

City and Borough of Juneau
Minutes - Assembly Finance Committee Meeting
Wednesday, May 18, 2022, 5:30pm

I. CALL TO ORDER

The meeting was called to order at 5:34pm by Chair Triem.

II. ROLL CALL

Committee Members Present: Carole Triem, Chair; Maria Gladziszewski; Greg Smith; Christine Woll; Michelle Bonnet-Hale; Alicia Hughes-Skandijs; Wade Bryson

Committee Members Present Virtually: None

Committee Members Absent: Mayor Beth Weldon; Wáahlaal Gíidaak

Staff Members Present: Rorie Watt, City Manager; Robert Barr, Deputy City Manager; Jeff Rogers, Finance Director; Adrien Speegle, Budget Analyst; Katie Koester, Engineering and Public Works Director

Others Present: John Pugh, Juneau Community Foundation Board President

III. APPROVAL OF MINUTES

The May 11, 2022 minutes were approved as presented.

IV. AGENDA TOPICS

a. Budget Summary Update

Jeff Rogers, Finance Director, presented packet pages 17-21 specifically focusing on the Assembly adopted changes and anticipated changes to the FY23 Manager's Proposed Budget. He also discussed the anticipated budget deficit in the coming years reflected in the graph on packet page 21.

Assemblymember Bryson asked to have updated breakdowns between one-time expenses and reoccurring expenses in future budget discussions.

In response to Assemblymember Hale's question, Mr. Rogers stated that, at the time of the meeting, it was still unclear whether or not Governor Dunleavy would veto the \$16 million School Bond Debt Reimbursement for past unreimbursed amounts. He clarified if this reimbursement was vetoed in the state budget, CBJ's FY23 adopted general fund budget would go from an \$8.8 million surplus to a \$7.2 million deficit.

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Mr. Rogers answered Committee questions.

b. Info Only: A Balancing Act Results

Mr. Rogers and Adrien Speegle, Budget Analyst, presented packet pages 22-26.

Mr. Rogers briefly summarized how A Balancing Act functions as a community education tool and he reviewed the data on the revenue and expenditure graphs on packet pages 22-23. He stated that the data set came from 73 individual submissions.

Ms. Speegle briefly explained where she built reasonable budgetary limitations within A Balancing Act so that community members adjusting the budget within the tool could not completely defund or over-grant particular programs. She stated that she has a better idea of where to build more effective limitations next year.

Mr. Rogers and Ms. Speegle answered Committee questions.

c. Decision List – For Final Action

The full Decision List is on packet pages 27-28.

Decision List #10 - Juneau Community Foundation – Social Services Block Grant (budget includes 10% inflationary increase + \$150K)

John Pugh, Juneau Community Foundation (JCF) Board President, and Katie Koester, Engineering and Public Works Director were available in the room for questions.

Motion #1: by Assemblymember Hughes-Skandijs to approve the requested \$514,600 increase in general funds to the JCF.

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

In response to Assemblymember Smith's question, Ms. Speegle clarified that the Manager's Proposed Budget already includes a \$235,400 increase in funding the JCF.

Amendment: by Assemblymember Smith to approve a \$257,300 increase in general funds to the JCF.

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Assemblymember Smith stated that he is grateful for the services the JCF brings to the community, but he feels that a \$514,600 increase is too much to approve when the city budget faces a \$3-5 million deficit for the next few years.

Objection to the amendment: by Assemblymember Bryson; Assemblymember Hale

Assemblymember Bryson stated that the city should keep fully funding the JCF while they have solid, functional plans that are making active, trackable changes. He specifically noted JCF's plans to aid the homeless population in Juneau.

Assemblymember Hughes-Skandijs stated that, while she understands and appreciates fiscal restraint in the face of anticipated deficits, the city should absolutely be funding programs that the community consistently requests. Additionally, the JCF provides important services that are otherwise not available in Juneau.

The Committee discussed the amendment.

Assemblymember Smith withdrew his amendment.

Roll Call Vote on Motion #1:

Aye: Hughes-Skandijs, Hale, Bryson,

Nay: Woll, Gladziszewski, Smith, Triem

Motion Failed. Three (3) Ayes, Four (4) Nays.

Motion #2: by Assemblymember Gladziszewski to approve a \$264,600 increase in general funds to the JCF.

Assemblymember Gladziszewski clarified that if her motion passed, it would grant the JCF \$500,000 more than the FY22 Approved Budget.

In response to Assemblymember Hale's and Chair Triem's questions, Mr. Rogers clarified that \$150,000, intended to fund the Glory Hall, is already included in the Manager's Proposed Budget for the JCF.

Motion passed by unanimous consent.

Decision List #12 & #13 - Alaska Association for the Education of Young Children (AEYC) Grant - Parents as Teachers & Operations

Motion: by Assemblymember Smith to approve the \$141,000 request to AEYC for their *Parents as Teachers* program as a one-time appropriation in FY23 with

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conditions. The grant is conditioned to be refunded dollar for dollar to CBJ if AEYC receives another grant that will fund the *Parents as Teachers* program.

Motion passed by unanimous consent.

Motion: by Assemblymember Smith to approve the \$102,000 request for AEYC for Operations (unconditioned) as a one-time appropriation in FY23.

Motion passed by unanimous consent.

The Committee recessed at 6:18pm.

The Committee reconvened at 6:27pm.

Mr. Rogers reviewed the budgetary impacts of the Committee's decisions thus far. In summary, there were \$2.5 million of requests on the Decision List. Of those requests, \$1.7 million were granted: \$75,000 funded from Hotel Bed Tax, \$108,000 funded from the Affordable Housing Act Fund, \$930,700 from one-time costs from the general fund, and \$615,700 in on-going costs from the general fund.

Noting the uncertainty surrounding Potential Wage and Benefit Costs, these decisions bring the Assembly Adopted changes to the FY23 Manager's Proposed Budget to \$4,293,400.

d. Capital Improvement Plan (Res. 2975) – For Final Action

Resolution 2975 is on packet pages 31-35.

Motion: by Assemblymember Hughes-Skandijs to move Resolution 2975 as amended by the Assembly Finance Committee Version 2 to the full Assembly for adoption.

Motion passed by unanimous consent.

e. Set Mill Rates (Ord. 2022-08) – For Final Action

Mr. Rogers presented packet page 35 and reviewed the three options for the mill rate listed. The Manager's Budget proposes increasing the mill rate to 10.66 which would increase property tax revenue to \$4,134,454 over FY22.

Mr. Rogers clarified that Decision #3 in the packet changed from a mill rate of 10.72 to 10.77 because of budgetary decisions the Committee made that evening.

Motion: by Assemblymember Smith to set the Mill Rate to 10.56 mills which is flat from the prior year.

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Assemblymember Smith stated that he proposed a 10.56 mill rate to reduce to increasing costs for property owners and to encourage the Assembly to put “downward pressure” on the budget. A 10.56 mill rate would reduce property tax revenue by about \$600,000, and “downward pressure” on the budget would force the manager and the Assembly to adjust the budget to account for structural deficits.

The Committee discussed the motion and Mr. Rogers answered Committee questions.

Mr. Watt clarified that lowering the mill rate does not put any downward pressure on the budget in FY23. Instead, it functionally lowers fund balance. Appropriating less money puts downward pressure on the budget.

Roll Call Vote

Aye: Smith, Gladyszewski, Woll, Bryson, Hale

Nay: Hughes-Skandijis, Triem

Motion passed. Five (5) Ayes, Two (2) Nays.

Motion: Assemblymember Smith to move the Mill Rate Ordinance 2022-08 as amended by the Assembly Finance Committee to the full Assembly.

Motion passed by unanimous consent.

f. CBJ Budget (Ord 2022-06) – For Final Action

Motion: by Assemblymember Smith to move Budget Ordinance 2022-06 as amended by the Assembly Finance Committee to the full Assembly.

Motion passed by unanimous consent.

Mr. Rogers thanked the Committee, on behalf of staff, for their hard work. Assemblymembers Smith and Bryson thanked staff for a smooth budget process on behalf of the entire Committee.

V. NEXT MEETING DATE

a. June 1, 2022

VI. ADJOURNMENT

The meeting was adjourned at 6:54pm.