



ASSEMBLY FINANCE COMMITTEE

MINUTES

December 1, 2025 at 6:00 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 6:01 pm by Acting Chair Weldon.

B. ROLL CALL

Committee Members Present: Acting Chair Beth Weldon; Paul Kelly; Maureen Hall; Neil Steininger; Nathaniel (Nano) Brooks; Alicia Hughes-Skandijs; Ella Adkison

Committee Members Present Virtually: Christine Woll

Members Absent: Greg Smith

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

C. APPROVAL OF MINUTES

1. November 5, 2025

The November 5, 2025, minutes were approved as presented.

D. AGENDA TOPICS

2. Foregone Revenue

Finance Director Angie Flick gave an overview of tax exemptions, tax credits and other forgone revenue items as they relate to property and sales tax. The Assembly Goals and Implementing Actions, approved on February 3, 2025, included this action under Goal 3 "Sustainable Budget and Organization: Examine purpose and effectiveness of city tax code and policies resulting in tax exemptions, tax credits, or any foregone revenue." Ms. Flick discussed the grouping of different types of exemptions, tax credits, etc., in the memo (page 9 of the meeting packet). She noted that the goal for the evening's meeting is to either plant the seeds for future conversations, or for the AFC to determine if there are certain items for which they want more information and/or potential action to be addressed at a later AFC meeting.

Acting Chair Weldon stated that the Committee has a sub-group working on this project which includes Assemblymembers Steininger, Hughes-Skandijs, and herself, and the sub-group will bring back more information to the Body when ready.

3. Dockage Fees

The Committee had previously requested staff to provide potential uses for the anticipated additional dockage revenue of \$2,900,000 expected for the summer 2026 tourism season due to the increased dockage fee rate. Ms. Flick stated that starting in FY27 (the first full year of increased dockage fees), none of the docks would receive Marine Passenger Fees (MPF) to pay for security, restrooms, or maintenance, the cost of which runs approximately \$700,000 annually. For CBJ's Docks enterprise, these areas will be funded through dockage fees, leaving about \$2,200,000 additional dockage fee revenue available for FY27.

Typically, a revenue increase in an enterprise fund would be required to remain in that enterprise fund. However, funds generated via dockage fees could be utilized to fund various capital needs that Docks & Harbors could plan for over a period of time. This could reduce or eliminate the need to include dock (and potentially some appropriate harbor) projects on temporary sales tax initiatives for funding.

Where there is a clear relationship between generation of revenue in one area, and increased expenses in other areas, there is an opportunity to use this revenue to support the impacted areas as appropriate. In this case, increased tourist population and traffic during the cruise ship season impacts the costs of maintaining roads (due to increased heavy vehicle usage, in particular, by buses), transit services, and emergency services including fire and police.

Capital Transit currently sees an allocation from the MPF for the additional trip routes. There could be an allocation from dockage fees to Transit if we believe a larger burden from downtown visitors exists for Transit. It may be worth considering fare-free transit offset by dockage fees in the summer. An additional operating function that may be funded via dockage fees is Juneau's annual 4th of July fireworks show as the future cost of this event is likely to increase significantly in comparison to historical costs.

There are many projects that have a nexus to dock-based visitors that could potentially benefit from an allocation from dockage fees, that may not really fit within the MPF framework. If the Assembly opts to take a project-based allocation, staff can annually bring potential projects for consideration as part of the budget cycle. Some current potential projects include road work on both South Franklin and Basin Road, and the gondola project (as its main customer base will be ship passengers).

Assemblymember Steininger asked what Docks would use this money for if it were not allocated to other CBJ services. Ms. Flick responded that Docks has a long list of maintenance projects, many of which could be funded by Marine Passenger Fees, however, caring for their own facilities is a normal use of the revenues they are producing.

Assemblymember Hughes-Skandijs asked about the nexus between the dockage fees and non-Docks department spending, and if this would be comparable to what is currently in place for MPF spending in terms of restrictions.

Ms. Flick answered that the MPF funds are very restrictive due to a number of reasons, including the CLIA Settlement. The dockage fees are not as restrictive as long as the reasoning can be clearly articulated. The Assembly has the power to make decisions regarding these types of allocations where there is a correlation between revenue being produced and expenses increasing for other departments or areas.

Assemblymember Hughes-Skandijs asked for further clarification, and Deputy City Manager Barr stated that there is a risk analysis in the legal realm in making these decisions. He further elaborated that the question in weighing the risk analysis is considering who would object to a certain use of the funds, and to be prepared to justify the fund usage by connecting the nexus between the expenditure and the initial revenue collection. He added that the Assembly can make such arguments and, if needed, the City's attorney would defend them.

City Manager Koester added that some cruise lines have argued that the dockage fees should be as restrictive as MPFs. The City does not agree with this assessment.

Assemblymember Brooks commented that the MPFs have historically been used for emergency services, and asked, considering this precedence, how much of these funds could be used for the emergency communication system that is currently being revamped.

Ms. Flick responded that some of the dockage fees could potentially be used toward the emergency communication system as emergency responders are using a communication process in the summer with the additional influx of people. This is a funding need that could be looked at to determine if it makes sense to use dockage fees for it.

Assemblymember Hughes-Skandijs asked for clarification about the use of the dockage fees for the Docks' direct expenses. Ms. Flick clarified that all of the docks charge a dockage fee, and they should be charging enough to cover their expenses so will not need to use Marine Passenger Fees for restrooms, security, or maintenance expenses for any of the docks.

The Committee continued to discuss the topic.

Motion: by Assemblymember Woll to direct the Manager for the FY27 Budget to utilize all dockage fees in excess of dock operations to offset the City's general operating expenditures to the fullest extent possible and to bring back a list to the Assembly Finance Committee for potential project uses for use of any remaining funds.

The motion passed by unanimous consent.

Motion: by Assemblymember Woll to direct Staff to bring a resolution to the Assembly Finance Committee that would memorialize the Assembly's intent for future use of these funds.

The motion passed by unanimous consent.

4. FY25 Assembly Grant Update

Mr. Barr provided a summary of the Assembly Grants memo (page 15 of the meeting packet), noting this includes reports from each of the FY25 grantees. A similar set of reports for FY26 grants (current year) will be provided in December of next year to aid in decisions to be made about FY27 grants during the budget process in April and May of the following year. These reports are typically due 90 days after close of the fiscal year. The memo is provided for informational purposes only.

5. 4th of July Fireworks Display

Ms. Koester provided an overview of Juneau's roughly 40-year-old tradition of celebrating the 4th of July with a fireworks show and some important issues currently facing this annual practice. For many

years, a volunteer group known as the Juneau Fireworks Crew (JFC) has been putting on this show. These devoted volunteers spend thousands of hours throughout the year preparing for and producing Juneau's annual fireworks show.

This past year it was realized that, because the City pays the fireworks vendor directly, there is no Memorandum of Agreement (MOA) indemnifying the City and Borough of Juneau from liability. Due to the timing of this realization, it was not possible to enact a solution in time for the show, so the Assembly passed an ordinance exempting the purchase of fireworks from the City's procurement code as a temporary solution so the 2025 4th of July show could proceed. Thus, there are two core issues that need resolution: 1. not following the City's procurement code, and 2. liability protection/indemnification for the City related to the fireworks and show.

JFC has expressed a willingness (though not necessarily a desire) to incorporate to be able to provide the services and insurance coverage that the City typically requires for a Memorandum of Agreement (MOA), including indemnifying the City, and procurement and/or storage of fireworks, supplies, the barge, etc. JFC has provided a letter (page 198 in the packet) that discusses some proposed options and their projection of costs, which range from \$250,000 to \$300,000 (in contrast to the current appropriation for the annual show of \$45,000).

It should be noted that the company that the fireworks are purchased from does provide liability coverage for the day of the show only. The JFC volunteers are required to be certified by the State of Alaska, get training, permits, follow rigorous safety standards, and there are many safeguards that go into putting on a safe fireworks display year after year.

Ms. Koester spoke to City Managers in other Alaska towns to ask how they handled their fireworks shows. Whittier hires a contractor who is funded by the city, the Chamber, and local donations. Homer uses a volunteer group that puts on and funds the show, and Homer provides a special event permit and ensures that their fire department is involved. In Seward, the Chamber of Commerce puts on their fireworks show with an event permit.

Kodiak puts on their own short, 7-minute fireworks show on New Year's Eve, and the way they do this could be a model for Juneau going forward should the Assembly so decide. In Kodiak, the city itself procures, stores, and transports the fireworks, and provides permitting for the show. However, Kodiak does not put on the show because their city employees do not have the proper licensing or experience. Instead, they bring in people who are qualified to execute the show on a volunteer basis.

Ms. Koester reviewed the options listed in the memo, which include; 1. increasing the annual budget for fireworks and issuing a Request for Proposal (RFP); 2. Not funding or continuing the fireworks shows due to the level of risk and the cost; 3. Maintaining the status quo while simultaneously caring for the risk (which may look somewhat like the Kodiak model).

The Committee continued to discuss the topic.

Motion: by Assemblymember Woll to direct Staff to maintain the status quo for the 2026 fireworks show, which would include an FY27 budget increase and procurement code exemption, but in the meantime move forward with options to address indemnification (the City playing a much more active role to mitigate risk, or if a non-profit organization is a better option for the volunteers).

Amendment to the Motion: by Assemblymember Brooks to include funding to secure a barge and for

Objection to the Amendment: by Assemblymember Steininger.

The Committee continued to discuss the topic.

Assemblymember Brooks withdrew his amendment.

The original motion passed by unanimous consent.

The Committee took a ten-minute break.

Acting Chair Weldon thanked the Juneau Fireworks Crew for their many years of volunteer service and expressed the City's appreciation for all the work they have done delivering this beloved annual show.

6. Legislative Capital Priorities

Ms. Koester referred to the memo with the aggregated list of "FY27 Legislative Capital Priorities - Assembly Average Rankings" (starting on page 193 of the packet) and noted that the full booklet with project detail for each project was included in previous packets. She provided some background discussion and reiterated the priorities for the Committee, including possibly breaking the tie between items 15 and 16 on the list, and noted that focus would likely be on the top ten items.

The Committee discussed the topic.

Motion: by Assemblymember Steininger to move that the Fish Creek Road Resurface and Reconstruction project be #15 and Jackie Renninger Park Development & Pipeline Skatepark Improvements be #16.

The motion passed by unanimous consent.

Motion: by Assemblymember Hughes-Skandijs to reorder the list moving Telephone Hill Redevelopment up to #9 and shift the Statter Harbor Wave Attenuator and Shore Power projects down.

Ms. Hughes-Skandijs spoke to her motion, stating that housing is her number one priority.

Objection: by Assemblymember Kelly.

Assemblymember Kelly spoke to his objection stating that he feels that the Statter Harbor project is one of safety concerns, and that for him, matters of safety supersede others.

Assemblymember Woll spoke in favor of the motion, agreeing that the priority is housing, and her original ranking had the Telephone Hill project much higher on this list. She noted that the City is going to be looking for money to ensure that affordable housing is built on Telephone Hill, and it is important to represent this as a high priority to demonstrate the City's commitment to this project.

The Committee continued to discuss the topic.

Roll Call Vote on the Motion

Ayes: Hughes-Skandijs, Adkison, Woll, Acting Chair Weldon

Nays: Kelly, Steininger, Brooks, Hall

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

Chair Weldon handed the gavel to Assemblymember Kelly to act as temporary Chair.

Motion: by Mayor Weldon to move Telephone Hill Redevelopment to #10 on the list.

Objection: by Assemblymember Brooks.

Roll Call Vote on the Motion

Ayes: Mayor Weldon, Hughes-Skandijs, Adkison, Hall, Woll

Nays: Steininger, Brooks, (temporary) Chair Kelly

Motion passed. Five (5) Ayes, Three (3) Nays

Motion: by Assemblymember Hughes-Skandijs to move that the reordered Legislative Capital Priorities list be moved to the full Assembly.

The motion passed by unanimous consent.

7. Visitor Industry Task Force

Chair Weldon provided an overview of the proposed charge and members of the Visitor Industry Task Force (memo starts on page 196 of the packet).

Visitor Industry Director Alexandra Pierce shared that her group is working as part of the Port Communities of Alaska group to commission a rate study that compares Alaska ports to cruise port locations elsewhere in the world. This has the potential to illuminate the rates that are being charged in Juneau and other parts of Alaska and help the Assembly determine if rates need to be raised, lowered, or left as they are.

Motion: by Assemblymember Hughes-Skandijs to move to accept the charge and proposed members of the Visitor Industry Task Force 2.0 and direct staff reach out to members and schedule a meeting.

The motion passed by unanimous consent.

8. Retreat Preview

Ms. Koester gave an overview of the “budget-focused” retreat. She noted that Staff is preparing to ensure that the retreat participants have all the information they will need for decision making. The goal is to provide a full picture to enable the team to provide direction to the City Manager, which will enable her to give direction to City Department Directors as they work through their respective proposed budgets.

After breakfast and an icebreaker, Ms. Flick will go over the FY25 Budget to review the City’s position. Staff will provide a presentation of General Fund services, broken down by City Department and by service. There will be a break for lunch, then a discussion regarding community engagement and public input to help determine service priorities for the budget. Next on the agenda is Assembly FY27 Budget Direction to the City Manager and discussion of Assembly Goals.

E. NEXT MEETING DATE

9. January 7, 2026

F. SUPPLEMENTAL MATERIALS

10. Juneau Fireworks Crew Letter

G. ADJOURNMENT

The meeting was adjourned at 8:25 pm.