ASSEMBLY COMMITTEE OF THE WHOLE
July 29, 2019, 6:00 p.m.
Assembly Chambers - Municipal Building
Assembly Work Session - No Public Comment

MINUTES

I. ROLL CALL

Deputy Mayor Maria Gladziszewski called the meeting to order at 6:00 p.m. in the Assembly Chambers.

Assemblymembers Present: Maria Gladziszewski, Rob Edwardson, Wade Bryson, Michelle Hale, Carole Triem, Alicia Hughes-Skandijs, and Mayor Beth Weldon.

Assemblymembers Absent: Mary Becker and Loren Jones

Staff present: City Manager Rorie Watt, City Attorney Robert Palmer, Municipal Clerk Beth McEwen, Police Chief Ed Mercer, Deputy Police Chief David Campbell, Incoming Finance Director Jeff Rogers, Assistant City Attorney Caleb Nagel, Douglas Library Supervisor Andi Hirsh

II. APPROVAL OF AGENDA

Hearing no objection, the agenda was approved as presented.

III. APPROVAL OF MINUTES

A. Assembly Committee of the Whole Corrected DRAFT Minutes, June 10, 2019

A corrected version of the minutes were sent out on Friday, posted online, and handed out at the meeting.

MOTION by Mr. Bryson to adopt the minutes of the June 10, 2019 Committee of the Whole meeting as corrected and asked for unanimous consent. *Hearing no objection, the minutes were approved as corrected.*

IV. AGENDA TOPICS

A. Centennial Hall/JACC Discussion

Ordinance 2019-35(a) and (b): Bond Ordinances $10M or $7M
Ordinance 2019-34: Advisory Vote re Grant to JACC
Ordinance 2019-06(B)(v.1) and (v.2): Appropriation Ordinance $4.5M or $7.5M

Ms. Gladziszewski noted that the business before the committee is to decide which versions of the ordinances in the packet to forward back to the Assembly for public hearing at the August 19, 2019 Assembly meeting. She said that it needs a vote of five members to send any item back to the Assembly for action. These items were referred to the COW and they remain in committee unless the COW moves them back to the Assembly.

Ms. Gladziszewski noted there were two versions of the Centennial Hall Ordinance [Ordinance 2019-35(a) for $7 Million and Ordinance 2019-35(b) for $10 Million]. There were two versions about the Advisory Vote for the JACC: Ordinance 2019-34 original version was for $7.5 Million in the packet and Ordinance 2019-34(b) for $4.5 Million that was handed out at the meeting. There were two versions of the Appropriation Ordinance, one for $4.5 Million [Ordinance 2019-06 (B)(v.1)] and one for $4.5 Million [Ordinance 2019-06(B)(v.2)] for the JACC.

Mayor Weldon asked for confirmation that the first two items are ballot sensitive but that the appropriating ordinances were not time sensitive for the ballot.

Ms. Gladziszewski said that was correct. The first two sets of ordinances relating to Centennial Hall and the advisory vote item need to have something moved from committee in order for them to be up for public hearing and Assembly action at the August 19 meeting to be able to make it to the ballot. The last set of appropriating ordinances are not as time sensitive as they do not need to be passed to be able to be placed on the ballot.

<u>MOTION</u> by Mr. Bryson to forward **Ordinance 2019-35(a)*: An Ordinance Authorizing the Issuance of General Obligation Bonds in the Principal Amount of Not to Exceed Seven Million Dollars to Finance Capital Improvements to the Facilities of the City and Borough, and Submitting a Proposition to the Voters at the Election to be held therein on October 1, 2019,*** and asked for unanimous consent.

Ms. Gladziszewski called for discussion. Mr. Edwardson asked if they would be going through all the ordinances to decide whether they will be forwarding them to the Assembly. Ms. Gladziszewski said yes, they are trying to decide between (a) and (b) versions of all these items. Ms. Gladziszewski said Mr. Bryson's motion in essence is proposing to send the $7 Million proposal to the Assembly and not the $10 Million proposal.

Ms. Hale asked about the “Explanation language” on page 3 of Ordinance 2019-35(a) and in the proposition sections, specifically the wording that reads "and construction of new meeting rooms." Her concern is that if the $7 Million goes forward, they do not know exactly what that would pay for. She does not want to misinform the voters that they will get a lot of new meeting rooms and that on the schedule that is attached, and new meeting rooms are not necessarily included.

Additional discussion took place and members agreed that the Assembly's intent was that items 1-4 on the architects’ priority list plus the connection between the two buildings were the preferred priorities. Ms. Gladziszewski said that if the wording of the ordinance did not reflect items 1-4, the language should be amended accordingly.

Ms. Hale suggested amending the ordinance to delete the words "and construction of new meeting rooms" from both the Explanation paragraph and the Proposition paragraph.

Mayor Weldon asked that rather than delete that language, would Ms. Hale agree with a change to leave those words in and add the word "possible" so that it would now read "and possible construction of new meeting rooms." She said that since this is going to the ballot for a vote, if for some reason the new JACC was voted down, there would potentially be extra money to do the construction differently. Ms. Hale said she would agree with that change and withdrew her amendment. Mr. Bryson said he agreed with the Mayor's suggested change.

Mr. Edwardson said that while this meeting is the ideal place to make any language changes, there would also be an opportunity to make any amendments to the ordinances at the time they are before the Assembly for public hearing and action.

Ms. Gladziszewski said the additional wording proposed by Mayor Weldon to read "and possible construction of new meeting rooms" will be the version of the ordinance forwarded to the Assembly for action.

Mr. Watt clarified that the ordinances relating to G.O. Bonds are crafted by a special attorney/bond counsel who specializes in this and any finalized language changes will be sent to bond counsel for review to ensure language in the ordinance is legally sufficient. As Mr. Edwardson noted, the public hearing will be held on August 19. Mr. Watt said that after this meeting, leading up to the meeting of August 19, if there are any possible amendments that members may wish to make, to the extent staff could get a heads up on those so they could be run through bond counsel that would be appreciated.

Ms. Gladziszewski said the intent is to reflect in a general way, items 1-4 on the list without having explicitly restrictive language. ***Hearing no objection, the motion carried with the suggested wording change.***

Ms. Gladziszewski said they were then moving to the ordinances pertaining to an advisory vote regarding the grant for the JACC. Ordinance 2019-34 ($7.5 Million) was in the packet and Ordinance 2019-34(b) ($4.5 Million) was handed out at the meeting.

Ms. Hale asked to clarify that they did not need to take action on Ordinance 2019-35(b). Ms. Gladziszewski explained that since they did not take action on it, they were not forwarding it back to the Assembly so that ordinance dies in committee. The Manager's Report on the July 22 Assembly meeting was to introduce the ordinance and refer it to the COW but did not set it for public hearing so it is sitting in committee unless the committee acts to move it forward back to the Assembly.

<u>MOTION</u> by Mayor Weldon to move **Ordinance 2019-34(b): *An Ordinance Calling for an Advisory Ballot Proposition on Grant Funding for the New Juneau Arts and Culture Center*** to the Assembly. Mr. Edwardson objected to the motion.

Mayor Weldon spoke in favor of her motion stating that she was proposing the $4.5 Million amount because that is the amount she feels is reasonable at this time with our financial constraints and that is the amount they can use from the 1% Sales Tax funding. She said that in the draft with the $7.5 Million, she does not like the $3 Million that is coming from the pot of sales tax money that might be the Assembly's last ability to be flexible and recover any unknown costs that might be coming from the state.

Mr. Edwardson said in the past year, they have voted on a number of things that have improved things for certain people in the city and that the JACC will provide both economic opportunities and cultural opportunities for anyone in the city who wants to partake for a fairly small price of $7.5 Million. He said that as the Capital City, we clearly need a cultural center and $7.5 Million is a modest fee and the amount their experts have told us they need to get the interest of major donors.

Ms. Hale asked for clarification on which ordinance was before them. Ms. Gladziszewski provided clarification that this would be to forward the ballot language advisory vote ordinance.

Mr. Palmer pointed out the language on page 3 of version (b) of the ordinance in the Explanation section that currently reads: "The Assembly intends to replenish the draw on fund balances by reallocating unassigned 1% sales tax over the next three years and partially reallocating the $4.5 million of 1% sales tax funds over the next three years that was originally programmed for Centennial Hall improvements, which the voters approved in 2017." Mr. Palmer asked them to let him know if the committee wants any of that language changed.

Ms. Gladziszewski said she does not understand the wording by saying "partially reallocating." She said that it is not partially but rather reallocating $4.5 Million. Mr. Palmer explained that right now the way it is drafted is that the estimates from the Finance Department for the next three years of 1% sales tax, there is approximately $1 Million of unassigned 1% sales tax funds. Over the next three years that would get to $3 Million and in order to reach the $4.5 Million, the current intention is to tap part of what is currently programmed for Centennial Hall and take $1.5 Million of those funds and shift them to the JACC. That is why it is not completely taking the money from the Centennial Hall project.

Mr. Watt said if the intent is to reallocate the $4.5 Million, then the right course would be to delete the words "reallocating unassigned 1% sales tax over the next three years and partially" so that the sentence would then read: "The Assembly intends to replenish the draw on fund balance by reallocating the $4.5 million of 1% sales tax funds over the next three years that was originally programmed for Centennial Hall improvements, which the voters approved in 2017."

Ms. Hale said she was confused on the order in which they are taking up the various ordinances. Members then discussed the process by which they decide which ordinances would be forwarded to the ballot as well as how best to deal with the appropriating ordinances that are not as time sensitive as those related to the ballot.

Ms. Gladziszewski asked if there were any objections maintained. Mr. Edwardson stated that he maintained his objection.

Mr. Palmer requested a brief at ease to determine if a technical change was necessary that had not made it into draft (b) of Ordinance 2019-34. Following a brief at ease, Ms. Gladziszewski called the meeting back to order at 6:25 p.m.

Mr. Edwardson called for a point of order and removed his objection to the motion.

Incoming Finance Director Jeff Rogers explained that the change that needs to be made is not the difference between $4.5 Million and $7.5 Million but rather, it is about the difference between $10 Million and $7 Million for the general obligation bond for Centennial Hall. He noted that in the explanation of Ordinance 2019-34(b) on page 3 of 3 on approximately line 10 which currently reads: "The Assembly intends to replace the funding for Centennial Hall by issuing general obligation bonds to be paid back by raising the hotel-motel room rental tax by two percent and a 0.1 mill property tax increase (1% overall rate increase)." He said that would have been correct if they had chosen the $10 Million Centennial Hall general obligation bond. However, with the $7 Million general obligation bond, the 0.1 mill number should be changed to .04 mills and the property tax increase would be at a .4% overall rate increase instead of a 1% overall rate increase.

Mr. Rogers then explained that if they wished to see the corresponding language in the general obligation bond explanation in Ordinance 2019-35(a), it does not list the mill but it says $4 for every $100,000 property value.

Ms. Gladziszewski thanked Mr. Rogers for his clarification. Ms. Gladziszewski noted that the correction would be on page 3 of Ordinance 2019-24(b); line 10 would change the mills to .04 instead of .1 mills and to change the parenthetical phrase to .4% on line 10.5. Ms. Gladziszewski asked if anyone had any objection to the change or to the main motion as amended. ***Hearing no objection, Ordinance 2019-34(b) passed as amended.***

<u>**MOTION**</u> by Mr. Edwardson to recommend the COW move Ordinance 2019-34 to the Assembly and asked for unanimous consent.

Ms. Gladziszewski noted that is the version of the ordinance that is for the $7.5 Million grant.

Mayor Weldon objected to the motion.

Mr. Edwardson said he believes the JACC partnership needs $7.5 Million and that it has been made clear that the need to be precise does not really exist at this meeting considering the changes they have been making. If there are any other changes that should or could be made, those could take place before the Assembly acts on this ordinance. Mayor Weldon said she still disagrees that this would require them to take $3 Million from the general fund balance.

Additional discussion took place by members. Mr. Bryson expressed his concern that while the Assembly is in agreement on the $4.5 Million, they are split on the $7.5 Million amount. Mr. Bryson was concerned that this would be voted down at the $7.5 Million amount.

Ms. Hale spoke in favor of the $7.5 Million amount needed for the project.

ROLL CALL VOTE on forwarding Ordinance 2019-34 to the Assembly for action:

Yeas: Edwardson, Hale
Nays: Bryson, Hughes-Skandijs, Triem, Gladziszewski, and Weldon

Motion failed 2:5

MOTION by Mayor Weldon to move **Ordinance 2019-06(B)(v.2)** - packet page 26 with a small correction - item (c) to add the words: "of all costs required to open the facility for use" so (c) would read in full:

"(c) The Manager not release the grant funds until the New JACC project is funded at 90 percent of all costs required to open the facility for use."

Ms. Hale objected to the motion. Additional discussion then took place about the interpretation and definition of what would constitute "is funded" and what all costs would be. Ms. Gladziszewski said that this ordinance is not as time sensitive as those ordinances that are being moved forward for placement on the ballot. Mr. Watt provided an explanation of the differences between project costs and construction costs.

The result was to request that staff provide some additional language clarity regarding the definitions of project costs vs. construction costs and for staff to bring back a version 3 of Ordinance 2019-06(B) to the Assembly for re-introduction at the August 19, 2019 meeting. Mr. Watt stated that version 3 would also include clarification that the source of funds would be all sales tax funds in the amount of $4.5 Million which would reflect the prior action taken earlier in the meeting. Mayor Weldon stated that she withdrew her initial motion.

MOTION by Mayor Weldon to request staff to draft version 3 of Ordinance 2019-06(B) and request that staff make the changes as discussed above to be brought back to the Assembly for re-introduction at the August 19, 2019 Assembly meeting. ***Hearing no objection, the motion carried.***

MOTION by Ms. Hale to request staff take Ordinance 2019-06(B) (v.1) and request that staff make the same changes as discussed above to be brought back to the Assembly as Ordinance 2019-06(B)(v.4) for re-introduction at the August 19, 2019 Assembly meeting. Mayor Weldon objected to the motion.

Members discussed the memo from the new JACC partnership. Mr. Palmer noted that since this would be an appropriation ordinance, the full amount and funding source needs to be included in the title of the ordinance when it is introduced at the Assembly. Ms. Hale withdrew her motion in light of Mr. Palmer's explanation.

B. Subport Land Purchase

Mr. Watt provided a report that the Alaska Mental Health Trust is providing a sealed bid process to dispose of Juneau Subport Lot C1. There is a memo in the Lands Committee packet regarding this land sale and Mr. Watt's recommendation about possibly bidding on acquiring this parcel of land. There has been discussion back to the 1990's and Mr. Watt said he feels CBJ would be the best candidate to purchase this parcel in light of the Long Range Waterfront Plan goals as well as the proximity to the federal agencies who are the neighbors of this parcel. He said he is increasingly concerned with the movement of people by water and/or by land due to increases in people coming to the downtown area via cruise ships. He noted that acquisition of this parcel could assist in staging and the transportation corridor traffic flow that the increased visitor industry will require.

Mr. Watt noted that they have already positioned funds in the Open Space CIP and the minimum bid amount needs to be accompanied by $100,000 and bidding opens on August 19. Mr. Watt recommended that if Assembly is supportive of bidding on the acquisition, to schedule an executive session on August 19 to give bidding instruction to the Manager.

He said he was pleased and heartened by receiving a letter of support from CLIAA about CBJ bidding on the parcel. He said that post-litigation, the communications between CLIAA and CBJ have been positive.

Mr. Watt said that for this meeting, he would like to get direction from the full Assembly if they agree with the Assembly Lands Committee and support CBJ pursuing acquisition of this parcel through the bid process. If they do, he also asked that they schedule this matter for an executive session at the August 19, 2019 Assembly meeting.

Discussion then took place as the potential funding sources mainly relating to Marine Passenger Fees (MPFs), Port Development Fees, and/or other CBJ funds. Mr. Watt stated that his recommendation was for it to be funded 100% by Marine Passenger Fees. Mr. Watt stated that with the information in his memo stating that if they do not use a portion of the property for vessel and passenger related uses or if they end up disposing of it to the private sector, that a full accounting of all portions would be made and either refund MPF spent or use general funds for those portions. The letter from CLIAA was in response to Mr. Watt's memo to the Lands Committee so they were aware of his position when they wrote their letter.

Mr. Edwardson asked Mr. Watt what he based his opinion on that CBJ would have the best use for the property. Mr. Watt explained that was based on the goals identified in the Long Range Waterfront Development Plan (LRWDP) that are specific to this area. Mr. Watt discussed the ownership of the neighboring properties and the possible partnerships that could be developed to make that a highest use area. He also addressed the LRWDP's mention of a lightering facility and/or waterfront taxi in that area and he has heard from the cruise ship industry that they are in favor of the idea. He said that is not something that would really be a revenue making enterprise and so it would be likely that the municipality may be the only entity willing to pursue that option. Mr. Watt also explained a similar option for ground transportation/shuttle services. Mr. Watt said that for these and many more reasons, he felt CBJ would be the 'best use' option for acquiring that property.

Members then discussed the mechanics of the decision-making and bidding process with Mr. Watt. Mr. Watt said if the Assembly ***is not interested*** in even submitting a minimum bid, tonight would be the time to tell him that. If they ***are interested*** in submitting at least a minimum bid, it would be appropriate to schedule the executive session for the August 19 meeting to discuss the matter in greater depth.

<u>**MOTION**</u> by Ms. Hale to schedule an executive session on August 19, 2019 to discuss CBJ bidding on acquisition of this land and spoke in favor of her motion for all the reasons given by Mr. Watt.

Mr. Edwardson said if it is all up or down tonight, he will object. He is not convinced that CBJ would have the highest and best use of the property. He said that he is not entirely opposed to the idea but if they need a decision tonight, he is not in support of this. He has seen proposals from the private sector that may be better uses than CBJ.

Mr. Bryson spoke in favor of CBJ bidding on this property and this is likely the last, most valuable piece of waterfront property in Juneau and would have the best possible outcome especially in light of using MPF money to pay for this.

Ms. Triem said she is highly in favor of this opportunity to use this parcel in alignment with the goals in the LRWDP. She also mentioned that as a tangential matter, the LRWDP is 16 years old and at some other time, they should look at reviewing and updating that plan.

Ms. Hale discussed the public process and elected Assemblymembers and that is the way the public can participate in the decisions of the community. She also noted that they need to be good stewards of the MPF money since that is other people's money.

Mr. Edwardson agreed that we need to be good stewards of all the city's monies as it is all paid for by taxpayers and the public in one way or the other. He noted that they also need to be aware that by doing this, they are potentially using taxpayers' money to deny others, such as the private sector, the opportunities that they may wish to pursue. He said that if CBJ does bid and it does not win, that private entity would be subject to the rules of its competitor.

Ms. Hughes-Skandijs agreed with Ms. Hale's comments regarding public process. She also stated that our waterfront enhances our quality of life and she supports having it accessible to the public so she spoke in favor of this going to the August 19 meeting for executive session.

Mr. Edwardson said that rather than a roll call vote being required, he removed his objection since it was clear that members wished to discuss this further in executive session.

C. Resolution 2862 Amending the Assembly Rules of Procedure

Mr. Palmer explained that there was a memo in the packet that was sent to the Assembly Human Resources Committee (HRC) along with a proposed resolution that amended the Assembly Rules of Procedure.

Mr. Palmer explained that HRC Chair Edwardson had inquired about conflicts between the CBJ Charter, specifically section 5.3, and the Assembly Rules of Procedure related to how legislation is presented. Mr. Palmer said that presentation of legislation to the Assembly is a two-step process. The first step is that the legislation is "presented" which is where it appears on the consent agenda. Step 2 is the "action" taken from that presentation. If it is a resolution, it can be adopted. Other action could be to refer it to a committee or the Assembly could reject it. Or if the Assembly introduces it and sets it for public hearing. Mr. Palmer stated that the change on the top of page 46 would be to make the Assembly rules consistent with the Charter in that legislation could be requested by the Mayor, the Manager, or any of the remaining eight Assemblymembers.

Mr. Palmer noted that the proposed change on page 48 is to implement changes resulting from the Aquatics Board no longer being a fully empowered board. Because of the Aquatics Board ordinance change, it seemed appropriate to have the regular four-member HRC review their applications for appointment recommendations to be forwarded to the Assembly rather than requiring the full Assembly as HRC to review those applications.

MOTION by Mayor Weldon to forward Resolution 2862 to the Assembly for adoption.

Ms. Triem commented that as Mr. Palmer stated during the HRC meeting, this has not been the manner in which legislation has been requested and that it may adversely affect the staffing levels of the Law Department. Ms. Gladziszewski noted that this is bringing us into alignment with the Charter but also that the past practice of bringing up an item during the Assembly comments/questions section of a meeting to request agreement to consider possible legislation provides an opportunity for the member to gauge support to have the topic pursued. Additional discussion took place regarding the necessity to honor the staff time needed to work on drafting legislation and encouraged members to continue the past practice to obtain support before requesting drafting of legislation to the extent possible unless a time sensitive matter needed prompt attention.

Mr. Edwardson explained his reasons for bringing this forward and that each member is elected by the voters and should be able to bring forth proposed legislation that they feel their constituents wish to see brought before the Assembly. He noted that this would be a shifting paradigm but that as a manner of honoring staff time along with the wishes of the public, it is a matter of courtesy to allow it to be brought forth and debated.

Mr. Watt, along with all others, agreed that bringing the language into compliance with the Charter is the appropriate step. He also noted that the language does not mandate the timing for which the legislative process occurs and if the City Attorney felt he or his staff could not respond immediately to a request for legislation due to workload or staffing constraints, he can make that known to the Assembly at the time. Mr. Watt noted that generally staff expects and plans for at least a few pieces of legislation each year that are requested by individual Assemblymembers.

Ms. Gladziszewski called for any objections to the motion to forward Resolution 2862 to the Assembly for adoption. Hearing none, the motion carried.

D. Ordinance re Criminal Justice Reform

Mr. Palmer stated that CBJ is one of the few municipalities that includes a prosecution arm and that CBJ prosecutes approximately 75% of the crime in Juneau with the State of Alaska prosecuting the remaining 25%. He stated that of those, CBJ code has consistently mirrored that of the State statutes. Recently, the Legislature passed House Bill (HB) 49 as well as companion bills including HB14. They generally increased the penalties for most crimes and elevated some crimes from Class A misdemeanors to Class C felonies so that elevated the severity of the violation. The state law has gone into effect and if CBJ wants to maintain past practice to remain consistent with state law, and if we want to continue control of local prosecution and offer solutions that include people getting treatment instead of sitting in jail, he recommended that the Assembly direct him to draft code changes consistent with state law. He said he could go into more detail at this time or after introduction if they wish to refer the matter to committee.

Mr. Palmer provided a memo in the packet that outlined many of the changes he would suggest implementing with the ordinance.

Ms. Gladziszewski asked what would happen if they did not incorporate these changes. Mr. Palmer explained that if the changes are not made, they are likely some misdemeanors in CBJ code that are now considered felony class charges and would likely be prosecuted as such by the state. He then went on to say that, it would be likely to have fewer prosecutions at the state level. He stated that while the state prosecutorial staff is doing the best they can, they are maxed out and they are pursuing mostly felony cases and dismissing misdemeanor cases due to workload considerations.

Mr. Palmer noted that if they don't have the higher penalties now found in state law, they are likely to continue to see some of the same criminal trends that have been happening and if our community wants to have local control of prosecutions, there is an impetus to make the code changes.

Additional discussion took place regarding various scenarios of implementation of the current code vs. what that might look like with possible code changes to match that of state law. Mr. Palmer also explained the specific language in the CBJ Charter that prefers treatment options over jail time for crimes involving controlled substances.

Ms. Hale asked that when Mr. Palmer brings the ordinance back for consideration that he also help educate the members on what the mandatory sentences are at both the state levels and how that compares to CBJ Code.

Ms. Hughes-Skandijs said that she supports this request but she also provided a word of caution that they are not responding to politically motivated legislation.

MOTION for the City Attorney to draft legislation to be consistent with state legislation and to bring the ordinance back for introduction on August 19.

Mr. Edwardson asked if there was any urgency on this. Mr. Palmer explained that the state law is already in effect and similar CBJ ordinance would likely go into effect in October.

Ms. Gladziszewski asked if members wanted to have the ordinance referred back to the Assembly COW for additional discussion. Additional discussion took place on the motion and timing and members agreed to have the ordinance introduced at the August 19 meeting and set for public hearing at the September 16 Assembly meeting.

E. Junk Cars – Incentives

Mr. Watt noted that in the interest of time, he would prefer they remove it from the agenda and take up this topic at a later meeting.

V. ADJOURNMENT

Ms. Gladziszewski thanked Police Chief Mercer and Deputy Chief Campbell for attending and she adjourned the meeting at 7:57 p.m.

Respectfully Submitted,

Elizabeth J. McEwen, MMC
Municipal Clerk