



ASSEMBLY FINANCE COMMITTEE

MINUTES

January 7, 2026 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 5:39 pm by Chair Woll.

B. ROLL CALL

Committee Members Present: Chair Christine Woll; Greg Smith; Paul Kelly; Maureen Hall; Neil Steininger; Nathaniel (Nano) Brooks; Alicia Hughes-Skandijs; Ella Adkison

Committee Members Present Virtually: Mayor Beth Weldon

Committee Members Absent: None

Staff Members Present: Angie Flick, Finance Director; Adrien Wendel, Budget Manager

Staff Members Present Virtually: Katie Koester, City Manager

Staff Members Absent: Robert Barr, Deputy City Manager

Other Members Present: Wayne Jensen, Chair, The Alaska Committee; Brett Nelson, State Conservation Engineer, Natural Resources Conservation Service (NRCS); Blue Shibler, Executive Director, Southeast Childhood Collective (SCC); Nicki Love, Creative Director, Southeast Childhood Collective

C. APPROVAL OF MINUTES

1. December 1, 2025

The December 1, 2025 minutes were approved as presented.

D. AGENDA TOPICS

2. FY2027 AFC Budget Calendar

Finance Director Angie Flick referred to the Draft FY27 Budget Calendar memo in the packet (starting on page 10), noting some proposed changes, and requested input and feedback from the Committee. Chair Woll noted that this budget cycle will likely be different and more demanding compared to prior years due to the revenue shortfall, service level cuts that will be required, and desired input from

partner agencies and the public.

The committee discussed the proposed schedule.

The committee decided to hold the all-day Saturday AFC meeting on April 11, 2026, rather than April 18, 2026, as proposed on this draft calendar. Additionally, the Committee agreed to the additional proposed Joint Meetings on January 28 and February 18, 2026.

2. Partner Agency Program Updates

a. The Alaska Committee

The Alaska Committee Chair Wayne Jensen provided an overview of The Alaska Committee. It was formed over 30 years ago to be a proactive representative of Juneau with a goal of enhancing the capital city for all Alaskans.

The Alaska Committee is governed by a 22-member Board of Directors. Its focus includes improving access to the capitol, enhancing infrastructure, improving communications, and partnering with other organizations, including The Capitol Fund of the Juneau Community Foundation, Develop Juneau, Downtown Business Association, and KTOO (Gavel Alaska). They hold monthly meetings at 7 AM on the second Wednesday of every month at the Juneau Chamber Office, and an annual meeting in January to elect directors, review prior year activities, and plan for the future. The meetings are held in-person and via Teams.

The Alaska Committee hosts an annual Community Welcome Reception for the Legislature each January, supports the League of Women Voters Capitol Visits for Juneau 8th grade students, and provides and supports many other activities as listed on their memo (starting on page 49 of the packet).

Mr. Jensen stated that the Alaska Committee is requesting continuation of the grant funding they have received in the past to be able to carry on the important work they are doing to promote Juneau.

Assemblymember Brooks asked if the grant were discontinued, would the organization cease to exist. Mr. Jensen responded that he does not know the answer to this.

Assemblymember Hughes-Skandijs asked if the Alaska Committee is seeking funding from other sources. Mr. Jensen answered that they are partnering with other groups that have similar goals, and they have financially supported some of those organizations in the past (in particular, the League of Women Voters and Gavel Alaska).

Assemblymember Brooks asked for an idea of the group's fundraising sources and how much fundraising they do annually. Mr. Jensen stated that their primary source of funds is the City. The Legislative Reception is primarily funded by fundraising, and the community provides most of the financial resources plus donations of items for the gift bags that are provided to each Legislator as

well as the Governor and Lieutenant Governor. The cost of the Legislative Reception currently runs approximately \$30,000, and this cost is expected to increase going forward.

Assemblymember Hall asked about the sponsorship of the “fly-in” meetings. Mr. Jensen said that their cost varies, typically from \$500 – \$2,500 and is usually for items such as transportation or food. Some of the beneficiaries of these funds, for example, the Alaska Municipal League (AML), also reciprocate and sponsor The Alaska Committee with funding.

Assemblymember Hughes-Skandijs asked if The Alaska Committee maintains a fund balance, and if so, how much. Mr. Jensen said that they do have a reserve balance, however, he does not know the amount of the balance off the top of his head, noting that they have good accountants who have stated that their reserve balance is an appropriate amount for organizations such as this one.

The Committee continued to ask questions and discuss the topic.

b. Southeast Childhood Collective

Southeast Childhood Collective (SCC) Executive Director Blue Shibler and SCC Creative Director Nicki Love provided a presentation about their organization. Southeast Childhood Collective, formerly known as AEYC, is a non-profit organization and their mission is to support all those who care for young children, including parents, families, caregivers, educators, etc. They were established in 1982 and are a childcare resource and referral organization. They are part of a national network of programs and partnerships that do similar work in supporting childcare providers to make communities stronger. They have a long history of strong fiscal stewardship and a six-month reserve balance. Their primary areas of work include supporting families with young children, early educators and care providers, and community collaboration.

Partnerships for Families & Children is a Southeast Alaska coalition of 20+ non-profit local, tribal, and statewide partners who offer services and support to families with young children. They meet monthly for planning and coordination and are celebrating their 28th year working together. The partner members share resources, leverage support, and work to avoid duplicating services. They look at grant funding and service delivery and collaborate to ensure that they are not competing for resources, that they are leveraging support and enhancing services to meet community needs as effectively as possible by looking at gaps in services and need trends.

Services provided by SCC include a Diaper Bank (66,000 diapers annually), Parent Bulletin (2000+ families subscribed), Early Literacy Initiatives (1,200+ children enrolled), and Parents As Teachers.

Parents As Teachers provides home visiting and school readiness programs for prenatal through early childhood families, and is currently serving about 100 families, with another 70 waitlisted. Parents As Teachers is nationally recognized as an abuse and neglect prevention tool, and the Juneau Parents As Teacher program is one of only four in Alaska, and the largest in the state, with a Blue-Ribbon rating.

SCC provides support to early educators including licensed and unlicensed childcare providers, school district early education, Head Start, Kinder Ready, after-school care, provides training and

coaching, and holds an annual Early Childhood Conference.

There is a shortage of childcare workers in Juneau and Southeast Alaska, and childcare services cannot be expanded without an increase in this workforce. To address this, SCC has developed a workforce pipeline program which includes a Child Care Apprenticeship Program and evening Child Development Associate (CDA) Credential trainings.

Currently SCC is working on building a comprehensive Family and Childcare Center which will be a hub for care, training, and family support. Phase I will include a large Childcare Center to serve up to 100 children, the apprenticeship program, and be a place for family gatherings and support. The land for this building has been secured with a 3.5-acre lot in the Honsinger Subdivision off Egan Drive. A positive feasibility study showing all planned phases are viable and a formal cost estimate has been completed for this project.

CBJ has been very supportive of and invested in these initiatives with operating and workforce stipends, HEARTS Awards, start-up and expansion grants, professional development, and greatly needed support during the pandemic. Notably the City's grant program has been instrumental in supporting and sustaining childcare services in Juneau, whereas across the rest of the state, 30-40% of childcare programs have closed.

Assemblymember Brooks asked about the apprenticeship program and if being in journey status is the same as being a licensed childcare provider. Ms. Shibler answered that in Alaska, providers are not individually licensed. Childcare facilities are licensed as care providers and individuals receive an apprenticeship certificate from the national apprenticeship office.

Assemblymember Hall asked if they were expecting funding from Rural Health Transformation Funding, and what they plan to do with that money. Ms. Shibler responded that the notice of funding opportunities is expected this month. Childcare workforce and home visit support are expected in the grant, and SCC is hopeful that they will receive funding that will replace some of the federal grants that have been stopped.

The Committee continued to ask questions and discuss the topic.

The Committee took a 10-minute break.

3. Natural Resources Conservation Service Buyout

City Manager Koester discussed the Buyout Program which is being considered for specific properties on View Drive due to their continuing impact from Glacial Lake Outburst Floods (GLOF) (memo on packet page 51). At the October 30, 2025, Committee of the Whole (COW), Brett Nelson of Natural Resources Conservation Services (NRCS) gave a presentation on the EPW buyout program for the properties on View Drive that cannot be protected as part of the HESCO barrier project. The project consists of buying 18 homes on View Drive, demolishing those homes and turning the land into a park in perpetuity at an estimated cost of \$25,000,000. The program is voluntary, so the individual homeowners may each decide whether to participate or not. If only a few or non-congruent properties participate, or the properties least at risk are the only ones that participate, the project will likely not move forward.

At the October 30th COW, Mr. Nelson confirmed that there is federal funding set aside for the Buyout Program. However, CBJ would need to act quickly to guarantee a place in line as this funding is under emergency authority. He also confirmed that there is a 25% cost share which does not necessarily need to be paid by CBJ taxpayer revenue, however, it must be paid from non-federal funds. The COW made a motion to request a waiver for the required cost share, which was promptly submitted by CBJ. This waiver request was denied. CBJ notified View Drive residents of the denial on December 12, 2025, and let them know the Assembly Finance Committee would be discussing the topic during tonight's meeting.

Ms. Koester explained that the Buyout Program is being considered even though there is a preferred alternative for an enduring solution. The chosen enduring solution, a lake tap, was selected during a 3-day charrette with the Army Corps of Engineers in December 2025. The lake tap will effectively mitigate flooding for the View Drive properties. However, the very best-case scenario for that project is 6 years to completion, and there are substantial hurdles, not the least of which is funding, with a total project estimated cost of just under \$1,000,000,000.

Ms. Koester noted that she is currently in Washington, DC, along with Mayor Weldon and Tlingit & Haida President Peterson and his staff, advocating for federal funding for the lake tap solution. It should be noted, however, that the Corps team identified no less than 30 potential points of failure that could lengthen this 6-year timeline. In the meantime, these View Drive properties will continue to be impacted by potentially catastrophic annual flooding.

The question for the Committee is to determine whether or not to move forward in pursuing the Buyout Program, knowing that, if every property were to participate, there would be a \$6,000,000 cost share burden on the City (25% of the property buyout plus demolition and park conversion). There is a tremendous amount of staff effort involved in this project, and the risk of bearing any cost overruns would also fall on the City. These expenses are in addition to all the other on-going and future costs involved in protecting Juneau from this existential flooding threat.

Assemblymember Smith asked for clarification on the finances for a property involved in the program should it proceed.

Ms. Koester responded that the amount that a property would receive in the Buyout Program would be the pre-2024 flood appraised value. NRCS would do an appraisal of the properties to determine that value. The remainder of the project costs, such as demolition, permitting, and returning the property to parkland are more difficult to predict.

Assemblymember Hughes-Skandijs asked about the cost share amount for the property owners.

Ms. Koester provided a hypothetical example where, if the total per parcel project cost were \$1,380,000, a property owner could give the City a check in the amount of \$345,000 (25%) to be held in escrow until the project is finalized. This is obviously a large sum and would vary depending on the value of the parcel. The City could decide an amount to offset the property owner's contribution. This is an example of one way to ensure the required non-federal cost contribution is available. Other options could include contributions by non-profit organizations, and non-federal municipal sources.

The Committee continued to ask questions and discuss the topic.

Motion: by Assemblymember Smith to move that CBJ participates in the Buyout Program, that staff will formally engage with View Drive property owners to gauge their interest in participating in the program, and ask them if they are interested in contributing the 25% pro rata cost share for their property.

The motion passed by unanimous consent.

4. Municipal Building Project Funding

Ms. Koester provided background on this agenda topic. Moving to the Burns Building is the budget option for downtown office space for City employees. The existing situation is no longer viable. CBJ employees moved out of the Municipal Way office space last year when it was purchased by Sealaska Heritage Institute (SHI); the Marine View Building has recently sold and continues to have leaks that destroy office space and shutdowns that leave employees without running water. Purchasing and renovating the Burns Building is expected to cost around \$500 per square foot while construction of a purpose-built facility would be twice that cost at \$1,000 a square foot (in 2022). Furthermore, purchasing and renovating the Burns Building and consolidating downtown City employees there instead of leasing at multiple locations is anticipated to save the City's operating budget \$650,000 a year on leasing, operations, and maintenance costs.

A purpose-built facility would have been better suited to the needs of the Capital City, been stater and would have better longevity. The Burns Building, where CBJ employees will occupy two floors, is a municipal building that will be suitable for the City's current office space needs and better for the health and safety of employees. The recommendation is to call this building the "City and Borough of Juneau Municipal Building" rather than "City Hall."

Ms. Koester provided a recap of this project (memo starts on page 32 of the packet), explaining that in September 2025 the Assembly passed an Ordinance to purchase the Burns Building, then cost estimates for three different remodel scenarios were provided. Due to the high costs of these remodels, additional design work was done to try to bring the costs down, however, the new designs were even more expensive.

Staff is now advocating for a partial remodel for the Burns Building, and that remodel estimate came in at \$13,000,000. Staff is committed to value engineering that number down to \$8,500,000. The cost estimate includes some interior walls to create private space for meetings, partitions, cubicles and cubicle furniture, paint, and carpet. It includes a unified public greeting counter space where citizens can go for all City services. It also includes an expansion of the Board of Education room to make it roughly the same size as the current Assembly Chambers at City Hall with a new dais (as the current dais is constructed of particle board which won't handle a move). This cost estimate does not include new furniture for employees that will have their own offices.

The total cost of the purchase and remodel will be \$20,500,000 consisting of the building purchase price of \$12,000,000 (\$2,700,000 of which will be going in a fund toward future maintenance), and \$8,500,000 for a partial interior remodel.

Ms. Koester specified that there is roughly \$14,500,000 in two separate CIP accounts, for "City Hall" and "New City Hall." The recommendation is to combine these funds into one CIP account titled

“Municipal Building.” That still leaves a funding gap of \$6,000,000.

Ms. Koester noted that time is of the essence to resolve this funding for a couple of reasons. Although the ordinance to purchase the Burns Building was passed, and the sales agreement is ready to be signed, she has not yet signed it, as she would like to have a plan to fund the renovations in place before signing the agreement. Additionally, it is important to have funding secured to move forward with awarding bids, which will hopefully start happening this coming spring.

The proposal that Ms. Koester presented, in order to preserve as much as possible of the Fund Balance, is to make a series of transfers, as presented on packet page 33. This would involve taking money from capital projects that are not likely to be funded or finished soon, and from deferred building maintenance. Alternatively, the Assembly could choose to use fund balance.

Ms. Koester added that there is a legal and moral imperative to provide City employees with safe and decent working environments that include potable drinking water, functional bathrooms, and without the threat of repeated water leaks from broken pipes and roof leaks.

Mayor Weldon asked what the value of the current City Hall property would be if sold. Ms. Koester responded that an appraisal has not been done yet, and Lands Manager Dan Bleidorn is working on it. The assessed value is about \$3,000,000, however, as a non-taxed building, this is not likely to be an accurate valuation.

Assemblymember Kelly asked about the reduction in operating costs, and how long it would take to break even after the initial investment. Ms. Koester answered that the move to the Burns Building is expected to save about 50% of the City’s operating and maintenance costs, including lease costs. She stated that a twenty-year payback period is estimated. However, this does not take into account inevitable future operating cost increases, nor does it consider that if this move does not happen, the City will need to secure new office space at a higher lease rate than is currently being paid.

The Committee continued to ask questions and discuss the topic.

Motion: by Assemblymember Smith to direct the City Manager in the FY27 Budget to appropriate \$2,000,000 from the General Fund to the Deferred Maintenance CIP and to move forward with transferring the funds from the various accounts listed (on the bottom of packet page 33) to a Municipal Building CIP.

Objection: by Assemblymember Steininger for purposes of an amendment.

Amendment #1: by Assemblymember Steininger to create an ordinance to appropriate \$2,000,000 from the General Fund to the Deferred Maintenance CIP in FY26 via supplemental appropriation.

Amendment #1 passed by unanimous consent.

Amendment #2: by Assemblymember Hughes-Skandijs to appropriate \$525,000 from the General Fund to the Lemon Creek Multi-Modal Path CIP, while moving forward with the proposed transfer.

Objection to Amendment #2: by Mayor Weldon

The Committee discussed the amendment.

Roll Call Vote on Amendment #2

Ayes: Hughes-Skandijs, Steininger, Kelly, Chair Woll

Nays: Mayor Weldon, Smith, Hall, Adkison, Brooks

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

The original motion as amended passed by unanimous consent.

5. Sales Tax Exemption – Composting

Assemblymember Kelly spoke to his proposed ordinance for a sales tax exemption for residential curbside compost removal. He stated that it is his priority to deflect some of the impact on the waste stream away from the dump and to improve efficiency. He believes that this ordinance will encourage positive behavior. He noted that he had been hesitant to put this proposal forward earlier as the City is without the benefit of the seasonal sales tax. However, he has learned through discussions with Staff that the impact on the budget from this exemption would be negligible.

Assemblymember Smith asked if there is an estimate of the reduction in revenue if this ordinance were adopted.

Ms. Flick responded that it is difficult to answer, as this ordinance is proposed for an exemption on residential composting only, and like the other sales tax exemptions for residential utilities, the impact is difficult to estimate. In this case, there is only one vendor in town, so for confidentiality reasons, Ms. Flick could not reveal all the information about that vendor's tax returns. However, she does not think that the impact from this ordinance will cause enough of a decrease in revenue to necessitate additional service disruptions.

Motion: by Assemblymember Kelly to forward the ordinance regarding a sales tax exemption for residential curbside compost removal (on page 34 of the packet) to the full Assembly.

The motion passed by unanimous consent.

6. Information Only: Sales Tax Delinquency Publication

NEXT MEETING DATE

7. February 4, 2026

E. EXECUTIVE SESSION

8. Motion: by Assemblymember Smith to move to adjourn into Executive Session to address litigation, mediation, and legal strategy related to Marine Passenger Fees (MPF) and dock fees.

The motion passed by unanimous consent.

The Committee entered Executive Session at 8:40 pm.

F. ADJOURNMENT

The Committee adjourned the meeting at 9:35 pm following the conclusion of the Executive Session.