THE CITY AND BOROUGH OF JUNEAU, ALASKA
STANDING COMMITTEE OF THE WHOLE MEETING
Meeting Minutes – February 22, 2021

The Committee of the Whole meeting held via Zoom webinar, and was called to order by Deputy Mayor Loren Jones at 6:00p.m.

I. ROLL CALL

Assemblymembers Present: Deputy Mayor Loren Jones, Maria Gladziszewski, Wade Bryson, Carole Triem, Alicia Hughes-Skandijs, Christine Woll, Michelle Hale, Greg Smith, and Mayor Beth Weldon.

Assemblymembers Absent: None.

Staff Present: City Manager Rorie Watt, Deputy City Manager Mila Cosgrove, City Attorney Robert Palmer, Deputy City Clerk Diane Cathcart, Juneau Airport Manager Patty Wahto; Engineering/Public Works Director Katie Koester; Utilities Engineer Lori Sowa

Airport Boardmembers Present: Jerry Godkin, Angela Rodell, Dennis Bedford, Jodi Garza, Jerry Kvasnikoff, Chris Peloso

II. APPROVAL OF AGENDA

The agenda was approved by unanimous consent as presented.

III. APPROVAL OF MINUTES

None.

IV. AGENDA TOPICS

A. Joint Meeting with the Airport Board

Chair Jones thanked the members of the Airport Board for meeting with the Assembly COW and he passed the gavel to Airport Board Chair Jerry Godkin to lead that portion of the meeting.

Mr. Godkin thanked the Assembly and provided a brief overview topics the Airport Board wished to discuss with the Assembly.

- Status of the CARES Act funding
- The status of how tenants were doing
- From the Airport standpoint, everything is down in numbers with the main saving grace being the CARES Act funding.

Mr. Godkin said that the Airport has been able to balance its budget, although this is almost entirely due to Cares Act Funding. They just received additional Cares Act funding, and any time they receive more money helps the Airport get to 2025. The last amount of money they had, $21 million, was able to get them out to 2024. Mr. Godkin said that they are feeling optimistic, and hope they can get tourism back in town and tenants out flying and bringing people into Juneau, probably use up the Cares Act Funding, and it is buying them time.

Ms. Wahto shared the annual Aircraft Operations (takeoffs/landings) for 2019 and 2020, as reported by the Air Traffic Control (ATC):

- 117,206 in 2019. (standard for a typical year)
- 44,583 in 2020.

The ATC reported that Aircraft Operations went down 62% in 2020.

Another aspect that they looked at was passenger traffic, or enplanements. This statistic provides real-time information from carriers such as Delta Airlines and Alaska Airlines.
Passenger traffic (enplanements, or passenger departing) is reported on an annual basis to the FAA. Reports are not released until September/October of the following year. The Airport Board will not know final numbers for all carriers for CY2020 until September/October 2021. However, the Airport works with the TSA to track the number of people who enter the through point on a daily basis.

Unofficial enplanement numbers for large air carriers (Alaska and Delta):

- 328,743 enplanements for 2019.
- 135,685 enplanements for 2020.

The ATC projected that enplanements went down 59% in 2020.

Ms. Wahto shared a graph that charted passenger counts for 2020. This graph reported that in March 2020, Juneau Airport experienced 100% expected passenger count number that matched numbers reported in 2019. The passenger counts for April 2020 dropped by 95%, the numbers were drastically reduced to levels that have not been seen since the mid-1980s. Passenger counts gradually started to increase over the summer months, including a marginal peak in August/ September where passenger count numbers reached about half of their usual levels. This was followed by a decrease in numbers that experienced another slight increase in December. Ms. Wahto said that she will continue to watch these numbers, though she anticipates that she will not have details on their current numbers until later in the year.

Mr. Godkin shared that Airport concessions reported that business revenues are down 58% to 75% for 2020, compared to 2019. A few concessions reported that assistance with the federal payroll protection plan was helpful, but not quite enough.

Ms. Rodell referenced Ms. Wahto's report of the enplanement numbers, and explained that the Airport experienced a sudden drop of traffic. At that time, they adopted a budget with no fee increases and delayed expenses to FY22. Ms. Rodell said that the Airport opted with CARES Act Funding to maintain a large amount of flexibility, rather than targeting on a particular project or specific operations. Looking forward, it is not clear how or when enplanement numbers will return to levels seen in previous years before the pandemic. She explained that several years of underperforming enplanement numbers could result in service cuts in order to match the Airport's revenue environment.

Ms. Triem asked if the Airport's CARES Act funding had any restrictions in place (similar to the restrictions the Assembly had when they received CARES Act funding) and if they were required to spend their funding on certain things. Ms. Wahto explained that their funding did not come with restrictions like the CBJ had, however there are still some restrictions that required the funding be used on specific things, such as: bond debt, operational expenses, and capital projects (which is subject to approval). She also explained that there is a time restriction on their funding, the $21.7 million must be used by April 2024. Mr. Godkin added that the Airport had thought of several projects to put CARES Act funding towards, but ultimately decided to put money towards tenants and rent relief.

Ms. Woll asked if the majority of CARES Act funding was going to be put towards tenant relief, or if it was only a portion of the funds. Ms. Wahto said that the Airport worked with the FAA to figure out the most effective way to provide assistance towards tenants. This required that the funds would be put towards aviation or the support of aviation businesses.

Ms. Rodell shared a graph with the Assembly, and provided an overview of the Airport's Operational Budget for FY20, FY21, and FY22.

Operational Budget for FY20/21/22:

	FY2020	**FY2021**	**FY2022****
Budget (Actual/Updated)	$7,466,591	$8,096,700	$7,941,600
Projected Deficit/AFB	~~$290,200~~	~~$522,800~~	~~$6,600**~~
UPDATED Deficit	($727,145)	($3,043,600)	($1,838,000)
CARES Act Use Budget	$727,145	$3,043,600 est	$1,838,000 est
CARES Act Use Other (GO Bond, tenant rent credit)		$602,375 $1,150,553	$662,625 $1,150,553 est

****FY2022 assumed increase Airport Rates/Fees $703,000; but increases cancelled.**

- FY20/21/22 Projected Use of Airport Fund Balance (AFB); replaced with CARES Act funds.
- Juneau International Airport received $21.7 million CARES Act grant in April 2020 for Airport financial assistance.
- Juneau Airport has applied for two more federal assistance grants totaling $3.4 million for additional operations-financial assistance, as calculated by the FAA.

Current CARES Act Use Summary:

CARES Act Use	
$21,736,343	Grant Award

($727,145)	FY20 Operational Expenses
($1,150,553)	FY21 Tenant Rent Relief
($602,375)	FY21 Airport GO Bond debt service
($662,625)	FY22 Airport GO Bond debt service
$18,593,645	Balance
	Proposed Use
($1,150,553)	FY22 Tenant Rent Relief (estimated)
($3,043,600)	FY21 Operational Expenses (estimated)
($1,838,000)	FY22 Operational Expenses (estimated)
$12,561,492	*Proposed/estimated balance FY22 end*

Ms. Rodell expects the Airport to use more CARES Act funding going forward if enplanements struggle to recoup. Ms. Rodell explained the Capital Improvement Projects (CIPs) in place for the Airport, with the largest project being the Terminal Update. The Airport is also working on several other CIPs improving the taxi way and snow removal equipment building. These projects are creating sustainable construction jobs, and are progressing as planned.

Mr. Godkin added that the tenants expressed gratitude to the Airport and the City for the CARES Act funding that they received through loan programs.

Ms. Wahto shared a presentation that detailed the progress being made on the Terminal Reconstruction Project. She shared that they are expecting to begin the move-in process into the updated facility around mid-June of this year.

Mr. Bryson asked for examples of the change orders, and the issues that needed to be addressed during construction. Ms. Wahto said that one of the largest change orders they found was the fire announcement system that goes throughout the building. The initial plan was to update the old system, but the process of doing so would be more expensive. The Airport gained approval from the FAA to implement a new system entirely, which cost approximately $190,000 to update.

Mr. Smith asked if there were any features to the reconstruction that focused on sustainability and energy efficiency. Ms. Wahto described the reconstruction as being comparatively more energy-efficient than the facility was before, such as the conservation of fuel throughout the terminal when installing new heat pumps. She added that they have discussed the building updates with JCOS, and considered post-construction updates such as an addition of electric vehicle stations.

Mr. Jones asked if Ms. Wahto could speak to the impact that enplanement numbers have on passenger fee collections, and how the Airport utilizes those fee collections for Airport services. Ms. Wahto explained that enplanement numbers are significant for the Airport in many ways, such as Airport Improvement Dollars, which determines their entitlements and discretionary dollars. It also represents a Passenger Facility Charge fee (PFC), which is currently $4.50 per person who boards a plane in Juneau. She explained that those fees are sent out by the airlines, and can be used in projects as a match fee.

Mr. Godkin spoke to the process of increasing the PFC fee, however it has been a gradual process that is set at the federal level and is currently under discussion. Ms. Wahto added that many large airports have advocated for an increased PFC fee due to the sudden drop in enplanement numbers. Many large airports heavily rely on PFC fees for project funding and are working towards having the fee rate increased. PFC fees has not been raised since 2000.

Mr. Godkin addressed the Perfluoroalkyl Substances (PFAS) contamination, and the nature of the unknown amount of funding necessary to resolve that issue. He said that they are monitoring the situation, and are hoping to receive relief from the FAA. Ms. Wahto said that the Airport is up to about $220,000 in expenses at the drilling, monitoring and planning stage, and they have not begun anticipating costs for the mitigation stage. She added that this is becoming a nationwide issue for other airports, and Juneau International Airport was one of the first airports in the country to deal with this issue.

Mr. Bryson asked Ms. Wahto about the concern regarding the homeless population at the Airport, and if the situation has changed. Ms. Wahto said that some passengers use the Airport as sleeping quarters or for shelter, she is not aware of any increase in homelessness in the Airport as a result of the pandemic. She said that she will check in with JPD to discuss what they have found, but as of right now they have not had to trespass anyone for using the Airport as a shelter.

Mr. Godkin shared that the Airport is extending a tour of the Airport for new members of the Assembly. He welcomed Mr. Smith and Ms. Woll to come visit the Airport for an in-depth look at the inner workings of Juneau International Airport.

Mr. Jones thanked the Airport Board for their diligent work towards the several projects they have in development, and thanked them for joining the Assembly tonight. Mr. Godkin thanked Mr. Jones and the Assembly for their support.

The Committee of the Whole took a break at 6:58p.m and the meeting resumed at 7:10p.m.

B. Solid Waste Update

Engineering/Public Works Director Katie Koester thanked the Assembly for the opportunity to discuss solid waste management. She referenced one of the Assembly Goals for 2021 made at the Assembly Retreat, **Goal #5: Sustainable Community**. This goal states that "**Juneau will maintain a resilient social, economic, and environmental habitat for existing population and future generations.**"
One of the objectives of this goal is to "**Develop [a] solid waste strategy including plans to increase recycling and deal with abandoned/junked vehicles.**" She shared that the Public

Works and Facilities Committee (PWFC) has been working on how to achieve these goals over their past two meetings, and developed a presentation for the Assembly that defines what CBJ can do to reduce the waste stream.

Utilities Engineer Lori Sowa described the different types of waste that the community produces, which includes:

- Household garbage
- Construction debris
- Food waste
- Recyclable materials
- Household hazardous waste
- Biosolids
- Junk Vehicles

The majority of these wastes that are produced end up in the local landfill for disposal, which is operated by Alaska Waste and Waste Management. Wastes that are not handled at the local landfill are dealt with through other established agencies: co-mingled recycling is managed through Alaska Waste, source-separated recycling is managed by CBJ, and non-commercial junk vehicles are managed by CBJ. Household hazardous waste is also managed by CBJ, and those materials are typically shipped south for proper disposal. Food waste can end up in the local landfill, but it can also be composted and reused locally through Juneau Compost and individual home composters.

Ms. Sowa provided an overview of the history of past CBJ Solid Waste Planning Efforts. These projects include:

- 1993 Technical Reconnaissance Study for New Landfill Site Selection
- 2004 Mayor's Ad Hoc Recycling and Waste Reduction Task Force
- 2006 Southeast Conference – Regional solid waste planning effort (transportation network was a barrier)
- 2008 Solid Waste Management Strategy (recommended CBJ take on the RCA certificate for garbage hauling. That effort was not successful.)
- 2014 Biosolids Study by CH2M Hill
- 2018 CBJ Assembly passed Ordinance 2018-37 to allow partnership with Waste Management, co-location of Recycling Center and Household Hazardous Waste
- Solid Waste Action plan (RecycleWorks programs)

Ms. Sowa addressed the concern for long-term plans for the garbage in the landfill, as the estimated life of the Capital Landfill is twenty years. She explained that Waste Management Inc. owns the Capital Disposal Landfill, and Alaska Waste owns the collection and hauling service for CBJ's garbage. Alaska Waste currently holds the Certificate of Convenience and Necessity through the Regulatory Commission of Alaska to collect garbage.

Currently, CBJ cannot legally collect garbage; however, CBJ can legally collect recyclable materials. Ms. Sowa described the long-term options for the garbage in the landfill, and the inherent complexities of those options.

One option would be to build a new landfill, but the issues of that include: CBJ's inability to control the collection of disposal of garbage, the lack of available land, the high cost of development, and stringent regulatory requirements.

Another option would be to ship garbage to the Lower 48, as other Southeast Alaska communities ship their garbage there by barge. However, the issue with this option lies within predicting costs for the hauling and disposal of garbage through private sectors.

The last option Ms. Sowa addressed was to purchase an incinerator/Waste-to-Energy technology for garbage disposal.

Ms. Sowa explained what CBJ can do under the current solid waste management structure.

CBJ can increase diversion of waste from the landfill for beneficial use by collecting more recyclable materials, composting, and pursuing options for biosolids.

CBJ can reduced the amount of waste produced by implementing waste production programs, and shifting towards recyclable/compostable materials over single-use materials.

Regarding the strong landfill odor, Ms. Sowa explained that making changes to the current solid waste management structure is a challenging endeavor. Complaints about the odor should be directed to the agencies who regulate the landfill: ADEC and RCA. She described the odor as a reminder of our solid waste situation, and advocated for the funding and support of our RecycleWorks programs and community efforts to reduce waste.

The Juneau Commission on Sustainability has formed a solid waste subcommittee and will devote the next several weeks into developing a report on the matter to issue to the Assembly.

Ms. Hale asked if Ms. Sowa had any information on other communities who have successfully eliminated landfill odors, if there were any examples to use as a target to achieve. Ms. Sowa said that she has seen that Whitehorse has strong recycling and composting programs that have effectively diverted 40% of the waste stream from their landfill.

Ms. Triem asked if they have looked at the costs of shipping our garbage to the Lower 48, compared to the costs of buying and operating an incinerator. Mr. Watt explained that having an established landfill is the least expensive way of doing business, especially considering that CBJ is not responsible for the waste stream controlled by private companies. Mr. Watt added that if the company, Arrow, were to stop delivering curbside waste to the landfill, they would collocate the garbage onto a barge that would head down south. The landfill would still be in operation and would still receive waste than is not economically sound to ship, such as construction debris. He said that shipping garbage south might be more expensive, and residual waste staying in town might cause even more costs.

Mr. Smith expressed his thoughts on whether to ship all of the garbage out, and considered the cost to the community in doing so. Mr. Watt explained that costs can be a moving targets, for example, some years might result in a high cost return for cardboard. Consumer behavior and the commodities market make it difficult to determine exact costs for this issue.

Mr. Bryson shared his findings and cost estimates with the Assembly. He said that construction waste is 30% of our landfill, which cannot be reused due to nails and drywall. He found that plastic is equal to less than 6% of our landfill, and even if Juneau did a tremendous job of eliminating plastic, it will only save 3% of the landfill. Mr. Bryson also shared that removal of compost materials can cost roughly 85 cents to $1 dollar a pound.

Ms. Hughes-Skandijs asked if there is a way for CBJ to gain control of the waste stream. Mr. Watt explained that back in 2004, there was a Mayor's committee that resulted in hiring a consultant to develop a plan to do so. The plan was to allow CBJ to take control of the waste stream and to acquire the garbage hauling business. During negotiations to acquire the garbage hauling business, the selling price escalated several times to the point to which it was undesirable to pursue acquiring it. Ms. Gladziszewski clarified that the negotiations were to acquire the Certificate of Public Convenience and Necessity, not to acquire the business itself, which would allow CBJ the ability to control the waste stream. She said that the issues lie within CBJ having no control over the waste stream, yet CBJ has many aspirations towards resolving it and a significant amount of complaints regarding the odor of the landfill. Ms. Gladziszewski explained that any other options will be more expensive than the City would like to pay, and the landfill still remains the least expensive option for the City.

Ms. Koester shared that she had some staff research on incinerators, specifically incinerators with the technology that convert waste into energy. She found the main issue with using an incinerator is that Juneau does not produce enough waste for an incinerator to convert the waste into energy.

Mr. Watt noted the contractual issues with having Juneau's private waste companies ship waste to a hypothetical incinerator, and the complexities revolving the construction and operation of an incinerator.

Ms. Triem expressed concern about the strong odor of the landfill, and how it is a burden to those that live near Lemon Creek. While she understands that issue is not in their control, she would like to deliver a message to the controlling agencies as a symbolic message to the people of Lemon Creek.

Ms. Hale described the complex process of maintaining an incinerator, and Juneau's lack of a large enough waste stream necessary to allow for an efficient use of an incinerator.

Ms. Woll asked if there was a percentage of how much space food waste is taking up in the landfill. Ms. Sowa said that about 25% of the landfill is made up of compostable material.

Mr. Jones asked if there was a percentage of how much is going into Juneau's wastewater treatment plants. Ms. Sowa explained that she does not have a percentage for that number, but there has been a significant amount of food waste infiltrating the wastewater plant.

Mr. Smith suggested enacting an ordinance to prevent certain materials entering the landfill, and the implementation of programs meant to divert materials from the landfill. Mr. Palmer confirmed that the Assembly did have the power to enact legislation over the landfill, but doing so would require very specific context. The enforcement of those ordinances would require significant policy work. Mr. Smith asked if they could enforce a tariff or a tipping fee. Mr. Palmer explained that would require a thorough overview of the existing regulatory setup to see how much scope the Assembly might have.

Mr. Smith noted that CBJ can collect recyclable material, and asked if compostable material could qualify under recyclable materials. Ms. Sowa said that she would describe compostable materials as recyclable materials, and described it as just processed in a different way. Mr. Jones said that previous discussions about collecting compost determined that if materials like metal were found in compost, then it would be directed towards the landfill, similar to biosolids. He also described the costs and complexities involved with extending composting.

Mr. Watt encouraged the Assembly to read over the 2018 Solid Waste Management Plan and become familiar with the most recent efforts while considering new strategies. He said that CBJ staff is supportive of composting efforts in the community, and expects to receive a report from JCOS on their suggestions. Mr. Watt agreed with Ms. Triem's concern for those who suffer the negative consequences of living near the landfill, and recommended communicating concern on behalf of the community. He added that landfill odors can result from a variety of sources, and the diversion program that would reduce the amount of compostable material from the landfill might not be successful in reducing the odor. He described sheetrock as a significant source of odor.

Ms. Hale mentioned that the PWFC has discussed source reduction to reduce the odor of the landfill. The PWFC is developing an educational program that will inform residents on what methods and actions will help reduce the odor of the landfill. She said that PWFC will be sharing these findings within the next few weeks.

Mr. Smith questioned if this is an issue the Assembly should focus on, or if this is something the Assembly should avoid putting time and resources into, given their limited control over the situation.

Mr. Watt said that the 2021 Assembly Goal was to develop a strategy to increase recycling, and recommended that they spend some time reviewing the 2007 report. After reviewing the report, the Assembly can then determine whether this is should be made a priority in terms of time, energy, and funding. He also suggested reaching out to past Assemblymembers. Mr. Watt described the implementation process as difficult to navigate and receiving negative public comment in the past, but could be worth revisiting.

Mr. Jones addressed that they were not discussing fireworks today, and recommended any amendments be made through the City Attorney prior to the next meeting.

V. ADJOURNMENT

There being no further business to come before the Assembly, the Committee of the Whole meeting adjourned at 8:25p.m.

Minutes drafted by Administrative Assistant Lacey Davis and respectfully submitted by Municipal Clerk Beth McEwen this 10th day of May, 2021.