

City and Borough of Juneau
Minutes - Assembly Finance Committee Meeting
Saturday, March 12, 2022, 9:00am

I. CALL TO ORDER

The meeting was called to order at 9:05 am by Carole Triem, Chair.

II. ROLL CALL

Committee Members Present: Chair Carole Triem; Mayor Beth Weldon; Maria Gladyszewski; Wáahlaal Gíidaak; Greg Smith; Michelle Bonnet-Hale; Alicia Hughes-Skandijs; Wade Bryson

Committee Members Absent: Christine Woll

Staff Members Present: Rorie Watt, City Manager; Jeff Rogers, Finance Director; Robert Palmer, City Attorney; Adrien Speegle, Budget Analyst; Katie Koester, Public Works and Engineering Director; Beth McEwen, Municipal Clerk

III. APPROVAL OF MINUTES

The March 2, 2022 minutes were approved as presented.

IV. AGENDA TOPICS

a. Staff Report: Eaglecrest Gondola

Robert Palmer, City Attorney, reported on the status of a potential purchase by Eaglecrest of a ski gondola from Austria.

Mr. Palmer summarized three procurements on which he is working with various staff members across the city: the €1.23 million gondola purchase contract, a ski lift engineer inspection, and transportation of the gondola to Juneau.

For the gondola contract, Mr. Palmer stated he was negotiating with Pro-Alpin, the company that will dismantle the gondola to be ready for sale. Mr. Palmer informed the Committee that no money had yet exchanged, but they were hopeful to have a contract in place to take the gondola off the market in the coming weeks. The contract would include an initial payment of €100,000 to take the gondola off the market, followed by €50,000 when the purchase and sale agreement is finalized.

To perform and oversee the ski lift inspection, a United States (US) certified ski engineer, a CBJ engineer, and Dave Scanlan, Eaglecrest General Manager, will

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travel to Austria in mid-April. They will inspect the construction drawings and the gondola to ensure validity. If the inspections pass, CBJ will release another €700,000 payment. The CBJ engineer would stay on site while the ski lift is readied for transport.

Once it is confirmed that the gondola is safely and properly secured for transport, CBJ would release the final payment of €380,000.

Mr. Palmer reminded the Committee that the ski engineer inspection contract would be out for procurement next week and CBJ's procurement officer may be able to sign the transportation contract sometime in April. Transporting the gondola would involve shipment from Austria to Germany or the Netherlands, then across the Atlantic, through the Panama Canal to Seattle, and finally to Juneau.

Mr. Palmer answered Committee questions.

Mr. Palmer confirmed that the date the procurement officer believes CBJ would be encumbering funds for purchase of the gondola would be during the week of April 11, 2022.

Assemblymember Hughes-Skandijs asked if a full refund to CBJ is possible if the gondola is deemed unsafe after purchase, and Mr. Palmer explained that the sale of the gondola is completely contingent on passing the ski equipment safety inspection.

Mr. Palmer stated that the engineering costs, international law firm fees, and additional Anchorage law firm fees are all included in the \$2 million appropriation the Assembly adopted for the procurement of the gondola.

Assemblymember Gladziszewski stated that it was the Committee's understanding that it may be beneficial to store the gondola in Europe in the event Eaglecrest is unable to organize installation of the equipment. She understood that keeping the gondola in Europe provides a better market for resale. Mr. Palmer clarified his understanding is that the gondola has significantly more value if it passes inspection in the country that plans to install it. Therefore, if a US engineer inspects it, it has more value in the US than it does in another country. He also explained that if the Committee wished to hold the gondola in Europe until they heard more information of future plans from the Eaglecrest Board, there would need to be an additional procurement for storage which would raise costs.

The Committee recessed at 9:32 am.

The Committee resumed at 9:37 am.

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b. One Time Funding Opportunities

Rorie Watt, City Manager, briefly summarized the memo on packet page 10. He also presented the supplemental document, online packet page 44, which recommended process options for the meeting. Mr. Watt explained that the Assembly has three mechanisms to fund projects: fund balance usage, the renewal of the 1% sales tax in the fall, and general obligation bonds. He clarified that the intent of this meeting is to decide which projects to fund from fund balance, knowing the other two sources of funding are available for future discussions. The packet also includes the Assembly's 2022 goals and the FY23 Legislative Project Priority List.

Jeff Rogers, Finance Director, presented the Budget Summary document on packet page 42. Mr. Rogers reviewed the FY22 Assembly adopted budget and stated that based on current revenue and expenditure projections, CBJ is anticipating a \$28.2 million unrestricted general government fund balance at the end of the current fiscal year.

Mr. Watt presented his project recommendations for use of fund balance on packet page 43. He suggested also following packet page 16 concurrently as it lists more details for each legislative priority. He briefly summarized each of his recommendations and answered committee questions.

Mr. Watt clarified that the intent for the Augustus Brown Pool renovation is to complete the scope of work that was approved by voters on the 1% sales tax list in 2017. The project is in need of additional funding due to inflation, supply chain issues, and limited competition in the pool specialty trade.

Katie Koester, Public Works and Engineering Director, explained that the city is in the process of designing and building a new boiler room with the remaining funds the Assembly already appropriated for the project.

In response to Committee questions about future grant funding for community infrastructure projects, Mr. Watt reminded the Committee that the Assembly recently approved funding to hire a grant writer, which will help CBJ be more proactive in achieving grant funding once the opportunities become available.

Assemblymember Gladziszewski questioned whether the Lemon Creek multimodal path project belonged on the list of priorities. Mr. Watt and Ms. Koester clarified that the Lemon Creek project is a response to the Assembly taking action to ensure equal funding and attention across the city for parks and recreational projects.

Motion: by Mayor Weldon to accept the fund balance allocation of \$19.9 million and generally accept the items recommended by City Manager Watt. The

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Committee will wait to accept the allocations for the 1% sales tax extensions and general obligation bonds.

Objection: Assemblymember Hale for the purpose of a statement.

Assemblymember Hale removed her objection.

The Committee recessed at 10:35 am.

The Committee resumed at 10:45 am.

The Committee discussed the motion.

The motion passed by unanimous consent.

In response to Committee questions regarding final decisions about funding, Mr. Watt clarified standard practice of how the Assembly may gather information and community input to make an informed decision specifically about allocations of the 1% sales tax extension funds.

Beth McEwen, Municipal Clerk, stated that the ordinance calling for an election on whether the 1% sales tax should be extended must be introduced by June 13th and adopted at the July 11th Assembly meeting to be eligible for inclusion on the ballot in October.

V. NEXT MEETING DATE

a. April 6, 2022

VI. ADJOURNMENT

The meeting was adjourned at 10:59 am.