

**ASSEMBLY STANDING COMMITTEE
COMMITTEE OF THE WHOLE
THE CITY AND BOROUGH OF JUNEAU, ALASKA**

May 21, 2018, 6:00 PM.

Assembly Chambers - Municipal Building

Assembly Work Session - No Public Comment

I. ROLL CALL

II. APPROVAL OF AGENDA

III. APPROVAL OF MINUTES

A. **April 30, 2018 Committee of the Whole Minutes**

IV. AGENDA TOPICS

A. **FEMA Flood Mapping Update**

B. **RecycleWorks Facility Location Decision**

V. ADJOURNMENT

ADA accommodations available upon request: Please contact the Clerk's office 72 hours prior to any meeting so arrangements can be made to have a sign language interpreter present or an audiotape containing the Assembly's agenda made available. The Clerk's office telephone number is 586-5278, TDD 586-5351, e-mail: city.clerk@juneau.org

**ASSEMBLY STANDING COMMITTEE
COMMITTEE OF THE WHOLE
THE CITY AND BOROUGH OF JUNEAU, ALASKA**

April 30, 2018, 6:30 PM.

Assembly Chambers - Municipal Building

Assembly Work Session - No Public Comment

I. ROLL CALL

Deputy Mayor Jerry Nankervis called the meeting to order at 6:20 p.m. in the Assembly Chambers.

Assemblymembers Present: Mary Becker, Rob Edwardson, Maria Gladziszewski (telephonic), Norton Gregory, Loren Jones, Jesse Kiehl, Ken Koelsch, Jerry Nankervis, and Beth Weldon.

Assemblymembers Absent: None.

Staff present: Amy Mead, Municipal Attorney, Mila Cosgrove, Deputy City Manager; Laurie Sica, Municipal Clerk, Bob Bartholomew, Finance Director; Rob Steedle, Community Development Director, Roger Healy, Engineering/Public Works Director; Robert Palmer, Assistant Attorney; Dallas Hargrave, Human Resources/Risk Management Director; Scott Ciambor, Chief Housing Officer; Irene Gallion, Housing and Homelessness Coordinator; Autumn Sapp, EPW Business Manager; Beth McKibben, Planning Manager; Laura Boyce, Senior Planner; Jill McLean, Senior Planner; Brenwynne Grigg, CDD Admin Officer I; John Adams, CCFR Fire Engineer; Ed Mercer, Police Chief; Dave Campbell, Deputy Police Chief; Krag Campbell, JPD Lt.; Jeremy Weske, JPD Lt.; Brian Dallas, JPD Sgt.; Dominic Branson, JPD Sgt.; Sterling Salisbury, JPD Sgt.; Shawn Phelps, JPD Sgt.; Bob Diley, JPD Lead CSO; Jennifer Adams, JPD CSO; Sarah Dolan, JPD CSO; Joseph Fox, JPD CSO; Jessica Paskowski, JPD Admin Officer II; Erran Kalwara, Public Safety Manager; Christy Smith, JPD Dispatcher; Alisha Sell, JPD Dispatcher; Jeff Brink JPD Officer; Jim Esbenshade, JPD Officer; Lee Phelps, JPD Officer; Kirt Stage-Harvey, JPD Officer; Ken Colon, JPD Officer; Patrick Taylor, JPD Officer; Nick Garza, JPD Officer; Matt Dubois, JPD Officer.

II. APPROVAL OF AGENDA

Hearing no objection, Deputy Mayor Nankervis re-ordered the agenda to have Ordinance 2018-04 be the trailing item.

III. APPROVAL OF MINUTES

A. March 19, 2018 Committee of the Whole Minutes

Hearing no objection, the minutes of the March 19, 2018 COW meeting were approved as presented.

B. April 16, 2018 Committee of the Whole Minutes

Hearing no objection, the minutes of the April 16, 2018 COW meeting were approved as presented.

IV. AGENDA TOPICS

A. Utility Advisory Board Annual Report

Utility Advisory Board members Leon Vance, Chair; Kevin Buckland, Geoff Larson and Grant Ritter were present. Other members include: Bryan Farrell, Andrew Campbell, Janet Hall - Schempf.

Eric Vance, Chair, said the board is tasked with advising the Assembly and the Utilities on rates and other issues affecting the ability of the Utilities to maintain their self-supporting status. He thanked the board and staff for the work and support. Historically, rates were not set at a self supporting level, so

the rates need to pay for operating and maintenance expenses, including a reserve for fluctuations in revenue, a reserve for unexpected major repairs and for expected infrastructure replacement; and debt service. In 2003, the Assembly adopted a large one time rate increase and followed up with ten year incremental increases. A new rate study in 2013-14 adopted a rate schedule through FY2019. The final scheduled increase will take place in July, 2018. The board recommends a 2.5% increase in each of the next five fiscal years, and no increases to water for the next five years. It also recommends that the city undertake another rate study to examine the requirements for the next 10 years. He introduced Kevin Buckland, who along with Grant Ritter, drafted a minority report.

Kevin Buckland spoke about his experience as a CPA, with cost methodology, and as an owner of the Rainway Carwash. Utility rates are becoming a deterrent to business investment. Rates are only fair and equitable when each customer class pays a fair share. He provided cost comparisons to utility rates in Southeast Alaska, Anchorage and Fairbanks, and Juneau is a high outlier. He said the State of Alaska is the largest buyer of water and the high cost could be a capital move factor. He would like to see residential metering and spoke about the significant difference in costs between metered and unmetered rates. Most sewer utilities have more than one rate class, but CBJ charges the same across users. We do not charge based on the cost of serving the customers. Rates can not be arbitrary and capricious. These rates are not subject to RCA regulation and are exempt. He spoke about the biological oxygen rate for wastewater of various users and how it varies but CBJ charges the same for everyone. Anchorage has three different customer rate categories for sewer and Juneau can do that or better. These are unfettered rate increases with no known end. Locking in rates now is not exigent. The UAB should look at the 2003 report and do more analysis, and take a serious look at rate equity. He would like to return a unanimous report next year.

The Assemblymembers took turns asking several questions of Mr. Vance and Mr. Buckland. There was interest expressed in getting follow-up information on the cost and time needed for additional rate and service studies. Mr. Nankervis noted that the reports provided to the Assembly were information only and no decision or direction was required at this time. He thanked the Utility Advisory Board and staff for their work.

B. Issues relating to Homelessness

Scott Ciambor, Chief Housing Officer, introduced Irene Gallion, recently appointed to the Housing and Homelessness Coordinator position. Mr. Ciambor reviewed the data from the 2018 Point in Time Homeless Count, which is an annual survey by HUD.

This data was collected for the night of January 24, 2018, in three ways:

- 1) at the Project Homeless Connect event;
- 2) street outreach on the day of the count; and
- 3) from shelter and transitional housing programs.

(The CBJ Cold Weather Emergency Shelter was included as part of the count this year.)

Juneau Point In Time Count Results 2016-2018

	2018	2017	2016
Unsheltered	44	59	51
Emergency Shelter	83	56	77
Transitional Housing	108	100	83
Total	235	215	211

Mr. Ciambor explained the mechanics of the survey. He said there has been a general increase in homelessness across the country, especially on the West Coast, in the last year. Reasons include lack of affordable housing, the opioid issues and substance abuse. The people who have moved into the Housing First facility are considered in permanent housing and are not counted in this survey. Ms. Gallion said that work is being done to determine the cost savings across the community based on providing the Housing First facility, and provided preliminary statistics:

Housing First (HF) Preliminary Data Review - April 9, 2018

	Total HF Resident Contacts 6 mo. prior to move in	Total HF Resident Contacts 6 mo. post move in	% Decreased Useage
Bartlett Emergency Room Visits	360	97	73.1%
Rainforest Recovery Center visits	354	2	99.4%
Contacts with Juneau Police Officers	674	151	77.6%

Mr. Ciambor spoke about the cold weather emergency shelter, which came together quickly, thanks to staff of the Glory Hole and AWARE. Jackie Bryant was instrumental in the shelter's operation and worked with clients. JPD Officers Smith and Colon referred people to the shelter and were present when the shelter opened in the evening and when it opened in the morning. The shelter was open for 70 nights and served 158 unique individuals with a total of 715 bed nights. HMIS data was collected to provide information on individuals who used this shelter.

- 34 Chronically Homeless individuals;
- 114 individuals used the shelter for 2 nights or less;
- 45 individuals (28%) utilized another shelter during the winter; and
- Individuals residence prior to project entry:
 - Place not meant for habitation = 80
 - Staying at friends/family members room, apartment, house = 37
 - Emergency shelters = 26

Mr. Ciambor said all social and emergency service providers said this facility had a positive impact on their operations. He reviewed the funding and expenses for the shelter, staffing, and the possibility of using the current public safety facility for at least one more winter.

The Assembly asked several questions of Mr. Ciambor and Ms. Gallion. Mr. Nankervis thanked them both for their presentation and work.

C. JPD Recruitment and Retention

Several employees of the Juneau Police Department (JPD) were in attendance. Chief Ed Mercer, Deputy Chief David Campbell and HRRM Director Dallas Hargrave provided a presentation on the efforts being taken to support the work of the department through recruitment and retention. Chief Mercer explained the increase in crime and workload of the JPD. JPD has 55 police officer positions allocated. 8 of those positions are currently vacant. 4 positions are filled with officers in training.

Significant work has been done to discover ways to assist recruitment and promote retention. CBJ will work on three primary goals:

1. Recruit Locally: Focus recruitment efforts on recruiting those with a connection to Juneau or Southeast Alaska.
2. Recruit Experienced Officers: Increase opportunities for lateral transfers.
3. Improve Retention Factors: Motivate workforce to remain employed at JPD.

Strategies discussed include: advertising, employee recruitment initiatives, military outreach, recruitment bonuses, lateral transfer bonuses, leadership training and mentoring, take home vehicles, wage comparisons, longevity bonuses, changes to leave cash-out policies, and hiring civilian staff and adjusting workloads. A spreadsheet with costs of the various strategies was presented to the Assembly:

Initiative	FY19	FY20	FY21	Ongoing
Shifting Workload from Sworn Officers to (2) Civilian Investigators	\$180,000	\$180,000	\$180,000	Yes
Longevity Bonus	CN	CN	CN	CN
Employee Recruitment Incentive	\$12,000	\$12,000	\$12,000	Yes
Competitive Wages in Alaska	CN	CN	CN	CN
Advertising	\$25,000	\$20,000	\$20,000	Yes
Lateral Transfer Bonus	\$20,000	\$20,000	\$20,000	Yes
Recruitment Signing Bonus	\$12,000	\$12,000	\$12,000	Yes
Military Outreach	\$0	\$0	\$0	Yes
Grow Your Own	\$0	\$0	\$0	Yes
Flexibility to Cash Out Leave	CN	CN	CN	Yes
Take Home Vehicles	\$573,500	\$116,000	\$116,000	Yes

CN = subject to contract negotiations.

The Assembly asked several questions and offered thoughts on the matter, including whether 55 officers was a sufficient staffing level and suggesting that incentives for JPD family members be offered such as benefits at Parks and Recreation facilities, etc.

Mr. Nankervis thanked the Mr. Hargraves and the JPD staff for their work and the presentation, and stated that JPD is the best police department in the state.

D. Ordinance 2018-04 An Ordinance Amending the Land Use Code Relating to Variances.

Ms. Mead explained that the body of variance case law in CBJ has become unwieldy over time. Laurie Boyce, Senior Planner, Robert Palmer, Assistant Attorney, and the Planning Commission have worked to revise the variance code. A variance is a permitted deviation from the code, in a situation which is proved to be patently unfair to apply the normal land use code to a development on a property. Variances are to be narrowly applied and only allowed in situations in which there is something about the property itself, outside of the owners control, that makes it necessary to vary the code. The Planning Commission decided to specifically prohibit certain things from being varied in the proposed code. If a situation does not fit into something specifically prohibited, an application for a variance may be submitted. The proposed ordinance clarifies the process for department director approvals. Ms. Mead said the proposed code allows the director to make a finding that the situation doesn't qualify to apply for a variance, which is appealable to the planning commission. This ordinance was introduced on April 2 and was ready for referral back to the Assembly for a public hearing upon motion by the Assembly.

Assemblymembers asked questions and discussed the topic, including an inquiry regarding the level of fairness of changing this ordinance for future applicants in light of variances granted to others in the past. Ms. Mead said there was a long history of variance decisions with little way of consistently applying them moving forward. This ordinance clears up that inconsistency.

Ms. Mead was asked about the definition of "hardship" and the process for staff finding that a

situation doesn't meet the entry criteria for review of a variance application. Ms. Mead said in the past, every variance went to the Planning Commission, even those that didn't meet the standard at all. This code allows the Department Director to make a finding that a situation is not eligible for a variance. The Director's decision is appealable to the Planning Commission. Hardship is defined by case law. Mr. Palmer said that hardship is difficult to define. Case law articulates certain facts to outline a hardship, and he called it "squishy and subjective." There are four criteria in the ordinance to determine variances, one of which is a finding that there is an "undue hardship resulting from an unusual or special condition on the property." The Planning Commission has to use its expertise to make a determination. Ms. Boyce said the applicant makes its case for a hardship, staff does its analysis. Ms. Mead said that what used to be referred to as a "de minimus" variance is now a situation for a department director decision rather than review by the Planning Commission.

MOTION, by Weldon, to refer Ordinance 2018-04 to the Assembly for a public hearing. Hearing no objection, it was so ordered.

V. EXECUTIVE SESSION

A. Update on Labor Negotiations

B. Update on Pending Litigation

MOTION, by Kiehl, to enter into executive session, to discuss matters, the immediate of which could have a detrimental affect on the finances of the CBJ, specifically, labor negotiations and pending litigation.

Hearing no objection, the Assembly went into executive session at 9:40 p.m. and returned to regular session at 10:45 pm.

Mr. Kiehl stated that the Assembly heard updates on pending law suits and gave staff direction. In addition, the Assembly received an update on contract negotiations and gave staff direction.

Mr. Nankervis reminded the Assembly that the Finance Committee meeting was on Thursday, May 3rd and that the meeting started at 5:00 pm.

VI. ADJOURNMENT

Having no other business to come before it, the Assembly adjourned at 10:48 pm.

Submitted by Laurie Sica, Municipal Clerk



Update of the City & Borough of Juneau FEMA Flood Insurance Rate Map

May 21, 2018 Assembly Committee of the Whole Meeting



FEMA

RiskMAP
Increasing Resilience Together

City and Borough of Juneau

Background of the National Flood Insurance Program



FEMA

Purpose of the National Flood Insurance Program (NFIP)

The NFIP is a Federal program enabling property owners in participating communities to purchase insurance as a protection against flood losses in exchange for State and community floodplain management regulations that reduce future flood damages.

- ▶ The community adopts and enforces a floodplain management ordinance to reduce future flood risk to new construction in floodplains. The intent of the ordinance is promote public health, safety, and welfare, and to minimize public and private losses from flooding.
- ▶ Regulating building development in flood zones helps minimize damage to individual properties and downstream neighbors.
- ▶ NFIP insurance is much more affordable and accessible than private insurance, which is rarely available.

City & Borough of Juneau History in NFIP

- ▶ NFIP started in 1968 with the National Flood Insurance Act.
- ▶ CBJ joined the NFIP in 1981 with the first adopted set of maps.
- ▶ Valley maps were updated in 1990.
- ▶ The first borough-wide update to the maps was in 2013.
- ▶ CBJ requested updates and revisions to the maps that FEMA couldn't complete within the 2013 revision deadlines.
- ▶ CBJ's request led to the additional modeling and re-mapping that has resulted in the 2017 draft maps currently up for review.



Basis for Floodplain Mapping in NFIP

FEMA and CBJ regulations apply to the 1% Annual Chance Flood (“100-year”) Standard

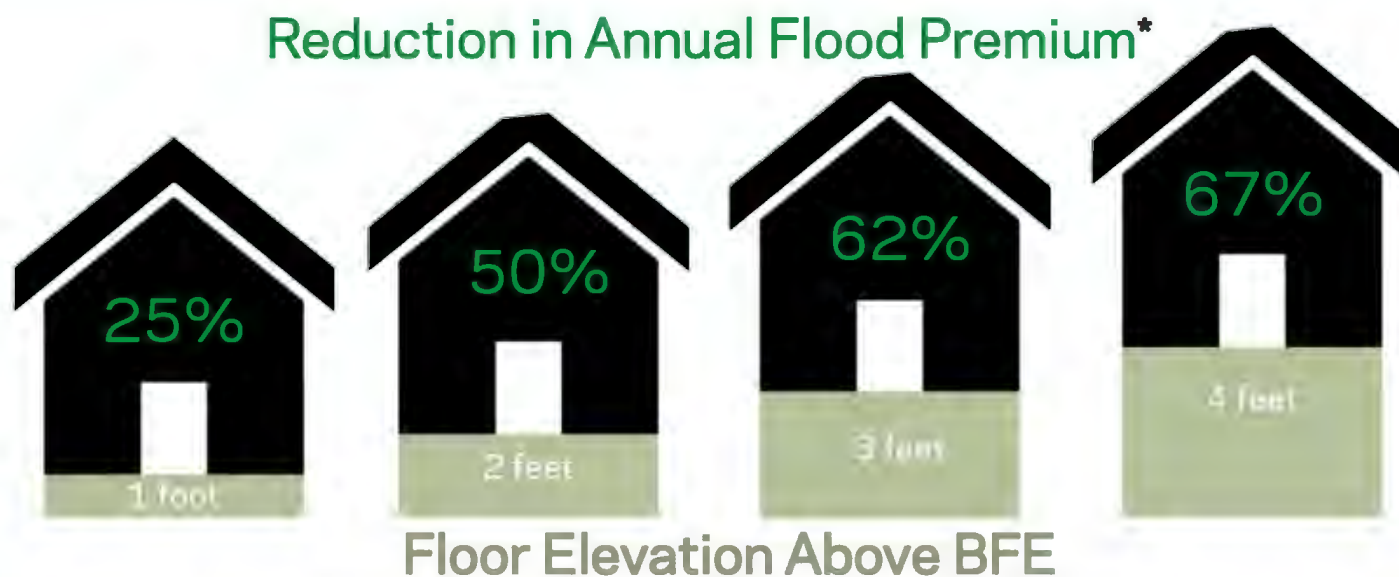
- ▶ A 1% Annual Flood, also known as a 100 year flood, doesn’t mean the flood happens every 100 years
- ▶ a 1 percent annual flood means there’s a 26 percent chance of flooding within a 30 year mortgage period.
- ▶ The risk of fire, by comparison, is approximately 10 percent.

Purchase Requirement

Participation in NFIP is voluntary. Once a community is participating, purchase of flood insurance is mandatory with a federally backed mortgage for properties in the 1% chance floodplain.

- ▶ Insurance is a prerequisite to receive a loan from Federally regulated and insured lenders.
- ▶ The requirement is triggered when a loan is:
 - Made
 - Increased
 - Renewed
 - Extended
- ▶ The insurance must be in effect for the life of the loan.
- ▶ Monetary penalties on lenders for non-compliance, requires escrow accounts for other insurance purposes, and requires that lenders review flood maps and map changes.

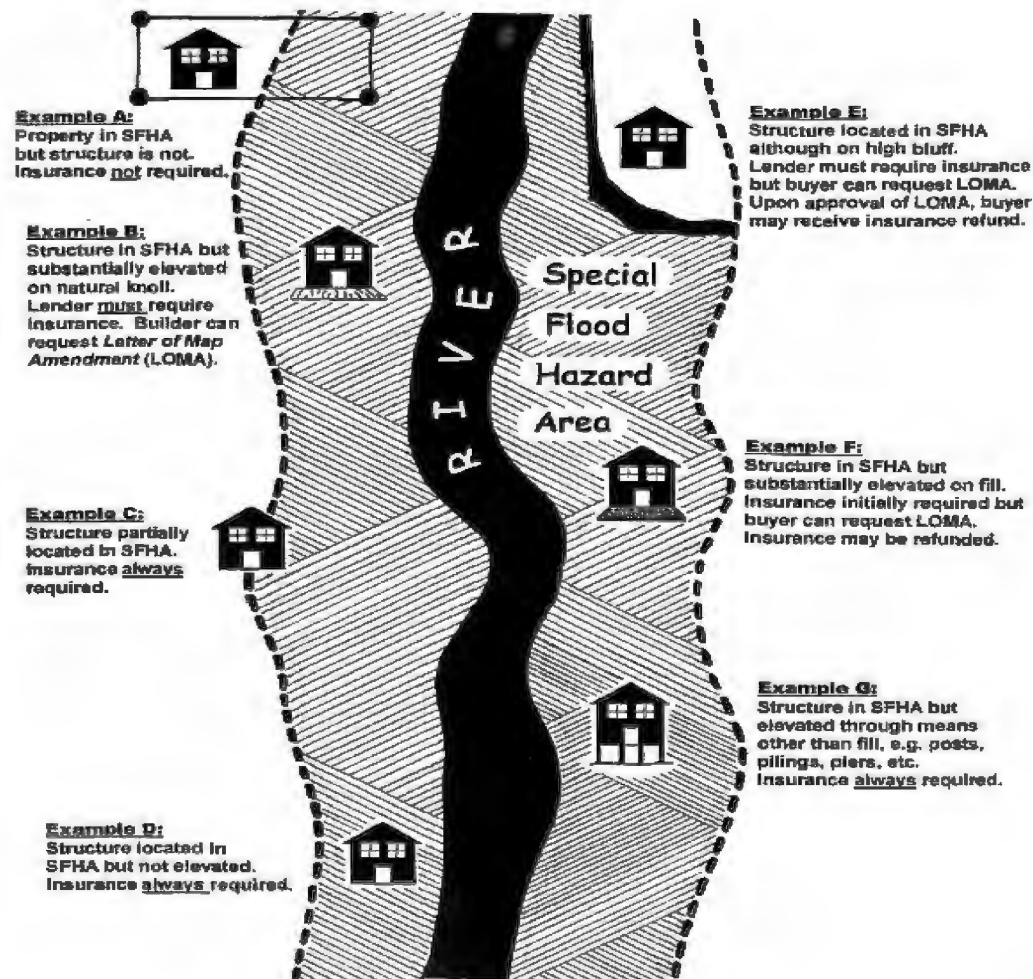
Floodplain Management Through Building Standards



* Example: V-Zone building with an open foundation. \$250,000 building coverage, \$100,000 contents coverage. Reductions compared to lowest flood at BFE. Note: This does not include recent rate increases. (FEMA Home Builder's Guide to Coastal Construction)

Floodplain Insurance Requirement Scenarios

Flood Insurance Requirements for Typical Residential Sites in Special Flood Hazard Areas



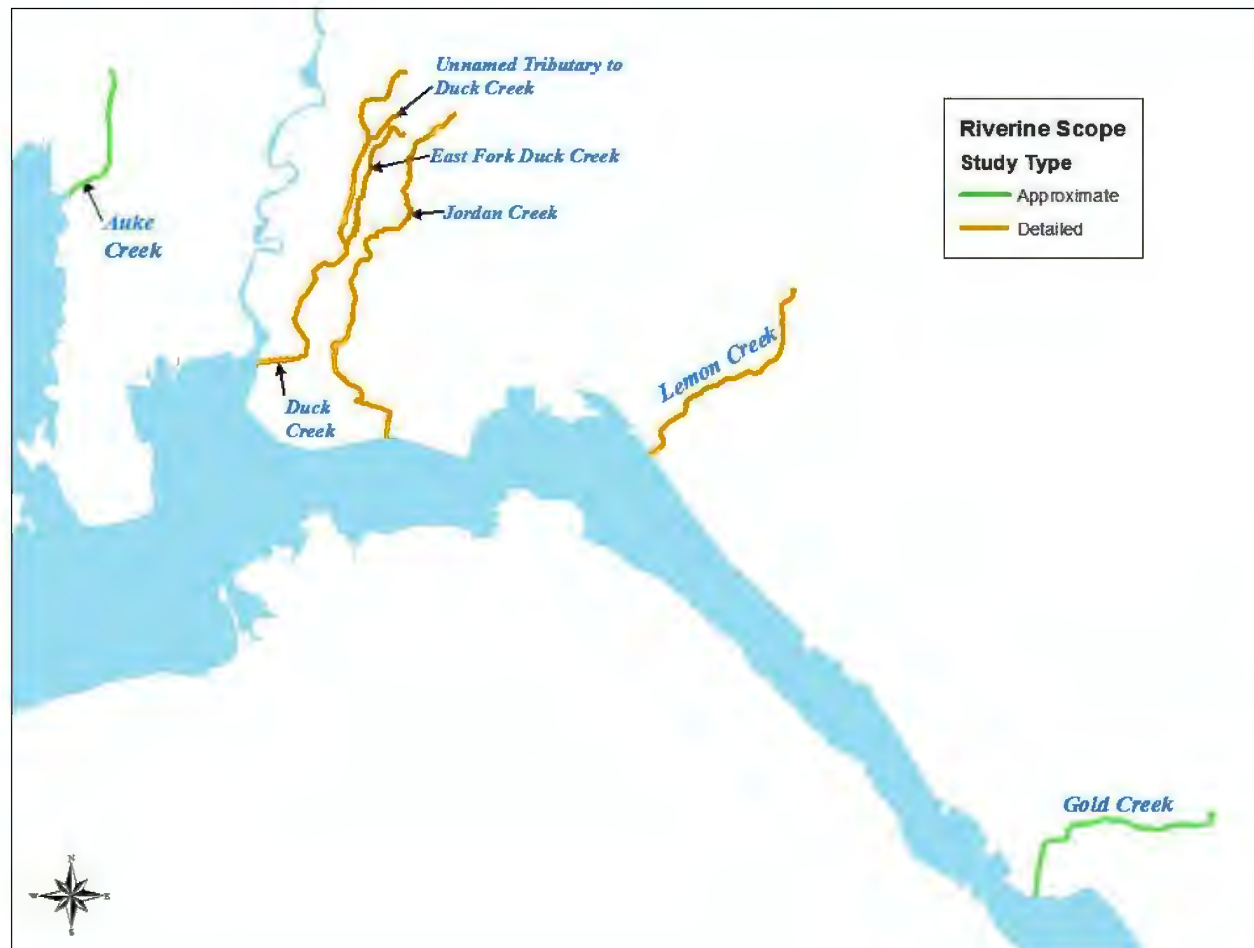
City and Borough of Juneau

Review of the Flood Study Map Update

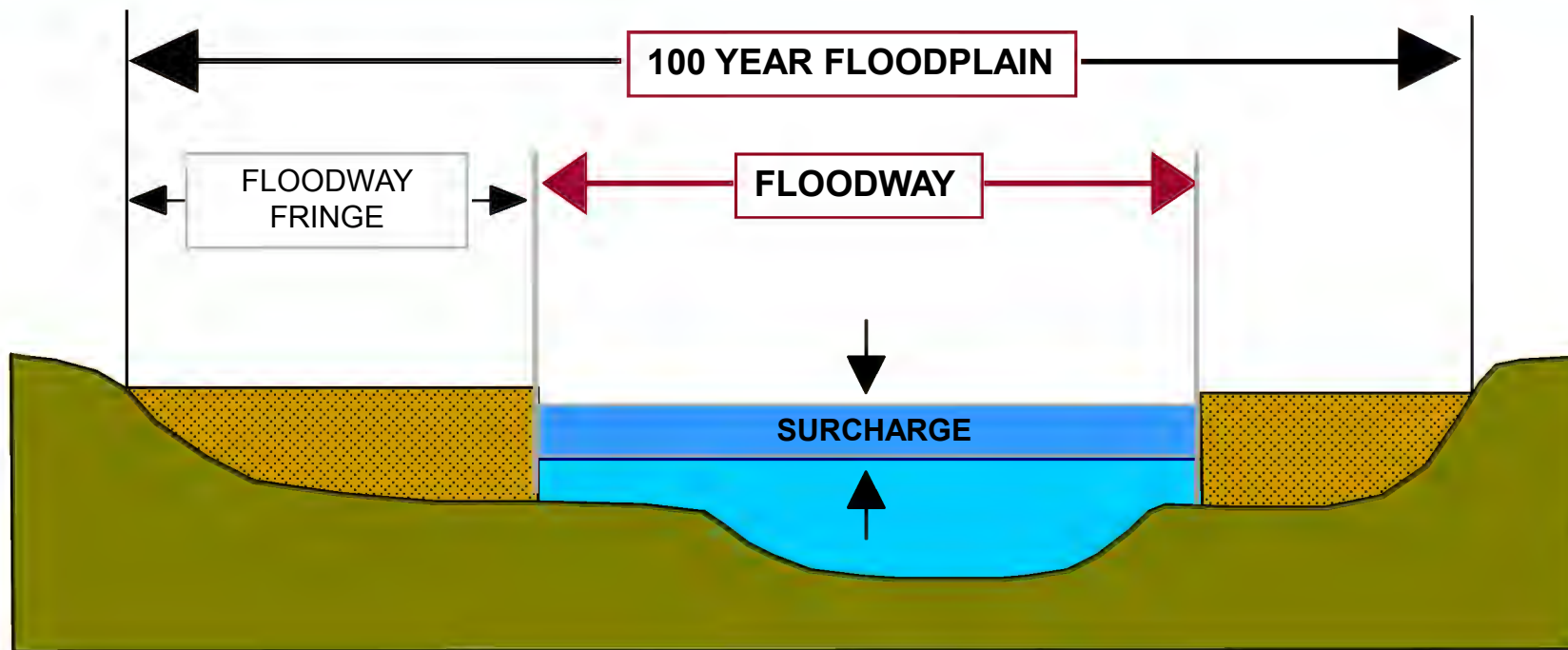


FEMA

Riverine Studies



Riverine Floodplain and Floodway Definitions



Floodway + Floodway Fringe = 100 Year Floodplain
Surcharge Not To Exceed 1.0 Feet

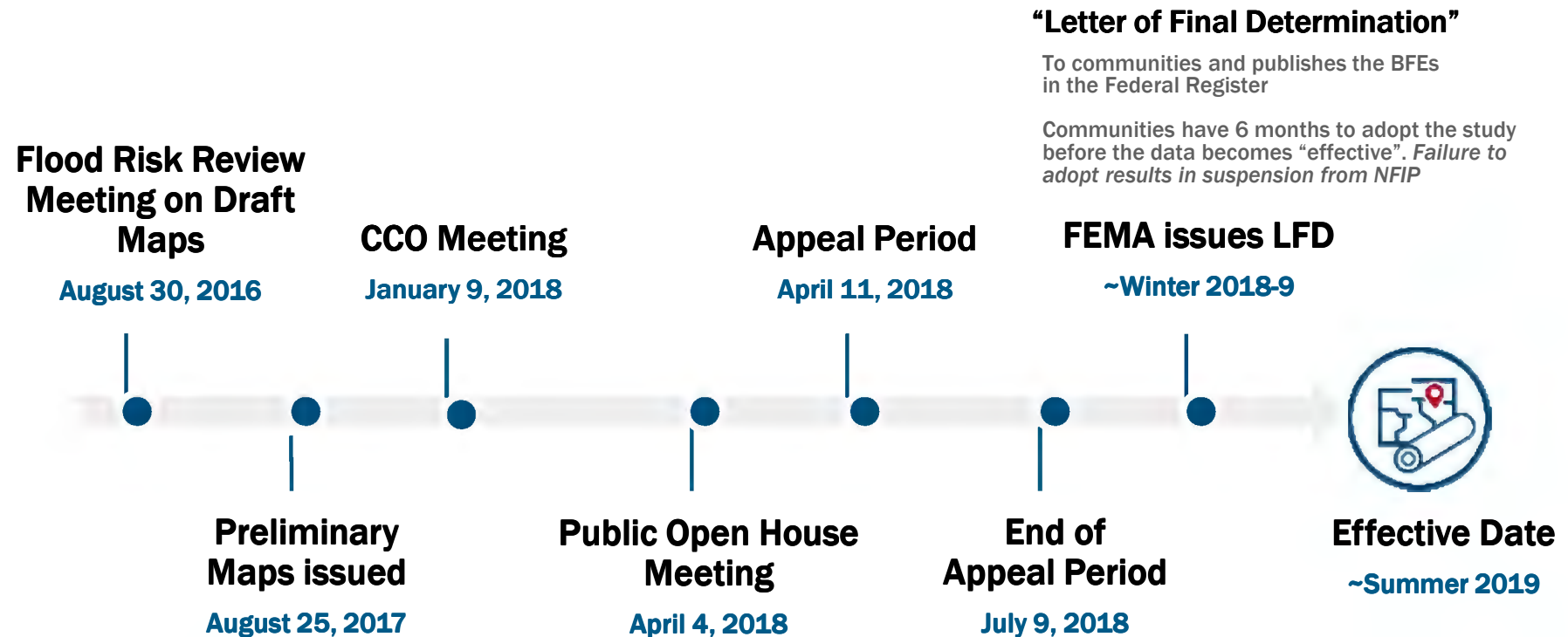
City and Borough of Juneau

The Flood Mapping Process and Schedule



FEMA

General Timeline

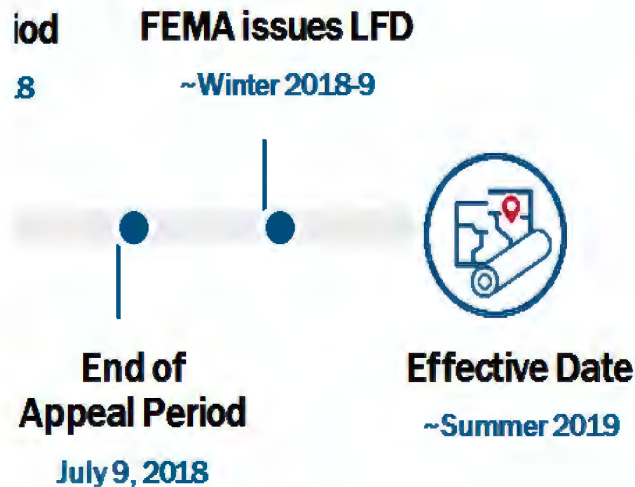


Planning Commission and Assembly Review Timeline

"Letter of Final Determination"

To communities and publishes the BFEs in the Federal Register

Communities have 6 months to adopt the study before the data becomes "effective". Failure to adopt results in suspension from NFIP



- In Winter 2018-2019 FEMA will issue the Letter of Final Determination and revised flood maps addressing the comments and appeals.
- The Planning Commission and Assembly will have six months after the Letter of Final Determination to adopt the revised flood maps.
- If the maps are not adopted, CBJ will be removed from the NFIP, property owners will not be able to get federal insurance, and CBJ will not be eligible for federal disaster declarations in the event of a major flood.

Interactive Map on CDD Home Page

Visit:

<http://www.juneau.org/cddftp/JuneauFloodZoneMap.php>



FEMA has a website with an interactive map comparing flood hazard data from 2013 and 2017.

To use the map, enter the full Juneau street address including zip code in the upper right search bar. The left panel of the map displays effective flood hazard data from 2013 while the right panel displays preliminary flood hazard data from 2017. Drag the gray bar left or right to view the two versions which are before-and-after views of the flood zones. Use the plus and minus signs (upper left of the map) to zoom in or out, and click and drag the cursor to move the map around.

Click on the image, at left, to access the flood map comparison website.

Summary of Parcels Affected

- ▶ 8,430 parcels in the Borough

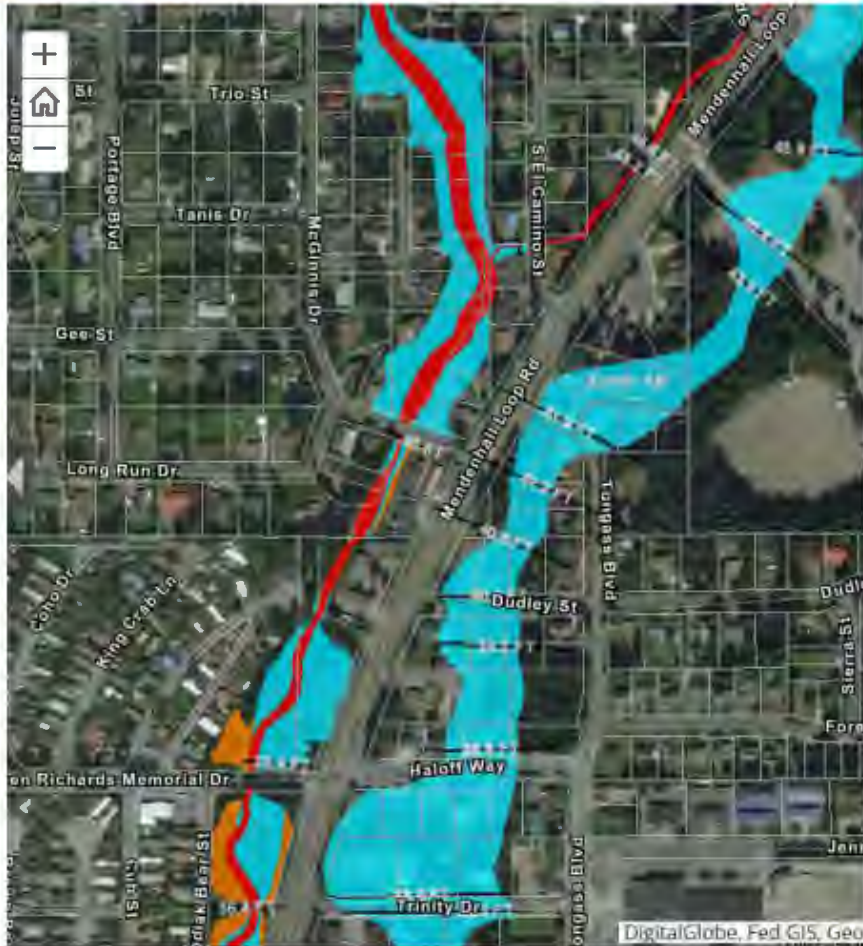
In the current adopted 2013 maps:

- ▶ 1,404 parcels are in the effective Special Flood Hazard Areas (SPFHA);
(a conservative estimate, based on any portion of the flood zone touching a property or closely adjacent)

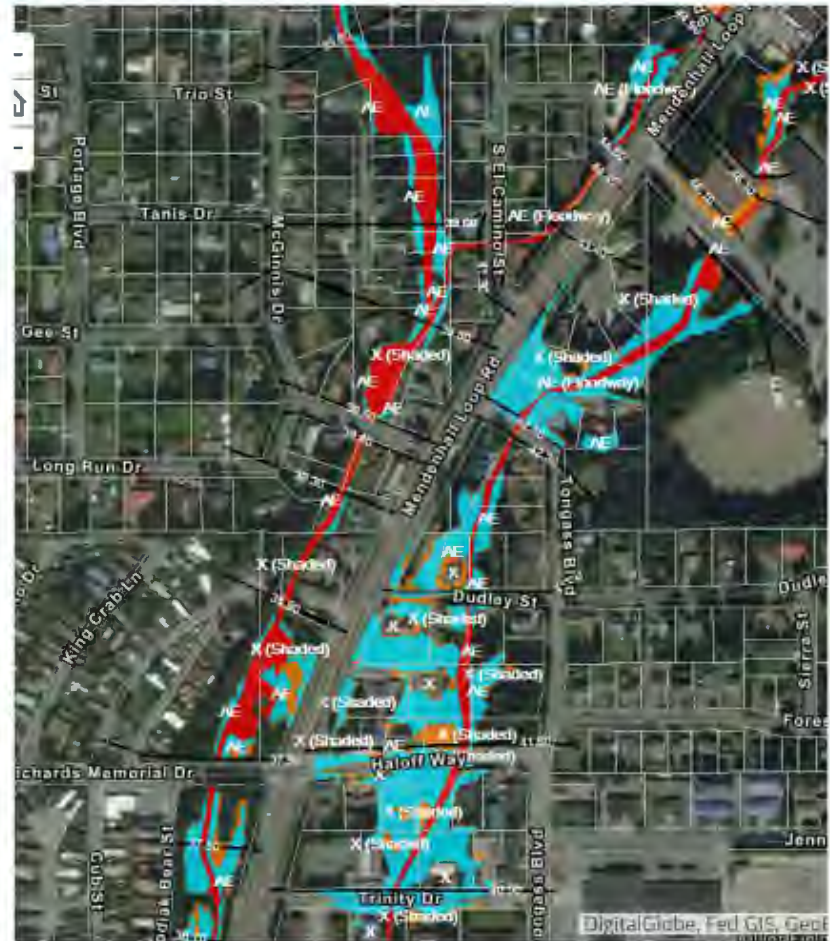
In the proposed maps,

- ▶ 1,258 parcels in the SPFHA
- ▶ 45 parcels added to the SPFHA
- ▶ 191 parcels removed from the SPFHA
- ▶ No change to the 8,194 remaining parcels in the Borough

Current vs Proposed Map of Duck Creek



Current



RiskMAP
Increasing Resilience Together

Current vs Proposed Map of Jordan Creek



Current

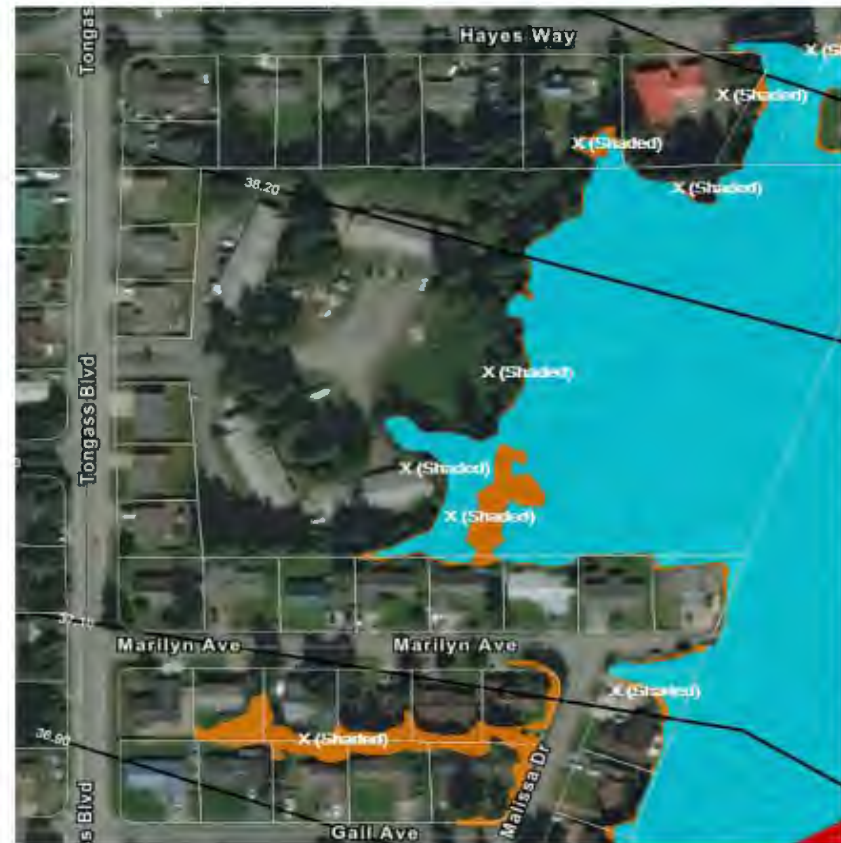


Proposed

Current and Proposed Map of Tongass Boulevard Area



Current

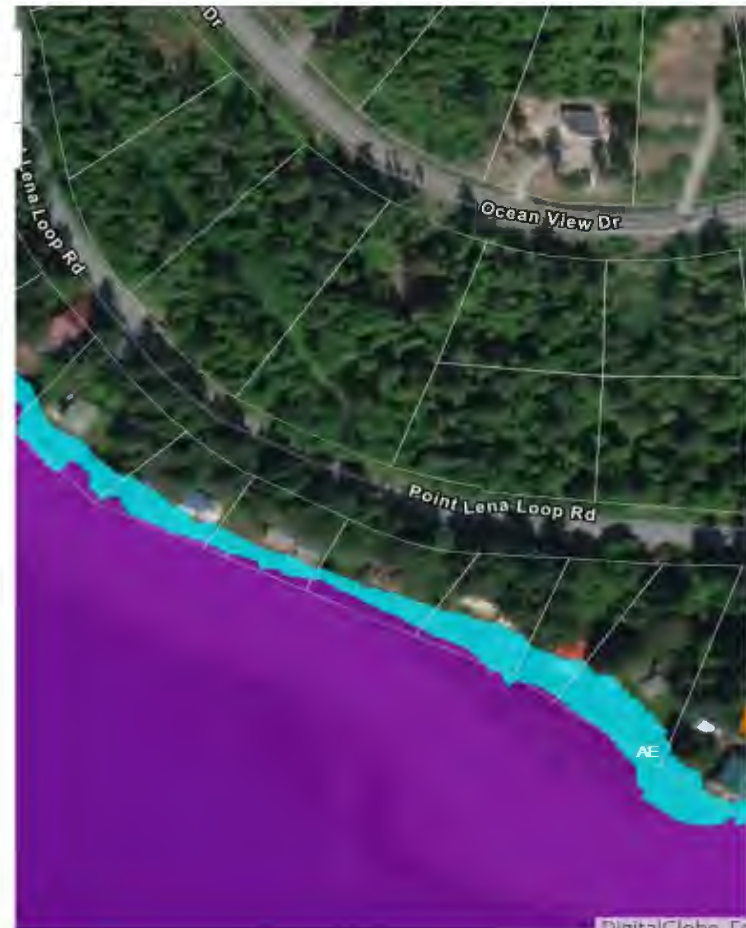


Proposed

Current vs Proposed Map of Lena Loop



Current



Proposed

Input On Flood Map Revision

Private landowners submit comments and appeals to the Community Development Department by July 9, 2018

- ▶ CDD bundles all the comments and forwards them to FEMA Region 10 Service Center
- ▶ Visit <http://juneau.org/cddtp/JuneauFloodZoneMap.php> to view maps, detailed instructions on the comment and appeal form, and additional information
- In Winter 2018-2019 FEMA will issue the Letter of Final Determination and revised flood maps addressing the comments and appeals
- The Planning Commission and Assembly will have six months after the Letter of Final Determination to adopt the revised flood maps.

Flood Map Adoption

- FEMA will address comments and appeals
- In Winter 2018-2019 FEMA will issue the Letter of Final Determination and revised flood maps addressing the comments and appeals
- The Planning Commission and Assembly will have six months after the Letter of Final Determination to adopt the revised flood maps.

Letters of Map Change (LOMC)



Letter Of Map Amendment (LOMA) – for property owners who believe a property was incorrectly included in a floodplain, primarily through showing that the lowest elevation of the structure is above the 1% flood elevation.

Letter Of Map Revision (LOMR) – for communities to submit better technical information to change a floodplain or to reflect physical changes made to the floodplain.

(LOMA) Hotline – 1-877-FEMA-MAP

Contacts

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or

Amy Liu, Planner, 586-0764

amy.liu@juneau.org



City Manager's Office

155 South Seward Street

Juneau, Alaska 99801

Phone: 907-586-5240

DATE: May 21, 2018

TO: Jerry Nankervis, Chair
Assembly Committee of the Whole

FROM: Rorie Watt, City Manager

RE: RecycleWorks Diversion Program Long Term Plan

The following items related to the long term plan to increase diversion from the landfill need to be considered:

1. Consolidation of RecycleWorks programs including Recycling, Household Hazardous Waste (HHW) and Composting at one location is desired for efficiency of operations and increased convenience for the public. The recycling building at the landfill has been deemed unsafe and the program is currently operating without the baler and is unaffordable.
2. The Alaskan Brewing Company desires to purchase CBJ owned lots to the west of their property in Lemon Creek including the water utility lots and the HHW Lots. The water utility will move to the old Valley Street Maintenance shop and the HHW program would need to be relocated. The appraised value of these CBJ properties is \$2.87M.
3. CBJ has worked on two options for program consolidation, HHW relocation and future compost program land: 1721 Anka Street owned by CMI and Capitol Disposal Landfill owned by Waste Management (WM).
 - a. Anka Street – This 5.4 acre property would be purchased, the appraised value is \$3.3M. The existing building would be renovated and modified for a recycling program and a new structure would be built for the HHW program. There is land for a composting program.
 - b. Capitol Disposal Landfill – Sufficient land would be available for the programs on a contract and lease basis. A new recycling building would be built by WM and the program would be operated by WM under a 30 year contract. Land for the HHW and composting programs would be leased to CBJ for a term of 30 years and CBJ could construct structures and operate the programs. Access and circulation would also be allowed under the agreements.
4. The revenue required for each option is attached to this memo based on maintaining a fund balance of approximately \$1.5M. A potential change to the current user fee funding source for the program is discussed in the memo to the Finance Committee as well as some possible changes to the Motor Vehicle Registration Tax.

Both options are acceptable and desirable. Based on analysis of the revenue and expense data and ongoing negotiations with Waste Management, staff recommends to the Assembly the Capitol Disposal option for the longer term RecycleWorks program under the following terms:

- WM agrees to operate the recycling program under a contract for 30 years and if they terminate the operation prior to this term, they agree to lease CBJ the use of the land and building at fair market value for the continued operation of the program.
- WM agrees to lease land at fair market value for the HHW and composting program for a term of 30 years to the CBJ.

Recommended COW Actions:

1. Recommend to the full Assembly that the manager negotiates an agreement with Waste Management under these terms to operate the recycling program and lease land for HHW and composting operations.
2. Recommend to the full Assembly approval of the sale of the water utility and HHW properties to the Alaskan Brewing Company.
3. Recommend to the Assembly continue to evaluate the program fee structure.
4. Recommend to the Assembly that the proceeds of the sale of the properties be allocated towards relocation of the Water Utility (\$300K) and the remainder be placed in the Waste Management Program fund balance,

If the COW agrees with this approach, and provided that the final details can be acceptably negotiated, I intend to introduce authorizing legislation at the June 4th Assembly meeting.



**CMI
Property**
5.4 acres

Anka Street

**CBJ Lots
(4)**



1.5 acres



**Alaskan Brewing
Company**

Commercial Blvd.

Shaune Drive

CBJ - Anka Street (CMI)
RecycleWorks Expenses and Revenue Projections
Fiscal Years 2018-2023

Expenditures	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Total
Operating	1,388,300	1,441,800	1,448,800	1,403,214	1,431,278	1,459,904	8,573,296
Increase to Recycling Operations Cost*		36,000	36,000	36,000	36,000	36,000	180,000
Purchase of New Property		3,300,000					3,300,000
Moving and Closing		350,000					350,000
HHW Facility		1,000,000					1,000,000
Recycling Facility		1,000,000					1,000,000
Composting and Source Reduction			500,000	250,000	250,000		1,000,000
Asset - Land and Facility in CBJ ownership							
Total \$	1,388,300	7,127,800	1,984,800	1,689,214	1,717,278	1,495,904	15,403,296
Revenues	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Total
User Fees** or GG Revenue	1,098,000	1,500,000	1,600,000	1,600,000	1,650,000	1,650,000	9,098,000
Sale of CBJ Property		2,870,000					2,870,000
1% Sales Tax	600,000	400,000	400,000	400,000	200,000		2,000,000
Contribution from GG Fund Balance		1,500,000					1,500,000
Total \$	1,698,000	6,270,000	2,000,000	2,000,000	1,850,000	1,650,000	15,468,000
Change in Fund Balance \$	309,700	(857,800)	15,200	310,786	132,722	154,096	64,704
Fund Balance \$	1,392,400	534,600	549,800	860,586	993,308	1,147,404	

*Estimate of increased cost to WM to operate recycling offsite.

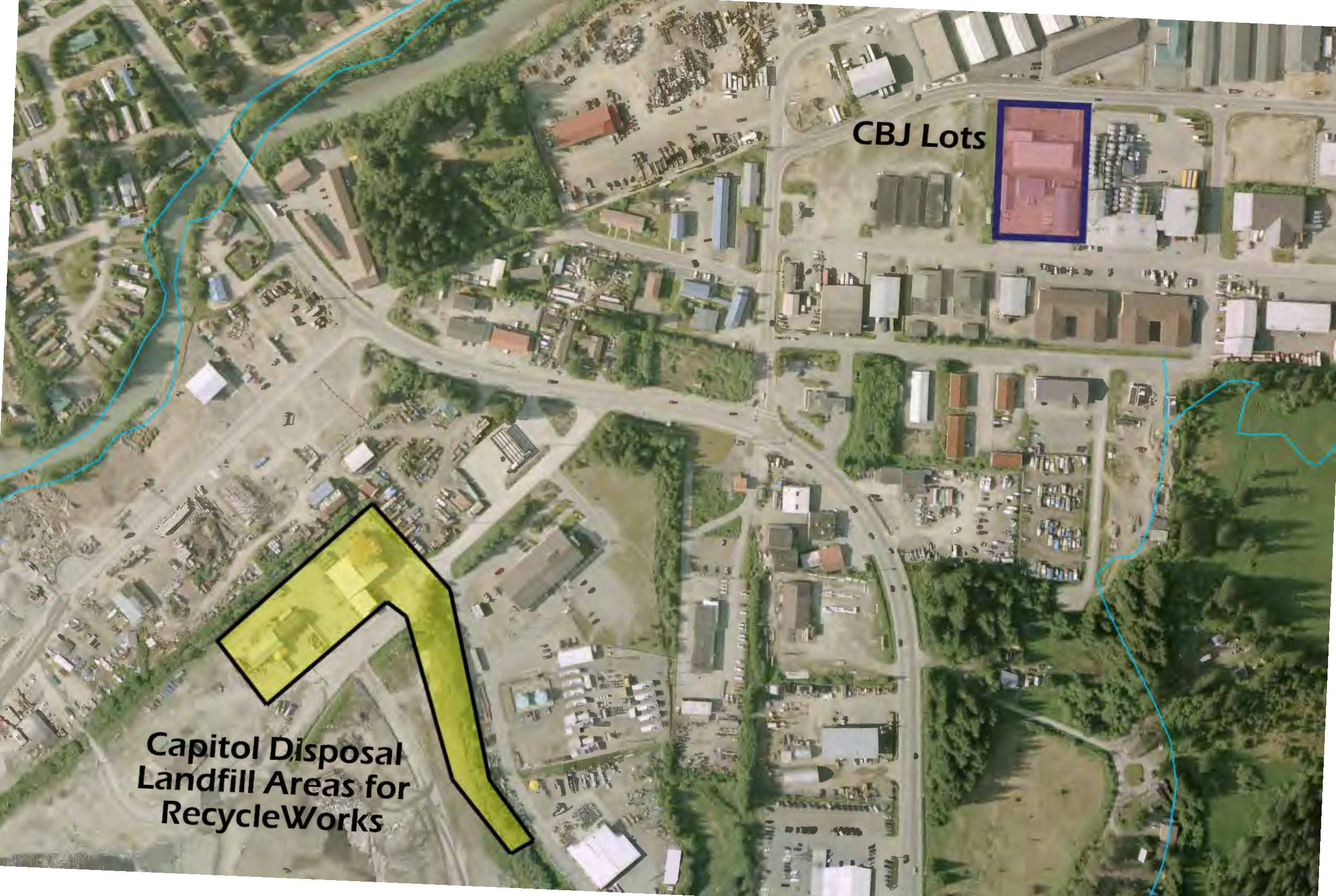
** Current approximate revenue from User Fees is \$1.1M.

CBJ - Anka Street (CMI)
RecycleWorks Expenses and Revenue Projections
Fiscal Years 2018-2023

Expenditures	5-Year	10-Year	20-Year
Operating	8,573,296	16,322,643	34,324,959
Increase to Recycling Operations Cost*	180,000	360,000	720,000
Purchase of New Property	3,300,000	3,300,000	3,300,000
Moving and Closing	350,000	350,000	350,000
HHW Facility	1,000,000	1,000,000	1,000,000
Recycling Facility	1,000,000	1,000,000	1,000,000
Composting and Source Reduction	1,000,000	1,000,000	1,000,000
Asset Land and Facility in CBJ Ownership		-	(3,300,000)
Total \$	15,403,296	23,332,643	38,394,959

Revenues	5-Year	10-Year	20-Year
User Fees** or GG Revenue	9,098,000	17,498,000	35,498,000
Sale of CBJ Property	2,870,000	2,870,000	2,870,000
1% Sales Tax	2,000,000	2,000,000	2,000,000
Contribution from GG Fund Balance	1,500,000	1,500,000	1,500,000
Total \$	15,468,000	23,868,000	41,868,000

Change in Fund Balance \$	64,704	535,357	173,041
Fund Balance \$	1,147,404	1,618,057	1,255,741



CBJ Lots

**Capitol Disposal
Landfill Areas for
RecycleWorks**

CBJ - Waste Management/Capitol Disposal Landfill
RecycleWorks Expenses and Revenue Projections
Fiscal Years 2018-2023

Expenditures		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Total
Operating		1,388,300	1,441,800	1,448,800	1,403,214	1,431,278	1,459,904	8,573,296
Increase to Recycling Operations Cost			126,000	126,000	126,000	126,000	126,000	630,000
Lease of HHW and Compost Property (1.5 acres)			12,500	12,500	12,500	12,500	12,500	62,500
Moving and Closing			350,000					350,000
HHW Facility			1,000,000					1,000,000
Composting and Source Reduction				500,000	250,000	250,000		1,000,000
Total	\$	1,388,300	2,930,300	2,087,300	1,791,714	1,819,778	1,598,404	11,615,796
Revenues		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Total
User Fees* or GG Revenue		1,098,000	1,100,000	1,100,000	1,100,000	1,500,000	1,600,000	7,498,000
Sale of CBJ Property			2,870,000					2,870,000
1% Sales Tax		600,000	400,000	400,000	400,000	200,000		2,000,000
Total	\$	1,698,000	4,370,000	1,500,000	1,500,000	1,700,000	1,600,000	12,368,000
Change in Fund Balance	\$	309,700	1,439,700	(587,300)	(291,714)	(119,778)	1,596	752,204
Fund Balance	\$	1,392,500	2,832,200	2,244,900	1,953,186	1,833,408	1,835,004	

* Current approximate revenue from User Fees is \$1.1M.

CBJ - Waste Management/Capitol Disposal Landfill
RecycleWorks Expenses and Revenue Projections
Fiscal Years 2018-2038

Expenditures		5-Year	10-year	20-year
Operating		8,573,296	16,322,643	34,324,959
Increase to Recycling Operations Cost		630,000	1,260,000	2,520,000
Lease of HHW and Compost Property (1.5 acres)		62,500	125,000	250,000
Moving and Closing		350,000	350,000	350,000
HHW Facility		1,000,000	1,000,000	1,000,000
Composting and Source Reduction		1,000,000	1,000,000	1,000,000
Total	\$	11,615,796	20,057,643	39,444,959
Revenues		5-Year	10-year	20-year
User Fees* or GG Revenue		7,498,000	15,798,000	34,798,000
Sale of CBJ Property		2,870,000	2,870,000	2,870,000
1% Sales Tax		2,000,000	2,000,000	2,000,000
Total	\$	12,368,000	20,668,000	39,668,000
Change in Fund Balance	\$	752,204	610,357	223,041
Fund Balance	\$	1,835,004	1,693,157	1,305,841

* Current approximate revenue from User Fees is \$1.1M.
FY28 User Fees or GG Revenue increased to \$1.9M

Roadmap to RecycleWorks Consolidation

	<u>Steps to Purchase and Operate Programs at Anka Street (CMI) Property</u>	<u>Steps to Lease and Operate Program at Capitol Disposal (Landfill)</u>
Property Sale	Sell the Water Utility Property to AKBV for FMV Sell the HHW Property to AKBV for FMV	Sell the Water Utility Property to AKBV for FMV Sell the HHW Property to AKBV for FMV
Fund Appropriation	\$300K for Valley Streets Shop Improvements into the Deferred Building Maintenance CIP	\$300K for Valley Streets Shop Improvements into the Deferred Building Maintenance CIP
	\$2.57M to New CIP – RecycleWorks Consolidated Facility \$1.5M from GG Fund Balance to RecycleWorks Consolidated Facility	\$2.57M to New CIP – RecycleWorks Consolidated Facility
Property Purchase	Purchase the 1721 Anka Street Property for \$3.3M	
Ordinances		Contract with WM for 30 years, 10 year contract with five year renewals upon mutual written agreement Land Lease from WM for HHW property and composting property
Program Operation	Move Recycling program to existing building summer 2018 Construct HHW Facility complete summer 2019 Expand and renovate existing recycling building, complete summer 2019 Construct and operate composting program summer 2020	WM demolishes existing building and constructs new building for fall 2018 CBJ finances construction of HHW facility for summer 2019 CBJ constructs and operates composting program summer 2020
Service Procurement	CBJ competitively bids the HHW and Recycling operations	CBJ competitively bids the HHW operations
End of Term 30 years	CBJ owns land and facilities	Contracts and leases can be extended with WM but ownership remains with WM



City and Borough of Juneau
City & Borough Manager's Office
155 South Seward Street
Juneau, Alaska 99801
Telephone: 586-5240 | Facsimile: 586-5385

DATE: May 4, 2018
TO: Jesse Kiehl, Chair, Assembly Finance Committee
FROM: Rorie Watt, City Manager *[Signature]*
RE: RecycleWorks Program Fee Structure

As part of the push to find longer term, lower cost programs we have analyzed our programmatic revenue structure and have several recommendations to make.

Most Alaskan municipalities use a Motor Vehicle Registration Tax (MVRT) to provide partial funding for road maintenance and improvements. The MVRT is locally set by Ordinance by the boroughs, collected by Alaska DMV and remitted back to the boroughs. CJ has used the MVRT for our junk vehicle program, a program where costs have escalated greatly depending on the value of scrap metal. CJ's MVRT is also the lower end of fees charged by boroughs and CJ does not charge commercial vehicles. Because it is derived from vehicle licensing, in my opinion a MVRT is more closely correlated with wear and tear on road systems. The cost of junk vehicles is more related to market conditions and is a desired community service that requires general government support.

Because of this closer connection, I recommend we switch the revenue streams for streets and the household hazardous waste and recycling programs funded by the waste management utility fee established under 36.12.04.

I also recommend repealing code that provides funding for the RecycleWorks programs (eliminate the monthly household fee) and providing programmatic funding from the general fund. This would make the service available area wide and provide a matching funding source.

I recommend the following specific actions:

1. Repeal 36.12, including the fee structure.
2. Provide funding for recycling and hazardous waste programs through the General Fund as an area-wide service. Consider use of some fund balance to phase in this approach.
3. Allocate MVRT collected by DMV (authorized under C.J. 6.30) to our Street Maintenance program.
4. Allocate a similar fund amount from the General Fund towards the Junk Vehicle program.
5. Outside of the budget process, consider increasing the MVRT amounts charged by other Alaskan communities (CJ is lowest in the State), and consider including a MVRT for commercial vehicles which are currently not taxed.

Action:

Forward Ordinance repealing 36.12 and budget changes in accordance with the above to the Assembly for action. AFC to take up further policy questions about the MVRT at a later date.