ASSEMBLY FINANCE COMMITTEE MINUTES

September 3, 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; 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; Robert Barr, Deputy City Manager; Angie Flick, Finance Director; Dallas Hargrave, Human Resources and Risk Management Director; Adrien Wendel, Budget Manager; Joe Wanner, Bartlett Regional Hospital Chief Executive Officer; Richard Etheridge, Capital City Fire/Rescue (CCFR) Fire Chief

Others Present: Jennifer Skinner, St. Vincent de Paul (SVdP) Executive Director

C. APPROVAL OF MINUTES

1. August 6, 2025

The August 6, 2025 minutes were approved as presented.

D. AGENDA TOPICS

2. Personnel Rule Changes and Eaglecrest Pay Plan Conversion

Finance Director Angie Flick reviewed that at the previous Assembly Finance Committee meeting, there was a discussion regarding potentially converting Eaglecrest from their own set of Personnel Rules and pay plan into the City's pay plan. Assessments were in process to analyze whether this transition would be feasible under the Eaglecrest financial appropriation approved by the Assembly. The direction at that meeting was to let the Eaglecrest Board consider this option.

At the next Eaglecrest Board meeting, Ms. Flick and Human Resources and Risk Management Director Dallas Hargrave presented the transition options. The Eaglecrest Board activated their Human Resources Committee (HRC) to assess the information. Following a series of meetings, a Special Eaglecrest Board meeting was held on August 26, 2025, and the Eaglecrest Board moved to approve the Personnel Rules changes and the pay plan conversion.

Ms. Flick referenced pages 10 and 11 in the packet which show how positions would move from their current range in the Eaglecrest pay plan to the CBJ pay plan. Page 15 describes the process and series of logical steps that would be required to move Eaglecrest employees to their new ranges in the CBJ pay plan, to match as closely as possible their current pay rate without a reduction to their pay rate.

Scenario 2 recognizes the longevity of Eaglecrest employees. When the initial placement is made, Eaglecrest employees who had a hire date earlier than January 1st, 2013, would be moved up 3 steps. Those who were hired from January 2nd, 2013, to December 13, 2014, would move up 2 steps. The rest would stay at their original level. If, after these rules have been applied, any Eaglecrest employee who will be receiving less than a 3% increase will have one additional step added.

An analysis will be done to ensure that no Eaglecrest employee receives less than a 3% increase, which is essentially equivalent to what MEBA and UNREP employees received through the last contract negotiation.

With these changes and reallocation of positions, it was recognized that less expenditure authority is needed for Eaglecrest than the Assembly appropriated. Packet page 20-21 includes a draft de-appropriation resolution that reduces the Assembly-approved budget authority by $540,348 from Eaglecrest's FY26 budget.

Mr. Hargrave spoke about the Personnel Rule changes for Eaglecrest employees and referenced the memo and table on page 22 of the packet. Most of the changes relate to the Eaglecrest conversion that is under consideration. If Eaglecrest employees move to the CBJ pay plan, then the same rules will apply to them as they apply to CBJ employees. There are additional minor updates to the Personnel Rules. The packet includes a high-level summary of the changes.

<u>Motion:</u> by Assemblymember Smith to forward resolutions 4028 and 4029 to the Assembly.

The motion passed by unanimous consent.

Deputy City Manager Robert Barr thanked Ms. Flick and Mr. Hargrave for their hard work and the collaboration with Mr. Cimmons and the Eaglecrest Board on the Eaglecrest conversion project.

3. Sobering Center Update

Mr. Barr addressed the Committee's request to find an option with Bartlett Regional Hospital (BRH) for a temporary Sobering Center location. There are multiple challenges in this endeavor, and this effort has largely been unsuccessful to this point in time (page 124 of the packet). The City's partner in this project is St. Vincent de Paul (SVdP), and currently, the Sobering Center is operated at their facility on Teal Street.

Mr. Barr mentioned the Community Development Block Grant which is a highly competitive grant project that accepts applications from all municipalities in Alaska except for Anchorage. BRH provided grant writing assistance to St. Vincent de Paul to apply for that grant.

Mr. Barr noted that there are three options to move forward with the Sobering Center project. One is to provide an appropriation of approximately $763,000 which is the current estimated remaining amount for a renovation construction project at St. Vincent de Paul.

Funding options include the General Fund and making a request of the hospital for funding. There is also a $290,000 balance of funds from the opioid settlement, and small payments are expected to come in from this settlement over the next five to ten years.

Another option is to direct the hospital to host the Sobering Center in the building that used to house the Rainforest Recovery Center (RRC) that is partially being used by an orthopedic clinic. The cost estimate for the conversion of this space is approximately $100,000, and the funding options are the same as previously mentioned.

A third option would involve convening a joint meeting with the Bartlett Hospital Board to discuss this topic and options.

Bartlett Regional Hospital Chief Executive Officer Joe Wanner stated that BRH is the only five star designated hospital in the State of Alaska. There are concerns that impaired sobering center patients could interrupt patient care with noise and disruptions during orthopedic clinic operations and potentially impact this rating. Additionally, there are space issues with using the RRC building as part of it is being used as storage for assets such as desks, chairs, etc. These items are challenging to dispose of due to the City's disposal processes. Additionally, the hospital is hesitant to invest $100,000 into renovating the space for short-term use considering it will need to be re-renovated for clinical use eventually.

There is a mobile clinical facility that was used during the COVID crisis, which is referred to as the "COVID Cabin." A walk-through of this facility was done along with Capital City Fire/Rescue (CCFR) Fire Chief Richard Etheridge, and it was determined that this space could potentially be made adequate for short-term Sobering Center use with less than $100,000 in renovations.

Assemblymember Bryson asked how many patients typically use this type of facility in Juneau.

Chief Etheridge responded that approximately 3,500 transports of a couple of hundred people are run through the Sobering Center.

Assemblymember Hall asked about the pros and cons of the current location.

Chief Etheridge answered that the current Teal Street location is in the old thrift store inside of St. Vincent de Paul. This geographic location is convenient due to its proximity to services used by these clients, including Glory Hall and other non-profits. Disadvantages are that this facility is frequently infested with rodents and cockroaches and there is no safe location for staff to retreat if needed. If a client becomes violent, staff must flee the building and lock themselves into their personal vehicle for safety.

Chair Woll asked about neighborhood impacts of operating a sobering center.

Chief Etheridge responded that the current St. Vincent de Paul location has been in use since before the Glory Hall opened, and its impact to businesses in the neighborhood has been minimal. Bus tokens and rides are made available to people leaving the sobering center to assist them in relocating and vacating the neighborhood.

St. Vincent de Paul Executive Director Jennifer Skinner spoke of the support and value that the organization has for facilitating the Sobering Center. This vital service meets a huge need in the community and is instrumental in reducing the use of emergency services. She stated that the Sobering Center staff are responsive, caring, and attentive to their clients. The Sobering Center does not have any negative impacts on SVdP's functionality.

The Committee continued to discuss the topic.

Mr. Barr spoke of his concerns regarding potentially using the current space in SVdP for another year or more. He stated that this is not an appropriate space for this use, and reiterated the issues of building functionality, frequent pest infestations, and particularly, staff safety.

Motion: by Assemblymember Adkison to proceed with Option 2 outlined on packet page 125.

Objection: by Assemblymembers Steininger and Hughes-Skandijs in favor of considering the other options.

Amendment to the Motion: by Assemblymember Smith to move that if Community Development Block Grant (CDBG) funding is not awarded, the intent would be to direct staff to prepare legislation for $762,900 to fund the renovation at the SVdP Teal Street building and negotiate a long-term lease.

The Amendment to the motion passed by unanimous consent.

Assemblymember Bryson noted that it is illegal to be intoxicated in Juneau. He is in favor of the motion. He asked if the Sobering Center is moved to another location, would SVdP continue to be the operator.

Mr. Barr responded that CCFR, through the CARES program, is currently and would continue to be the operator.

The Committee continued to discuss the topic.

The Committee took a five minute at-ease.

Assemblymember Adkison withdrew her original motion.

Motion: by Assemblymember Smith to direct staff to prepare legislation for $762,900, of which $290,000 is to be funded by the opioid settlement and the remainder of $472,900 from BRH funds for renovation of the SVdP Teal Street facility for long-term use of the Sobering Center.

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

Amendment #1: by Assemblymember Hughes-Skandijs to direct staff to prepare legislation to appropriate $762,900 to renovate the SVdP Teal Street facility, of which the entire amount would be funded by BRH.

Assemblymember Hughes-Skandijs spoke to her amendment to talk about some of the requirements, restrictions, and best uses for the opioid settlement funds and stated that she does not believe that renovations of the Sobering Center would be the best use of these funds.

<u>Objection to Amendment #1:</u> by Assemblymember Smith for purposes of a question.

Assemblymember Smith asked if Staff believes that the Sobering Center would be an appropriate use of the opioid settlement funds.

Mr. Barr responded that to his understanding, this would be an allowable use of these funds.

Assemblymember Smith upheld his objection.

The Committee continued to discuss the topic.

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

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

<u>Objection to the Original Motion:</u> by Assemblymember Steininger for purpose of making an amendment to the motion.

<u>Amendment #2:</u> by Assemblymember Steininger to add a "whereas" clause to the appropriating ordinance that it is the intent of the Assembly to consider the amount of BRH fund balance used for the SVDP renovation in place of partial future repayment of the $2,000,000 grant to BRH.

The Committee took a brief at-ease.

Amendment #2 passed by unanimous consent.

<u>Amendment #3:</u> by Assemblymember Kelly to remove the requirement that $290,000 come from the opioid settlement funds and to allow for the option for a portion of the funding for the Teal Street Sobering Center renovations to come from the General Fund.

Amendment #3 passed by unanimous consent.

The original motion as amended passed by unanimous consent.

<u>Motion:</u> by Assemblymember Hughes-Skandijs to direct staff to also draft legislation for $762,900 for the Teal Street renovations for the Sobering Center for which the funding source would be BRH.

<u>Objection:</u> by Assemblymembers Kelly and Hall.

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

Motion passed. Six (6) Ayes, Two (2) Nays.

4. Related Parties Policy

Ms. Flick noted that for several years, the City's auditors have requested a process to identify transactions that the City does with organizations where people of authority have an interest. The purpose is to ensure that CBJ (including JSD) follows proper procedures when there is a relationship between the organization and anyone in the City who is in a position of power.

There is no indication that anything improper or inappropriate has been or is being done. Auditors look for areas of operation where there is potential for risk, this is an area where risk exists. Enacting a set policy and procedures will serve to mitigate this risk.

The purpose of sharing the policy with the AFC is to create an opportunity for feedback from the AFC. The goal is to have full implementation and compliance by March 2026 for use in next year's audit process.

This item is for discussion, and no specific action or motion is required on this topic.

5. Ordinance 2025-38 Adding Non-Departmental as a Special Office

Ms. Flick stated that the purpose of adding Non-Departmental as a Special Office is to clarify when the Manager can do a budget transfer and when an ordinance is required to move fund sources around in the budget. This primarily impacts capital projects. As established by a former City Attorney, transfers between similar projects, such as road-to-road or airport-to-airport, are presented to the Assembly on the consent agenda for transparency of the financial action. However, projects between dissimilar projects, such as wastewater-to-road, must be achieved by ordinance.

This conversation has been revisited with the current City Attorney and City Manager. All capital projects are budgeted and accounted for in a department designation called "Non-Departmental." This is a name for the "department" that Finance uses for all the city-wide activities that do not fit in a particular department, such as sales tax, hotel-bed tax, debt service, and capital projects. Given the use of Non-Departmental as the department; Finance, Law and the Manager have arrived at the conclusion that, with a small adjustment to the CBJ Code, an ordinance is not necessary for any transfers between capital projects.

This draft ordinance recognizes Non-Departmental as a special office. By doing so, it allows the manager to transfer unencumbered budgets between capital projects of any project type. The Assembly will see these types of transfers on the consent agenda.

<u>**Motion: by**</u> **Assemblymember Smith to move Ordinance 2025-38 to the regular Assembly meeting for introduction.**

The motion passed by unanimous consent.

E. NEXT MEETING DATE

6. October 1, 2025

F. SUPPLEMENTAL MATERIALS

G. ADJOURNMENT

The meeting was adjourned at 7:19 pm.