ASSEMBLY FINANCE COMMITTEE MINUTES

March 4, 2026 at 7:00 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 7:50 pm by Mayor Weldon.

B. ROLL CALL

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

Committee Members Present Virtually: Christine Woll; Greg Smith

Committee Members Absent: Ella Adkison

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

Staff Members Present Virtually: Robert Barr, Deputy City Manager

Others Present: Justin Shoman, KTOO Public Media President and General Manager; Maggie McMillan, Juneau Arts and Humanities Council (JAHC) Executive Director; Brian Holst, Juneau Economic Development Council (JEDC) Director; Aaron Morrison, JEDC Board of Directors Chair

C. AGENDA TOPICS

1. Partner Agency Presentations

a. **KTOO**

KTOO Public Media President and General Manager Justin Shoman stated that CBJ has been a long-time partner with KTOO, specifically in the production of Gavel Alaska, as well as State Legislative, Judiciary, and Executive Branch coverage (packet page 2). Highlights of this partnership's outcomes for FY25 and the 2025 legislative session include broadcasting 825 hours of regular and special sessions of Alaska's Legislature, 17 hours of Alaska's Supreme Court, and 9 hours of Alaska's Executive Branch press briefings and events. KTOO also works with partners in Anchorage and occasionally covers Anchorage based events, though their primary focus is on government events that take place in Juneau. CBJ's partnership with KTOO directly supports 12 and indirectly supports an additional 17 full- and part-time, year-round, and session-only positions in Juneau.

In 2025, KTOO produced 62,282 sessions of on-demand archived legislative sessions, Supreme Court sessions, etc. During last year's legislative session in January through May 2025, 115,310 hours of sessions were streamed via ktoo.org/gavel, Roku, and Apple TV apps. This does not include any streaming activity that happens through AK Ledge or Ledge TV, so the number of actual streamed hours is substantially higher.

The Alaska Rural Communication System (ARCS, packet page 6) and Alaska Public Media ensure accessibility of these broadcasts throughout the State, and 360TV and Gavel Alaska are broadcast through one of their sub-channels in the Anchorage and Mat-Su markets. KTOO also has a close partnership with KUAC who ensure that all legislative coverage and Gavel Alaska reach the Fairbanks market.

Information from the Juneau Economic Development Council (JEDC) Economic Indicators Report (packet page 7) shows that in 2024, Juneau had their first increase in State government jobs since 2012. State government contributes over $225,000,000 in earnings to Juneau's economy annually, which is 21% of all Juneau earnings, and over 40% of all Juneau earnings originates with State, Tribal, Local, and Federal government. CBJ's investment in Gavel Alaska plays an essential role in ensuring that capital city located government events are accessible statewide via television and online, and thus, helps protect an essential economic engine for the City.

Another vital service that the CBJ grant directly supports is public safety (packet page 8). KTOO uses their technical broadcast expertise, television infrastructure, and streaming capabilities, along with the relationships they have developed with government agencies, nonprofits, and Tribal governments, to provide crucial communications related to public safety. An example of this is their comprehensive strategy to cover Juneau's Glacial Lake Outburst Floods (GLOF). CBJ's grant indirectly supports this important service by helping capital expenditures, equipment needs, etc. Consequently, the support of this grant benefits the community in important ways throughout the year despite the legislature only being in session for part of the year.

At the beginning of FY26, KTOO experienced a massive shift in their revenue situation when the Federal Government rescinded funding that they had been providing for 50 years. This was an abrupt reduction of $1,200,000 or 34% of the overall budget. This is not only a one-year loss as this funding is likely gone for the foreseeable future. KTOO immediately reworked their FY26 budget numbers and approved a revised budget at their August 2025 Board meeting (packet pages 9-11). Their projected assumptions included an increase of over $150,000 in individual donations, faith that they could find an additional $500,000 in grants, and overall, a reduction of their projected revenues to $2,900,000. With these changes, the CBJ partnership grant support grows from 13% to over 15% of KTOO's revised budget projected revenue.

Additionally, KTOO cut their estimated spending from a pre-rescission amount by $500,000. These expense cuts included a combination of furloughs and reductions to staff benefits, and they were also projecting a reduction in their workforce. These cuts impacted KTOO's ability to provide full-service coverage to the Special Sessions that took place in August 2025, as there was compromised service whenever there were concurrent meetings. They could not provide captioning or their standard level of production quality due to furloughed staffing. LedgeTV offers a bird's-eye view of the room, no cameras following the speaker, no captioning of who is speaking or what district they're from, or what topic is being discussed. Typically, KTOO's production quality is superior to LedgeTV by including these services, and the CBJ grant helps to enable the improved quality of production coverage.

Television is expensive to produce. 44% of KTOO's overall budget goes to video services. That equals about $1,200,000 of the revised budget, and over $850,000 of that is for Gavel Alaska. This is over 900 hours of live produced government content out of Juneau, also live-produced events such as Celebration. KTOO is the sole broadcaster of Alaska Federation of Natives. All these services ride on infrastructure that is supported by the CBJ grant.

Mr. Shoman continued that their situation today is more optimistic than it appeared in July 2025, and one that speaks to the power of this community. Projected revenues for FY26 appear to be exceeding their revised goals that were set with the updated KTOO budget. Community giving has far exceeded the projected $150,000 increase, and an influx of philanthropic gifts has set them on solid ground. One of those gifts came from the Juneau Community Foundation (JCF). This funding was earmarked specifically for Gavel Alaska, and it has allowed KTOO to move into the 2026 legislative session with the same production quality and standards as they approached in prior years.

KTOO also received funding from Voices Across Alaska (packet page 12) which was propped up by the Alaska Community Foundation to support public broadcasting throughout the State. KTOO received $340,000 from that fund and an additional $500,000 from the Public Media Bridge Fund. The important thing to know about these funds is that they are meant to be bridge funds, and not a permanent, recurring source of revenue. As such they do not make up for the $1,200,000 in Federal funding that was lost this year and every upcoming year, and current sources of revenue are still very essential to continued operation of KTOO.

KTOO's FY25 audit is not finished, though based on year-end statements, KTOO roughly has reserves of $1,100,000 in liquid assets, which is about 3-month's operating expenses (packet page 13). There is an additional $482,000 in restricted legacy fund holdings with JCF. That money could potentially be tapped with signoff by the JCF Board as it is a restricted fund.

As of this month, that restricted endowment fund is just over $550,000 as it has continued to grow. According to most recent financial statements, KTOO anticipates adding nearly an additional $1,000,000 to the reserves in FY26 thanks to those one-time grants and the robust community donations.

Looking forward to the FY27 budget (packet page 14), KTOO is facing a deficit as they anticipate increasing their expenses to make some strategic investments in fundraising. They received several fee waivers from program providers and other content providers in FY26, which will come back next year, and those costs will need to be reabsorbed in future years.

Fundraising is a long-term strategy, and with the loss of federal funding, and an ultimate anticipation of a reduction in individual giving after this year, KTOO is looking at a budget deficit likely through the next 2 to 3 years before seeing the anticipated gains on their fundraising investments. This again highlights the importance of CBJ's support for Gavel Alaska with continuation of the Partnership Grant. KTOO's FY27 revised revenue projection is $2,929,000 and if CBJ maintains their current funding, it will make up 16% of KTOO's revenue.

Considering this, Mr. Shoman respectfully requested that CBJ maintain the current level of funding in FY27. That investment, paired with aggressive pursuit of additional outside funding, will secure widespread public access to State Government and other broadcasting and maintain the infrastructure that serves the community in both routine and emergency circumstances.

Assemblymember Hall asked if, considering that Gavel Alaska is essential to communities all over the State, do other communities contribute to KTOO. Mr. Shoman responded that at present, there are no other municipalities that support them and that their biggest support comes from nonprofit partners. He noted that they are currently working with their local representatives to see if State funding may be available, not necessarily in the form of a grant, but possibly as a contract for service. Mr. Shoman added that seeking municipal funding from other communities may be pursued because of their planned increase in fundraising endeavors, along with individual funding related specifically to Gavel Alaska.

Assemblymember Woll asked if KTOO received additional funding from the Alaska Committee. Mr. Shoman responded that they have received direct funding from the Alaska Committee in the past and if they are a strong advocate for KTOO, particularly in terms of Gavel Alaska. He added that although they are not currently receiving funding from the Alaska Committee, very soon they anticipate their funding support for the hire of one of the fundraising positions who will be working on Gavel Alaska 50% of the time.

Assemblymember Brooks asked if KTOO is looking at other revenue sources such as financial investments, in addition to their fundraising efforts. Mr. Shoman responded that their video production services have always been a revenue source for them. They are looking at long-term possibility of branching that off into a for-profit entity. They have not committed to long-term financial investments due to the need to keep their assets liquid.

The Committee continued to ask questions and discuss the topic.

b. **Juneau Arts and Humanities Council**

Juneau Arts and Humanities Council (JAHC) Executive Director Maggie McMillan explained that the JAHC is a hub for arts and artists in the community. Juneau has a robust and vibrant arts ecosystem, and artists gather, display, and perform at the JAHC. It is also an organization that provides artists with opportunities, and that is what the partnership with CBJ allows them to do. Juneau's artists that are supported by the JAHC include theatrical actors, singers, musicians, painters, writers, sculptors, potters, fiber artists, indigenous artists, etc. These people and their artistic contributions help make Juneau an exciting and dynamic place to live.

Ms. McMillan reviewed the allocations of the grants they provided in FY26 (packet page 19). JAHC received 20 individual artist grant requests totaling almost $117,000 (page 20), and out of these, they were able to give 14 artists $1,000 grants each. In terms of major grants, they received 15 applications totaling $349,000, and were able to give $118,650 in grants supporting groups including Perseverance Theatre, Juneau Symphony, Juneau Jazz and Classics, Theatre Alaska, Juneau Alaska Music Matters (JAMM), etc. JAHC supports educational programs including Artful Teaching Program, Artists in School, and Poetry Out Loud.

Ms. McMillan stated that looking forward to FY27, their focus is on stability and sustainability. She joined JAHC very recently, in December 2025, and as part of the leadership transition, she has spent significant time reviewing and cleaning up financial systems, improving reporting, and aligning the operational budget with reliable revenue sources. The intent is to build a stronger administrative foundation for the organization going forward. They are reorganizing operations and reducing operating expenses, which unfortunately meant that they had to reduce some staffing. Despite dealing with difficult challenges, they are continuing to support artists and organizations, helping them achieve their goals. Ms. McMillan and JAHC are currently working on a new strategic plan to help the organization move forward steadily.

Assemblymember Brooks asked if they are offering a fine arts camp comparable to the one offered at Sitka. Ms. McMillan responded that the Juneau Fine Arts Camp is not offered through JAHC, and that there are many opportunities to engage young people in the arts. They recently had teenagers come to a metal show and taught them how to do sound, and they are looking at putting a program together to teach young people technical skills that could potentially develop into career skills.

Assemblymember Woll asked about the re-granting gifts to other non-profits, and if these are typically year after year, or more for special projects or events. Ms. McMillan responded that to the best of her knowledge, having only gone through some of the past years' grant applications, that it is a mix. She added that some of the organizations that apply year after year are seeking funding for new or special projects rather than to cover operating expenses.

Assemblymember Brooks asked if there is a robust applicant pool for individual artist grants every year. Ms. McMillan answered that yes, there were many applicants requesting larger sums of money. JAHC was able to give $1,000 grants to 14 of them. She explained that though the amounts are small, there is a need for those individual artist grants. Some of these artists are first-time grant applicants and this funding validates their careers and professionalism. Artists apply for grant funding with JAHC because the application process is easy, they're receptive, and are supportive of artists succeeding in Juneau.

The Committee continued to ask questions and discuss the topic.

c. **Juneau Economic Development Council**

Juneau Economic Development Council (JEDC) Executive Director Brian Holst stated that

JEDC just turned 39 years old last month and is excited to be planning for its upcoming 40th anniversary of operations in Juneau. JEDC was formed as a partnership with CBJ and the Chamber of Commerce in 1987. JEDC's mission is to foster a sustainable and healthy economic climate in Juneau and throughout Southeast Alaska. Working with other partners is key to achieving this goal. They have a diverse array of resource partners, and CBJ is by far their largest contributor, which they deeply appreciate. The JEDC Board has a close relationship with CBJ and the Assembly, and JEDC delegates responsibility to appoint their Board to the Assembly.

JEDC has 13 year-round staff (8 full-time, 4 part-time, and a volunteer) in addition to seasonal staff during the summer (packet page 31). JEDC will be managing staffing for the downtown crossing guards starting in July, and they manage the downtown Ambassador Program through an agreement with the Downtown Business Association (DBA). JEDC also runs summer camps. Areas of focus (packet page 32) include helping make Juneau a great capital city, strengthening key regional industries, promoting entrepreneurship and small business, etc.

Mr. Holst noted that Alaska has experienced 13 years in a row of net out-migration, and Juneau is not immune to this statistic. Alaska's attractiveness brings people in; however, it is a difficult challenge to keep them here. Lack of affordable housing is one of the critical issues contributing to this problem, and JEDC is focused on community land trust housing as an option to help more working-class Juneau families into home ownership (packet page 34).

JEDC is focused on strengthening key regional industries (packet page 35), which are the cluster of industries that bring money into the community, such as trade, mining, and visitor industries. JEDC is careful to not duplicate work that others are doing.

One of the ways that JEDC works to promote entrepreneurship and small businesses is by angel investing to provide startup capital (packet page 36). This helps create and support new business opportunities. Angel investing is a way to encourage people and organizations with resources to invest in small local businesses. JEDC was successful in getting the Innovating Alaska Act passed several years ago. JEDC was a winner of the Small Business Association (SBA) Growth Accelerator Competition Prize. JEDC also loans money to help businesses in Juneau start, expand, and thrive.

Developing talent (packet page 37) is another important area for JEDC. The economy is about people and sustaining the community, and a good economy serves all citizens, not just business owners. JEDC serves over 300 young people in summer camps, primarily focused on Science, Technology, Engineering, and Math (STEM) skills. In the last few years, they have also added an Entrepreneur Camp in association with Juneau Chamber of Commerce, and a Trades Camp. These programs are designed to prepare local high school students and recent graduates with hands-on skills development and clearly defined next steps into postsecondary education, registered apprenticeships, and local trades jobs. The intent is to support the up-and-coming Juneau workforce with needed and useable skills and foster opportunities for them to succeed financially and professionally while staying in Juneau.

JEDC is working to address the needs of the elderly population in Juneau, and elder care providers. There is a great opportunity for Alaska with the Rural Health Transformation Program, and JEDC is being proactive with lots of partners to ensure that members of the community can access these resources that will be coming over the next 4 or 5 years.

JEDC has created a Career and Technical Education (CTE) pilot program in the construction trades starting this summer. JEDC has secured funding for the CTE program with the goal of having at least 20 high school graduates for training and to cultivate interest in construction careers. This is part of a long-term effort to prepare more Juneau people for jobs with large construction projects. Upcoming major construction projects include Coast Guard Home Porting ($300,000,000+), Huna Totem Project ($150,000,000), and Goldbelt docks ($500,000,000). These projects will need conservatively at least 600 construction workers in Juneau over the next 4 years. When they happen, this will bring large infrastructure that's good for the community. With thoughtful and proactive planning, JEDC can support and encourage people from our community to get involved in working on those projects, leading to careers that allow Juneau-ites to stay in Juneau.

JEDC's work on economic services (packet page 38) includes the 15th annual Innovation Summit, collecting data, and delivering research. They give credit to the Department of Labor and other economic data resources. Juneau is one of three communities that collect data on the cost of living in Alaska, and consequently, has up-to-date information about costs here compared to other communities throughout the United States.

JEDC prides itself on partnering with other non-profit organizations. With its talented and experienced staff, JEDC can offer services to other nonprofits to help them operate more efficiently and less expensively than they could on their own. The valuable services they offer include accounting, board support, staffing, communications, and assistance for events and activities.

JEDC has been providing loans for multiple purposes and has an active loan portfolio thanks to the Assembly (packet page 40). These have included the Southeast Alaska Revolving Loan Fund, the CBJ Float Plane Noise Abatement Loan Program (closed), and the CBJ Childcare Loan Program.

Loan funding is typically provided to people and businesses who were impeded by not qualifying for traditional bank business loans. In this way, JEDC is not competing directly with banks. There is direct evidence that this lending has supported successful Juneau businesses to get off the ground and become successful (packet page 41).

JEDC conducts and compiles extensive research and provides a research library on their website (packet page 43). Publications include *Juneau & Southeast Alaska Economic Indicators and Outlook Report; JEDC Research Note: Impact of Potential Sales and Property Tax Changes on Juneau Residents;* and *Research on Upcoming Changes to the Health Insurance Marketplace*, etc.

JEDC played an important role in Pandemic Emergency Response, both in Juneau and Statewide. Related to the pandemic, they handled a huge amount of loans and grants over the period from 2020-2024 (packet page 44).

Participation and demand for JEDC programs is growing (packet page 45), and they want to expand and do more work in Juneau. Toward this goal, they have invested in hiring a full-time staff member for the purpose of identifying, pursuing, and securing new funding sources to support their economic development work.

CBJ invested $1,940,000 in JEDC over the 5-year period FY21-FY25 (packet page 46). JEDC brought in an additional $11,700,000 in public and private investment and fee revenue, and JEDC efforts brought an additional $88,900,000 in documented investment funding to community and regional entities over that period, that were leveraged in addition to CBJ funding. CBJ is a force multiplier, and funding from CBJ was leveraged at 6 to 1 with a 5-year return on investment of 52 to 1.

If there is a reduction in CBJ funding (packet page 48), JEDC activities that are not self-funding are most vulnerable and would likely be the first to be cut. These include STEM, Trades, and Entrepreneur Summer Camps, K-12 FIRST Robotics Programming, the Juneau Maritime Festival, the Innovation Summit, etc. Other impacts would be cuts to research work and production, reduced matching funds for grants, and staff would spend more time raising funds and pursuing grants rather than supporting local businesses and Juneau's economic growth.

Mr. Holst concluded by noting that in a recent CBJ survey, when defining how CBJ should work towards municipal success, 68% (top choice) of Juneau respondents chose: "Making Juneau a place where working-age residents and young families can live, work, and stay long-term," and JEDC's purpose is in alignment with that statement.

Assemblymember Kelly noted that Haines is mentioned on the spreadsheet and asked what, if any, funding comes from areas outside of Juneau. Mr. Holst responded that this is a Haines Revolving Loan Fund that JEDC manages for the City of Haines. The portfolio is a little over $100,000 and is currently deployed into two loans. There is no direct cost to Juneau or JEDC and the borrowers pay interest on the loans. This is a restricted item on the balance sheet, as these funds belong to the City of Haines. Regarding funding from other areas, he noted that JEDC receives funding for programs such as the robotics program from sponsors such as Alaska Airlines, Alaska 529, ConocoPhillips, and others.

Assemblymember Steininger asked about JEDC spending down on their fund balance, and the drawdown of roughly 10% of operating reserves bringing them to 8 months of reserves and asked if JEDC has a target number for their reserves. Mr. Holst answered that their goal is to have between 6 and 12 months of reserves.

The Committee continued to ask questions and discuss the topic.

2. Foregone Revenue Update

Assemblymember Steininger stated that Mayor Weldon, Assemblymember Hughes-Skandijs, and he have had several meetings to discuss the Foregone Revenue project. With the ongoing support of Staff who have been answering their questions, this group is working on compiling a detailed, organized list of Foregone Revenue ideas and recommendations to bring to the Committee for discussion.

Assemblymember Woll asked if the goal of passing the budget with $2,000,000 in increased revenue is achievable? Assemblymember Hughes-Skandijs responded that part of the work that the group has been doing with the help of Staff is to filter and focus on areas that will generate enough revenue to get on track to meet the Assembly's goals, and Mayor Weldon agreed.

3. Information Only: Updated AFC Budget Calendar

D. NEXT MEETING DATE

4. March 18, 2026, 5:30PM - Special Joint Finance Assembly Committee Meetings with Docks and Harbors and Juneau Board of Education

E. SUPPLEMENTAL MATERIALS

F. ADJOURNMENT

The meeting was adjourned at 9:26 pm.