ASSEMBLY STANDING COMMITTEE
ASSEMBLY FINANCE COMMITTEE
THE CITY AND BOROUGH OF JUNEAU, ALASKA

March 12, 2022, 9:00 AM.
Assembly Chambers & Zoom Webinar
https://juneau.zoom.us/j/93917915176 or call 1-253-215-8782 Webinar ID: 939 1791 5176

AGENDA

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF MINUTES

A. March 2, 2022

IV. AGENDA TOPICS

A. Staff Report: Eaglecrest Gondola

B. One Time Funding Opportunities

V. NEXT MEETING DATE

A. April 6, 2022

VI. SUPPLEMENTAL MATERIALS

A. Process Options

VII. ADJOURNMENT

ADA accommodations available upon request: Please contact the Clerk's office 36 hours prior to any meeting so arrangements can be made for closed captioning or sign language interpreter services depending on the meeting format. The Clerk's office telephone number is 586-5278, TDD 586-5351, e-mail: city.clerk@juneau.org

DRAFT
City and Borough of Juneau
Minutes - Assembly Finance Committee Meeting
Wednesday, March 2, 2022

I. CALL TO ORDER

The meeting was called to order at 6:04 pm by Carole Triem, Chair.

II. ROLL CALL

Committee Members Present: Chair Carole Triem; Mayor Beth Weldon; Maria Gladziszewski; Wáahlaal Gíidaak; Greg Smith; Christine Woll; Michelle Bonnet-Hale*;* Alicia Hughes-Skandijs

Committee Members Present Virtually: Wade Bryson

Staff Members Present: Jeff Rogers, Finance Director; Robert Palmer, City Attorney; Adrien Speegle, Budget Analyst; Katie Koester, Public Works and Engineering Director; Dr. Bridget Weiss, Juneau School District (JSD) Superintendent

Others Present Virtually: Jon Bittner, Alaska Small Business Development Center (SBDC) State Director; Elizabeth Siddon, JSD School Board President

III. APPROVAL OF MINUTES

The February 2, 2022 minutes were approved as presented.

Jeff Rogers, Finance Director, suggested an agenda change to move the Manufacturing Export Exemption, Hospital Bond Resolution, and the Staff Report: Foreign Investments topics to the beginning of the agenda. Chair Triem approved the agenda change.

IV. AGENDA TOPICS

a. Manufacturing Export Exemption

Mr. Rogers presented packet pages 53-54 which summarized the manufacturing exemption requests recommended by the City Assessor, Mary Hammond, to the Assembly for approval as required by CBJ code and state statute.

<u>Motion:</u> by Mayor Weldon to approve the four (4) manufacturing exemption requests.

Motion passed by unanimous consent.

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b. Resolution 2980 Hospital Revenue Bond Interest Rate

Mr. Rogers presented pages 1-6 of the supplemental materials (online packet pages 56-61) which is an interest rate resolution for the hospital bond that will be issued around March 30, 2022. Mr. Rogers reminded the Committee that the Assembly always sees three pieces of legislation for a bond before it is sold into public market: an ordinance authorizing the bond, an appropriation authorizing expenditure of the bond proceeds, and an interest rate resolution.

Mr. Rogers informed the Committee that online packet page 57 was not yet complete as staff did not yet have the average effective interest rates or coupon interest rates for these revenue bonds. The complete document will be presented on the consent agenda on March 14, 2022.

<u>Motion:</u> by Assemblymember Gladziszewski to move Resolution 2980 to full Assembly.

Motion passed by unanimous consent.

c. Staff Report: Foreign Investments

Mr. Rogers reached out to the investment managers of CBJ's mid-term portfolio to confirm that CBJ does not participate directly in any investments owned by Russian governments. Our investment manager is doing a detailed security review to determine if companies that we invest in have extensive business operations in Russia. Mr. Rogers said that there will be updates and ongoing open dialogue on this topic.

d. Economic Impacts on Alaska's Workforce

Mr. Rogers introduced Jon Bittner, Alaska Small Business Development Center (SBDC) State Director, who presented packet pages 9-24.

Mr. Bittner's presentation reviewed changes in Alaskan economy relating to funding, the business community, and workforce impacts as a result of the pandemic. Specifically, he focused on what local governments can do to mitigate some of the current and anticipated difficulties in their communities.

Packet page 10 focused on the distribution of federal funding across the state reaching nearly $3 billion for businesses alone. Most of that funding was allocated to maintain workforce.

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Mr. Bittner reviewed data that confirmed the unprecedented rise in cost of goods and shipping, shipping delays, and inflation continue to be the leading financial burden on Alaskan businesses. Inflation is expected to remain high for several years.

Data shows that wages and benefits are increasing to compensate for rising labor shortages. As of December 2021 there are 12,400 fewer people in the workforce while the amount of jobs available has increased. All employers across all industries are having trouble recruiting and retaining workers. Private sectors are more likely to raise wages than non-profits and government agencies and therefore are more likely to maintain skilled workers, which is a concern across the state. Mr. Bittner stated that Alaska must find a way to be competitive across the country in all sectors, public and private, to maintain economic recovery as funding becomes available from the federal infrastructure bill.

Mr. Bittner also stated that most businesses surveyed were very pessimistic about raising new capital in 2022 due to poor performance over the last two years affecting their risk assessments with banks. The state received a $59 million allocation for small business initiative funding, which should help address some of these concerns with businesses.

Mr. Bittner stated that one in five small businesses believe they will close in Alaska within the next six months without government assistance, even as the economy improves.

Mr. Bittner answered committee questions.

The Committee recessed at 6:52 PM.
The Committee reconvened at 7:00 PM.

e. Sales Tax on Food

Mr. Rogers presented the memo on packet pages 25-26 and encouraged "sequential decision making" as an effective group mentality tactic when considering the exemption of sales tax on food.

The Committee discussed the memo and reiterated that exempting sales tax on food is a prioritized initiative to push to the October ballot this year with a July deadline.

<u>Motion:</u> by Assemblymember Hale to consider using the SNAP (Supplemental Nutrition Assistance Program) definition of food, excluding guns, ammunition, and fishing equipment, as the basis for determining which food should be exempted from sales tax.

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Mr. Rogers reviewed packet page 27 which lists specific definitions of items exempted from sales tax. This memo accords to Ordinance 2022-15 vAFC1 on packet page 30. In summary, SNAP eligible foods include any food for the household, such as fruits, vegetables, meat, dairy products, bread, seeds and plants, etc. Mr. Rogers noted one specific contradiction that SNAP benefits are usually not authorized to be used to include vitamins, medicines, or supplements. However, medicines are already exempt by CBJ code. An exemption of SNAP eligible foods is estimated to result in an annual $6.2 million loss of sales tax. Packet page 29 contains tables reflecting preliminary taxes estimated for FY23 using a combination of current and pre-pandemic spending data.

Mr. Rogers reviewed data on residential utilities listed on packet page 27 noting $41 million in taxable residential utility costs annually, which is about $2 million in sales tax revenue. Mr. Rogers anticipates some complication in the decision surrounding exempting sales tax on residential utilities (electricity, heating oil, garbage, etc.) and protecting confidential sales tax information when there are a limited number of vendors involved.

The Committee discussed the motion.

Motion passed by unanimous consent.

<u>Motion:</u> by Assemblymember Gladziszewski to exclude exempting residential utilities from sales tax at this time.

Mr. Rogers clarified that, if CBJ exempted sales tax from food, increasing sales tax by 1% would bring in about $8.8 million in additional revenue if the remaining taxable base does not change.

The Committee discussed the motion.

<u>Objection:</u> by Assemblymember Woll.

<u>Roll Call Vote</u>
Aye: Gladziszewski, Hale, Hughes-Skandijs, Weldon, Bryson, Wáahlaal Gíidaak
Nay: Woll, Smith

Motion passed. Seven (7) Ayes, Two (2) Nays.

Mr. Rogers presented the memo on packet page 28 which summarizes considerations of modifications to current sales tax exemptions. Mr. Rogers suggested to the Committee that they may wish to hold this discussion and decision until a later date (March 7, 2022 Committee of the Whole (COW) meeting or March 12, 2022 Assembly Finance Committee (AFC) meeting), as it is a complicated issue. Mr. Rogers urged extraordinary caution with modifications to existing exemptions. He suggested considering individually on the primary objective—the exemption of food from sales tax—and returning at a later time for a more complete examination of the necessity and public purpose of existing exemptions.

Mr. Rogers answered committee questions.

f. State Review of 2021 CBJ Assessments

Mr. Rogers presented packet pages 35-38 which include a memo from the State Assessor, Joseph Caissie. In summary, the State Assessor did not find any error with the way CBJ conducted assessments in 2021, but he gave some useful technical feedback about the limitations of ratio studies with very small data sets.

Mr. Rogers updated the Committee on Board of Equalization (BOE) hearing progress summarized on packet page 35. He specifically noted that 82 appellants withdrew their commercial appeals as a result of favorable corrections to their assessment based on new information offered by the appellant to the assessor's office or the correction of a mathematical error. He stated that these 82 cases are an example of why the appeals process is necessary.

Mr. Rogers answered committee questions.

Mr. Rogers clarified that, in all cases, the BOE upheld the Assessor's determination. However, in some of those cases, the Assessor's recommendation was to make a correction to the original property value determination. He also noted there were a very small number of parcels (two or three) where the Assessor's correction determined the original assessment was too low and recommended a higher assessment value which was upheld by the BOE.

Mr. Rogers stated that the BOE does understand the legal standard of state law for appeals to an assessor's determination is exceedingly high. Opinions of value are commonly heard in BOE hearings and are irrelevant because, under State law, the Assessor's determination is assumed to be correct unless the appellant can prove error or fraud.

Robert Palmer, City Attorney, answered committee questions.

Mr. Rogers clarified that the Assessor will continue to use ratio studies as CBJ has access to more sales data due to mandatory disclosures, and the idea is that the credibility of those ratio studies will improve. He stated this is part of why staff

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encouraged the Assembly to move forward with mandatory disclosure. The goal is to get assessed values to be as close as possible to fair market value of all parcels.

g. CBJ/JSD Deferred Maintenance Appropriation (Ord. 2021-08(b)(am)(AB))

Mr. Rogers presented the Manager's Report and Ordinance 2021-08(b)(am)(AB)) on packet pages 39-41. The specific breakdown of intended projects for $5.5 million deferred maintenance funding is on packet page 39. He stated that the Public Works and Facilities Committee (PWFC) has already reviewed this request.

Katie Koester, Public Works and Engineering Director, was present for questions.

Assemblymember Bryson left the meeting at 8:19pm.

The Committee recessed at 8:19 PM.
The Committee reconvened at 8:25 PM.

Ms. Koester clarified that appropriating these general funds to deferred maintenance spending is intended to compensate for escalating costs and to keep prioritized projects (Dzantik'i Heeni Middle School as a principal example) on schedule. She also clarified that industry standard for maintenance spending is 2-6% of replacement value and, currently, both CBJ and JSD spending is below industry standard each at about 1%. The appropriation would bring CBJ up to 2% of replacement value.

The Committee decided to further discuss the appropriating ordinance at the AFC meeting on March 12, 2022.

Motion: by Mayor Weldon to move Ordinance 2021-08(b)(am)(AB) to the full assembly.

Motion passed by unanimous consent.

h. Additional Ice Time for Juneau School District (Ord. 2021-09(A))

Mr. Rogers presented packet pages 42-44. In summary, the ordinance would appropriate $10,000 to the School District, not subject to the local funding cap, to purchase additional ice time at the rink from Parks and Recreation.

Motion: by Mayor Weldon to move Ordinance 2021-09(A) to the full assembly.

Motion passed by unanimous consent.

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i. Juneau School District Budget Revision (Ord. 2021-09(B))

Mr. Rogers presented packet pages 45-48 and clarified that the $10,000 requested in Ordinance 2021-09(A) would be in addition to the $35,750 requested to be moved outside of the education function and into the student activities function in Ordinance 2021-09(B) on packet page 46.

Dr. Bridget Weiss, JSD Superintendent, and Elizabeth Siddon, JSD School Board President, were available for questions.

Motion: by Mayor Weldon to move 2021-09(B) to the full assembly.

Amendment: by Mayor Weldon to amend the Special Revenue line of the ordinance to $25,750 and the Outside the Cap amount to $25,750.

Objection: by Assemblymember Hale.

Dr. Weiss clarified that she and Ms. Siddon did not know about the amendment to adjust the revenue line and the cap amount to $25,750 until just this evening. She stated that any financial support from the Committee is appreciated.

Amendment Roll Call Vote:
Aye: Weldon, Smith
Nay: Hale, Hughes-Skandijs, Woll, Gladziszewski, Wáahlaal Gíidaak, Triem
Absent: Bryson

Amendment failed. Two (2) Ayes, Six (6) Nays.

Original motion passed by unanimous consent.

j. Alaska Local Government Lost Revenue Relief Grant (ARPA funds)

Mr. Rogers presented packet pages 49-52, informing the Committee of additional Federal American Rescue Plan (ARP) Act funding coming to CBJ. Mr. Rogers reminded the Committee of the resolution passed in December to support the city's application to the state for the Local Government Lost Revenue Relief Grant Program. $50 million was distributed statewide through the allocation summarized on packet page 52. CBJ was granted $9.26 million in grant funds that will be recorded into the general fund to replace lost revenue.

Mr. Rogers answered committee questions.

The Committee requested specific information from staff on the local allocation of those funds with the intent to discuss again at the AFC meeting on March 12, 2022.

V. NEXT MEETING DATE

a. **March 12, 2022**

VI. ADJOURNMENT

The meeting was adjourned at 8:59pm.

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

TO: Chair Triem and Assembly Finance Committee DATE: March 10, 2022

FROM: Rorie Watt, City Manager

RE: One Time Funding Opportunities

At this time, the Assembly has a remarkable ability to provide funding to a number of worthy purposes and projects. At hand are the following:

1. **Fund Balance** – Currently, the Assembly has the ability to allocate $20M-$23M of fund balance.

2. **1% Sales Tax** – In the fall, it will be time to renew the temporary 1% Sales Tax, presumably for another 5 years. This would net $55-60M that is available for capital projects or other one time uses.

3. **General Obligation Bonds –** Our current debt is low and is rapidly coming off the books. Over the next five years, CBJ has the ability to incur $25-$50M of debt without increasing the traditional debt mil levy.

In many cases, these three fund sources are more or less suited for particular funding needs.

I advise the Assembly to agree on a process for allocating these funds in a coordinated manner. Absent an agreed upon process, we will face continued ad hoc requests and ensuing considerations. In my advice, the Assembly should allocate funds that philosophically accomplishes these concepts:

A. Meets Assembly adopted goals.
B. Funds Assembly adopted legislative funding requests.
C. Funds capital projects that cannot be accommodated in the annual CIP.
D. Reduces ongoing operating costs.
E. Provides funding now for needs that are certain to require future funding.
F. Takes Pressure off of Future Assemblies – provide funding now that we are certain will be required.

I have attached a number of documents to assist in your thinking and planning, they include:

i. Assembly Goals
ii. Assembly Legislative Priorities Synopsis
iii. 2017 1% Sales Tax Extension (ballot information)
iv. 2012 1% Sales Tax Extension and GO Bonds (ballot information)
v. Memo to PWFC from 11/29/21
vi. Memo to AFC from 2/1/22 (aka the "Straw Dog" memo)
vii. Summary of Fund Balance from Finance Director

<u>Recommendation:</u>
Agree on a process. I recommend that you consider the attached spreadsheet that attempts to assign funds in accordance with our stated goals and a number of operational needs.

I recommend that the goal for this meeting be to try to agree to a draft allocation of $20M of fund balance, forward an Ordinance to the Assembly for action. This action can be informed by preliminary thinking about the 1% sales tax and/or bond projects.

Notes/Comments/Opinions on Funding Contenders (alphabetical, not prioritized):

ABP – Hit by construction cost inflation. Recommend we maintain the same scope of facility work, phase in the work as the construction market allows, provide inflationary funding.

Affordable Housing Fund – Ranks very high and repeatedly in Assembly goals.

Airport - Has substantial CARES Act funding reserved (~$15M). They have sufficient funding to address their capital project needs.

BRH – Has fund balance to pay for desired capital project needs.

Capital Civic Center – Next step is to complete 35% plans, secure federal, state or foundation funding.

Comprehensive Plan – Fund through the operating budget.

Docks – Projects can be paid for with passenger fees (larger ones like Dock Electrification will need a financing vehicle).

Eaglecrest – Has no current fund source to pay for projects. Unclear where and how installation of the gondola will be funded (roughly $8M)

Federal Match - Assembly may prefer to reserve funds in Fund Balance or put funding directly in projects.

General Fund Departments – Rely on infrequent opportunity of 1% or GO bonds. Departments and programs include: Parks, Trails, Deferred Building Maintenance, Sportsfields, Police, Fire, Streets, Transit, RecycleWorks, Libraries, Museum,

Harbors – Has no fund source that they control for projects. Needs FB, 1% Sales Tax or grants.

Information Technology – CBJ is a diverse organization with many IT needs. We must keep apace with cyber security and system modernization. We need to think about these costs as CIPs, they don't fit in the traditional operating budget framework.

JPD Radio System – JPD owns and maintains a system of radios that is at end of life. A consultant report estimates new system costs in excess of $12M. The Assembly needs an update on this need and a discussion of potential options. No scenario where we won't need to incur significant costs. Project may be a good candidate for grant funding.

New City Hall – One way or another we are going to spend funds on City Hall. It may be a renovation of the current building (not recommended) or it may be a property purchase and remodel or a new build. Recommend putting funds now into the project.

Restricted Budget Reserve – By policy, should be increased by about $2M to achieve 2 months of operating cost reserves. A RBR that meets this threshold should make the Assembly more comfortable in having a lower general fund fund balance.

RecycleWorks – Reliant on funding from Assembly/Fund Balance

School Facility Deferred Maintenance – Due to avoidance of constitutional duty of the State, no other source but the Assembly for these facilities. Article 7.1 of the State Constitution: *"The legislature shall by general law establish and maintain a system of public schools open to all children of the State".* I do have concerns about school age population trending (following up a bit on Monday's discussion) and will schedule deeper consideration of such for a future Joint Assembly/JSD facilities Committee.

Teal Street Project – Hit by the same construction inflation as all CBJ projects. It's a great project for the community, I'm sympathetic to additional funding as their good work greatly benefits the community and CBJ operating Departments.

Water & Wastewater – The Utilities can pay for projects with user rates. I'm not adverse to supporting the utilities with GF, but I am very opposed to any action that results in CBJ holding down utility rates. In the 90's and 00's, CBJ did not appropriately increase fees and the utilities lost significant financial ground to inflation and Assembly driven system growth costs, resulting in multi-year rate shock to utility users. We must keep utility rates apace with inflation or we will be back in a hole. One time money is not particularly helpful to the utility costs as their costs are recurring every year.

Assembly Goals 2022

Assembly Goals set at
December 4, 2021 retreat

1. Housing - Assure adequate and affordable housing for all CBJ residents

	AA*	Implementing Actions	Responsibility	*Notes:*
A	P	Revise and improve Title 49 to facilitate housing	Assembly, Planning Commission, Manager's Office, CDD	
B	P/F	Implement projects & strategies that advance the goals of the Housing Action Plan	Assembly, Manager's Office	
C	P/F/O	Continue a robust use of the Affordable Housing Fund and its sustainability	Assembly, Manager's Office	
D	P/F	Reduce barriers to downtown housing development	Assembly, Manager's Office, CDD	

2. Economic Development - Assure Juneau has a vibrant, diverse local economy

	AA*	Implementing Actions	Responsibility	*Notes:*
A	F/O	Update the Comprehensive Plan	Assembly, Planning Commission, Manager's Office, CDD	
B	O	Adopt and implement strategies developed by the Visitor Industry Task Force to mitigate impacts & increase economic benefits of tourism	Assembly, Manager's Office, Docks & Harbors	
C	P/F/O	Examine options for a tourism governing structure that mitigates impacts & increases economic benefits of tourism	Assembly, Manager's Office, Docks & Harbors	
D	P/F/O/S	Implement project strategy for Juneau Economic Plan, including revitalizing downtown, with regular updates	Assembly, Manager's Office	
E	F	Explore financing for the Capital Civic Center	Assembly, Manager's Office, Finance	
F	P/F/S	Support Eaglecrest Summer Operations Task Force & self-sufficiency of Eaglecrest	Assembly, Manager's Office, Eaglecrest	
G	P/F	Pursue and plan for West Douglas and Channel Crossing	Assembly, CDD, Planning Commission, Manager's Office	

3. Sustainable Budget and Organization - Assure CBJ is able to deliver services in a cost efficient and effective manner that meets the needs of the community

	AA*	Implementing Actions	Responsibility	*Notes:*
A	P/F	Develop strategy for fund balance and protect restricted budget reserve	Assembly, Manager's Office, Finance	
B	P/F	Continue to evaluate sales tax structure including equity and evaluate removing sales tax on food	Assembly, Manager's Office, Finance	
C	P	Long term strategic planning for CIPs	Assembly, Manager's Office, EPW	
D	P/F	Reduce mil rate as appropriate	Assembly, Manager's Office, Finance	
E	F/O	Allocate resources to implement Assembly goals	Assembly, Manager's Office, Finance	
F	F/O	Maintain Assembly focus on deferred maintenance including BRH and JSD.	Assembly, Manager's Office, EPW, all operating departments with facilities	

*Assembly Action to Move Forward: P = Policy Development, F = Funding , S = Support, O = Operational Issue

Assembly Goals 2022

Assembly Goals set at December 4, 2021 retreat

4. Community, Wellness, and Public Safety - Juneau is safe and welcoming for all citizens				
	AA*	**Implementing Actions**	**Responsibility**	***Notes:***
A	P/O/S	Acknowledge and honor Juneau's indigenous culture, place names, naming policy, and recognize Elizabeth Peratrovich Day	Assembly, Manager's Office	
B	P/S	Explore government to government relations with tribes	Assembly, Manager's Office	
C	P/F/O	Examine social service funding levels and process	Assembly, Manager's Office	

5. Sustainable Community - Juneau will maintain a resilient social, economic, and environmental habitat for existing population and future generations.				
	AA*	**Implementing Actions**	**Responsibility**	***Notes:***
A	P/O	Develop a zero waste or waste reduction plan	Assembly, Manager's Office, EPW, Finance	
B	P/O	Develop strategy to measure, track and reduce CBJ energy consumption.	Assembly, Manager's Office, all departments	
C	P/O/F	Implement projects and strategies that advance the goal of reliance on 80% of renewable energy sources by 2045	Assembly, Manager's Office, all departments	
D	P/F	Develop a climate change adaptation plan	Assembly, Manager's Office	
E	P/O/F	Develop strategy to reduce abandoned/junked vehicles	Assembly, Manager's Office, EPW, Law, P&R, D&H	

*Assembly Action to Move Forward: P = Policy Development, F = Funding , S = Support, O = Operational Issue

City & Borough of Juneau

Legislative Priorities FY2023

Adopted 1-24-22

V.2.1422

FY2023 Legislative Priority List

Rank	Project Name:	Purpose:	Amount:	Goal:	Page #
1	Lemon Creek Multimodal Path	Design, Permitting, Property	$2M	Advance Long-term Goal of a New Non-Motorized Route	6
2	Second Channel Crossing	Economic Impact Analysis and/or PEL	$7M	Economic Development	7
3	Pederson Hill Development	Development	$3M	Increase housing and development opportunities	8
4	New City Hall	Partial Funding	$5M	Reduce CBJ Operating Cost, Free up/create housing	9
5	Shore Power at Dock 16B	Final design and construction	$25M	Reduce emissions, improve air quality and economic development.	10
6	Capital Civic Center	Partial Funding	$5M	Support Convention and Visitor Economy	11
7	West Douglas Extension	Future Development	$3M	Long Term Development Support	12
8	Eaglecrest Expansion and Summer Operations Development	Phase one construction of new Gondola	$6.5M	Economic development/tourism diversification.	13
9	Telephone Hill	Site work	$2M	Prepare for Redevelopment	14
10	North State Office Building Parking	Partial Funding	$5M	State/legislative Parking, Auke District infill Development	15
11	Mendenhall River Community School Renovation	Major Renovation	$21M	Renovate to facilitate delivery of high quality education	16
12	Marie Drake Renovation	Major Renovation	$31M	Renovate to facilitate delivery of high quality education	17
13	Aurora Harbor Phase III	Design, Permitting	$250K	Replace critical infrastructure and support maritime economy	18
14	Auke Bay New Breakwater	Match Potential Federal Funding	$5M	Increase Moorage and Renovate old Economic Development	19
15	North Douglas Boat Ramp Expansion	Planning, research, permitting	$250K	Improve safety and expand boating access and transporta-	20
16	Waterfront Juneau Douglas City Museum	Partial Funding	$1M	Reduce CBJ Operating Cost, Expand Capital Campus	21
17	Trail Maintenance and Development	Improve trail network in CBJ	$5M	Support health and wellness with low to no carbon footprint community connections.	22
18	Auke Bay Seawalk	Design, Permitting, Property	$250K	Improve Non-Motorized Route	23

**OFFICE OF THE MUNICIPAL CLERK/
ELECTION OFFICIAL**
155 S. Seward St., Room 202
Phone: (907)586-5278 Fax: (907)586-4552
eMail: Laurie_Sica@ci.juneau.ak.us

October 10, 2017

**CANVASS OF REGULAR MUNICIPAL ELECTION
Held October 3, 2017, Juneau, Alaska**

In accordance with CBJ 29.07.290, the undersigned Election Official of the City and Borough of Juneau canvassed the results of the Regular Municipal Election held in Juneau, Alaska on October 3, 2017. The following are the official results of that election:

Assemblymember District 1 (1 seat)

Jesse Kiehl	4593
Chuck Collins	1887
Loretto Jones	292
Write-in	40

Assemblymember District 2 (1 seat)

Rob Edwardson	3944
Debbie White	2577
Write-in	59

Assemblymember Areawide (1 seat)

Maria Gladziszewski	4802
Write-in	1374

School Board (2 seats)

Brian Holst	4633
Jeff Short	3559
Kevin Allen	2120
Write-in	109

Proposition #1 – 1% Areawide Sales Tax

Yes	5425
No	1561

Proposition #2 – Charter Amendment on Alternative Procurement Methods

Yes	4870
No	1918

I hereby certify that the foregoing results are the true and final results of the October 3, 2017 Regular Municipal Election, held in Juneau, Alaska.

Laurie J. Sica
Municipal Clerk and Election Official
City and Borough of Juneau

NOTICE OF REGULAR MUNICIPAL ELECTION - OCTOBER 3, 2017

Notice is hereby given that the Regular Municipal Election will be held in the City & Borough of Juneau, Alaska on **Tuesday, October 3, 2017.** Polling places are shown below. Registered voters of the State of Alaska who reside within the City and Borough of Juneau are eligible to vote in this election. Voters should be prepared to display identification at the polling place when voting.

The purpose of the election is:

1. To elect from candidates residing in Election District No. 1, one Assemblymember for a term of three years;

2. To elect from candidates residing in Election District No. 2, one Assemblymember for a term of three years;

3. To elect from candidates residing in the entire City and Borough of Juneau, one Areawide Assemblymember for a term of three years;

4. To elect from candidates residing in the entire City and Borough of Juneau, two members of the Board of Education (School Board) for terms of three years each.

5. To vote on the following two (2) areawide propositions:

Proposition 1: Authorization to Extend the Temporary 1% Areawide Sales Tax Effective October 1, 2018, for a Period of Five Years

Juneau currently has a permanent 1% sales tax, a temporary 1% sales tax, and a temporary 3% sales tax. The existing temporary 1% sales tax is automatically repealed on September 30, 2018. The existing temporary 3% sales tax is automatically repealed on July 1, 2022. The total of all CBJ sales taxes currently levied is 5%.

This ballot proposition would continue the current 1% temporary sales tax rate for an additional five years, until September 30, 2023. Accordingly, if this proposition is approved, the total sales tax rate would remain at 5%.

It is the intent of the Assembly that taxes collected under this proposed extension of the temporary 1% areawide sales tax be appropriated by the Assembly for the following purposes:

- Wastewater: infrastructure maintenance and improvements
- CBJ-owned building maintenance
- Water: infrastructure maintenance and improvements
- Airport: matching funds for federally funded projects
- Augustus Brown Pool deferred maintenance
- Centennial Hall upgrades and deferred maintenance
- Schools: major building maintenance
- Bartlett Regional Hospital: Rainforest Recovery Center upgrades
- Information Technology: infrastructure upgrades
- RecycleWorks: waste diversion program
- Affordable Housing Fund
- Park deferred maintenance
- Aurora Harbor reconstruction

Proposition 1

Shall the City and Borough of Juneau, Alaska, continue to levy and collect a temporary 1% areawide sales tax on the sale price of retail sales, services, and commercial rentals within the City and Borough for an additional five years , effective October 1, 2018, until September 30, 2023. If this proposition is approved, the total sales tax would remain at five percent.

Extend the 1% sales tax for five years YES ⊂⊃

Extend the 1% sales tax for five years NO ⊂⊃

Proposition 2: Charter Amendment

The CBJ Charter is written as follows:

Section 9.14. - Competitive bidding.

(a) The assembly by ordinance shall provide for competitive bidding and procedures for competitive bidding.

(b) Contracts for public improvements and, whenever practicable, other purchases of supplies, materials, equipment, and services, shall be by competitive bid and awarded to the lowest qualified bidder. This subsection (b) shall not apply to purchases of:

(1) Professional services,

(2) Services of officers and employees of the municipality acting within the scope of their office or employment,

SAMPLE BALLOT page 1 of 2

THE CITY AND BOROUGH OF JUNEAU
REGULAR MUNICIPAL ELECTION, OCTOBER 3, 2017
Completely fill in the oval to the right of the selection you choose:

ASSEMBLYMEMBER AREAWIDE
VOTE FOR NOT MORE THAN **ONE**

Maria Gladziszewski
Write-in:

SCHOOL BOARD MEMBER
VOTE FOR NOT MORE THAN **TWO**

Jeff Short
Brian Holst
Kevin Allen
Write-in:
Write-in:

DISTRICT 1 ASSEMBLY
VOTE FOR NOT MORE THAN **ONE**

Loretto Jones
Jesse Kiehl
Chuck Collins
Write-in:

DISTRICT 2 ASSEMBLY
VOTE FOR NOT MORE THAN **ONE**

Debbie White
Robert "Rob" Edwardson
Write-in:

Proposition 1: Authorization to Extend the Temporary 1% Areawide Sales Tax Effective October 1, 2018, for a Period of Five Years.

Juneau currently has a permanent 1% sales tax, a temporary 1% sales tax, and a temporary 3% sales tax. The existing temporary 1% sales tax is automatically repealed on September 30, 2018. The existing temporary 3% sales tax is automatically repealed on July 1, 2022. The total of all CBJ sales taxes currently levied is 5%.

This ballot proposition would continue the current 1% temporary sales tax rate for an additional five years, until September 30, 2023. Accordingly, if this proposition is approved, the total sales tax rate would remain at 5%.

It is the intent of the Assembly that taxes collected under this proposed extension of the temporary 1% areawide sales tax be appropriated by the Assembly for the following purposes:

- Wastewater: infrastructure maintenance and improvements
- CBJ-owned building maintenance
- Water: infrastructure maintenance and improvements
- Airport: matching funds for federally funded projects
- Augustus Brown Pool deferred maintenance
- Centennial Hall upgrades and deferred maintenance
- Schools: major building maintenance
- Bartlett Regional Hospital: Rainforest Recovery Center upgrades
- Information Technology: infrastructure upgrades
- RecycleWorks: Waste diversion program
- Affordable Housing Fund
- Park deferred maintenance
- Aurora Harbor reconstruction

Proposition 1

Shall the City and Borough of Juneau, Alaska, continue to levy and collect a temporary 1% areawide sales tax on the sale price of retail sales, services, and commercial rentals within the City and Borough for an additional five years, effective October 1, 2018, until September 30, 2023? If this proposition is approved, the total sales tax would remain at five percent.

Extend the 1% sales tax for five years, YES
Extend the 1% sales tax for five years, NO

Proposition 1

Extend Temporary 1% Sales Tax

If approved, how much revenue will the temporary 1% sales tax raise?

It is currently estimated that a 1% sales tax would raise $43.3 million of sales tax over 5 years. There is an additional $3.7 million of funding remaining from the current 1% sales tax project list which puts the total revenue available at $47 million.

How long has the City and Borough of Juneau had a temporary 1% sales tax?

CBJ citizens have been regularly approving a temporary 1% sales tax for special projects and operating needs since 1972.

What projects would be funded by Proposition 1's 1% sales tax extension and how were they selected?

It is the intent of the Assembly to use the 1% sales tax revenues to fund capital improvement projects and other deferred maintenance items. At the beginning of the 1% budgeting process, CBJ management identified internal CBJ government needs and received proposals from local nonprofit organizations. Through a careful ranking process, Assembly members evaluated 26 projects. Ultimately, the Assembly approved a list of 13 projects which are outlined below. Actual funding will be allocated yearly during the CBJ budgeting process.

<u>Wastewater Infrastructure Maintenance: $13.5 million</u>

$13.5 million will partially fund the rehabilitation of utility infrastructure for CBJ's wastewater systems. The extensive piping, pumping, and treatment systems throughout the CBJ are, in places, reaching the end of their useful life and need to be replaced or upgraded. CBJ's focus is to continue providing the existing uninterrupted service to the citizens and visitors of Juneau.

<u>Water Infrastructure Maintenance: $2 million</u>

$2 million will partially fund the rehabilitation of utility infrastructure for CBJ's drinking water systems. The extensive piping and pumping systems are, in some areas, reaching the end of their useful life and need to be replaced or upgraded. CBJ's focus is to continue providing the existing safe and reliable service to the citizens and visitors of Juneau.

Proposition 1- Continued

Extend Temporary 1% Sales Tax

CBJ Owned Building Maintenance: $3.5 million

CBJ has a large number of buildings to maintain, including City Hall, parking garages, fire and police stations, swimming pools, park restrooms and other facilities. These public facilities need to have routine maintenance in order to keep them functional and acceptable to the public. This includes, but is not limited to, roofing repairs, heating and ventilation upgrades, electrical upgrades, new windows and doors, exterior and interior painting, carpeting, and other building maintenance improvements. $3.5 million would be allocated for general building maintenance projects.

Airport Matching Funds for Federally Funded Projects: $3 million

These projects – totaling about $40 million – would be primarily funded by the Federal Aviation Administration for federal fiscal year 2017 through 2022. $3 million of sales tax revenue represents CBJ's local match requirement. Various projects on the Airport Capital Improvement Program include snow removal equipment acquisition, sand/chemical building design/construction, terminal reconstruction (phase), taxiway rehabilitation and realignment of intersections, emergency vehicle access road continuation, wetland access vehicle for emergency response, main commercial apron design/reconstruction and runway safety area north side grading.

Augustus Brown Pool Deferred Maintenance: $5 million

$5 million will fund repairs to various structural, plumbing, mechanical and operational components at the Augustus Brown Pool, allowing continued long-term use of the facility. Portions of the roof need to be repaired, as well as the mechanical, heating and ventilation, electrical and plumbing systems and asbestos abated. Insulation will be added to the exterior walls for added energy efficiencies, along with replacement of single pane windows, and other needed repairs.

Centennial Hall Upgrade/Deferred Maintenance: $4.5 million

After 35 years of continuous use, Centennial Hall is in need of upgrades and improvements. The purpose of this $4.5 million project is to upgrade failing and inadequate infrastructure, to replace systems and fixtures that have reached their end of life, as well as to modernize systems to be compatible with modern technology. Projects include repairing/replacing the HVAC system, lighting and sound, and electrical and plumbing upgrades.

School District Building Maintenance: $5 million

CBJ owns its school buildings, valued at over $300 million in replacement value. These buildings require regular maintenance of building components to keep them safe and functional for Juneau's students and teachers. $5 million of sales tax revenue would be used to match State grant/bond funds or to address immediate facility needs.

Proposition 1- Continued

Extend Temporary 1% Sales Tax

Bartlett Regional Hospital – Rainforest Recovery Center Upgrades: $2.5 million

$2.5 million would be used to develop a detox bay to allow for on-site detoxification of patients and create an addiction assessment center at the Rainforest Recovery Center. The detox bay would reduce the volume of patients at the medical and mental health unit departments, and reduce wait times in the emergency department. The addiction assessment center would serve as a single point of entry to provide assessment, placement and outpatient treatment of patients with substance use disorders.

Information Technology – Infrastructure Upgrades: $2 million

$2 million of sales tax revenue would fund upgrades to CBJ's IT systems, allowing for operational efficiencies, enhanced management reporting and more effective customer service. Projects include upgrading dispatch for Juneau Police Department and Capital City Fire/Rescue, enhancements to electronic payments and implementation of security cameras.

RecycleWorks Waste Diversion Program: $2 million

The RecycleWorks program prolongs the life of the landfill by diverting waste to beneficial reuse and safe disposal. The program has seen increases in contractual costs and a decrease in revenue from recycling material sales. By partially funding operational costs of recycling, household hazardous waste, and junk vehicle collection programs, $2 million of sales tax revenue would help to maintain services to the community and reduce a future increase to user rates.

Affordable Housing Fund: $2 million

The Affordable Housing Fund provides funding for housing activities that target families and individuals who earn 120% of the Area Median Income and below. The fund can be used by local housing developers, non-profit agencies and social service agencies for the creation, acquisition, rehabilitation or preservation of affordable housing. Examples of the types of projects that could utilize the fund include phase two of Housing First, development of a rapid re-housing program, winter or emergency shelter programs, senior housing and housing targeted for low-income and homeless populations.

Park Deferred Maintenance: $0.5 million

$0.5 million would fund general repair or replacement of failing or inadequate infrastructure in CBJ's many parks. The projects address safety issues, improve ADA compliance and repair infrastructure that has reached end of life.

Aurora Harbor Reconstruction: $1.5 million

Aurora Harbor, which was constructed from 1962 to 1964, is in extremely poor condition and has exceeded its useful life. The rebuild project has been ongoing in phases. Phase I was completed in 2015 for $9 million and Phase II has been awarded for $3.5 million with construction scheduled to be complete by April 2018. The unfunded requirement to fully recapitalize the remaining rebuild of Aurora Harbor (in kind) is $7 million. Docks & Harbors is evaluating future funding options, including revenue bonds and/or fee increases, to supplement the $1.5 million in sales tax revenue.

If Proposition 1 is approved, how would it affect the sales tax that I pay?

CBJ's overall sales tax rate is 5%, and it would remain so if Proposition 1 is approved. CBJ's current sales tax consists of the following:

- ◊ 1% temporary tax (expiring September 30, 2018),
- ◊ 3% temporary tax (expiring July 1, 2022), and
- ◊ 1% permanent tax.

Proposition 1 asks voters if they wish to extend the temporary 1% sales tax until September 30, 2023. If voters approve the proposition, the overall sales tax rate would remain at 5%.

What would happen if voters fail to approve Proposition 1?

If voters do not approve the proposition, the sales tax rate would be reduced to 4% on October 1, 2018. Sales tax revenues would be expected to decrease by approximately $8.6 million annually. Available funding for deferred maintenance and other special projects will be limited. Many of the proposed projects qualify as critical infrastructure needs. In order to maintain critical services, the Assembly would either decrease spending (by cutting public services and other capital projects), increase revenues (by increasing property taxes and user fees), or both.

Why have a sales tax?

Government services are funded through a variety of taxes and user fees. In Juneau, sales and property tax revenues pay for the majority (about 26% and 46%, respectively) of general city government services. In addition, sales tax revenues account for nearly all of the funds spent on general government capital projects such as street/sidewalk paving/repairing and CBJ-owned facilities.

A sales tax helps spread the cost of municipal services to all users, rather than targeting property owners only. With a sales tax, visitors and temporary residents help pay for services they use while they are in Juneau. State and federal funding for local government services has declined significantly over the years. In response to these state and federal revenue declines, local sales tax revenues have contributed greatly in helping to fund consistent service levels and hold down the property tax mill levy.

OFFICE OF THE MUNICIPAL CLERK/
ELECTION OFFICIAL
155 S. Seward St., Room 202
Phone: (907)586-5278 Fax: (907)586-4552
eMail: Laurie_Sica@ci.juneau.ak.us

October 9, 2012

CANVASS OF REGULAR MUNICIPAL ELECTION
Held October 2, 2012, Juneau, Alaska

In accordance with CBJ 29.07.290, the undersigned Election Official of the City and Borough of Juneau canvassed the results of the Regular Municipal Election held in Juneau, Alaska on October 2, 2012. The following are the official results of that election:

Mayor (1 seat)

Merrill Sanford	4106
Cheryl Jebe	3453
Write-in	39

Assemblymember District 1 (1 seat)

Loren Jones	4092
Paul Nowlin	2360
Write-in	39

Assemblymember District 2 (1 seat) *

Jerry Nankervis	4546
Write-In	854

School Board (3 seats)

Andrea (Andi) Story	4728
Phyllis Carlson	3786
Destiny Sargeant	3273
Will Muldoon	2580
Michelle Johnston	2013
Write-in	164

* The Election Official determined that a hand tally of write-in ballots in the Assemblymember District 2 race was not required per CBJ Code 29.07.150 (d).

Proposition 1: GENERAL OBLIGATION BONDS $25,000,000

Shall the City and Borough of Juneau, Alaska, issue and sell general obligation bonds, maturing within 20 years of their date of issue, in the aggregate principal amount of $25,000,000, for the purpose of paying for renovations, construction, and capital improvements to the facilities of the City and Borough, including the airport terminal, Aurora Harbor, the Capital Transit maintenance shop, Eaglecrest Learning Center, and Centennial Hall and other parks and recreation facilities?

Yes	3898
No	3825

Proposition 2: Authorizing Extension of a Temporary 1% Areawide Sales Tax, Effective October 1, 2013, for a Period of Five Years.

Shall the City and Borough of Juneau, Alaska, levy and collect a temporary 3% areawide sales tax on the sale price of retail sales, services, and commercial rentals within the City and Borough, effective July 1, 2012, for a period of five years only, in addition to the 1% permanent areawide sales tax and the 1% temporary areawide sales tax.

Yes 4556
No 3222

I hereby certify that the foregoing results are the true and final results of the October 2, 2012 Regular Municipal Election, held in Juneau, Alaska.

____

Laurie J. Sica
Municipal Clerk and Election Official
City and Borough of Juneau

Election Statistics:

Total registered voters in the City and Borough of Juneau was 24,565. 7864 ballots, including absentee and accepted questioned ballots, were cast in the election. Voter turnout was 32 %. Ballots were cast in the following manner:

Absentee Ballots:

Early Mendenhall Mall	622
Early City Hall	420
In Person Mend Mall	19
In Person City Hall	17
By Mail	86
By Fax	67
By Personal Representative	42
Total counted:	1274

Questioned Ballots:

401 voters cast questioned ballots at the precincts on election day. Of those ballots, 357 were cast by qualified voters, accepted and counted. The status of all questioned voters was verified with the State of Alaska Division of Elections, by the Absentee and Questioned Review Board and CBJ Election Official.

Precinct Ballots Cast:

Precinct Number	Precinct Name	Precinct Location	Ballots Cast
31-400	Auke Bay - Fritz Cove	Auke Bay Fire Station	520
31-410	Juneau Airport	Nugget Mall	404
31-420	Lynn Canal	Auke Bay Ferry Terminal	395
31-430	Mendenhall Valley No. 1	Mendenhall Mall	439
31-440	Mendenhall Valley No. 2	Aldersgate Methodist Church	555
31-450	Mendenhall Valley No. 3	Glacier Valley Baptist Church	531
31-460	Mendenhall Valley No. 4	Shepherd of the Valley Lutheran Church	633

NOTICE OF REGULAR MUNICIPAL ELECTION - OCTOBER 2, 2012

Notice is hereby given that the Regular Municipal Election will be held in the City & Borough of Juneau, Alaska on **Tuesday, October 2, 2012.** Polling places are shown below. Registered voters of the State of Alaska who reside within the City and Borough of Juneau are eligible to vote in this election. Voters should be prepared to display identification at the polling place when voting.

The purpose of the election is:

1. To elect from candidates residing in Election District No. 1, one Assemblymember for a term of three years;

2. To elect from candidates residing in Election District No. 2, one Assemblymember for a term of three years;

3. To elect from candidates residing in the entire City and Borough of Juneau, one Mayor for a term of three years;

4. To elect from candidates residing in the entire City and Borough of Juneau, three members of the Board of Education (School Board) for terms of three years each; and

5. To vote on the following areawide propositions:

PROPOSITION NO. 1

GENERAL OBLIGATION BONDS
$25,000,000

Explanation

This proposition, if approved by the voters, would authorize the issuance of $25,000,000 in general obligation bond debt for paying the cost of renovations, construction, and capital improvements to the facilities of the City and Borough, including the airport terminal, Aurora Harbor, the Capital Transit maintenance shop, Eaglecrest Learning Center, and Centennial Hall and other parks and recreation facilities.

The total annual debt service costs, assuming an interest rate of 3.8%, will be $1,798,000, expected to be paid in 2013 through 2017 from a temporary sales tax, if Proposition 2 is approved by voters at this election. Beginning in 2018, for a period of 15 years, a property tax levy of approximately $39.00 per $100,000 of assessed value would pay the remaining debt service.

If the temporary sales tax in Proposition 2 is not approved by the voters, debt service on these bonds would require an annual property tax levy of approximately $42.00 per $100,000 of assessed value beginning in 2013, for a period of 20 years.

PROPOSITION NO. 1

Shall the City and Borough of Juneau, Alaska, issue and sell general obligation bonds, maturing within 20 years of their date of issue, in the aggregate principal amount of $25,000,000, for the purpose of paying for renovations, construction, and capital improvements to the facilities of the City and Borough, including the airport terminal, Aurora Harbor, the Capital Transit maintenance shop, Eaglecrest Learning Center, and Centennial Hall and other parks and recreation facilities?

Bonds, YES ⊂⊃
Bonds, NO ⊂⊃

NOTICE OF BOND ELECTION

City and Borough of Juneau Outstanding and Other Debt Information

The following information is provided as required by CBJ Charter Section 10.5, Notice of Bond Election:

- CBJ's total general obligation outstanding debt, as of September 1, 2012, is $146,681,000. Of this amount it is anticipated that $87,287,430 will be reimbursed by the State under the State's School Construction Bond Debt Reimbursement Program.

- There are $21.29 million of voter approved general obligation bonds (Auke Bay School $20.1 million and Adair Kennedy Field $1.19 million) that have not been issued yet. $13.1 million of these bonds are scheduled to be sold in October, 2012 and $8.19 million to be sold in the summer of 2013.

- For the current fiscal year, FY13, CBJ is budgeting to pay a total of $20,848,400 for bond debt service (both principle and interest). $12,527,100 of this amount is anticipated to be reimbursed by the State under the State's School Construction Bond Debt Reimbursement Program. This leaves a balance of $7,539,500 to be paid from local tax sources and interest income. Of this amount, $1,481,900 will be paid with general sales tax revenues and $5,544,100 will be paid from general property tax levies and $1,295,300 from interest income.

- The current total taxable assessed valuation within the municipality is $4,293,876,617 ($4.3 billion).

PROPOSITION NO. 2

TEMPORARY 1% SALES TAX
Authorizing Extension of a Temporary 1% Areawide Sales Tax,
Effective October 1, 2013, for a Period of Five Years.

Explanation

The City and Borough of Juneau currently has a permanent 1% sales tax, a temporary 1% sales tax, and a temporary 3% sales tax, for a total sales tax rate of 5%. The temporary 1% sales tax will expire on September 30, 2013. This ballot proposition, if approved by the voters, would continue the current 1% temporary sales tax for an additional five years, until September 30, 2018, and the total sales tax rate would remain at 5%.

It is the intent of the Assembly of the City and Borough of Juneau that taxes collected under this proposed extension of the temporary 1% sales tax shall be appropriated for the following purposes:

- Major maintenance, improvements, and upgrades to existing:
  - harbor facilities;
  - CBJ recreational facilities, parks, and trails; and
  - Capital Transit facilities;

- Partial funding for design, permitting, and construction of:
  - an airport snow removal equipment facility;
  - the Juneau Arts and Culture Center facility expansion;
  - a new library facility at Dimond Park;
  - a water filtration system at Salmon Creek; and
  - a new child and adolescent mental health facility at Bartlett Regional Hospital;

- Partial funding for the Sealaska Heritage Institute's construction of a cultural education facility in downtown Juneau;

- Increase the CBJ Budget Reserve, as recommended by the Fiscal Policy Task Force; and

- Payment of the first five years of G.O. Bond indebtedness, if Proposition 1 is approved by the voters. If Proposition 1 is not approved, Centennial Hall and Aurora Harbor Capital Improvement Projects would be funded.

PROPOSITION NO. 2

Shall the City and Borough of Juneau, Alaska, levy and collect, according to the sales tax code, a temporary 1% areawide sales tax on the sale price of retail sales, services, and rentals, effective October 1, 2013, for a period of five years ending September 30, 2018?

Extend 1% sales tax five years, YES
Extend 1% sales tax five years, NO

VOTER QUALIFICATIONS

To be eligible to vote in City and Borough of Juneau elections, you must be:

1. Qualified to vote in state elections;
2. A resident of the municipality for at least 30 days immediately preceding the election;
3. Registered to vote in state elections at a residence address within the municipality at least 30 days before the municipal election at which the person seeks to vote; and
4. Not disqualified under Article V of the State of Alaska Constitution.

ABSENTEE VOTING

A qualified voter may vote an absentee ballot for any reason. An absentee ballot may be cast in person, or requested from the election official in writing, by application with the voter's signature. Absentee Ballots are available beginning September 17, 2012.

By Mail:
Applications for By-Mail Ballots can be obtained in the Municipal Clerk's Office or online at www.juneau.org/clerk/elections. Applications for by-mail ballots must be received in the Municipal Clerk's office no later than Tuesday, September 25, 2012. After September 25, please refer to Absentee Voting BY FAX.

In-Person Absentee Voting:
A qualified voter may vote absentee in-person on or after the 15th day before an election up to and including the Election Day. Beginning September 17, 2012, early voting and absentee-in-person voting will take place at the following locations/dates/times:

City Hall - Assembly Chambers
September 17 - October 1, 2012
Monday - Friday:
8:00a.m. - 4:30p.m.

Mendenhall Mall
September 17 - October 1, 2012
Monday - Friday:
10:00a.m. – 6:30p.m.
and
Saturday - Sunday:
Noon – 4:00p.m.

By Fax:
Contact the Municipal Clerk's office for more information.

Absentee ballot application forms and information available at:
Municipal Clerk/Election Official Office, City Hall Room 202
155 S. Seward Street, Juneau, AK. 99801
(907) 586-5278 phone (907) 586-4550 fax
e-mail: city_clerk@ci.juneau.ak.us
http://www.juneau.org/clerk/elections

SAMPLE BALLOT – page 1 of 2

THE CITY AND BOROUGH OF JUNEAU
REGULAR MUNICIPAL ELECTION, OCTOBER 2, 2012
Completely fill in the oval to the right of the selection you choose:

MAYOR
VOTE FOR NOT MORE THAN **ONE**

Merrill Sanford

Cheryl Jebe

Write-in:

ASSEMBLY DISTRICT 1
VOTE FOR NOT MORE THAN **ONE**

Loren Jones

Paul Nowlin

Write-in:

ASSEMBLY DISTRICT 2
VOTE FOR NOT MORE THAN **ONE**

Jerry Nankervis

Write-in:

SCHOOL BOARD
VOTE FOR NOT MORE THAN **THREE**

Phyllis Carlson

Andrea (Andi) Story

Destiny Sargeant

Michelle Johnston

Will Muldoon

Write-in

Write-in:

Write-in:

PROPOSITION NO. 1

GENERAL OBLIGATION BONDS
$25,000,000

Explanation

This proposition, if approved by the voters, would authorize the issuance of $25,000,000 in general obligation bond debt for paying the cost of renovations, construction, and capital improvements to the facilities of the City and Borough, including the airport terminal, Aurora Harbor, the Capital Transit maintenance shop, Eaglecrest Learning Center, and Centennial Hall and other parks and recreation facilities.

The total annual debt service costs, assuming an interest rate of 3.8%, will be $1,798,000, expected to be paid in 2013 through 2017 from a temporary sales tax, if Proposition 2 is approved by voters at this election. Beginning in 2018, for a period of 15 years, a property tax levy of approximately $39.00 per $100,000 of assessed value would pay the remaining debt service.

If the temporary sales tax in Proposition 2 is not approved by the voters, debt service on these bonds would require an annual property tax levy of approximately $42.00 per $100,000 of assessed value beginning in 2013, for a period of 20 years.

PROPOSITION NO. 1

Shall the City and Borough of Juneau, Alaska, issue and sell general obligation bonds, maturing within 20 years of their date of issue, in the aggregate principal amount of $25,000,000, for the purpose of paying for renovations, construction, and capital improvements to the facilities of the City and Borough, including the airport terminal, Aurora Harbor, the Capital Transit maintenance shop, Eaglecrest Learning Center, and Centennial Hall and other parks and recreation facilities?

Bonds, YES

Bonds, NO

Turn Ballot Over to Continue Voting

SAMPLE BALLOT – page 2 of 2

THE CITY AND BOROUGH OF JUNEAU
REGULAR MUNICIPAL ELECTION, OCTOBER 2, 2012
Completely fill in the oval to the right of the selection you choose:

PROPOSITION NO. 2

TEMPORARY 1% SALES TAX
Authorizing Extension of a Temporary 1% Areawide Sales Tax, Effective October 1, 2013, for a Period of Five Years.

Explanation

The City and Borough of Juneau currently has a permanent 1% sales tax, a temporary 1% sales tax, and a temporary 3% sales tax, for a total sales tax rate of 5%. The temporary 1% sales tax will expire on September 30, 2013. This ballot proposition, if approved by the voters, would continue the current 1% temporary sales tax for an additional five years, until September 30, 2018, and the total sales tax rate would remain at 5%.

It is the intent of the Assembly of the City and Borough of Juneau that taxes collected under this proposed extension of the temporary 1% sales tax shall be appropriated for the following purposes:

- Major maintenance, improvements, and upgrades to existing:
  - harbor facilities;
  - CBJ recreational facilities, parks, and trails; and
  - Capital Transit facilities;

- Partial funding for design, permitting, and construction of:
  - an airport snow removal equipment facility;
  - the Juneau Arts and Culture Center facility expansion;
  - a new library facility at Dimond Park;
  - a water filtration system at Salmon Creek; and
  - a new child and adolescent mental health facility at Bartlett Regional Hospital;

- Partial funding for the Sealaska Heritage Institute's construction of a cultural education facility in downtown Juneau;

- Increase the CBJ Budget Reserve, as recommended by the Fiscal Policy Task Force; and

- Payment of the first five years of G.O. Bond indebtedness, if Proposition 1 is approved by the voters. If Proposition 1 is not approved, Centennial Hall and Aurora Harbor Capital Improvement Projects would be funded.

PROPOSITION NO. 2

Shall the City and Borough of Juneau, Alaska, levy and collect, according to the sales tax code, a temporary 1% areawide sales tax on the sale price of retail sales, services, and rentals, effective October 1, 2013, for a period of five years ending September 30, 2018?

Extend 1% sales tax five years, YES
Extend 1% sales tax five years, NO

Turn Ballot Over to Continue Voting

TUESDAY, OCTOBER 2, 2012

The polls will be open from 7 a.m. to 8 p.m.

Information Pamphlet & Sample Ballot

Q: *What are the purposes of the two propositions before the voters this year?*

A: The Assembly is asking that the voters consider funding $50.5 million of CBJ capital improvement projects, contributing $4 million to two nonprofit community projects, and increasing CBJ's budget reserves by $5 million. The $59.5 million in expenditures would be funded through a combination of issuing $25 million in general obligation bonds and extending the temporary 1% sales tax. Proposition 1 would authorize issuing of $25 million in general obligation bonds. Proposition 2 would extend the temporary 1% sales tax for five years, effective October 1, 2013. This pamphlet describes the relationship between the two propositions and describes the capital projects they would fund.

Q: *What is the purpose of Proposition 1?*

A: If approved by the voters, this proposition would authorize the CBJ to issue $25 million in general obligation bond debt. The bond proceeds would pay the cost of renovations and construction of the facilities of the City and Borough.

Q: *What are the projects that would be funded by the Proposition 1 general obligation bond?*

A: The bond revenue would fund the following capital improvement projects:

Centennial Hall Renovation — *$3.2 million*

This project would replace the facility's roof and plumbing systems. The electrical system would be upgraded, and fixtures and furnishings would be replaced.

Aurora Harbor Reconstruction — *$7 million*

Aurora Harbor is 50 years old and requires reconstruction. Because the overall project is estimated to cost $18 million, the reconstruction is being conducted in phases. Phase 1 of the project, which would cost $4 million, is currently funded and would reconstruct 22% of the harbor. The bond issue would provide $7 million for Phase 2, and would be used as matching funds to pursue other funds for Phase 3.

Airport Terminal Renovation — *$6.9 million*

The airport terminal was originally constructed in 1948 and has had several additions over time. Renovation and expansion of about half of the terminal is now complete. $6.9 million provided in this bond package would be allocated to complete the next phase of renovation including replacing deteriorated mechanical and electrical equipment, addressing building code issues, abating asbestos, and reducing energy consumption.

CITY/BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY

Eaglecrest Learning Center and Lodge Renovation — $3.5 million

$3.5 million would be allocated to the Eaglecrest Ski Area to construct a new Learning Center. The Learning Center would house adaptive learning facilities, a classroom and children's program area, rental department, and the retail and repair shop. Eaglecrest management estimates that annual revenue would increase by $150,000, while operations and maintenance costs would increase by $25,000 as a result of this project.

Capital Transit Improvements — $3.05 million

The project would build additional storage space for the six buses currently parked outside of the Capital Transit Maintenance and Operations Facility, update the administrative area to accommodate current staff, and create a training room.

Electronic fare boxes would be purchased and installed. These fare boxes record payments and keep track of passenger boardings.

Adair-Kennedy Memorial Park Bathrooms and Concession — $400,000

This project would replace the vandalism-prone bathroom and concession building with a more secure building that is designed to accommodate heavy use, and would replace the drinking fountain, tables, and benches. Lighting in the park would be upgraded to deter crime and vandalism, and security cameras would be installed. $400,000 would be allocated to this project.

Dimond Park Bathrooms, Concession, and Paving — $650,000

This project would result in the construction of a combination bathroom and concession stand at the center of the complex. In addition, the road to the Field House would be paved, park lighting would be improved, and new scoreboards would be installed.

Melvin Park Bathrooms and Concession — $250,000

This project would replace the existing structures with adequate bathroom facilities and concessions. In addition, the wood grandstands would be renovated, and equipment storage lockers would be replaced.

Q: *If Proposition 1 is approved, how would it affect my property tax rate?*

A: The CBJ estimates that the total annual debt service costs of these bonds, assuming an average interest rate of 3.8%, would be $1.8 million. There are two scenarios for how property taxes would be affected:

> ***Scenario 1*** If Proposition 2 is approved, the first five years of debt service would be paid with sales tax proceeds. Beginning in 2019, for a period of 15 years, the debt service would require an annual tax levy of $39 per $100,000 of assessed property value.
>
> ***Scenario 2*** If Proposition 2 is not approved, an annual property tax levy of approximately $42 per $100,000 of assessed value, beginning in 2013 for a period of 20 years, would be required.

Q: *What projects would be funded by Proposition 2's 1% sales tax extension?*

A: The sales tax revenue would be used to fund capital improvement projects and other purposes, as described below.

General Obligation Bond Debt Repayment — $10 million

If the voters approve both Proposition 1 and Proposition 2, $10 million of the revenue generated by the 1% sales tax extension would be used for bond debt payment. If Proposition 1 is not approved, $10 million of Proposition 2 monies would fund the $7 million Aurora Harbor and $3 Million Centennial Hall projects described previously in this pamphlet.

Budget Reserves — $5 million

$5 million of the revenue generated by the 1% sales tax extension would be used to replenish the general government budget reserves. This is in keeping with the Mayor's Budget Task Force recent recommendation of a minimum of $17 million in reserves.

Dimond Park Library — $4.7 million

$4.7 million of the sales tax revenue would be allocated to the construction of a new library in Dimond Park. The total project cost is estimated at $14 million. $9.3 million of that funding is in place, including a $7 million library construction grant awarded by the Alaska State Legislature, $1.3 million from the Friends of the Juneau Public Libraries and the Library Endowment Fund, and CBJ's in-kind contribution of $1 million for the land at Dimond Park.

The new library would replace the existing rented library space in the Mendenhall Mall. It would have an expanded children's area and collection, and additional conference and study room space. The new library would cost less to operate than the rented space.

CITY/BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY

Child & Adolescent Mental Health Facility — *$4 million*

$4 million would be allocated to the construction of a Child and Adolescent Mental Health Unit at Bartlett Regional Hospital. This facility would serve children with severe behavioral health conditions, who currently are sent out of the community for these services. The hospital already offers behavioral health services and has child psychiatrists on staff. Besides the proposed sales tax, the other funding sources for this estimated $23 million project are the hospital's budget reserves and State of Alaska, federal government, and foundation grants.

Airport Snow Removal Equipment Facility — *$3.1 million*

This $23 million project would primarily be funded by the Federal Aviation Administration. $3.1 million of sales tax revenue would be allocated to meet the CBJ's local match requirement.

The Snow Removal Equipment Facility is a maintenance and storage building for the airport's heavy equipment such as sweepers and dump trucks. The building is essential to winter operations and overall safety of the airport. The underground geothermal loop field for this system has already been installed, and the road and utilities for the building are currently under construction. The building design is complete and funds are now needed to construct the building.

Boat Haul Out and Kayak Launch Ramp at Statter Harbor — *$1.3 million*

$1.3 million of the sales tax revenue would be allocated to replacing the boat launch ramp at Statter Harbor, which has deteriorated beyond its useful life. The existing launch ramp would be replaced with a new boat haul out, kayak launch ramp, and boarding float. Since this would be replacement of an existing component of the harbor, it is not anticipated that operating costs would increase. Total cost of project is estimated to be $2.1 million. A State of Alaska grant of $800,00 would provide the remaining funding needed for this project.

Water Filtration — *$1.53 million*

The Salmon Creek reservoir is not a reliable year-round water source, because occasional seasonal turbidity causes the water to exceed the limits for particulate matter. With the addition of a filtration plant at Salmon Creek, the reservoir would be a source of year-round water. The total project cost is estimated to be $5.7 million, and the increase to operations and maintenance costs caused by water filtration is estimated to be $150,000. $1.53 million of sales tax revenue would be allocated to this project

TUESDAY, OCTOBER 2, 2012

The polls will be open from 7 a.m. to 8 p.m.

Information Pamphlet & Sample Ballot

Building Maintenance *$8.2 million*

The CBJ has a large number of buildings to maintain, including City Hall, parking garages, fire and police stations, swimming pools, park restrooms, and other facilities. These public facilities need to have routine maintenance completed in order to keep them functional and acceptable to the public. This includes, but is not limited to, exterior and interior painting, new carpeting, roofing repairs, heating and ventilation upgrades, electrical upgrades, new windows and doors, and other building maintenance improvements. $8.2 million would be allocated for general building maintenance projects, including these designated projects: replacing the Capital Transit Bus Barn siding and heating system, upgrading the City Museum's heating and ventilation system, replacing the flooring at the Zach Gordon Youth Center, and replacing the lockers at Augustus Brown Pool.

Parks and Trails Maintenance *$2.29 million*

$2.29 million would be allocated for repairs and safety improvements for CBJ's many parks and trails. CBJ staff has identified these projects for near-term design and construction:

- *Capital School Park Bathroom and Playground*
- *Cope Park Repairs and Safety Improvements*
- *Twin Lakes Park Repairs and ADA Upgrades*
- *Riverside Rotary Park Repairs and Safety Improvements*
- *Chicken Yard Park Safety Improvements*
- *Horse Tram Trail Repairs*
- *Treadwell Ditch Trail Repairs and Bridges*
- *Jensen-Olson Arboretum Parking Lot and Conservatory*
- *Treadwell Mine Historic Park Preservation*
- *Auke Lake - Montana Creek Trail Connection*
- *Montana Creek Trail Repairs*

Lemon Creek Neighborhood Park *$250,000*

There is only one small playground between Twin Lakes Park and Mendenhall Loop Road, making Lemon Creek one of the most underserved areas in Juneau's park system. This project would identify a suitable location for a neighborhood park in Lemon Creek and fund construction. $250,000 of the sales tax revenue would be designated for this purpose.

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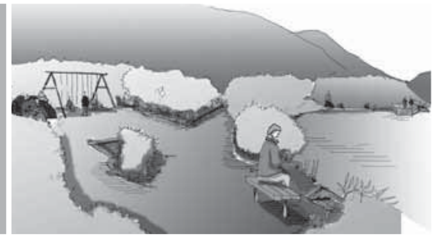

Off-Highway Vehicle Park — *$100,000*

Demand for sustainable off-road vehicle access in Juneau is strong. Multiple attempts to locate a park for motorized recreation have failed, but the City has identified a large parcel near 37-Mile Glacier Highway for potential access. Initial funding for assessment, mapping and design was provided in 2010. Additional sales tax funding of $100,000 would be used to complete the public permitting process and begin construction of parking facilities and trails.

JACC Expansion - Performing Arts Center — *$1 million*

The Juneau Arts and Humanities Council plans to construct a performing arts center adjacent to the Juneau Arts and Culture Center. The new center would house two mid-size theaters, gallery exhibit spaces, classroom and meeting spaces, and offices. The total project cost is estimated at $14.5 million. $1 million of sales tax revenue would be allocated to help support this project.

Walter Soboleff Center — *$3 million*

The Sealaska Heritage Institute plans to construct a three story building downtown that will serve as a cultural, educational, and retail center. Construction of the Walter Soboleff Center is estimated to cost $20 million. $3 million of sales tax revenue would be allocated to support this project.

Q: ***If Proposition 2 is approved, how would it affect the sales tax that I pay?***

A: Currently, CBJ's overall sales tax is 5%, consisting of these taxes:

- *a 1% temporary tax (expiring September 30, 2013),*
- *a 3% temporary tax (expiring July 1, 2017), and*
- *a 1% permanent tax.*

Proposition 2 asks voters if they wish to extend the temporary 1% sales tax until September 30, 2018. If voters approve the proposition, the overall sales tax rate would remain at 5%. If voters do not approve the proposition, the sales tax rate would be reduced to 4% on October 1, 2013.

Q: ***If Proposition 2 is approved, how much revenue would it generate?***

A: CBJ estimates that the temporary 1% sales tax would generate a total of approximately $44.8 million over the five-year period that it would be in effect.

Municipal Election • City & Borough of Juneau

TUESDAY, OCTOBER 2, 2012

The polls will be open from 7 a.m. to 8 p.m.

Information Pamphlet & Sample Ballot

There are four possible outcomes to this election: both propositions are approved; Proposition 1 is approved but not Proposition 2; Proposition 2 is approved but not Proposition 1; or neither is approved.

Q: ***What would happen if the voters approve both propositions?***

A: CBJ would issue $25 million in general obligation bonds to fund the projects in Proposition 1. $10 million of the 1% sales tax extension would be allocated to pay the first five years of debt service on those bonds. A total of $54.5 million of projects would be funded. The budget reserves would be increased by $5 million to assist in reaching the Mayor's Budget Task Force recommendation of a $17 million balance.

Q: ***What would happen if Proposition 1 is approved, but Proposition 2 is not approved?***

A: CBJ would issue $25 million in general obligation bonds. The debt service would increase by approximately 0.42 mills beginning in 2013. A total of $25 million of capital improvement projects would be funded.

Q: ***What would happen if Proposition 1 is not approved, but Proposition 2 is approved?***

A: The 1% sales tax extension would raise $44.8 million. The $10 million that would have been used for bond debt payment had Proposition 1 passed would be used to fund Aurora Harbor Phase Two ($7 million) and Centennial Hall improvements ($3 million). A total of $39.5 million of projects would be funded, and $5 million would be placed in the budget reserves.

Q: ***What would happen if neither proposition is approved?***

A: The overall sales tax rate would be reduced to 4%, the general obligation bonds would not be issued, and the projects described in this pamphlet would not receive this funding.

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TO: Chair Triem and Assembly Finance Committee DATE: January 31, 2022

FROM: Rorie Watt, City Manager

RE: Fund Balance Usage

On the 2/2 Agenda, you have an Ordinance that would authorize $2M for the purchase of a used gondola for Eaglecrest. I imagine that this request will spur questions about other potential uses of fund balance, similar to the conceptual discussion suggested at the 11/29/21 PWFC.

Currently, the CBJ has approximately $27M of General Fund (GF) fund balance. Of this amount, some should be kept as a cash reserve, a hedge against under performance of the economy (and therefore a drop in sales tax), in reserve for future project requests or for use in concert with proposed allocations of the FY23 CIP and/or the likely upcoming 1% Sales Tax renewal this fall. The CBJ also maintains the separate Restricted Budget Reserve of approximately $16M, this RBR was created as a hedge against a precipitous decline in the economy. Because of the RBR, in my opinion a GF fund balance of a minimum of $5M and as much as $10M is prudent.

I don't see any reason that the Assembly couldn't comfortably allocate up to $15M now to advance its stated community goals. For more cautious members, an allocation of this amount could always be pulled back (frankly, it takes time to spend money) if, for example, the cruise ship season precipitously failed to materialize.

To help the body start an in context discussion, I propose you use as a starting point the following allocation:

Restricted Budget Reserve	$1M
Deferred Building Maintenance (CBJ)	$3M
School District Building Maintenance	$2M
Parks Deferred Maintenance	$0.5M
Affordable Housing Fund	$3M
Lemon Creek Multi-Modal Path (match for grants)	$1M
Channel Crossing (partial funding for continued DOT collaboration)	$0.5M
New City Hall or City Hall Renovations (partial funding)	$2M
Total:	$13M

These allocations would support the Assembly goals and its legislative priority list and reduce some pressure to fund these good ideas in the upcoming budget, leaving the Assembly future flexibility. Because of the size of general fund balance, there is plenty of room for the Assembly to make further allocations during this calendar year.

Recommendation:
Decide how much process is necessary and forward an appropriation Ordinance to the Assembly for action. As this list conforms to CBJ's goals, you could do so tonight and receive comment at public hearing. Side note, some of the ongoing JSD projects (roofs) have funding gaps with timing issues.

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TO: Chair Bryson and Assembly Public Works and Facilities Committee

DATE: November 23, 2021

FROM: Rorie Watt, City Manager

RE: Capital Projects – Big Picture Planning

I recommend that the Assembly take a little bit of time to consider strategic approaches to consideration of capital project funding. There are several concurrent processes that are overlapping, each of which provides the Assembly decision-making opportunities. They include:

A. Management of General Fund Balance, the Assembly has some opportunity to use fund balance as one one-time funding for capital projects. Fund balance (not including the $16M restricted budget reserve as defined by Assembly Resolution) is in excess of $20M.
B. Allocation of ARPA funds, ~$12M. Replacement CPV funds from the State are largely unrestricted, the Assembly has decided to treat them as General Fund, and introduced an appropriation Ordinance of $5.5M at the 12/13 Assembly meeting.
C. 6-Year CIP – Provides necessary maintenance funding for roads, utilities, roofs, buildings for most departments, parks facilities, etc. Process for FY23 is about to commence.
D. 1% Sales Tax – During the October 2022 municipal election, the Assembly has the opportunity to propose to extend 1% of the Sales Tax, traditionally proposed for a five year period. If approved, 1% for five years would collect in excess of $50M.
E. Management of Municipal Debt Capacity – CBJ is in a very good position with regard to debt. Historic borrowing is coming off of the books and by independent analysis, CBJ can prudently take on significant borrowing for capital improvements without increasing our traditional mil levy rate for debt. Such borrowing could be managed to advance Assembly goals and to allow CBJ citizens to enjoy the benefits of those improvements sooner.

None of this is to imply that we do not face economic and budgetary headwinds. Upcoming operating budgets face difficult trends in the forms of inflation, increased fuel, employee and commodity costs as well as escalating insurance premiums. Ongoing operational costs should be met with enduring revenue sources. This memorandum primarily contemplates the use of one-time fund balance to meet deferred or new capital needs that either advance community goals and/or reduce operating or maintenance costs or fund unanticipated cost increases that have resulted from a COVID19 disrupted supply chain. I have asked Director Koester to prepare a preliminary report of anticipated increases in project costs for ongoing projects, this will be reported to PWFC. At this time, two projects face obvious issues.

Augustus Brown Pool: Delaying renovation of the August Brown Pool has substantially increased costs due to inflation, supply chain problems, current lack of competition. In May of 2020, I recommended that the Assembly pause that project (pandemic and economic uncertainty, concern for evolving air handling standards). We did, however, expend funds and replaced the failing roof.

In 2016, CBJ commissioned a condition survey from JYW Architects which determined that renovation needs would cost $5.15M and the Assembly subsequently included the project in the ballot information for 1% Sales Tax extension in 2017 for $5M of funding. The project was delayed to the end of the sales tax funding cycle and the roof repair was split out, increasing costs due to having multiple construction projects and several years of inflationary increases. Unfortunately cost estimates have risen, and completing the contemplated scope of work would require an additional $2.5M.

> *Timing Notes:* The ABP project is out to bid, with a bid opening on 12/7. The bid is structured with alternates to allow the Assembly to award, with or without major project components. In bid processes, contractor are only required to hold prices for a limited period of time, though protocol is to let them know as soon as possible so that they can lock in material and subcontractor pricing. With the direction of the Committee, we will introduce an appropriation Ordinance on 12/13 with Public Hearing set for January 10^{th}. If the Assembly wished to discuss this project funding or a bigger picture financial discussion, it should choose AFC on 12/1 or 1/5 or the COW on 12/20.

Centennial Hall: Design and bid process for the renovations to Centennial Hall are proceeding, and again costs are escalating. Seismic bracing, a project betterment has been identified as an additional improvement. In order to proceed with the contemplated project scope an additional $500K is requested.

For both the ABP and Centennial Hall projects, the Assembly can decide to provide further funding, or direct that improvements be scaled to meet the abilities of the project budgets. I recommend that the Assembly take a supportive stance in providing additional funding to the projects. When we renovate a municipal facility, it is most efficient to get the job done, give the facility its due. Building maintenance needs will always proceed apace, incomplete renovations will place more pressure and costs on the maintenance budgets.

Recommendation:

The Assembly should begin to make incremental decisions to expend accumulated fund balance on key community priorities while keeping a focus on the bigger financial pictures. Several necessary steps include:

> In the short run: Consider allocating an additional $2.5M to the ABP and $500,000 to the Centennial Hall Renovation projects. Provide recommendation(s) to the Assembly and/or Finance Committee.
>
> In the medium term: The Assembly Finance Committee should have a big picture conversation about how to manage fund balance with regard to capital projects. One obvious concept is to consider allocation of a significant portion towards the City Hall project, which ultimately will reduce operating costs.
>
> When appropriate: Discuss with the Finance Committee the level of fund balance that should be maintained to buffer against revenue volatility and uncertainty, cash flow needs.
>
> After the Budget: Set aside time for consideration of large projects that may be funded by unrestricted fund balance, a 1% Sales Tax extension, and/or new general obligation debt.

FY19-FY23 Budget Summary and Impact on Fund Balances

		Revenues	Expenditures	Surplus (Deficit)	Unrestricted Fund Balance
	FY2021				
1	**Manager Proposed Budget**	**$ 152,721,100**	**$ (160,022,100)**	**$ (7,301,000)**	**$ 18,252,900**
2					
28	**Assembly Adopted Budget**	**$ 157,129,500**	**$ (152,163,600)**	**$ 4,965,900**	**$ 30,519,800**
29					
59	**Final Year-End (audited)**	**$ 158,916,400**	**$ (157,005,900)**	**$ 1,910,500**	**$ 27,464,400**
60					
61	**FY2022**				
101	**Manager Proposed Budget**	**$ 158,632,100**	**$ (166,440,700)**	**$ (7,808,600)**	**$ 19,655,800**
102					
122	**Assembly Adopted Budget**	**$ 162,239,300**	**$ (167,608,800)**	**$ (5,369,500)**	**$ 22,094,900**
123					
124	Statter Harbor Phase IIIC/Seawalk CIPs		$ (5,500,000)		
125	Deferred Maintenance (CBJ Facilities, schools, parks, etc) *pending*		$ (5,500,000)		
126	Purchase of Harris Harbor Boat Yard		$ (2,000,000)		
127	Eaglecrest Gondola Purchase		$ (2,000,000)		
128	Capital Civic Center		$ (2,000,000)		
129	EOC Expenditures		$ (1,000,000)		
130	Ballot Processing Center Capital Project		$ (700,000)		
131	Grant/MPF Funded Supplemental Appropriations in the General Fund	$ 286,600	$ (286,600)		
132	The Glory Hall Sheltering Support		$ (150,000)		
133	Grant Writer Position		$ (120,000)		
134	CDD Plat Reviewer Position		$ (70,000)		
135	Increased Assembly/Planning Commissioner Compensation		$ (27,800)		
136	Support for Celebration		$ (25,000)		
137	Additional Support to JSD for Ice Time *pending*		$ (10,000)		
138	Supplemental Appropriations	$ 286,600	$ (19,389,400)		
139					
140	Anticipated Lapse		$ 1,500,000		
141	ARPA Funds Replacing SMPFs	$ 11,942,000			
142	ARPA SOA Local Government Lost Revenue Grant	$ 9,300,000			
143	Sales Tax Revenue Above/(Below) Forecast	$ 3,500,000			
144	Mill Rate Reduction Not Included in Budget	$ (540,000)			
145	Reimbursed School Bond Debt Reduced from 50% to 41.8%	$ (458,500)			
146	Anticipated Variances	$ 23,743,500	$ 1,500,000		
147					
148	**Final Year-End (projected)**	**$ 186,269,400**	**$ (185,498,200)**	**$ 771,200**	**$ 28,235,600**

Fund Source

Project/Program Recommendation

	Fund Balance	1% Sales Tax Extension	GO Bonds	Notes:
AB Pool Reno Inflation Costs	3			
Affordable Housing Fund	5	3		
CBJ Facility Maintenance		8		
CCFR Ladder Truck Replacement		1.2		
Eaglecrest Gondola Installation (8)				Installation Discussion TBD
Harbor Projects/Grant Match		5		
Information Technology Systems	1.5	3		
JPD Radio System Replacement	0.5	2	?	Grants
JSD Facility Maintenance		5	5	State support TBD
Lemon Creek Multi Modal Path Match	1			Grants
New City Hall	6.3	6.3	13	Additional funding from Reduced Rent
Parks/Trails/Sportsfields		5	3	
Pederson Hill Development		3		Lands Fund additonal fund source
Restricted Budget Reserve		2.5		
North Douglas Crossing Planning	0.25			
North SOB Parking		5		
Street Maintenance Shop Bays		2		
Teal Street Center Inflation Costs	1.3			
Telephone Hill Redevelopment		3		
USGOV Federal Match	1			
Waterfront Museum		4		Passenger Fees, Capital Fund Advisors, Grants
West Douglas Extension		2		
Totals (Millions):	19.9	60		

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TO: Chair Triem and Assembly Finance Committee DATE: March 11, 2022

FROM: Rorie Watt, City Manager

RE: Fund Balance Usage – Process Options

The Assembly should discuss an attainable goal for the March 12th AFC.

I recommend that the Assembly attempt to agree to allocation of $20M of excess General Fund. The fund balance growth has primarily been driven by federal funding.

Further, over the next couple months, the Assembly should request and receive presentations that will allow the Assembly to be informed to create a proposed 1% Sales Tax funding list. Decisions relating to the 1% funding list must be complete by the end of June so that it can be ready for the fall ballot. The Assembly should be mindful of their ability to find time at scheduled meetings.

Process options for the March 12th AFC meeting include:

1. Take packet materials under advisement, cogitate, decide later. Ask questions during March 12th AFC, defer decision making. (Not recommended).

2. Simply accept the Manager's recommendations.

3. Agree that the packet list is close, tweak the list through successive motions.

4. Use the list as a starting point and modify as follows:
    a. Add missing projects to the fund balance list.
    b. Agree on a fund balance spending total.
    c. Get five votes sequentially, as proposed by members, until target spending is reached.

5. Other Assembly member proposed ideas.