



ASSEMBLY FINANCE COMMITTEE MINUTES

April 1, 2026 at 5:45 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 5:46 pm by Chair Woll.

B. ROLL CALL

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

Committee Members Present Virtually: Mayor Beth Weldon; Greg Smith

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

Staff Members Absent: Robert Barr, Deputy City Manager

Other Staff Members Present: Craig Dahl, Eaglecrest Special Project Planning Manager; Alexandra "Alex" Pierce, Visitor Industry Director; Emily Wright, Municipal Attorney

C. APPROVAL OF MINUTES

1. March 4, 2026 AFC Joint Meeting with Eaglecrest

The March 4, 2026 minutes were approved as presented.

D. AGENDA TOPICS

2. Export Manufacturing Exemptions

Finance Director Angie Flick stated that every year, organizations that meet the export manufacturing exemption criteria submit applications to the Assessor's Office who review them and bring those that meet the criteria to the Assembly Finance Committee (AFC) for approval prior to full Assembly approval (packet page 12).

Motion: by Assemblymember Hughes-Skandijs that the applications listed on the table on page 12 of the packet be approved.

Motion passed by unanimous consent.

3. Gondola Project Update

City Manager Katie Koester gave some context for the memo on packet page 20. After the last time Eaglecrest met with the AFC, they wrote a memo to Goldbelt asking if Goldbelt would be willing to extend the Revenue Sharing Agreement (RSA) and would be willing to participate in the Gondola and/or operating Eaglecrest. While a productive meeting was

held with Goldbelt leadership, Eaglecrest Board Chair Brandon Cullom, Mayor Weldon, and Ms. Koester, a response from Goldbelt is not expected until after their next Board meeting which will take place on Friday, April 3, 2026. In the meantime, Staff wanted to put the options into writing now, although the necessary information for decision making will not be available until after the Goldbelt Board meeting.

Ms. Koester added that in her opinion, it is reasonable to expect, as foreshadowed by Goldbelt, that the economic viability of Eaglecrest for Goldbelt is tied to their West Douglas operation, and it is with that in mind that they will be considering any options.

Ms. Koester requested that, as the Committee reviews Mr. Dahl's presentation, the members consider what directions and questions they can provide to Staff today to help determine the best option(s) for paying off the RSA and terminating the loan. All the decisions do not need to be made during today's meeting, but providing insights and questions will help staff and move the effort forward in deciding how best to pay off this \$9,000,000 loan.

Eaglecrest Special Project Planning Manager Craig Dahl joined the City Manager's Office last June to work directly for the City Manager on the Gondola project. At the time the project was stalled, and his role was primarily to locate the roadblocks, find resolutions, and move the project forward while providing transparency to the Assembly, which would include the business arguments for the project.

With the authority of the City Manager's Office, Mr. Dahl was able to engage with various departments impacting the project, the Eaglecrest Board, Eaglecrest management, and outside businesses to identify the next steps to get the project back on track.

The year long delay created a serious timing problem for meeting the project deadline as outlined in the RSA that required CBJ to deliver a working gondola by May of 2028. This deadline was in jeopardy if several key things didn't happen. The first was a Request for Proposal (RFP) for construction of the lower road which needed to be in place by the end of 2025 for construction to begin in early 2026. The second was an RFP for selection of the Construction Manager/General Contractor (CMGC), which was many months behind. The road RFP was done just as winter started, so that was on time. However, the CMGC was not selected until the end of January 2026, which was late in the process, leading to delayed estimates and delayed timing on the project.

A "Gondola Team" was assembled to get this project done. This group is comprised of CBJ employees including Alex Pierce, CBJ Visitor Industry Director; Alan Steffert, CBJ Project Engineer; Carleton Shorey, CBJ Engineer; Erin Lupro, Eaglecrest Acting General Manager; and Tracey Sunflower, Eaglecrest Marketing and Events Manager; plus Jim Calvin, who is a member of the Eaglecrest Board. This group met weekly to coordinate and review the status of actions in process, provide direction to the design team when necessary, and review the financial projections for the gondola and the related impact on Eaglecrest.

Additionally, there has been a design team in place since the beginning of the primary

design of the project. The design team is led by Sean Boily of Northwind Architects along with six other subcontractors, each with a specialty required for engineering and design of this project.

Mr. Dahl provided a review of the Gondola project history (starting on packet page 213). A summary of gondola project costs to date (packet page 217) has total project costs of \$9,445,000, total appropriated funds of \$12,722,000, leaving \$3,277,000 available to repay Goldbelt. If the project continues, there will be additional costs (packet page 218).

The CMGC's Rough Order of Magnitude (ROM) estimate of \$27,000,000 from Cornerstone General Contractors reported recently in a joint meeting with AFC and the Eaglecrest Board was much higher than the original projected estimate of \$7,000,000, resulting in a hard pause on this project while options are considered (packet page 219).

At this point, meeting the May 2028 deadline for project completion is unrealistic. This will trigger a repayment of Goldbelt's investment with 7% interest compounded monthly. The May 1st payoff amount would be approximately \$12,045,720, monthly accrual is about \$70,000 and increasing, and the net amount needed to repay Goldbelt is \$8,768,000 (packet page 220). Additionally, there are ongoing costs depending on whether Goldbelt or a third-party investor wants the currently designed gondola project (see packet page 221).

In terms of gondola project potential revenue projections, Juneau is in a unique position with over 1,700,000 cruise ship visitors plus independent travelers of 150,000 to 200,000 each year. Capturing a conservative number of these visitors to ride the Eaglecrest gondola would create a significant revenue stream that could subsidize Eaglecrest operations in years to come. Even with higher than anticipated construction costs, this could be attractive to an outside investor.

Mr. Dahl provided gondola revenue projection models based on changing gondola ride price, capture rate for target groups, and number of operation days for future time frames (packet page 224), operating expenses including personnel (page 225), and net operating revenue projections (pages 226-228). Net operating revenue projections range from \$3,645,000 to \$5,097,000 from FY29 through FY31 with future years net revenue of \$6,000,000 or more.

The Assembly and the Eaglecrest Board have decisions to make, including entering into a new agreement with Goldbelt or cancelling the RSA, continuing, yet pausing the project at the lowest possible cost, or stopping the project entirely and selling the gondola and all the parts (page 229).

Assemblymember Kelly disclosed for the record that both of his stepchildren are Goldbelt shareholders and that the City Attorney has confirmed that there is no conflict of interest.

Assemblymember Hughes-Skandijs asked about the ongoing costs and what costs would continue with pausing the project. Mr. Dahl responded that these costs vary depending on the chosen option. If the gondola project is discontinued and no one takes it over, the \$946,000 tariff and fuel surcharge for bringing parts here from Europe could be avoided. If

these parts are not shipped here, there would be additional savings of \$100,000 for unloading, staging, and inventorying these parts in Juneau, though some of this savings would be offset by expenses incurred by the agent in Canada who helped secure these parts. There is an additional \$7,000 that needs to be paid for an adjustment on the lower Eaglecrest road contract that was not included on the ongoing costs list.

Assemblymember Smith asked if the net revenue projections take Goldbelt's profit sharing into account. Mr. Dahl answered that there are different projections depending on the scenario, and the projections in the presentation do not factor in that cost. He added that his recollection of the projections for Goldbelt are between \$400,000 and \$750,000 per year. There are other projections based on if the money to complete the project was borrowed that factor in the debt service.

Assemblymember Kelly asked if there are estimates on how much could be recovered by selling the gondola and its parts. Mr. Dahl responded that they just received some estimated numbers yesterday and have not yet had a chance to review and analyze them.

Mayor Weldon asked for confirmation that if someone else buys the gondola, then the parts can stay in Europe. Mr. Dahl answered that yes, that is correct if someone buys the gondola for a location other than Juneau.

Assemblymember Steininger asked about the other projections including the debt service. Mr. Dahl answered that when they were creating these models, they were using a different debt number, not the \$27,000,000 that came out with the construction estimate. If they were looking at it now, it would be based on a \$27,000,000 investment.

Assemblymember Steininger asked if a projection could be made with a scenario that includes issuing revenue bonds to pay for the project with Eaglecrest moving forward with the gondola. Mr. Dahl said if that Staff provides the needed numbers that such a cash flow situation could be modeled.

Assemblymember Brooks asked about the storage fees if they decided to sell the equipment from its current location. Mr. Dahl answered that they are in process of looking into this, and at this moment there is indication that they have time without any additional storage fees, though some storage fees have already been incurred.

Assemblymember Smith asked about the ROM estimate from the CMGC of \$27,000,000 and if that is truly the expected price or whether it could be lowered. Mr. Dahl explained the CMGC process. Rather than just having an RFP to find a contractor to build the project, they needed a Construction Manager General Contractor who was supposed to be in place early enough in the design process to participate in the design. CMGCs may have inputs on efficiencies, as there are times when builders see things in ways that engineers and consultants do not, by virtue of their hands-on experience. The only cost estimate was from 2022. Engineering wanted a CMGC, however it took too long to secure one to participate in the design process. When Cornerstone was retained, the design was already 95% completed. The less time they had to look at the project, it could be assumed that the

higher estimate would be due to risk. The ROM was their best estimate of what they believe the cost would be based on the design. Staff gave them until today, April 1, 2026, to provide a Guaranteed Maximum Price (GMP), which would have been the price to use. Cornerstone, along with the City engineer, have not had enough time to explore different ways to cut costs, so the deadline has been extended to the end of April. The GMP is expected to come down somewhat, but not as much as would be hoped. In short, the ROM was a rough answer, and they have been given extra time to refine and improve that number.

Chair Woll asked what is included in this price. Mr. Dahl responded that this price is just for building the gondola project to get to the top of the mountain and does not include any other infrastructure such as restaurants, retail space, viewing platforms, restrooms, etc.

Assemblymember Hall asked at what point in the project would the parts that are still in Europe be needed. Mr. Dahl answered that the construction could be started without the additional parts but could not be completed without them. Assemblymember Hall asked if the parts are shipped through Canada, do the tariffs still need to be paid. Mr. Dahl answered that because the parts would eventually be entering the US to get to Juneau, that yes, the tariffs would apply.

Assemblymember Hughes-Skandijs asked about the gondola project projections and the ticket prices. Mr. Dahl said that the \$85 price per passenger is the wholesale price for the cruise ships, and \$45 is an estimate for local passengers. The \$85 was approved by Goldbelt two years ago. There is flexibility built in with this pricing and these prices could be amended.

Assemblymember Brooks asked, if it was known from the beginning that having a CMGC during the design phase was crucial, why was there such a delay in bringing one onboard until the design was 95% complete. Mr. Dahl stated that there were delays during each step of the project, however, one of the biggest obstacles was the Glacial Lake Outburst Flood (GLOF). The amount of work that it takes to bring a project to RFP in the marketplace requires dedicated time from CBJ's Engineering staff. When Mr. Dahl joined the project, everyone was aware and concerned about the gondola project, however, Engineering staff time was stretched thin due to the flood and several other large City projects that were demanding the attention of a limited number of Engineers. This situation caused both the road and the CMGC RFPs to be stalled. In the meantime, the other consultants continued their work to move things forward as they are a dynamic group.

Assemblymember Kelly asked a follow-up to Assemblymember Hall's question about the tariffs, and if the steel and aluminum tariffs were ones that were struck down or given expiration dates unless extended by Congress. Mr. Dahl said he does not have an exact answer, however, there has been conversation about delaying the shipment long enough that something may change with the tariff. The applicable tariff falls under Section 232 and was exempt from being struck down by the Supreme Court. Mr. Dahl noted that there was already a 25% tariff in place when the gondola parts were shipped, but they were classified as ski area parts and not charged 25% on any amount of steel. With the start of the 50%

tariff, US Customs started a very rigid inspection process.

Chair Woll asked for Mr. Dahl's opinion about the original gondola project cost estimate and how it grew from the original amount of \$7,000,000, which included a 4,000 square foot building and mountain coaster, to \$37,000,000 without the building and mountain coaster. Mr. Dahl stated that it is outside of his understanding how the original cost estimate numbers were determined. He added that looking at other projects that the City is working on at this time, there have been exorbitant cost increases across the board in terms of construction materials. This does not account for the huge gap but accounts for some of it. Due to ongoing cost increases, Engineering is now adding 7% annual inflationary increases on every project for which they are making estimates.

Chair Woll asked Ms. Koester if she would like address this topic based on her knowledge and opinion of the situation. Ms. Koester said that she has put a great deal of thought into this and has had conversations about how this would be a perfect case study in how not to do a public-private partnership. In her opinion, there were many contributing factors. She acknowledged that only a couple of the current Assemblymembers were part of the original decision, turnover of the Assembly, Eaglecrest Board members, and Manager's Office has resulted in no single person being responsible. One could say that the Eaglecrest Board is responsible as they advocated for the gondola project. One could also say that the City Manager is responsible as the City Manager is the one to hire the project engineer and ensure that project steps are completed on time. While both things are true, the project suffered due to turnover with the Eaglecrest General Manager (GM), and the RSA was signed two months before Ms. Koester was hired as City Manager. Although it was a collaborative project, the City Manager's Office looked at this as an Eaglecrest project and Eaglecrest looked at it as an Engineering project. There needed to be an individual who was being paid to run this project and keep it on track from the beginning.

Ms. Koester continued, stating that this was a high perspective of looking back at where things went wrong. She also believes that there were many different decision points where the Eaglecrest Board, the Assembly, the GM, the Project Manager, and herself made decisions that were based on the available information at the time. She provided the example of the decision to bifurcate the project into civil engineering for the road separate from the gondola project. The reason for that decision at that time was the rule that a project does not get started unless the project funds are appropriated. There was tremendous pressure to get this aspect of the project started, as there was no way to meet the deadlines without starting the road construction when it needed to happen. Ms. Koester felt at that time that the City has contractors capable of building this road, the road has been designed, and this part of the project could be completed. Therefore, she gave direction to start the road prior to the CMGC joining the project.

Ms. Koester also stated that in her opinion, government was not designed to work in the private business sphere. Government has too many processes, procurement procedures, and layers to operate efficiently in the private sector. She stated that this project has suffered from not having one person or entity who was going to ultimately be held responsible for its failure or success. In hindsight, this project should have slowed down,

and it is worth looking at all these decisions to use as learning points to avoid making these same mistakes in the future.

The Committee took a brief at ease.

Motion: by Assemblymember Hughes-Skandijs to direct staff to end the project and draft an ordinance for repaying Goldbelt and cancelling the Revenue Sharing Agreement.

Objection: by Assemblymember Brooks for the purpose of an amendment.

Amendment #1: by Assemblymember Brooks to amend the original motion to also provide direction to staff to investigate ending the Revenue Sharing Agreement while exercising all options of compensating Goldbelt besides strictly cash.

Amendment #1 passed by unanimous consent.

Objection to the Original Motion: by Assemblymember Smith as they are still awaiting information from the CMGC and a response from Goldbelt, so this project may still be viable.

Assemblymember Adkison stated that she supports this motion and wishes that it had been done sooner. She added that it is not an irreversible action and there will be time to gather additional information and options prior to voting on an ordinance.

Assemblymember Steininger agreed with Assemblymember Smith's opinion and stated that he believes that the gondola project has potential to be profitable. Looking at an expense of \$70,000 per month is not a large amount compared to underwriting Eaglecrest for \$3,000,000 every year.

Amendment #2: by Mayor Weldon to amend the original motion as amended to add "and ask Eaglecrest Board to continue searching for other project investors."

Objection: by Chair Woll.

Roll Call Vote on Amendment #2

Ayes: Weldon, Smith, Steininger, Hall, Adkison, Hughes-Skandijs, Brooks, Kelly

Nays: Woll

Amendment #2 passed. Eight (8) Ayes, One (1) Nay.

Original Motion as Amended: by Assemblymember Hughes-Skandijs to direct staff to end the project and draft an ordinance repaying Goldbelt and ending the RSA agreement, with additional direction to staff to investigate ending the RSA agreement while exercising all options of compensation besides strictly cash, and also ask the Eaglecrest Board to continue searching for other project investors.

Objection: by Assemblymember Smith for the purpose of asking a question.

Assemblymember Smith asked what Staff will tell the CMGC in terms of stopping or continuing refinement work on the project if this motion passes.

Ms. Koester responded that if this motion passes, then pending contract work including cost estimations, design work, etc., would be paused/terminated. Passing this motion would not cause the gondola cars or parts to be put up for sale. It would not be much different than what is happening now other than stopping the RSA.

Assemblymember Smith maintained his objection as his opinion is that some of this work, and particularly the refined cost estimate, is critical and should be continued for now.

Assemblymember Adkison spoke in favor of this motion. She stated that she would agree with previous speakers if there was a vote to end the RSA today. However, this is a vote to instruct Staff to write an ordinance to terminate the RSA, which gives the Assembly multiple options including passing, rejecting, or delaying this ordinance. Assemblymember Kelly supported this motion for similar reasons.

Chair Woll spoke in favor of the motion and added that if she could end the RSA today, that she would do so. She stated that she did not have a lot of trust in this project from the beginning and has less trust in it now, and she believes that the public feels the same way. She added that this is a classic case of the sunk cost fallacy. Considering how many other decisions and cuts will need to be made this year due to revenue cuts from last fall's election, she believes decisive moves to end these costs and the related compounding interest need to be made.

Roll Call Vote on the Original Motion as Amended

Ayes: Hughes-Skandijs, Kelly, Adkison, Weldon, Brooks, Woll

Nays: Smith, Hall, Steininger

The original motion, as amended, passed. Six (6) Ayes, Three (3) Nays.

Motion: by Assemblymember Hughes-Skandijs to direct staff to introduce the ordinance terminating the RSA agreement at the Special Assembly meeting on April 29, 2026, with discussion held at the May 4, 2026 Committee of the Whole, and public hearing at the Regular Assembly meeting on May 18, 2026.

Objection: by Mayor Weldon because this process will take some time and it is not fair to Eaglecrest to rush this process while they are working on gathering information.

Roll Call Vote on Motion

Ayes: Hughes-Skandijs, Kelly, Adkison, Brooks, Chair Woll

Nays: Mayor Weldon, Smith, Hall, Steininger

Motion passed. Five (5) Ayes, Four (4) Nays.

The Committee recessed at 7:44 pm.

The Committee reconvened at 7:58 pm.

Chair Woll noted that Eaglecrest has provided a proposed FY27 budget. Given decisions that were made tonight, some budget assumptions may change, and they may need direction to come up with a revised budget due to these changes.

Ms. Flick referred to the March 26, 2026 memo with the subject, "If A Gondola Stop or Pause, Then What About Eaglecrest's FY27 Budget?" (packet page 20). The purpose of this memo is to set the stage for discussion, direction, or no action, for the Committee to decide. Last year, assumptions for the Eaglecrest budget were agreed upon, including that the City should be in the business of operating a year-round mountain recreation area with the goal of Eaglecrest becoming self-sufficient and profitable soon. Based on this assumption, a \$2,500,000 deficit was allowed in Eaglecrest's FY26 budget due to the anticipated trajectory of the gondola project starting operations in FY28 paving a pathway to Eaglecrest's profitability. When allowing an operation to be in deficit, the City is required to reserve those funds, so the FY26 Eaglecrest deficit was passed by restricting a portion of the Restricted Budget Reserve.

Ms. Flick added that, considering the motions that were just made at this meeting, to end the gondola project as a City project and to create an ordinance to settle the RSA, the Body may choose to reevaluate the assumptions for Eaglecrest's FY27 budget, specifically whether another deficit year is appropriate with no future plan for profitability.

The FY27 budget that was approved by the Eaglecrest Board and included in the Manager's Proposed Budget has a deficit similar to last year's. If this budget proposal moves forward as presented, another reservation of funds on top of what already exists from last year will be required. The memo includes some options for the Committee in considering these circumstances (bottom of packet page 20 and top of page 21).

Ms. Flick noted that people have often suggested selling Eaglecrest. CBJ cannot sell Eaglecrest to a private entity or developer because the land on which it is situated is part of the Land Water Conservation Fund, which has many restrictions. One of these restrictions is that a government entity must be the owner. However, CBJ could outsource the operation of the recreation area to another organization. Ownership of parts outside of the land can be negotiated and a third-party operator could make structural changes to lifts, buildings, etc., following the appropriate protocols and permitting requirements. Eaglecrest staff are CBJ employees and changes to staffing levels must follow CBJ personnel rules.

There are many possible ways that such an agreement could potentially be arranged and negotiated. In any case, it is important to recognize that if there is not a financially sustainable plan for Eaglecrest, then the deficit model with reserved funds does not make sense. The Assembly has the authority to allow it. However, it would be fiscally prudent to direct Staff to prepare an ordinance to make a fund transfer from the General Fund Restricted Budget Reserve, or another account, to the Eaglecrest fund to repay the FY26 deficit and also to not run it at a deficit going into the future without a clear path to Eaglecrest's financial self-sustainability and profitability.

Assemblymember Hughes-Skandijs asked for clarification about the accounting actions that

need to be done to cover the deficit. Ms. Flick responded that the approved deficit monies were marked as unavailable from the Restricted Reserve Account as if they were already spent. If the Body provides direction to repay the deficit, the transfer will not further reduce the current Restricted Budget Reserve balance.

The original deficit was allowed with the expectation that future revenues from the gondola project would repay the deficit and over time, bring the Eaglecrest Fund from a deficit or “negative” balance to break-even and eventually into profitability. If the gondola project does not move forward and future profits are not anticipated, then an internal transfer of funds will be required to cover any deficit spending.

Mayor Weldon asked if the current deficit must be resolved now or if it can be carried forward while waiting for more information while decisions are ongoing. Ms. Flick answered that the Assembly has options including reserving General Fund dollars to cover the deficit to allow Eaglecrest Board more time to come up with a solution. The time frame is at the discretion of the Assembly.

Assemblymember Brooks asked what Staff needs in terms of detail in the refinement of assumptions. Ms. Flick answered that the goal for this meeting is to find out if the Committee wants to direct the Manager’s Office and/or Eaglecrest to prepare an alternative budget scenario anything such as documents, estimates, or projections, for the Committee to consider for FY27.

Motion: by Assemblymember Hall to direct the Eaglecrest Board to present a different financial sustainability model with review input from the Manager’s Office and to also explore the possibility of a revenue bond.

Objection: by Assemblymember Adkison because Eaglecrest is already uncertain about future profitability and they are in deficit and should not be moving forward taking on additional debt.

Objection: by Mayor Weldon for purpose of making an amendment.

Amendment #1: by Mayor Weldon to amend the original motion to include direction to the Eaglecrest Board to present an expenditure budget that is covered by the revenue Eaglecrest generates plus the \$930,000 General Fund subsidy.

Objection: by Assemblymember Smith for purpose of making an amendment to Amendment #1.

Assemblymember Smith stated that last year Eaglecrest moved to the CBJ pay scale to help them be more self-sufficient and to staff the mountain. A \$930,000 subsidy will not be enough for them to maintain operations and Eaglecrest will need more funding.

Amendment to Amendment #1: by Assemblymember Smith to amend the amendment to increase the General Fund subsidy from \$930,000 to \$2,000,000.

Objections: by Assemblymember Hughes-Skandijs and Chair Woll as the City needs to cut \$10,000,000 to \$12,000,000 from the budget and it is not fair to ask other areas to cut their expenses while subsidizing Eaglecrest's budget.

Roll Call Vote on Amendment to Amendment #1

Ayes: Smith, Hall, Mayor Weldon, Steininger

Nays: Hughes-Skandijs, Adkison, Brooks, Kelly, Chair Woll

Amendment to Amendment #1 failed. Four (4) Ayes, Five (5) Nays.

The Committee took a brief at ease.

Amendment #1 passed by unanimous consent.

Amendment #2: by Assemblymember Hall to amend the original motion to remove the revenue bond part of the motion.

Amendment #2 passed by unanimous consent.

Original Motion as Amended: by Assemblymember Hall to direct the Eaglecrest Board to present a different financial sustainability model with review input from the Manager's Office and present an expenditure budget that is covered by the revenue Eaglecrest generates plus the \$930,000 General Fund subsidy.

Motion as amended passed by unanimous consent.

Motion: by Assemblymember Steininger to provide direction to the Eaglecrest Board to investigate capital improvement investments and other investments that could lead to revenue generating opportunities, inclusive of financing options which may include revenue bonds, and present those ideas to a joint meeting of the Eaglecrest Board and Assembly by no later than November 2026.

Motion passed by unanimous consent.

4. Information Only: Updated AFC Budget Calendar - revised 03.26.2026

Ms. Flick stated that this meeting is the kickoff of the FY27 budget cycle, even though some things were done early this year. She added that the published CBJ meeting calendar shows an Assembly Finance Committee meeting every Wednesday through June 3, however, there will not be a meeting on Wednesday, April 8, 2026. April 11, 2026, will be an all-day Saturday AFC meeting starting at 10:30 am. April 15, 2026, will not be a regular AFC meeting, it will be an Assembly listening session for the public. On April 16, 2026, Assembly budget reduction submissions of up to \$2,000,000 are due. These will be treated like legislative priorities, they will get consolidated and aggregated and will be presented back to the Assembly on April 22, 2026. All the deadlines listed are plans and goals. The true, hard deadline for making all budget decisions is May 27, 2026 in this Committee to have the final ordinances and resolutions ready for the full Assembly on June 8, 2026.

5. Assembly Grants and Community Requests

a. Assembly Information Needs

Assemblymember Woll presented the Community Funding Request from United Way Southeast Alaska (UWSEAK) which she sponsored (packet page 23). UWSEAK is a Voluntary Organizations Active in Disaster (VOAD) Sustainability Program. This request is similar to last year's UWSEAK request. United Way is setting up a VOAD to coordinate nonprofit and other partners for disaster assistance. This sponsorship request is for a one-time grant in the amount of \$20,000 to help finish this process. This is an opportunity to ask questions of UWSEAK and they will provide answers at a later date.

Assemblymember Smith asked how realistic is it that this will truly be a one-time grant of \$20,000 for this purpose, and that the grantee won't come back next year asking for another \$20,000. He also asked how long it typically takes to set up a VOAD program like this and what are concrete examples of what solutions that they would provide.

6. FY27 Capital Improvement Plan (Deferred to the April 11, 2026, AFC meeting)

7. FY27 Passenger Fee Proposal

Ms. Koester reminded the Committee that this is an opportunity to ask questions and get information, and that there is still more time to make final decisions about the FY27 Passenger Fee Proposal.

Visitor Industry Director Alexandra "Alex" Pierce noted that it is a requirement in the CBJ Code of Ordinances (Code) to put the proposed uses of passenger fees out for public comment for a month. The Code, as written, has a very prescribed timeline that is challenging to meet with the requirements of the settlement agreement and the Assembly budget schedule. A press release will be made that details the opportunities for public input.

Ms. Pierce reviewed some highlights of the Passenger Fee Proposal Memo and Attachments (beginning on packet page 40). She pointed out that the spreadsheet document (Attachment A) has been sent to Cruise Lines International Association (CLIA) for approval. This document has color coding. The items in green are either funded through another process, have an appropriation in a Capital Improvement Process (CIP), or are being handled some other way.

Regarding the Passenger Fee process, usage of the three Passenger Fee Funds adheres to the settlement agreement. These funds are the Marine Passenger Fee, the Commercial Passenger Vessel Excise Tax, and the Port Development Fee. These three funds combine to make a \$13 per cruise ship passenger fee. Use of these funds is highly restricted and governed by the 2019 settlement agreement from the lawsuit between CBJ and CLIA.

This settlement agreement dictates how these fees can be spent in a mapped area. Zone A is the area directly around the docks; visitor-related services in this area are allowable uses.

Uses in Zones B and C uses are subject to discussion with and approval by CLIA, and the final decisions for any uses rest with the CBJ Assembly.

Traditionally volunteer services have been used to provide visitor services programs. Other ports in Alaska and worldwide do not typically use volunteers, and with the decline in volunteerism following COVID, and the volunteer corps in Juneau dwindling and aging, it has been a struggle to fill these volunteer positions. The Visitor Center has had to be closed on certain days due to lack of volunteers. The Visitor Center is in Zone A and is vital infrastructure for passenger services and it is critical that it be open and staffed.

Related to crossing guards, Goldbelt provided crossing guard services from the inception of the program until last year. Goldbelt was underperforming on the contract, there were complaints about the crossing guards, and Travel Juneau put out an RFP for a new crossing guard program contractor. The successful contractor from that RFP was Juneau Economic Development Council (JEDC). The JEDC proposal is an increase from the previous contract to run a successful crossing guard program and JEDC asked for supplemental funding of around \$39,000 to meet the full cost of running the program in FY26. They provided two proposals (packet pages 120-121). The higher cost proposal on page 121 includes a line for Profit, which Ms. Pierce stated could also be called "Contingency" rather than "Profit." Staff's recommendation is to go with the higher budget while funding for personnel services, but not for equipment. The equipment costs and the supplement to cover last year's expenses could come from the "Profit" line. Part of the Assembly's decision will be whether to fund Version 1 or Version 2 of the Crossing Guard Program, recognizing the equipment cost build in and the request for \$39,000 to cover their expenses from the previous summer.

Juneau Mountain Rescue (JMR) made a Passenger Fee request for the first time, as there have been a number of lost cruise passengers who needed rescuing/recovery primarily in the vicinity of the Tram, and this puts a lot of burden on this volunteer run, non-profit organization. JMR was asked to estimate how much it would cost to offset their expenses, and their response was \$20,000 with an additional request for equipment. These requests are within the Assembly's purview to be considered.

In terms of Capital Investment, there have been requests for more downtown restrooms, which is an identified need. There have also been requests for rain shelters for cruise passengers. Docks and Harbors put forward a project that accomplishes these two things. The challenge, as discussed by the Assembly Public Works and Facilities Committee (PWFC) on February 23, 2026, is that as designed and located, this plan would preclude the construction of a Waterfront Museum in this location (packet page 232). Docks and Harbors will be performing public outreach between tonight and May 6, 2026, including an open house on April 9 for public discussion, and this feedback will be available for the May 6, 2026 AFC meeting.

Last year, there were one-time funding items for different portions of the Seawalk as well as completion of the water system infrastructure serving the docks, so they are not presented in the FY27 Budget. Ms. Pierce clarified that with the increase in dockage fees,

the restroom maintenance and security services funding for Docks and Harbors was made as a one-time budget funding request as there had been questions about this funding. In the past, funding has been made for restroom maintenance and security services for private docks, and to be fair, if CBJ is providing funding to private docks it needs to also be providing such funding to Docks and Harbors and vice versa.

An additional FY26 one-time funding request was for Downtown Ambassadors, and there is a letter from the Downtown Business Association (DBA) for FY27 (packet pages 206-209). A funding request for the Downtown Ambassadors program was submitted yet not received via the email application system.

There is a \$50,000 CIP to generate signage for a Local's Lane project to entice cruise passengers into the upper part of downtown. This is not as much as was requested, and the Visitor Industry tried to work with DBA to fulfill the request to no avail. This is a project that needs a community partnership champion.

Ms. Pierce stated that despite opinions to the contrary, Passenger Fees are indeed municipal funds and they are highly restricted in terms of allowed usage. The court's decision in the CLIA suit was that Juneau could collect Passenger Fees, and that the use of them needs to serve the "cold, hard steel of the vessel," was problematic for both parties. Both the cruise lines and the City mutually recognized that providing valuable services and infrastructure to support a great passenger experience in Alaska's marquee cruise port was vital to shared success. To that end, the final decision on how the funds are spent rests with the Assembly. An argument can be made that things such as private dock infrastructure and Downtown Ambassadors fit within that intent.

Ms. Pierce stated that she will be advocating with the cruise line partners to return to the core principles of the intent of the agreement, which is to provide top-notch infrastructure and visitor services to the shared customers when they visit Juneau.

Assemblymember Steininger declared a potential conflict of interest. His partner submitted item number 74 on the list for consideration. He spoke with the attorney who did not see a problem with him continuing the discussion as they are not married and he does not have a financial tie to the project. However, it is up to the Body to decide. Chair Woll asked why there is not a conflict if there will be a financial benefit to the partner. Assemblymember Steininger stated that he is not involved in the project, and to his understanding, the project as proposed will not be paying his partner. CBJ Municipal Attorney Emily Wright stated that looking at Assemblymember Steininger's financial, business, and any direct involvement perspective, there is no connection between him and this project. If the partner were potentially going to receive any money from this project, Law would consider if there were going to be any financial gain to the Assemblymember. The partner is not receiving any money and if she were to receive any, their finances are completely separate, so in this situation, there is not a conflict of interest.

Assemblymember Kelly asked if Passenger Fees have kept pace with increasing costs in order to meet the needs of and support cruise ship visitors. Ms. Pierce responded that her

opinion is that they have. Passenger Fees are projected to bring in \$21,420,000 in FY27 (packet page 41). She noted that the Seawalk will need continued funding as it is an old structure and in need of major maintenance as well as expansion. At this time, she is not coming forward with a proposal to increase Passenger Fees.

Assemblymember Smith asked to be provided with the FY26 approved Passenger Fee Proposal. He also asked for clarification about the staffed Visitor Centers and the Downtown Ambassador program. Ms. Pierce responded that having paid Visitor Center staff allows more flexibility in what that program can do, and that this is a secondary reason to not recommending funding for the Ambassador program. The primary reason for not requesting funding for the Ambassador program is that the Assembly asked for it to be one-time funding last year.

Mayor Weldon asked about Juneau Mountain Rescue and if there are charges when people are rescued, and if so, are these charges adequate. Chair Woll answered that if someone goes to the hospital, they and/or their insurance provider are charged for medical expenses. If JMR rescues them, it is at the expense of JMR.

Assemblymember Adkison asked if the rescues are mostly taking place in the vicinity of the tram, is anything being done to make sure that people are less likely to need rescue in that area. Ms. Pierce responded that they have been talking with the cruise lines about what can be done in terms of educational campaigns. It is challenging to provide information to cruise passengers in a way that they consume and retain it. The issue of preventing the need for rescues has been discussed with CLIA and with JMR, however, there is not a solution at this point beyond recognizing this as a need.

Assemblymember Hall stated that she is concerned about the Ambassador program not being included in the proposal, as the DBA is not asking for much funding. Ms. Pierce answered that both the private docks and the Ambassador program were Assembly decisions to make these one-time funded projects last year. This essentially is a direction to Staff to not include these items in the request for the next year. It is within the Assembly's purview to add these items back to the proposal if they decide to do so.

Chair Woll asked for confirmation that the intent of the proposal is following the intent of the Assembly's last year decisions. Dockage fees were raised so that Docks and Harbors could pay for the restroom maintenance and security services with dockage fees rather than MPFs, and MPFs were removed from private docks. There has been some confusion about what the Assembly's final decision was. Ms. Pierce agreed and stated that she put the wrong thing into the CLIA submission, and she wanted to highlight these items that were made with one-time funding for last year and clarify that they are not in the FY27 proposal to alleviate this confusion.

Assemblymember Smith asked about the use of key waterfront real estate to put up bathrooms and a rain shelter at a cost of \$3,500,000, as opposed to something that could potentially be more useful and valuable there, and if the use of this space has been evaluated. Ms. Pierce stated that Docks and Harbors did conduct a planning exercise from

Marine Park to Taku Dock, and this structure is included within that plan. The appeal of this project, while it's still a high dollar value, is that significant design work has already been done, and is at 65%. Now they are moving forward with more updated public outreach because that plan is a few years old.

Chair Woll asked what the next project choice would be to use the bathroom/shelter funds for if the Assembly decided to cancel or delay moving on that project. Ms. Pierce answered that in her opinion, those funds would go into the Seawalk project as there are major capital needs, and also part of the reason why the capital investments section of the proposal is so stripped down this year. She added that she would also want to consult with Docks and Harbors on alternative locations for bathrooms downtown because this is a stated need and something that has been brought up in every MPF proposal since she has been in her position.

Assemblymember Smith asked about the water bottle fillers. It seems like a beneficial service, however, there are concerns about vandalism and maintenance. There is already a CIP for \$50,000. Ms. Pierce responded that the water bottle filling station project was impacted with the knowledge that there is not enough water supply to adequately provide them. The CIP was put in place by former Parks and Recreation (P&R) Director Shaaf, with the idea that this amount of funding would be enough to put filling stations in locations where there is currently water. With turnover in P&R, this project did not have a champion for a while. The new P&R Director Wheeler is enthusiastic about championing this project. Pricing out water bottle stations for the locations that Director Shaaf had selected can likely be accomplished with the \$50,000 CIP depending on the cost of labor, and if not, an additional request for funding will be made.

Assemblymember Hall asked, since the proposal is going out for public comment, whether it is set or can changes be made. Ms. Pierce answered that it is up to the Assembly if they would like to make changes or put it out for public comment as it is. Chair Woll added that the Assembly could also make changes later after it has gone out for public comment.

E. NEXT MEETING DATE

8. April 11, 2026 at 10:30 am

F. SUPPLEMENTAL MATERIALS

9. Gondola Project Status Presentation

10. Waterfront Restrooms Memo

11. Waterfront Museum Memo

12. Information Only: FY25 Financial Statement Publication

<https://juneau.org/finance/controller>

G. ADJOURNMENT

The meeting was adjourned at 9:52 pm.

ADA accommodations available upon request: contact the Clerk's Office (907)586-5278 or city.clerk@juneau.gov at least 36 hours prior to a meeting, to request ADA arrangements.