SPECIAL ASSEMBLY COMMITTEE OF THE WHOLE JOINT MEETING WITH EAGLECREST BOARD MINUTES

March 05, 2025 at 5:30 PM

Assembly Chambers/Zoom Webinar

CITY AND BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY

A. CALL TO ORDER

Deputy Mayor Greg Smith called the joint meeting of the Assembly Committee of the Whole and the Eaglecrest Board to order at 5:30 pm.

B. LAND ACKNOWLEDGEMENT

Ms. Adkison provided the following land acknowledgement: We would like to acknowledge that the City and Borough of Juneau is on Tlingit land and wish to honor the indigenous people of this land. For more than ten thousand years, Alaska Native people have been and continue to be integral to the well-being of our community. We are grateful to be in this place, a part of this community, and to honor the culture, traditions, and resilience of the Tlingit people. Gunalchéesh!

C. ROLL CALL

Assemblymembers present: Mayor Beth Weldon Deputy Mayor Greg Smith, Assemblymebers: Wade Bryson, Alicia Hughes-Skandijs, Christine Woll, Paul R. Kelly, Ella Adkison, Neil Steininger, and Maureen Hall.

Eaglecrest Boardmembers present: Chair Mike Satre, Jonathan Dale, Thomas "TJ" Mason, Hannah Shively, Brandon Cullum, Norton Gregory, Kevin Krein

Staff Present: City Manager Katie Koester, Eaglecrest Manager Craig Cimmons, Municipal Clerk Beth McEwen, Meeting Tech Clerk Kevin Allen, Acting City Attorney Sherri Layne, Finance Director Angie Flick, Budget Manager Adrien Wendel, Director of Snowsports Erin Lupro

D. APPROVAL OF AGENDA – *Approved by unanimous consent*

E. AGENDA TOPICS

1. Discussion of Eaglecrest Finances and FY26 Budget

Mr. Smith said people had the opportunity to talk and ask questions tonight and that no budget decisions would be made until April.

Mr. Satre said Eaglecrest was a cherished community asset with a passionate userbase. He provided an operational update, highlighting the various tasks and activities done by staff such as summer camps for kids. He said successes for the 2024/2025 winter season were: they sold out Snow Sports programing, had robust season pass sales, and had 39 days of snowmaking. He said challenges were the Black Bear lift mechanical failure, extremely low natural snowpack with limited snowmaking, mechanical issues with the snowcat fleet, water treatment plant issues related to pumps and intakes, and staffing shortages. In looking at historical budget trends, Mr. Satre said that they generally receive large revenues as season pass sales, but that a low snow year generally translated to lower season pass sales the following year.

Mr. Satre presented budget estimates, including FY23 and FY24 actuals, FY25 budgeted and FY25 projected spending, and a FY26 budget. The FY23 budget was positive, but all further budgets showed a negative fund balance, ranging from $143,000 to $1.3 million, depending on various years and scenarios. Mr. Satre said status quo budget for staffing historically had been around 30-34 FTE positions; he said that in a perfect world Eaglecrest would have around 56 FTE positions. He noted that Snow Sports was an area where a perfect staffing scenario showed major expansion, but that was also a potential area to bring in additional revenue. He said most private industries in Juneau struggle to find maintenance personnel, and that problem was exacerbated at Eaglecrest because of the low pay rate. Mayor Weldon asked how much each snow sport instructor brought in. Mr. Satre said they would provide that information to the Assembly at a later time.

Mr. Satre said there was a 6% raise in FY25 for workers but a recent wage study showed that Eaglecrest was still behind industry standard pay. He said low wages and lack of housing were the biggest detriments to recruitment. He said increasing pay rates 15% to current FTEs would result in a budget increase of $290,000, while increasing pay rates 15% and staffing up to 56 FTEs would result in a budget increase of $2.6 million. He said something to think about was how Eaglecrest was limiting revenue by limiting staff; he gave the example of not having maintenance staff to keep equipment running. Mr. Steininger asked if the 15% wage increase was for targeted positions or for all staff. Mr. Satre said for all staff. Ms. Woll asked about moving to the standard CBJ wage scale steps. Mr. Satre said the Assembly would need to direct the Manager to have HR staff work with Eaglecrest. Ms. Shively said a recent report said transferring to the CBJ wage scale would cost approximately $4.5 million more per year. Ms. Adkison asked if the 15% increase would help fill positions. Mr. Satre said yes, but qualified this statement by saying that even with a 15% increase the Eaglecrest board would still be coming to the Assembly over the next few budget cycles to raise the floor of the wage scale.

Mr. Bryson asked what Eaglecrest could do differently to reduce or eliminate funding requests to the Assembly. Mr. Satre said they were focused on making sure Eaglecrest could get to year-round operations. Mr. Cullum said there was a gap that Eaglecrest needed to bridge to get to year-round operations where they expect to have much larger revenues. He said Eaglecrest was a recreational area owned by the city and needed support from the city, and unlike other recreational areas had a path to fiscal sustainability. Mr. Krein said Eaglecrest must move forward with the gondola project.

Mr. Satre talked about current CIP proposals which totaled approximately $511,000 with about half of that coming from fixing the Black Bear lift. He said that they’ve identified an additional $1.5 million more CIP projects before FY30, beyond the yearly $.5 million CIP requests required to meet general maintenance needs. He noted that the costs of the projects had not been fully estimated. Mr. Cimmons, the Eaglecrest general manager, said the CIP list submitted was $350,000, with the remainder of projects being moved into the master project list for future years.

Mr. Dale said that industry costs have ballooned, with the price of a chairlift costing twice as much as ten years ago. He said the equipment had continued to age and they were asking for support to keep things working. He said that while Eaglecrest was a private sector business it was also part of the Juneau community. Mr. Smith said there was an affordability component, but that ticket and food prices could be higher.

Ms. Hall asked about the J1 Visa program. Mr. Satre said that Eaglecrest guaranteed a certain minimum number of hours and pay, regardless of operations. Mr. Cimmons said there were not a lot of costs to set up the program, other than staff time. He said the students brought up on J1 Visas were only able to stay for their semester, and that it was a band-aid solution because Eaglecrest did not pay enough to hire locally or attract people to Juneau. Mr. Smith asked how many budgeted positions were unfilled. Mr. Cimmons estimated it was at least a dozen.

Mr. Steininger asked if Eaglecrest could do more to maximize summer revenue, regardless of the gondola, citing the approximately 5000 summer visitors who visited Eaglecrest through tours that summer. Mr. Satre said they were trying to balance local existing uses with commercial uses. He noted that facilitating tours took staff time which could be used to complete summer projects.

Ms. Woll asked about projected timing of Eaglecrest being fully self-sufficient. Mr. Satre said they had projected FY28 or FY29, with an independent report estimating FY30 or FY31.

Mr. Bryson said he did not want Eaglecrest to close and supported Eaglecrest, but wanted the Eaglecrest board to explore funding options other than coming to the Assembly.

Mr. Smith thanked the Eaglecrest board and staff for their work.

G. NEXT MEETING DATE

Next Regular Assembly COW Meeting Date: Monday, March 17, 2025, at 6:00p.m.

H. SUPPLEMENTAL MATERIALS

2. RED FOLDER: 3/5/2025 Eaglecrest Presentation to Assembly COW

I. ADJOURNMENT

With no further business to come before the Special Assembly Committee of the Whole Joint meeting with the Eaglecrest Board, they adjourned at 6:30pm.