, to allow them increased pay without adding the constraints of being regular government employees in a private sector business.

Human Resources and Risk Management Director Dallas Hargrave responded that the scenario described by Assemblymember Bryson is the typical process as things stand at this time. Each year the Board determines what to do with Eaglecrest pay rates/increases, and once the Board approves, it goes before the Assembly to be considered as part of the budget. Therefore, if this transition moves forward, it would be a system change.

Assemblymember Smith asked how Eaglecrest pay and Personnel Rules changes are currently processed.

Mr. Hargrave answered that there is an ordinance that gives him the authority to implement classification and compensation plan changes. He and his staff are able to assess positions and job duties and reallocate positions throughout the year. The Personnel Rules set the guidelines and are approved by the Assembly, and all changes must be done within the parameters of the Personnel Rules.

Assemblymember Bryson asked if this change would result in Eaglecrest paying employees for times that they were not working due to the mountain being closed.

Ms. Flick answered that this change would not convert part-time employees to full-time, so this situation would not arise as part-time employees are only paid for the time they are actually working.

Assemblymember Smith asked if the costing estimate that was done for FY26 considered the new positions that were approved in the budget process.

Ms. Flick responded that Staff's assessment considered the new positions that were approved, position descriptions were written for them, and that all this data was used in the preliminary valuation of the full cost of the implementation.

Chair Woll asked if there are other empowered Boards with city employees who work under different pay scales.

Mr. Hargrave answered that there are other empowered Boards in the City that are on the MEBA and Unrepresented pay plans. There are other bargaining units that have separate pay plans based on the bargaining units associated with specific departments. Barlett Regional Hospital and the Juneau School District each have elected or enterprise boards with their own pay plans and Personnel Rules.

The Assembly continued to discuss the topic.

Motion: by Assemblymember Kelly to instruct the Eaglecrest Board to continue exploring the conversion to the CBJ classification and compensation plan.

Objection: by Assemblymember Smith.

Assemblymembers Hughes-Skandijs and Adkison spoke in favor of the motion.

Assemblymember Steininger spoke in opposition to the motion because the Eaglecrest Board is meeting the next evening to discuss whether to implement the transition.

Assemblymember Hall spoke in opposition to the motion to allow Eaglecrest to make their own decision.

Assemblymember Kelly withdrew the motion.

Eaglecrest Update:

Eaglecrest General Manager Craig Cimmons thanked the Committee for the funding that Eaglecrest received for FY26. He stated a decision was made to not fix the Black Bear lift this summer, and the money, time, staff, and resources that would have gone to Black Bear were shifted to the Ptarmigan lift. Consequently, two major issues were discovered with Ptarmigan. The first issue being addressed is that the drive shaft is approximately 50% worn. It is a Caterpillar driveshaft that is no longer made, so it is being fabricated. This will take weeks, or possibly months, to complete. The second issue identified is that one of the towers is leaning and requires repair for safety reasons.

Assemblymember Smith asked if Black Bear was going to be shut down temporarily or permanently.

Mr. Cimmons answered that Black Bear is old and out-of-date, its technology is obsolete, and obtaining replacement parts is difficult. If unlimited funds were available to bring Black Bear online, it would be possible. However, there is risk involved in repairing a lift that is so old, and the optimal solution would be to replace both it and Ptarmigan.

Mr. Cimmons provided additional updates on the following Eaglecrest projects:

Safety, Cleanliness and Professionalism Improvements Projects
Emergency Action Plans have been distributed. The Porcupine Lodge outdoor staircase has been removed and replaced to meet code. The Fish Creek Lodge back deck is being rebuilt. The Nest leaks and structural problems are being repaired. Porcupine now offers access to tree skiing. General maintenance projects such as repairs and improvements are being made at the top and bottom terminals of the chair lifts, including repairs/replacements for doors, propane tanks, flooring, walls, windows, doors on lifts now open and close, and the heating system has been improved. The Employee Locker Room has been cleaned up and fixed to improve functionality and appeal. Recycling and scrap piles have been properly disposed of and/or recycled.

Equipment Maintenance Projects
In August and September, a large, collaborative project is being implemented. This involves four different lift mechanic contractors who will be joining forces to work on: two Bullwheel bearings, Ptarmigan low

speed drive shaft installation, and installing, updating, inspecting, and testing the lift tower assemblies. Bike trail maintenance is underway. Every Eaglecrest vehicle and small engine has now been serviced.

Staffing
A new FTE position for an Admin Coordinator has recently been filled and this has immediately made a positive impact, improving the workload for the other people on the leadership team. A new FTE position for Summer Trail Crew has been filled and is getting a great deal of deferred work completed. A new Lift Mechanic recently obtained Level 1 Certification (an 18-day course). Recruitments for several key roles are in progress concurrently with the conversion project. Sixteen interviews have been completed with J1 Candidates. Eaglecrest Staff have noted a considerable energy change and a new culture of teamwork around the ski area, which is a great improvement.

Sales and Community Work
Winter passes and program registration have been launched. Marketing materials have been updated. Eaglecrest Foundation School Group Scholarship fundraising is in process. Four weeks of successful summer camps with 46 participants have taken place. Discover Eaglecrest Day and Eaglecrest Foundation 50th Fundraiser are happening on September 12-13. Retail and rental inventories have been reconciled with the City and the State and inventory ordering continues.

The Committee recessed at 6:26 pm.
The Committee reconvened at 6:33 pm.

3. Dzantik'i Heeni Playground Appropriating Ordinance 2025-01(b)(F)

Chair Woll provided a brief overview, noting that in the FY25 Budget, the Assembly decided to appropriate funds for the design work associated with the Dzantik'i Heeni Playground Capital Improvement Project. The preliminary design work indicated that the cost of the project will be much higher than originally anticipated. The Joint Assembly and Juneau School District Facilities Committee determined funding site preparation work now would be beneficial until funding could be secured for the full project. During the budget process, a motion was made to include it in the bond proposal instead of funding the project out of General Funds. That bond proposal did not proceed to the ballot. Ordinance 2025-01(b)(F) has been drafted to fund the Dzantik'I Heeni Playground site preparation from General Funds for the Committee's consideration.

Assemblymember Kelly noted that previously he was not eligible to participate in discussions about the Dzantik'i Heeni Playground because he had a child at the Montessori School. At this time, with his child moving to a different school next year, on the advice of the Attorney, he is now fully able to participate in discussions about Dzantik'i Heeni Playground.

Assemblymember Smith asked if there is a better way to handle the process in the future when considering projects like this in terms of setting cost parameters to avoid raising expectations that cannot be met.

Katie Koester, City Manager, responded that yes, there are better ways and suggested that setting clear expectations at the onset is crucial as there are multiple ways to approach a design project. These options include designing "to a budget" or "design to use," meaning, design to everything wanted for the project.

The Assembly continued to discuss the topic.

Chair Woll clarified that this project is specifically for the design and construction of ADA improvements at the Dzantik'i Heeni School playground. Project work would include the design and installation of safety surfacing for the pre-K and K-5 play equipment, a concrete ADA sidewalk, and fencing around the playground to create a safer and more accessible facility for children of all abilities. This appropriation does not cover the cost of playground equipment. The Juneau School District will spearhead any fundraising efforts for the playground equipment.

Assemblymember Hall asked if the project takes into consideration swing sets for all age groups.

Ms. Koester responded that it would depend on what types of equipment overall are planned for the playground.

Juneau School District Operations Director Kristy Germain addressed the Committee and referenced Design Option 1 (page 15 of the packet). With a $660,000 project cost and the addition of fencing at about $70,000, this does not include safety surfacing for the K-5 or the Pre-K swing areas.

Assemblymember Steininger asked if $730,000 of General Funds are going to the School District, is this project the highest and best use for these funds to meet the needs of the students or are there other school needs that are a higher priority.

Juneau School Board President Deedie Sorensen stated that the Dzantik'i Heeni School has approximately 300 students, K-8, which is comparable to the number of students at other elementary schools in the district. The other schools all have playgrounds, some of which are huge. Dzantik'i Heeni School does not have a playground. It has a field that turns into mud or ice depending on the weather, so the children must play on the graveled path in front of the building. She stated that having a functional playground is a priority for students' physical and emotional health.

Assemblymember Bryson noted that there are six public parks in the Mendenhall Valley area of Juneau, yet only one public park in the Lemon Creek area, which is the lowest socioeconomic area of town.

<u>Motion:</u> by Assemblymember Smith to move Ordinance 2025-01(b)(F) for introduction at the next Regular Assembly meeting.

The motion passed by unanimous consent.

4. Assembly Goals Progress Update

Chair Woll noted that this is a check-in to determine where the Committee would like to focus their attention for the next few meetings before a new Assembly, priorities, and budget process begins.

Ms. Flick recognized the Assembly for how much progress they have made on some of these items, including addressing the dockage fees, increasing revenues from visitor activity through a seasonal sales tax ballot proposition, and Eaglecrest.

Staff has been compiling data on tax exemptions, tax credits, and foregone revenue, and will begin organizing this information into coherent, actionable summaries.

Assemblymember Smith asked about the timing of changes to property taxes, when they would be enacted and when revenue generated by any changes would be realized.

Ms. Flick answered that property assessment values as of January 1, 2026, will be the basis for mill-rate decisions for FY27. In May and June, the mill rate to be levied against the value established is set for the year. Depending on the changes for exemptions and tax relief, they may not need to be enacted before January 1. It depends on the type of exemption and the change that is being made. These can be addressed as needed and with advisement from the Law Department.

The Committee continued to discuss the topic.

Assemblymember Smith stated that the top two items that he would like to consider are "leaky" revenue and revenue from visitor activity.

Assemblymember Hall requested a list of tax exemptions.

Ms. Flick responded that most of the tax exemptions are written in the code, so a list could be provided. There are additional areas that are not in code that could also be added to the list.

Assemblymember Adkison stated that Ms. Koester had one additional topic to discuss at tonight's meeting that was not on the agenda:

Ms. Koester stated that at the last Human Resources Committee (HRC) meeting there were appointments for the Airport Board, however, at this time, the Airport Board is not fully staffed. The Airport Board is currently making some consequential hiring decisions. There was a conversation that two of the Airport Board members, David Epstein and Jerry Godkin, whose terms expired on June 30, would be willing stay longer to assist with the Board needs. Because they are dedicated public servants, they are willing to do this, however, they were not interested in reapplying to the Board. December is likely the next time there will be additional Airport Board appointments.

Motion: by HRC Chair Adkison to move to extend the terms of David Epstein and Jerry Godkin to the Airport Board until December 2025.

The motion passed by unanimous consent.

E. SUPPLEMENTAL MATERIALS

F. NEXT MEETING DATE

5. September 3, 2025

G. EXECUTIVE SESSION

6. Discussion on Enterprise Financial Reporting

Motion: by Assemblymember Bryson to move the Assembly Finance Committee into Executive Session to discuss enterprise financial reporting, the immediate knowledge of which would adversely affect the finances of the Municipality.

The motion passed by unanimous consent.

G. ADJOURNMENT

The Committee entered Executive Session at 7:08 pm. The Committee adjourned the meeting at 8:25 pm following the conclusion of the Executive Session.