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

August 18, 2021, 6:00 PM.
Assembly Chambers/Zoom Webinar/FB Live Stream
https://juneau.zoom.us/j/93917915176 or 1-253-215-8782 Webinar ID: 939 1791 5176

AGENDA

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF MINUTES

A. June 2, 2021

IV. AGENDA TOPICS

A. Incentive for Online Filing of Sales/Hotel Taxes (Ordinance 2021-29)

See a demonstration of the online sales tax filing portal here: https://youtu.be/GPfNDmxJQYk

B. Amendment to the Sales Tax Code Regarding Taxability of Services (Ordinance 2021-30)

C. 2021 Property Tax Payment Installments (Ordinance 2021-37)

D. Authorization of Reimbursement for Bond Funded Projects (Resolution 2963)

E. Passenger Fee Projection (Info Only)

F. New City Hall Financing (Info Only)

G. A Balancing Act – Taxpayer Receipt (Info Only)

V. NEXT MEETING DATE

A. September 1, 2021

VI. 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, June 2, 2021

I. CALL TO ORDER

The meeting was called to order at 6:10 pm by Carole Triem, Chair.

II. ROLL CALL

Committee Members Present: Carole Triem, Chair; Loren Jones; Wade Bryson; Maria Gladziszewski; Christine Woll; Michelle Bonnet-Hale

Committee Members Participating Virtually: Greg Smith

Committee Members Absent: Alicia Hughes-Skandijs; Mayor Beth Weldon

Staff Present: Rorie Watt, City Manager; Mila Cosgrove, Deputy City Manager; Jeff Rogers, Finance Director; Adrien Speegle, Budget Analyst; Robert Palmer, City Attorney

Others Present Virtually: None

III. APPROVAL OF MINUTES

The May 19, 2021 minutes were approved as presented.

IV. AGENDA TOPICS

a. Renewal of 3% Temporary Sales Tax (Ordinance 2021-17)

Jeff Rogers, Finance Director, presented a memo on packet page six detailing the components of CBJ's 5% city sales tax: 1% permanent sales tax for general city/borough operations, 1% temporary sales tax for projects, and a 3% temporary sales tax that pays for street maintenance and general city operations. Ordinance 2021-17 addresses the 3% temporary sales tax, which is up for renewal every five years. The current 3% temporary sales tax is set to expire on June 30, 2022 unless renewed by public vote during the October 2021 municipal election.

Mr. Rogers stated that the memo also details what the revenue generated from the 3% temporary tax has been used for in recent years. He explained that, if not renewed, CBJ would need to increase property taxes and reduce operating costs to make up for the loss in sales tax revenue.

Minutes - Assembly Finance Committee Meeting
Wednesday, June 2, 2021, 6:00 pm

Motion: by Mr. Jones to forward Ordinance 2021-17 for the renewal of the 3% temporary sales tax to the full Assembly for public hearing.

Motion passed by unanimous consent.

b. Sales Taxation of Services Delivered Out of Juneau

Mr. Rogers presented and briefly summarized the memo on packet page eleven which details the nuances of taxing services delivered outside of Juneau and the potential circumstances that arise as a result of current tax laws. Mr. Rogers briefly explained the differences in taxation between goods/commodities and services.

Currently, CBJ does apply sales tax to services that are performed in the borough but delivered outside of the borough because the "out of borough exemption" only applies to the sale of goods. Mr. Rogers stated that this creates a relatively new problem and likely circumstances that services could be taxed twice at service origin *and* destination. The Alaska Remote Sellers Sales Tax Commission (ARSSTC) agrees that double taxation must be avoided, and that the destination jurisdiction has the greatest claim to collect sales tax on any sale. Mr. Rogers requested that the Committee direct staff to draft, introduce, and set for public hearing an ordinance that would exempt services delivered outside of the borough from the imposition of a CBJ sales tax, aligning CBJ's local sales tax code with the Uniform Remote Sellers Sales Tax Code.

Mr. Rogers clarified that it is possible in the future, under this new potential ordinance, that services part of the Remote Sales Tax program and/or services being delivered to a community without a sales tax would go untaxed. Mr. Rogers stated that this nuance is avoidable with an entirely new concept but complex to implement and difficult to completely enforce.

Mr. Rogers clarified that this new ordinance is preventative since, currently, the newly adopted Uniform Remote Sellers Sales Tax Code is juxtaposing the local sales tax code.

Motion: by Ms. Gladziszewski that staff draft and introduce an ordinance to the Assembly Finance Committee (AFC) that would exempt services delivered outside of the borough from the imposition of a CBJ sales tax and bring CBJ's local sales tax code in conformance with the remote sales tax code.

Motion passed by unanimous consent.

Minutes - Assembly Finance Committee Meeting
Wednesday, June 2, 2021, 6:00 pm

c. Incentive for Online Filing of Sales Taxes (Ordinance 2021-XX)

Mr. Rogers presented and briefly summarized the memo on packet page twelve. Currently, CBJ offers a timely filing discount of up to $50 per monthly sales tax return and up to $100 per quarterly/annual sales tax return. Mr. Rogers proposed to shift the discount to a timely filing discount *only if filed online.* Mr. Rogers stated that the incentives currently cost CBJ approximately $100,000 annually.

The Sales Tax Office is tasked with processing over 16,000 sales tax returns per year, of which over 12,000 are submitted on paper forms. In the FY21 budget, one position in CBJ's Sales Tax Office was temporarily unfunded, and in the FY22 budget this position was completely eliminated. Instead of proposing to restore the eliminated position, Mr. Rogers requested that the Assembly consider incentivizing sellers to file online using CBJ's online filing portal. Wider use of the online filing portal would help solve the current staff shortage and would increase efficiencies by reducing processing time at no additional cost to the city.

Mr. Rogers answered committee questions and clarified that the Finance Department continues to work on improvements to the online filing system, including potentially creating a virtual training to publish to CBJ's website as a learning tool for the public.

Mr. Rogers clarified that the one dollar ACH fee for drawing from a debit account to remit sale taxes online would be waived and that constituents could still pay with a credit card if they pay the associated fee.

Motion: by Mr. Jones to direct staff to introduce the draft ordinance on packet page 13 on August 2nd and set it for public hearing. Further discussion and answers to this meeting's questions will be addressed at the Committee of the Whole (COW) meeting on June 28th.

Motion passed by unanimous consent.

d. Update on Mandatory Real Estate Sales Price Disclosure

Mr. Rogers presented and summarized the memo on packet page 16. Mr. Rogers stated that the Assembly passed Ordinance 2020-47(am) into law in October 2020, which requires property sales prices to be confidentially disclosed to the Assessor. However, there was no express compliance mechanism included in the ordinance, making it difficult for CBJ to enforce the law. For most other jurisdictions with mandatory disclosures, there is no need for an express compliance mechanism because disclosure of sales price is required in order for the transfer of property to be recorded by that jurisdiction. This mechanism doesn't work for CBJ because the

Minutes - Assembly Finance Committee Meeting
Wednesday, June 2, 2021, 6:00 pm

State of Alaska is the designated recording agency in the state, and CBJ has no way to compel the Alaska Recorder's Office to require sales price disclosure as part of the recording process.

Mr. Rogers requested that the Committee consider directing staff to develop an ordinance that would assess a daily civil fine or penalty to the buyer, if the buyer has failed to disclose the price of the real estate transaction within 90 days of recording.

Mr. Rogers explained that the law requires sales price and not an appraisal price to preserve the equity of all those in similar situations.

Motion: by Ms. Gladziszewski to keep the mandatory disclosure discussion in the AFC to revisit again with more information.

Motion passed by unanimous consent.

e. Information Only: Bond Refinancing Update

Mr. Rogers presented packet page 17 and summarized significant total dollar savings as a result of CBJ's participation in the Alaska Municipal Bond Bank Authority's refinancing of multiple bond issues.

Mr. Rogers answered committee questions.

V. NEXT MEETING DATE

a. August 4, 2021

VI. AJOURNMENT

The meeting was adjourned at 7:23pm.

MEMORANDUM

DATE: August 13, 2021

TO: Assembly Finance Committee

THROUGH: Jeff Rogers, Finance Director

FROM: Erin Russell, Revenue Officer

155 Municipal Way
Juneau, AK 99801
Phone: (907) 586-5215
Fax: (907) 586-0358

SUBJECT: **Additional Information on Sales Tax Filing Incentive**

At the June 2, 2021 Assembly Finance Committee meeting, an ordinance was presented for consideration that would change the way the current Sales Tax Discount is handled in an effort to promote on-line filing and reduce the flow of paper returns. This change was requested to help the Sales Tax Office adapt to a reduced staffing level, however the proposed changes have significant value for the merchants we work with and will result in a more efficient and effective Sales Tax team.

Advantages of Online Filing

It is our sincere belief that the shift to on-line filing will be of benefit to all of our merchants. The portal provided, while imperfect, has significant value in terms of reporting capability, real-time balance information, and convenience. The system enhances accuracy by performing calculations automatically while processing the return, providing instantaneous posting to the account, and preventing late filing fees due to postmark issues. Merchants can link multiple accounts under one profile for ease of submitting multiple returns and providing one payment. In our experience, once the initial trepidation has eased, most users find the on-line platform a preferred option to paper filing.

Online Filing Incentive

Sales Tax Office staff has examined a variety of options to incentivize on-line filing. The recommended approach is that CBJ build on the existing discount language, which in calendar year 2019 cost $172,000. The recommendation is to require on-line submittal of returns to receive the existing discount. Alternative discount methods would likely be costly, difficult to track, and prone to mishandling or mistakes. For consistency and simplicity on behalf of both the CBJ and our merchants, the Sales Tax Office endorses the conversion of our existing filing discount to an on-line filing only discount.

Timing of Filing and Remittance

Our current sales tax ordinance allows this incentive for timely filing *and* remittance of taxes due. While we often consider these actions as one process, in practice they are separate. Our business process accommodates filing and remittance happening at different times, which occurs frequently. This will not change, and CBJ will continue to accept all remittance methods regardless of the method in which the return is filed. Remittance options include in-person cash or check payments, credit card and e-check payments made on-line, and checks sent via USPS.

Fees for Payment Processing

Our current on-line platform charges a convenience fee of 2.95% per transaction for credit cards and $1.00 for ACH/e-Check payments. A change to eliminate the $1.00 ACH/e-check fee is in process and will be implemented soon. Though it is always our desire to encourage on-line payment of taxes due because of the ability to quote real-time balances (including interest and penalties when applicable), on-line payment will not be mandatory with this proposal. A change to the convenience fee for credit card payments is not recommended.

Communication Methods and Cost

As we convert more accounts to on-line filing, we anticipate enhancing our email communication methods and rapidly reducing the amount of paper interactions coming from our office. With our current paper system, in order to ensure accurate and timely processing, the CBJ Sales Tax Office pre-prints our return forms with specific processing information. Each quarter, this printing process costs us approximately $1,500 - $1,900 in postage and approximately $1,700 in printing and preparation costs for a total annual expense of roughly $13,000. When a merchant files their return through the on-line portal this paper becomes unnecessary and will be an expense we will endeavor to eliminate. As it stands now, many of these pre-printed forms are never submitted to the CBJ for a variety of reasons, but they a costly courtesy reminder system that we hope to replace with regular electronic communication.

Merchant Assistance: In-Office Workstation, Demonstration Video and Printable Job Aides

Sales Tax Office staff are always happy to work with merchants to answer their questions or concerns. To ensure that we are not creating a system that becomes untenable for smaller merchants who lack either the expertise or the resources to pursue on-line filing, we are setting up a workstation within our office to provide an avenue for merchants to file on-line with our assistance. The remaining steps in our overall improvement plan include enhancements to our website already underway. While we are actively examining our options in making the site more user-friendly and convenient, we have begun posting additional documentation to assist in the use of our filing platform. An instructional video for online filing and remittance has been posted on the Sales Tax Office website at https://juneau.org/finance/sales-tax-online-payment. Printable job aides are posted as well.

Presented by: The Manager
Presented: 06/14/2021
Drafted by: R. Palmer III

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2021-29

An Ordinance Amending the Sales Tax Code and the Hotel-Motel Room Tax Code Regarding the Compensatory Collection Discount.

BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

Section 1. Classification. This ordinance is of a general and permanent nature and shall become a part of the City and Borough of Juneau Municipal Code.

Section 2. Amendment of Section. CBJ 69.05.080 Sellers' compensatory collection discount, is amended to read:

65.05.080 Sellers' compensatory collection discount.

All sellers and persons rendering sales tax returns to the City and Borough through the CBJ online portal, including transportation network companies collecting and remitting tax on behalf of transportation network drivers, shall be allowed to compensate themselves for costs incurred in the collection, recordkeeping, remittance, and accounting for the tax imposed by taking the greater of $10.00 or one percent of the tax due as a tax collection discount to reduce the tax to be remitted on any period return that is timely filed through the CBJ online portal with a remittance of all sales tax due, provided, however, that the tax collection discount may reduce the tax to zero but shall not result in a credit. The deduction may not exceed $50.00 for any monthly filing period or $100.00 for any calendar quarter or longer filing period, and may

not be taken if any sales tax, penalty, or interest is due for any previous filing period, or if any submittal method other than the CBJ online portal is used.

Section 3. Amendment of Section. CBJ 69.07.060 Operator's compensatory collection discount, is amended to read:

65.07.060 Operator's compensatory collection discount.

All operators rendering hotel-motel tax returns to the City and Borough through the CBJ online portal shall be allowed to compensate themselves for costs incurred in the collection, recordkeeping, remittance and accounting for the tax imposed by taking the greater of $10.00 or one percent of the tax due as a tax collection discount to reduce the tax to be remitted on any period return that is timely filed through the CBJ online portal with a remittance of all hotel-motel tax due, provided, however, that the tax collection discount may reduce the tax to zero but shall not result in a credit. The deduction may not exceed $50.00 for any monthly filing period or $100.00 for any calendar quarter or longer filing period and may not be taken if any hotel-motel tax, penalty or interest is due for any previous filing period, or if any submittal method other than the CBJ online portal is used.

Section 4. Effective Date. This ordinance shall be effective 30 days after its adoption.

Adopted this _____ day of _____, 2021.

_____
Beth A. Weldon, Mayor

Attest:

_____
Elizabeth J. McEwen, Municipal Clerk

CITY AND BOROUGH OF JUNEAU, ALASKA
Finance Department – Sales Tax Division
155 South Seward Street, Juneau, Alaska 99801
Phone (907) 586-5265 FAX (907) 586-0365

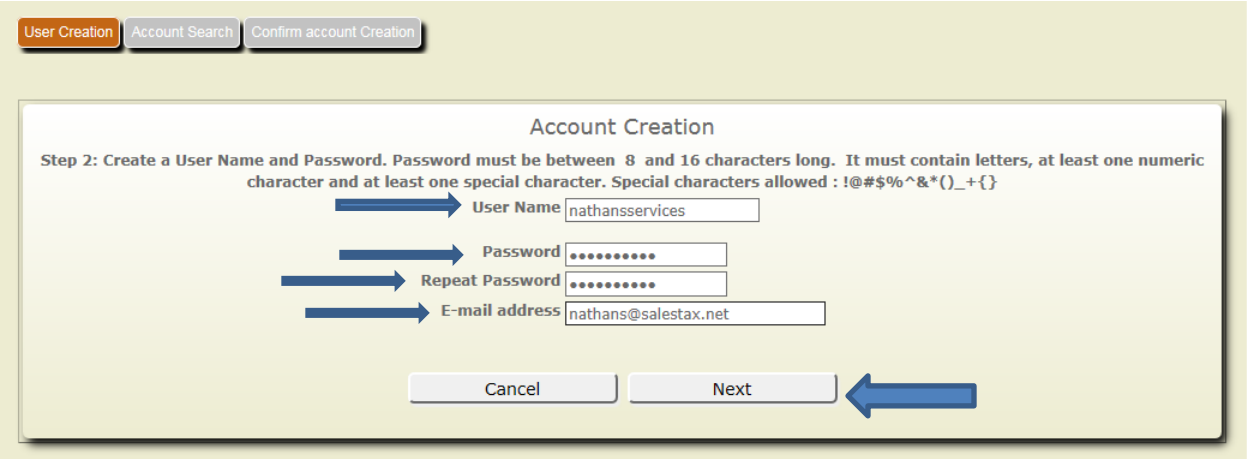
How to set up your online profile as a first-time user

Step 1

- Select the link: ”First-time user? Register Here” under “Log In”

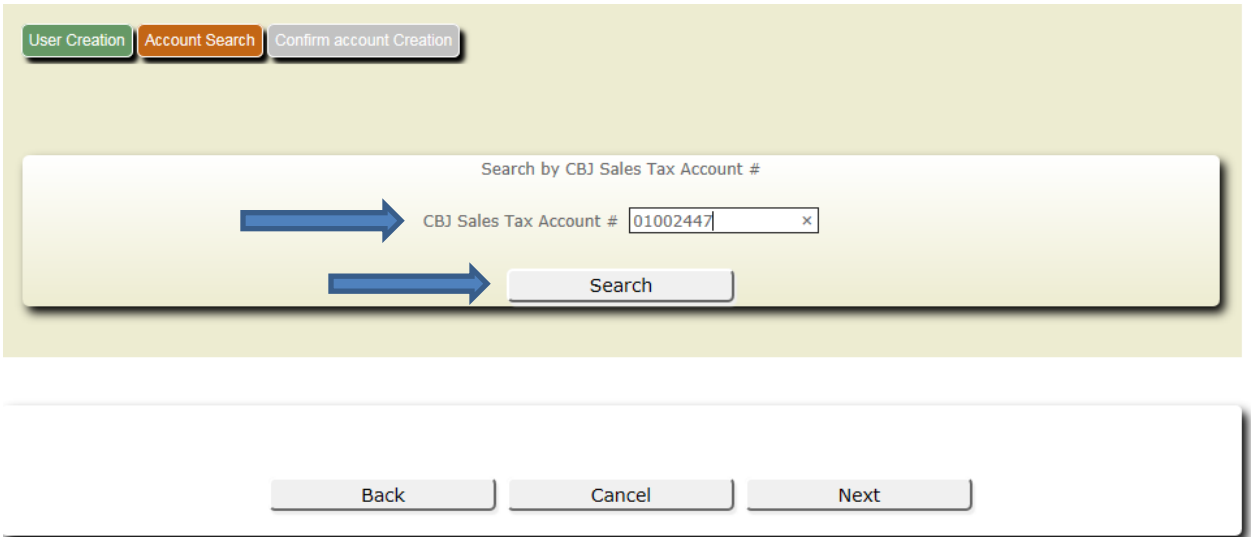
Step 2

- Enter a User Name and Password
- Please note the password parameters listed:
  - Must start with an Alpha character
  - Must contain at least one number
  - Must contain at least one special character
- Enter a valid email address
- Select “Next”



Step 3

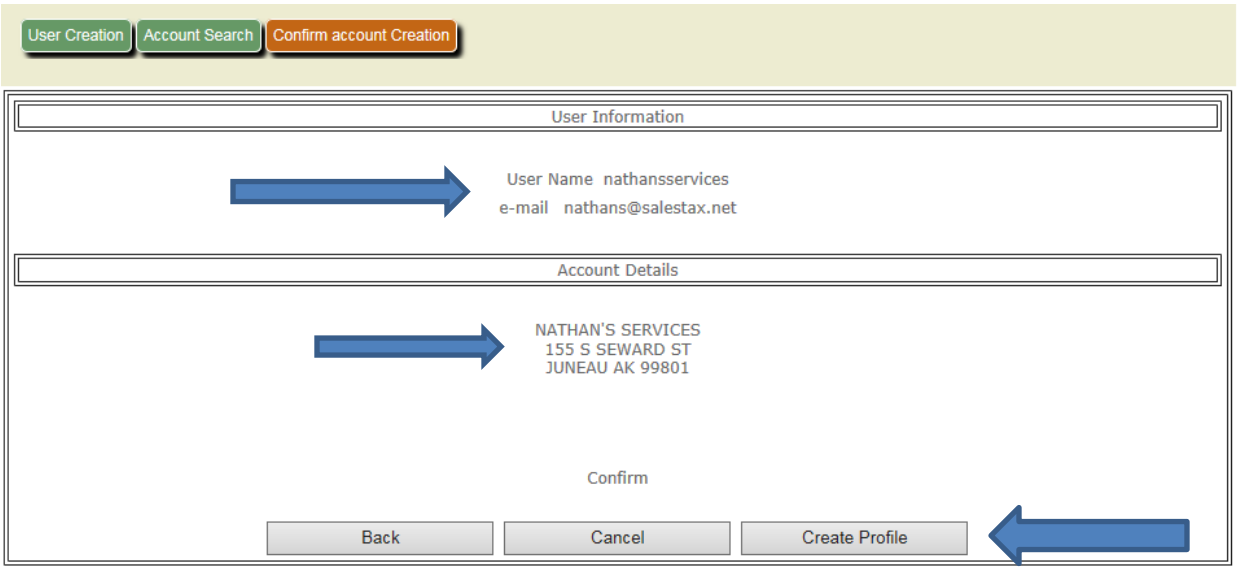
- Search for your CBJ Sales Tax Account by entering your CBJ Sales Tax Account #



- If you do not know your CBJ Sales Tax Account number, please contact the Sales Tax Office at 907-586-5265 for assistance.

Step 4

- Verify you entered the correct CBJ Sales Tax Account #
- If all the information is correct, select “Create Profile”



- If you own multiple businesses, it is possible to link each of your businesses to **one** online profile.
- Contact the Sales Tax Office at 907-586-5265 to have each of your sales tax accounts linked to one online profile.

CITY AND BOROUGH OF JUNEAU, ALASKA
Finance Department – Sales Tax Division
155 South Seward Street, Juneau, Alaska 99801
Phone (907) 586-5265 FAX (907) 586-0365

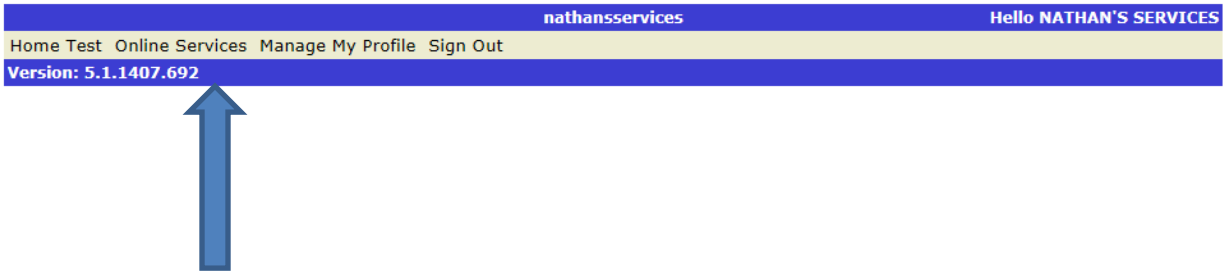
How to eFile a CBJ Sales Tax return

Step 1 – Log in to your profile

- Enter your User Name and Password and select "**Log In**"

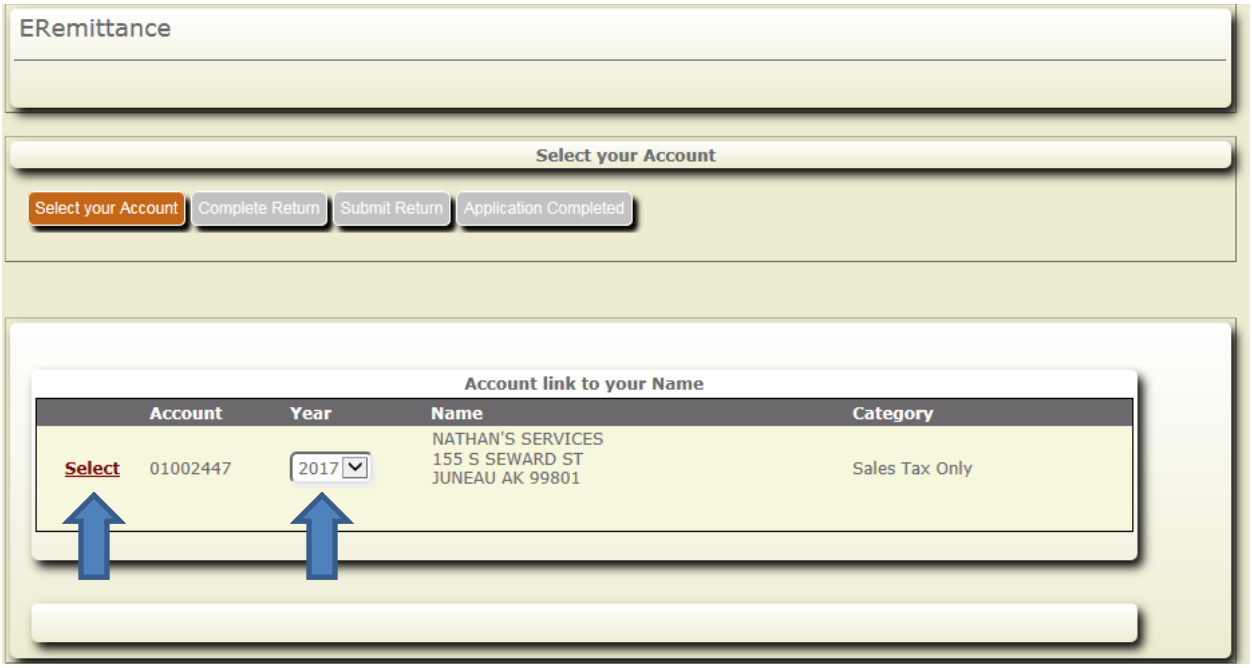
Step 2

- On the menu bar, under "Online Services":
- Select "File my Return"



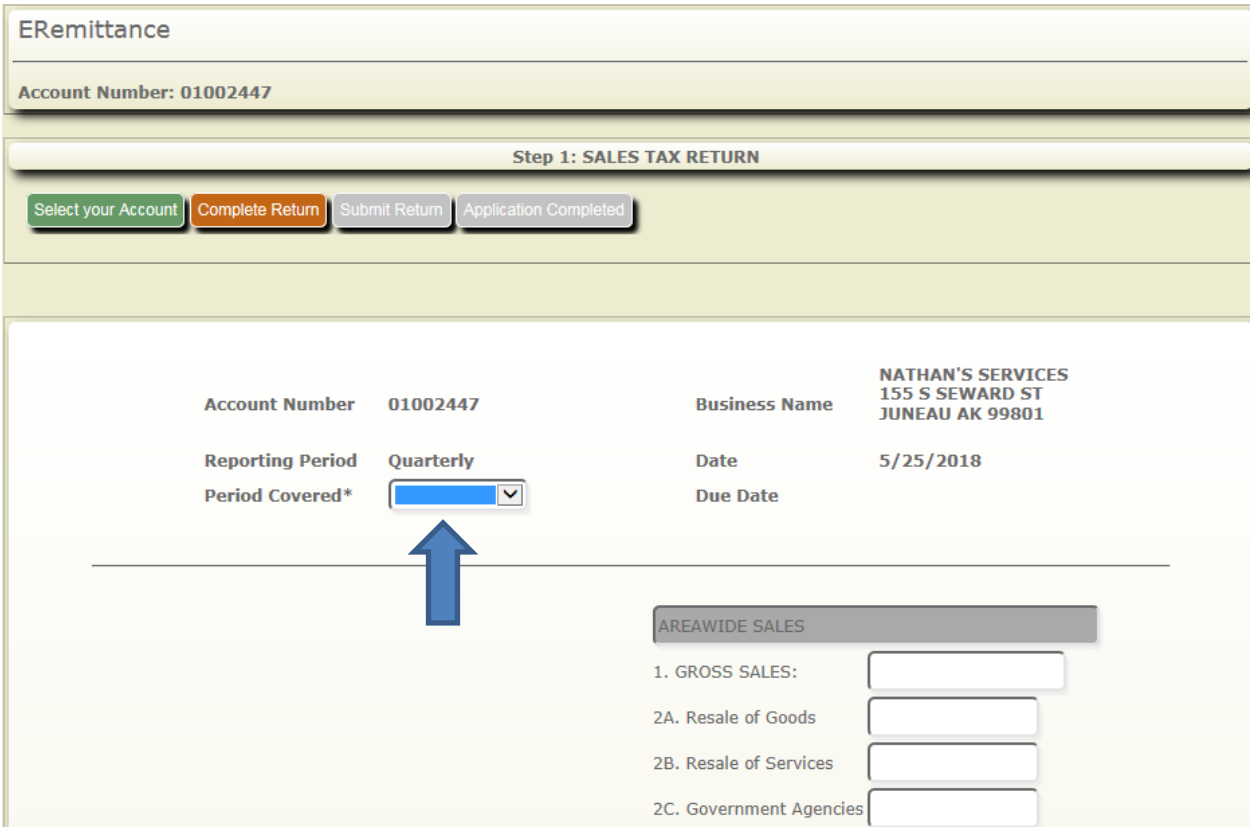
Step 3

- Select the year of the sales tax return you want to file from the drop-down box then click "**Select**"



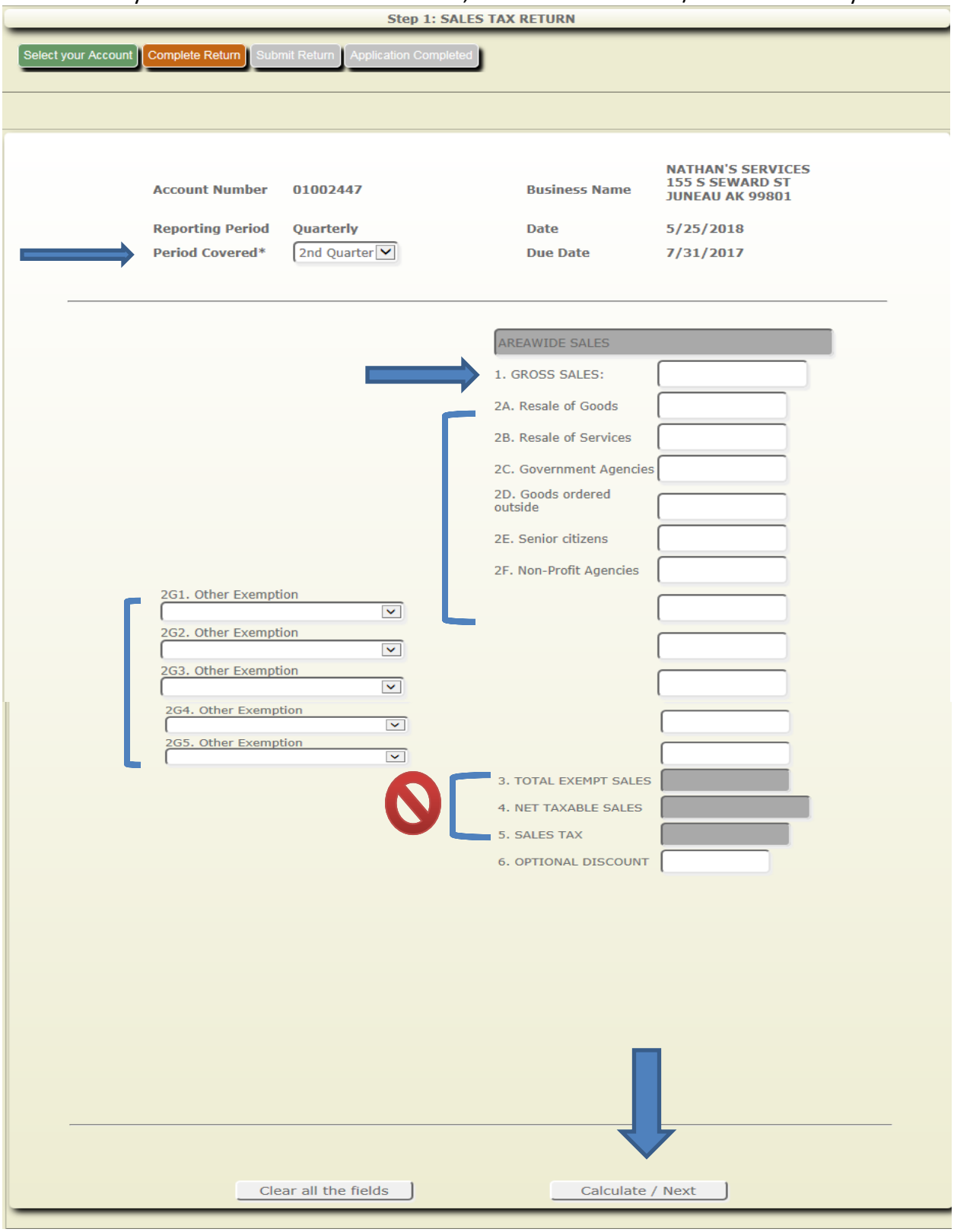
Step 4

- Select the period you are filing from the drop down box
- If the period you want to file is not listed:
    - Verify you selected the correct year on the previous screen
    - Contact the Sales tax office for further assistance



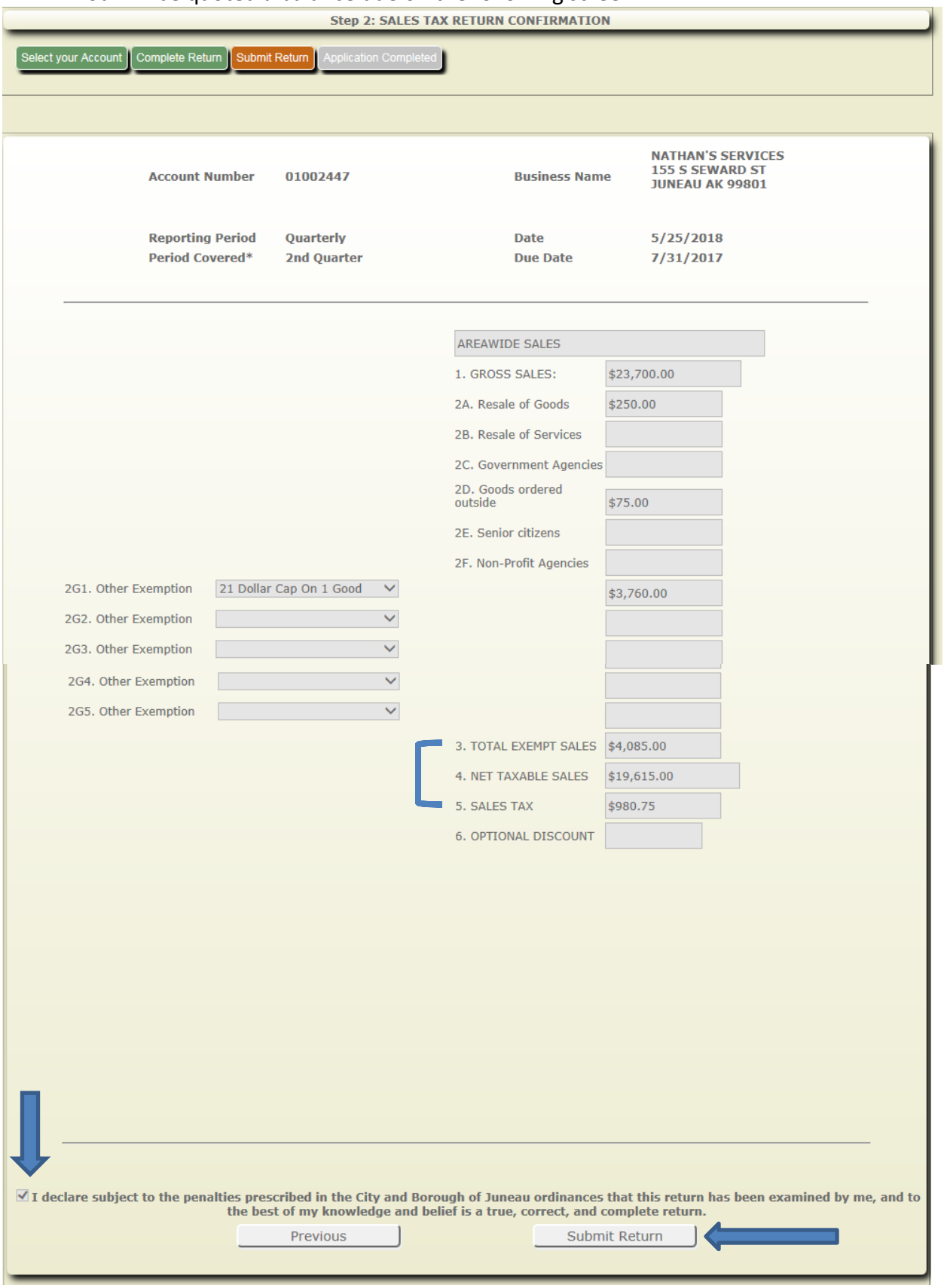
Step 5

- Enter your Gross Sales and any exempt sales on the appropriate lines.
  - Lines 2A – 2F are some of the more common exemption categories
  - For lines 2Q1 – 2G5 "Other Exemptions", please select the appropriate exemption from the list.
  - Lines 3 -5 will calculate in the next step.
  - On Line 6, claim your "Optional Discount".
- Once your numbers have been entered, select the "Calculate / Next" to check your math.



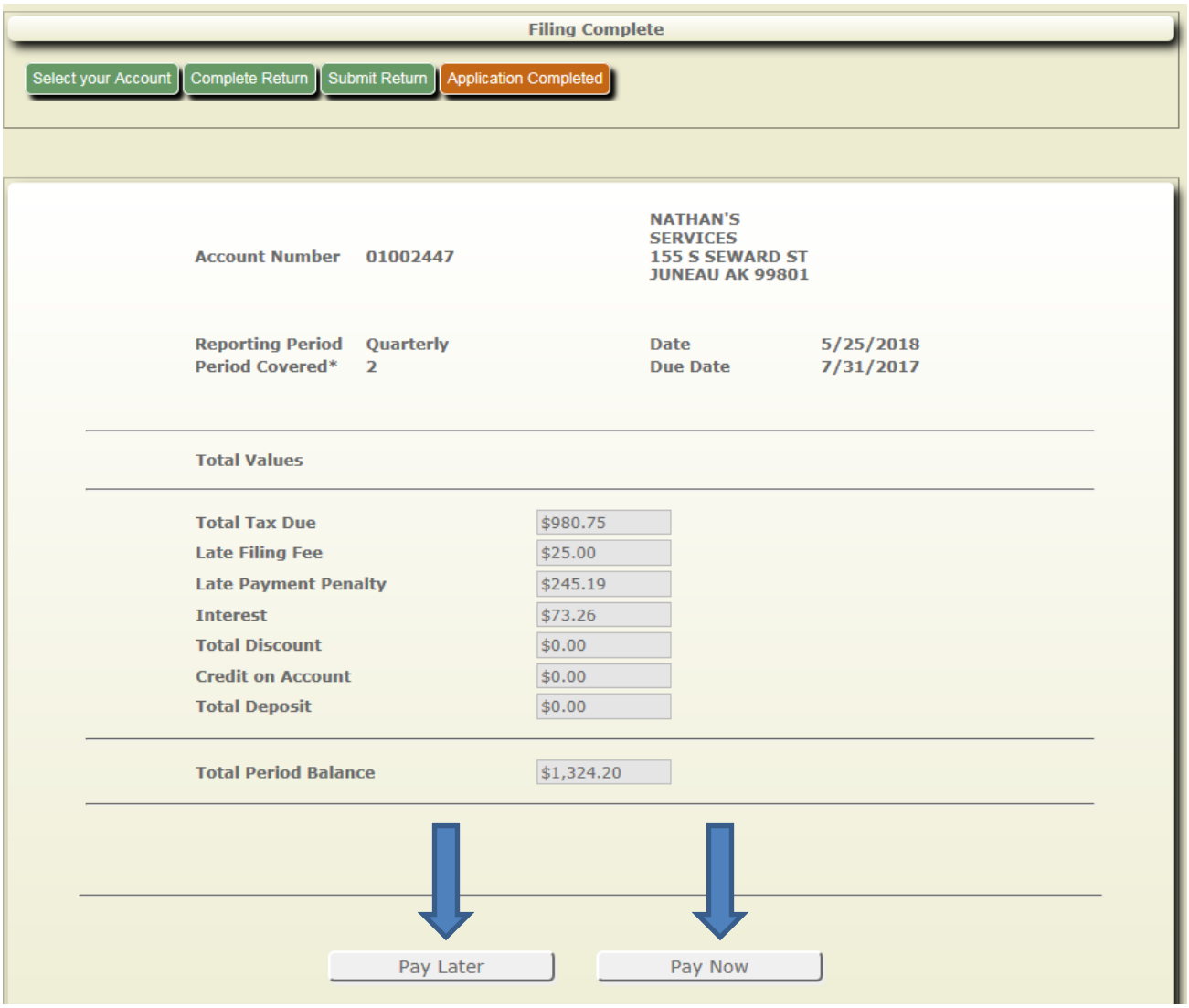
Step 6

- Review the return for accuracy
- Verify that Lines 3-5 match your own calculations
- If all is correct, check the certification box and select "**Submit Return**"
- You will be quoted a balance due on the following screen



Step 7 – Balance Due

- Review the breakdown of your balance due
- You may choose to "Pay Now" or "Pay Later"
    - Select "Pay Later" if you plan on mailing payment
        - If so, we recommend you print this screen as backup & send with payment.
    - Select "Pay Now" if you want to remit payment electronically.
        - Then follow the procedures titled "Making a Payment".

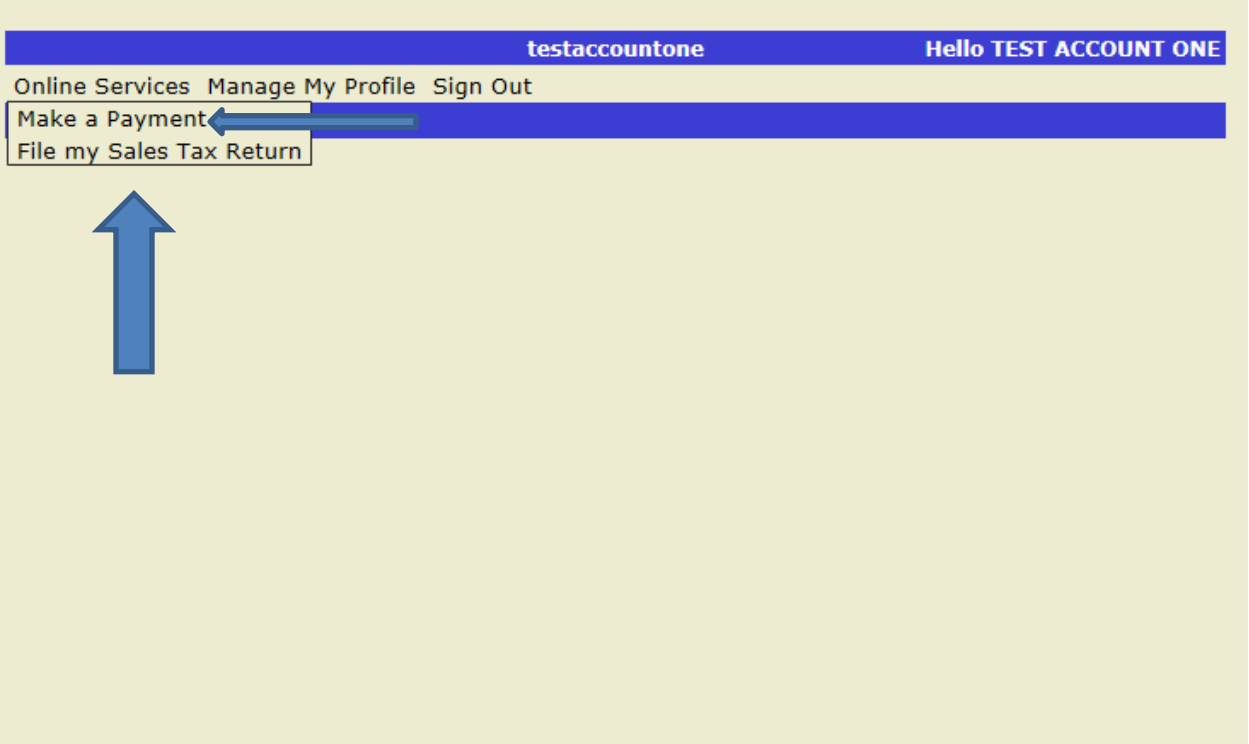


CITY AND BOROUGH OF JUNEAU, ALASKA
Finance Department – Sales Tax Division
155 South Seward Street, Juneau, Alaska 99801
Phone (907) 586-5265 FAX (907) 586-0365

Making a monthly deposit

For Quarterly Filers only

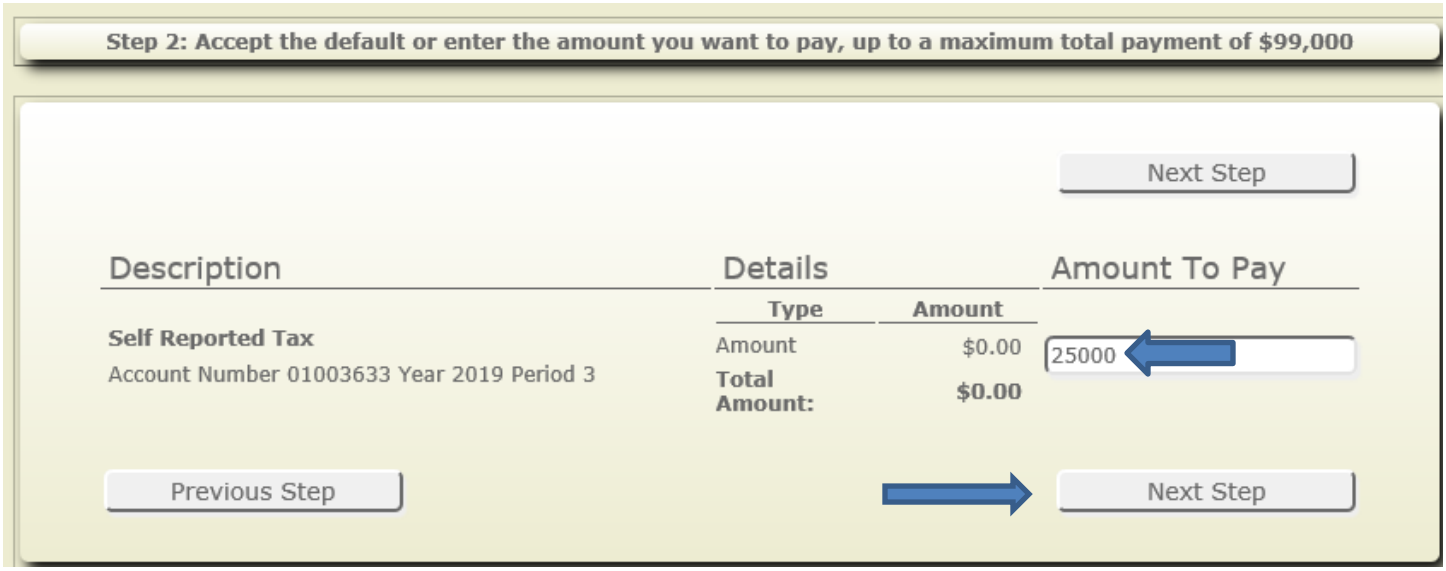
1. After logging into your profile:
   - Go to "Online Services" on the menu bar
   - Select "Make a Payment"



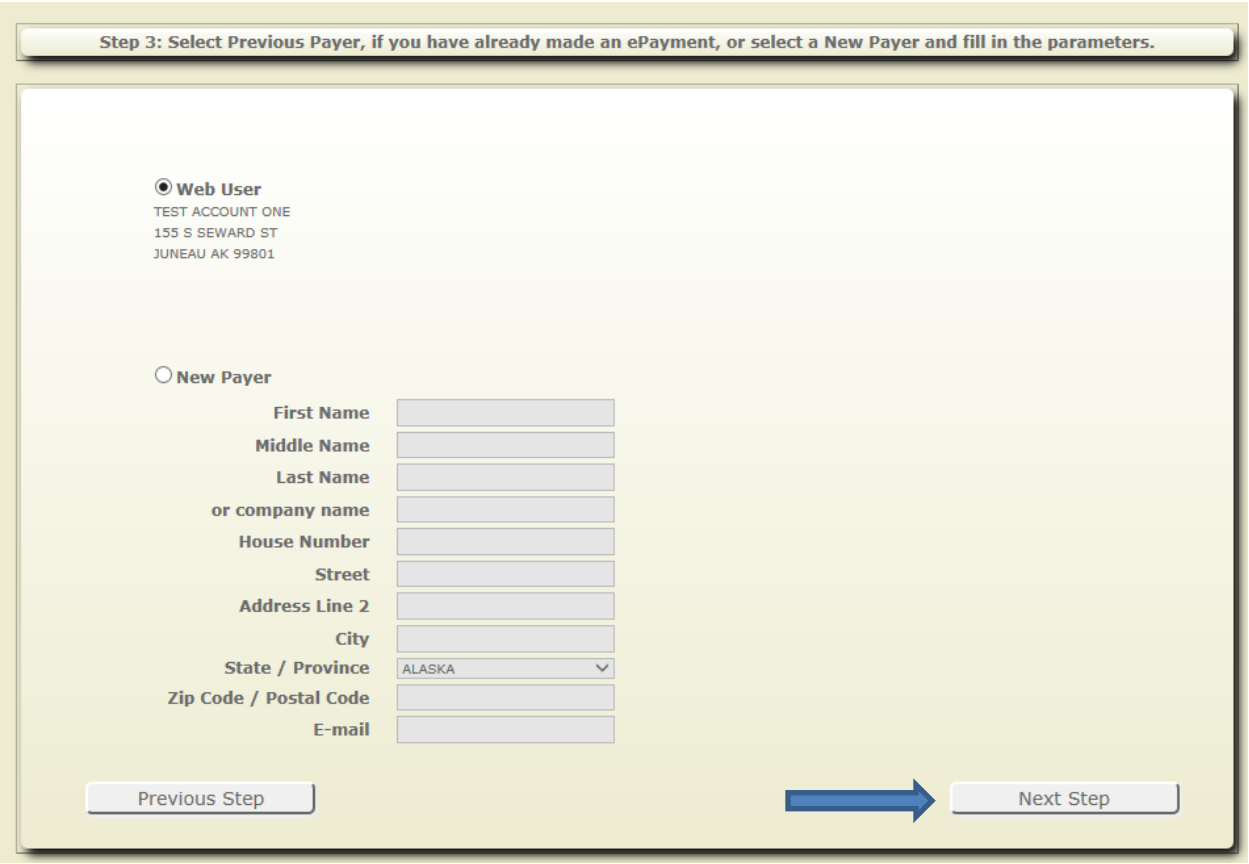
2. Select your CBJ Sales Tax account number (*will be labeled* ST Account ID)
    - Then click on "Next Step"

3. On the "Account Balance" screen, locate the period you want to make a monthly deposit to.
    - Deposits can be made to any period that shows Prepayment is available
    - **Important:** The checkbox for the period must be selected to make a monthly deposit to a period.
    - Once you have selected the check box, select "Next Step" to continue

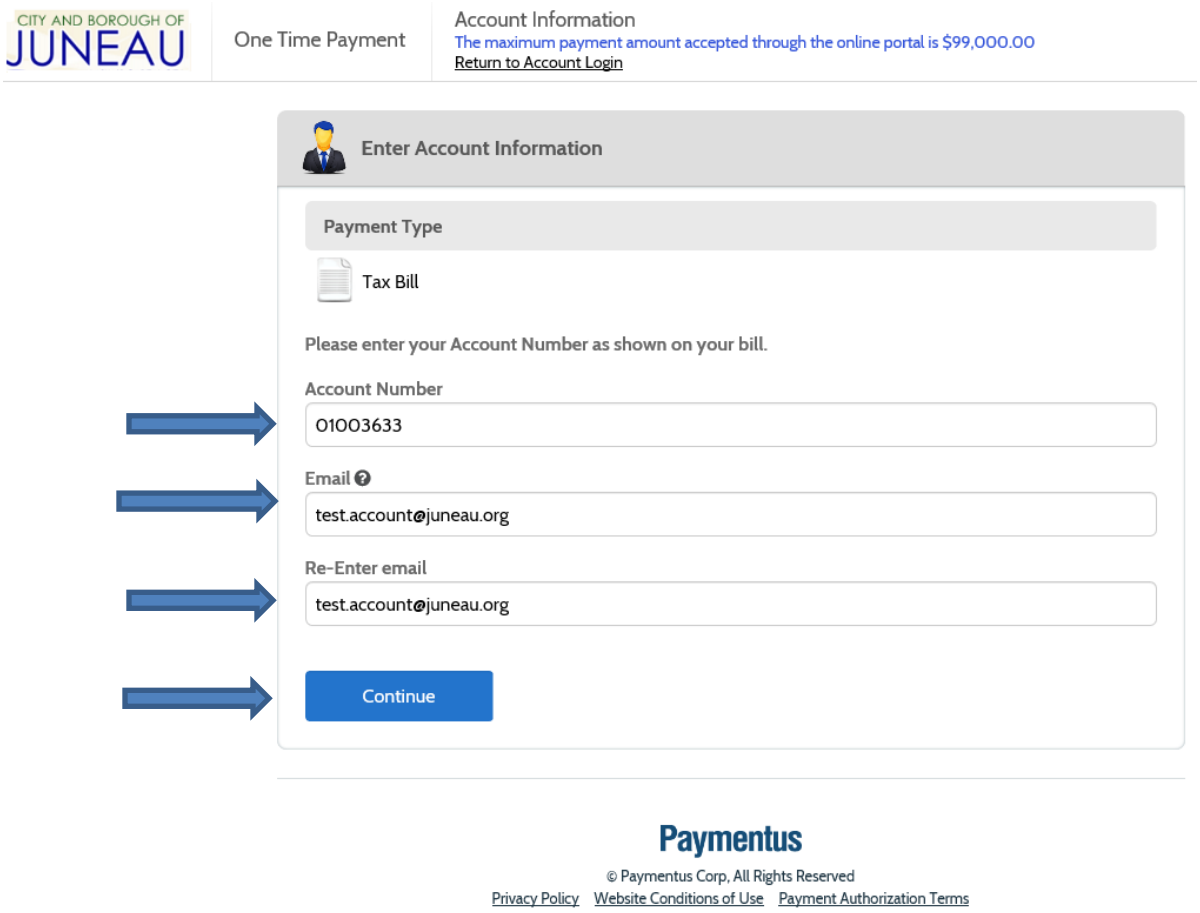
4. On the next screen, enter the amount you want to pay.
    - ****Important**** - There is a maximum transaction limit of $99,000.
    - Payments greater than $99,000 will need to be split into multiple transactions
    - Once you have entered your payment amount, select "Next Step".



5. On the following screen, select or enter the Payer name and billing address
- Select “Next Step”



6. You'll then be taken to Paymentus to make your payment.
    - Verify your CBJ Sales Tax account number is correct.
    - Verify the email address that should be used for your payment confirmation.
    - Make the necessary changes and hit "Continue".



7. Next, enter payment information and select payment method.

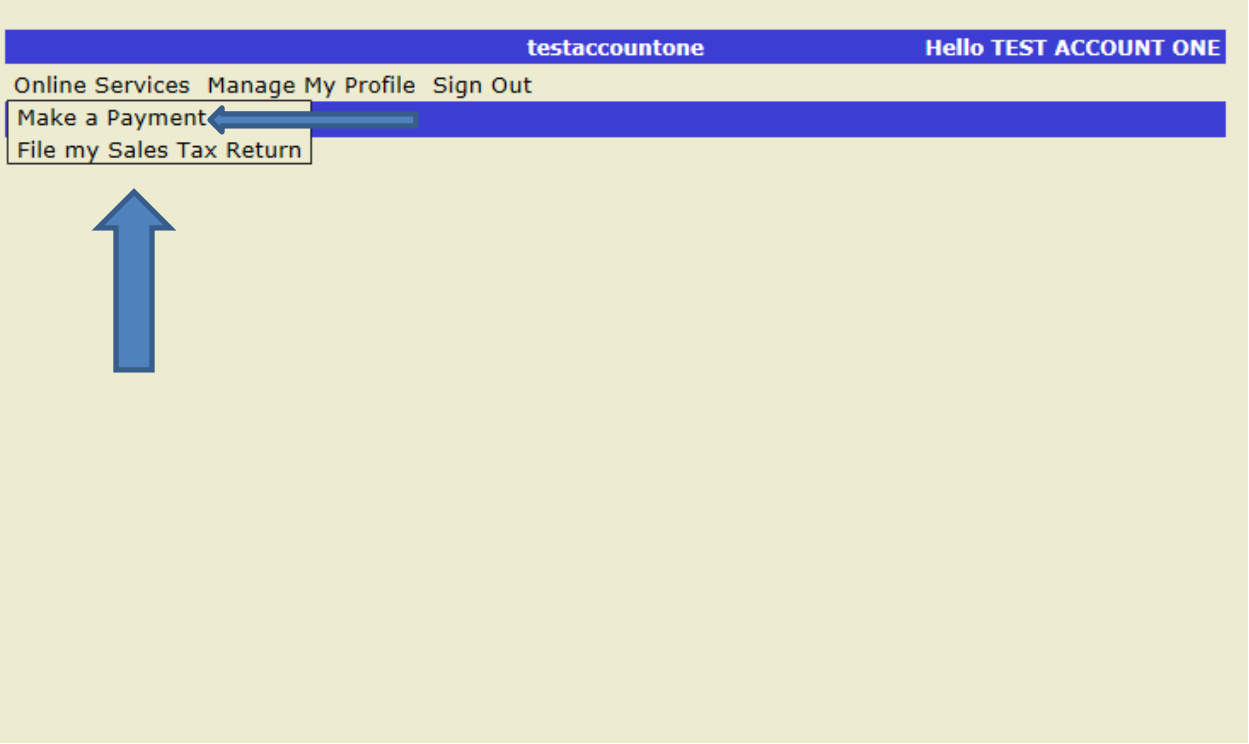
Description of Payment methods

- Credit Card
    - Visa, MasterCard & Discover are accepted.
    - Convenience fee of 2.95% per transaction is charged on credit card payments.
- Debit Card
    - Visa & MasterCard debits cards are accepted.
    - Convenience fee of 2.95% per transaction is charged on debit card payments.
- ACH / eChecks
    - Checking or savings accounts can be used.
    - Convenience fee of $1.00 per transaction is charged on ACH / eCheck payments.
- ****Please note****: There is a $99,000 maximum transaction limit.
    - Payments greater than $99,000 will need to be split into multiple transactions.

CITY AND BOROUGH OF JUNEAU, ALASKA
Finance Department – Sales Tax Division
155 South Seward Street, Juneau, Alaska 99801
Phone (907) 586-5265 FAX (907) 586-0365

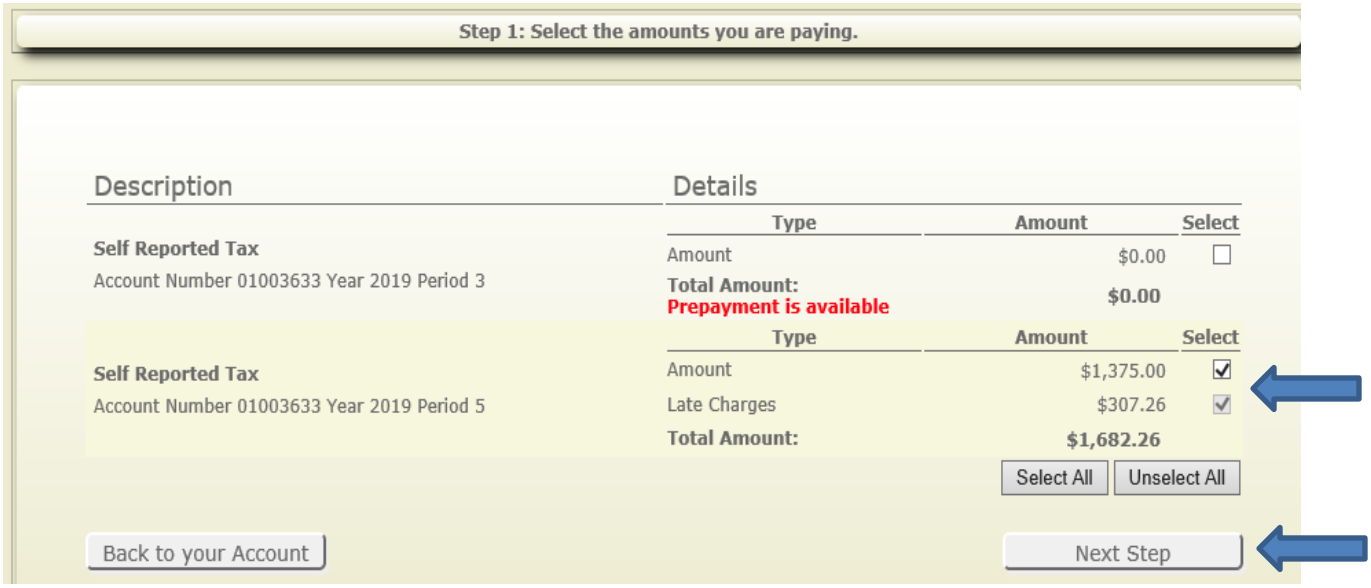
Making a payment against a balance due

1. After logging into your profile:
   - Go to "Online Services" on the menu bar
   - Select "Make a Payment"

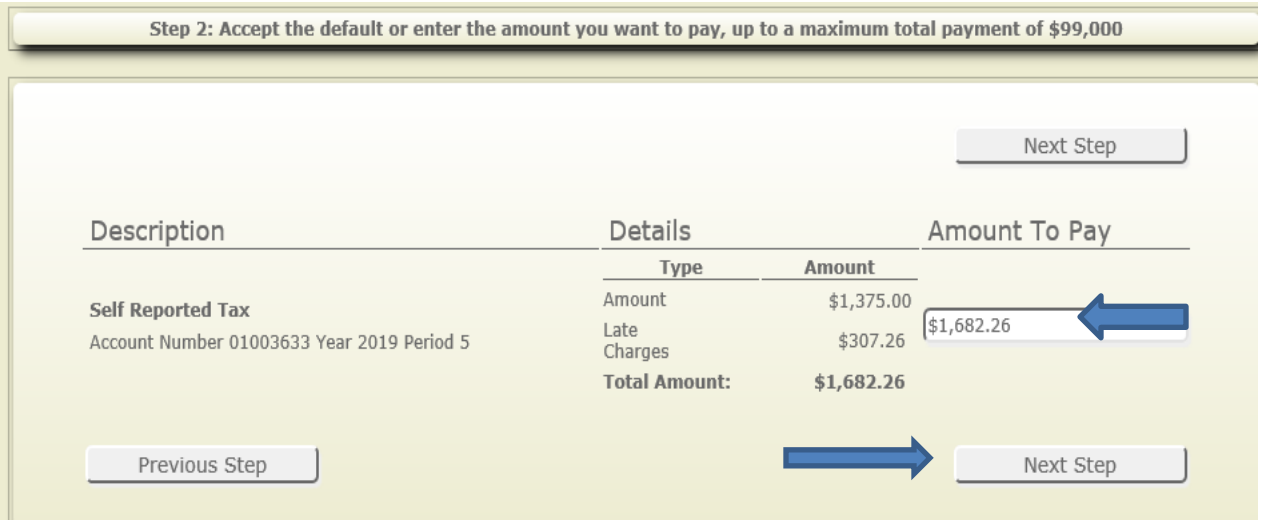


2. Select your CBJ Sales Tax account number (*will be labeled* ST Account ID)
    - Then click on “Next Step”

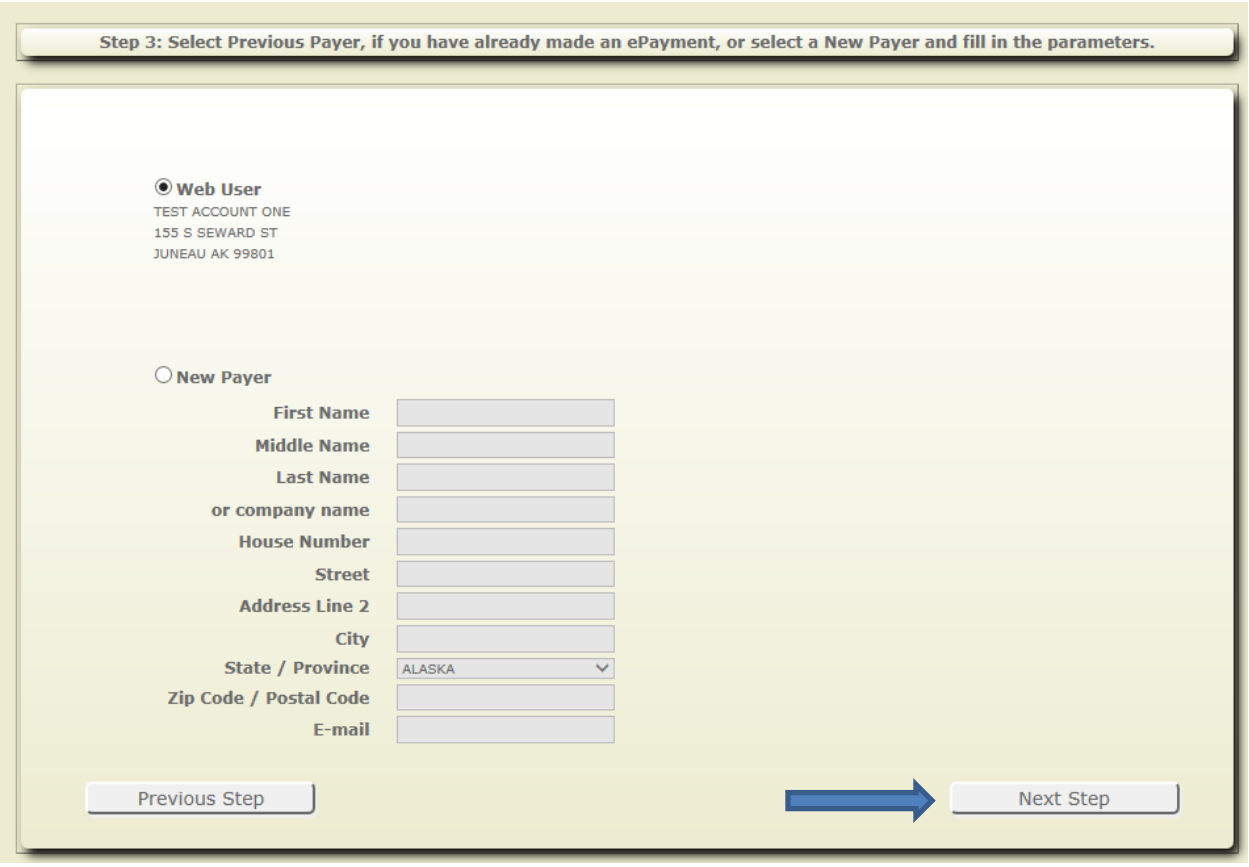
3. On the “Account Balance” screen, locate the period(s) with the balance(s) you want to pay.
    - Partial payments can be made against multiple period balances.
    - The “Amount” represents the balance from the most recent billing statement.
    - The “Late Charges” represent any accrued, but not yet billed penalties and/or interest.
    - **Important:** Each checkbox for the period(s) being paid must be selected to make a payment to that period.
    - Once you have selected all appropriate check boxes, select “Next Step” to continue



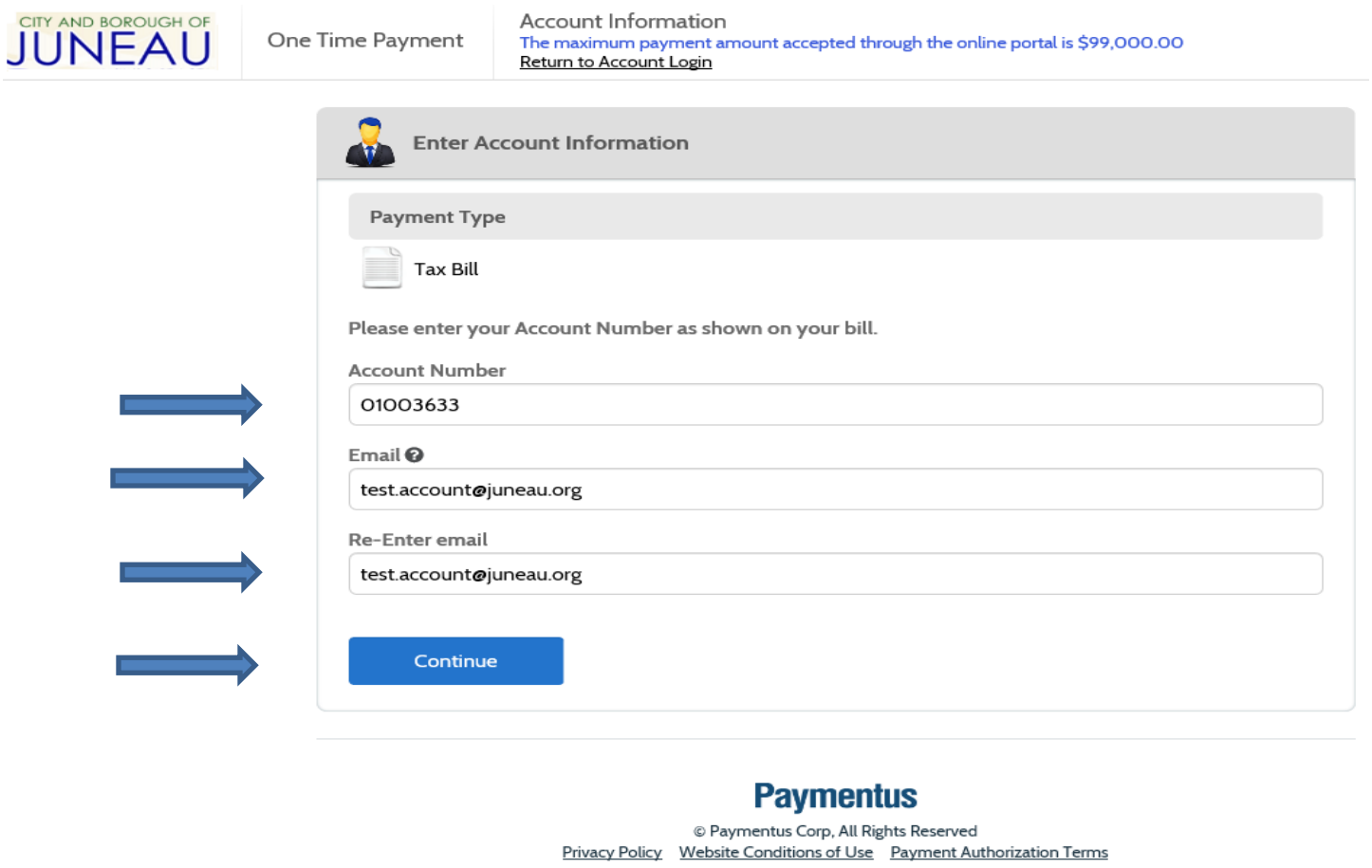
4. On the next screen, enter the amount you want to pay.
    - Partial payments can be submitted against multiple period balances.
    - ****Important**** - There is a maximum transaction limit of $99,000.
    - Payments greater than $99,000 will need to be split into multiple transactions
    - Once you have entered your payment amount, select “Next Step”.



5. On the following screen, select or enter the Payer name and billing address
    - Select “Next Step”



6. You'll then be taken to Paymentus to make your payment.
    - Verify your CBJ Sales Tax account number is correct.
    - Verify the email address that should be used for your payment confirmation.
    - Make the necessary changes and hit "Continue".



7. Next, enter payment information and select payment method.

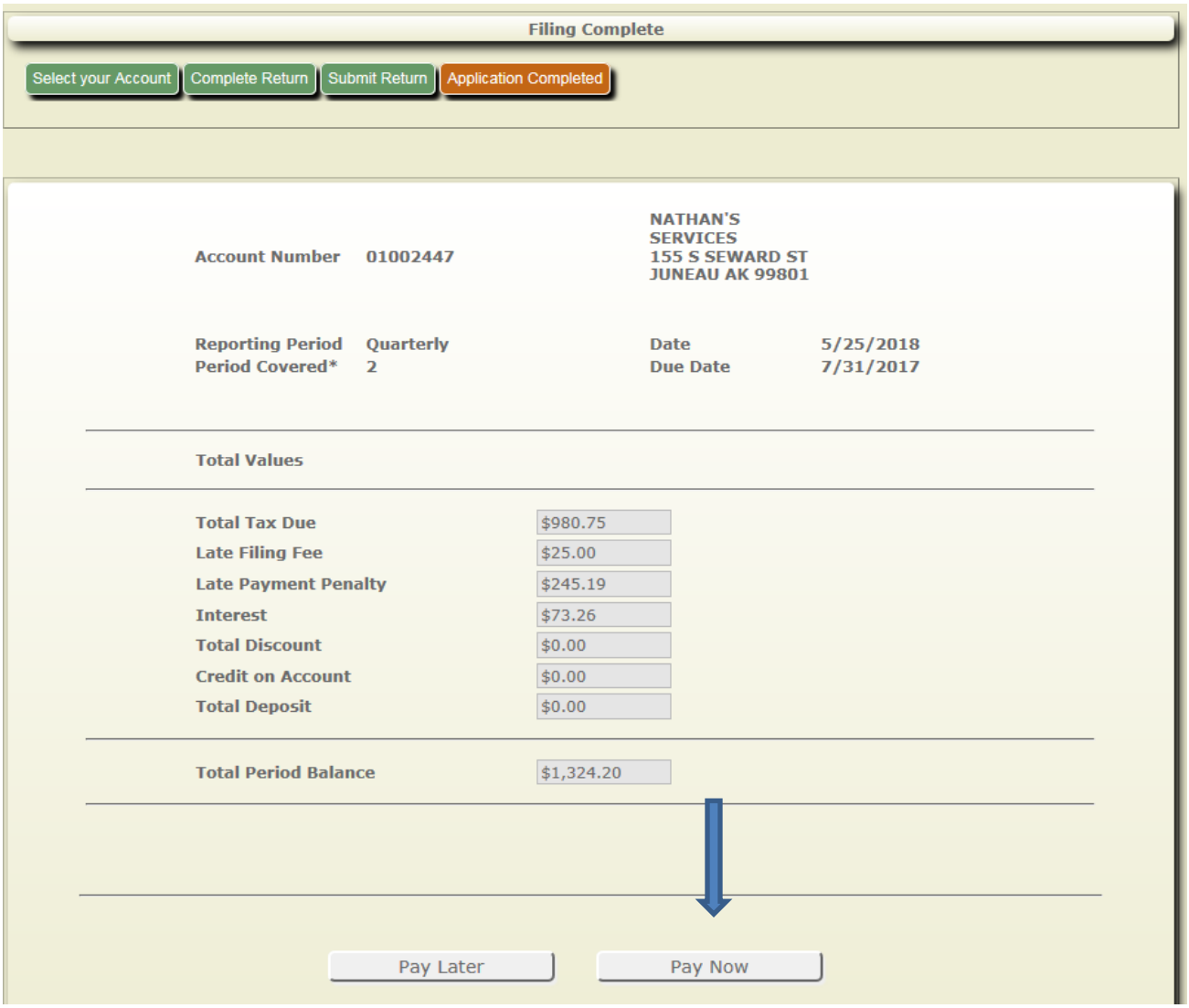
Description of Payment methods

- Credit Card
    - Visa, MasterCard & Discover are accepted.
    - Convenience fee of 2.95% per transaction is charged on credit card payments.
- Debit Card
    - Visa & MasterCard debits cards are accepted.
    - Convenience fee of 2.95% per transaction is charged on debit card payments.
- ACH / eChecks
    - Checking or savings accounts can be used.
    - Convenience fee of $1.00 per transaction is charged on ACH / eCheck payments.
- ****Please note****: There is a $99,000 maximum transaction limit.
    - Payments greater than $99,000 will need to be split into multiple transactions.

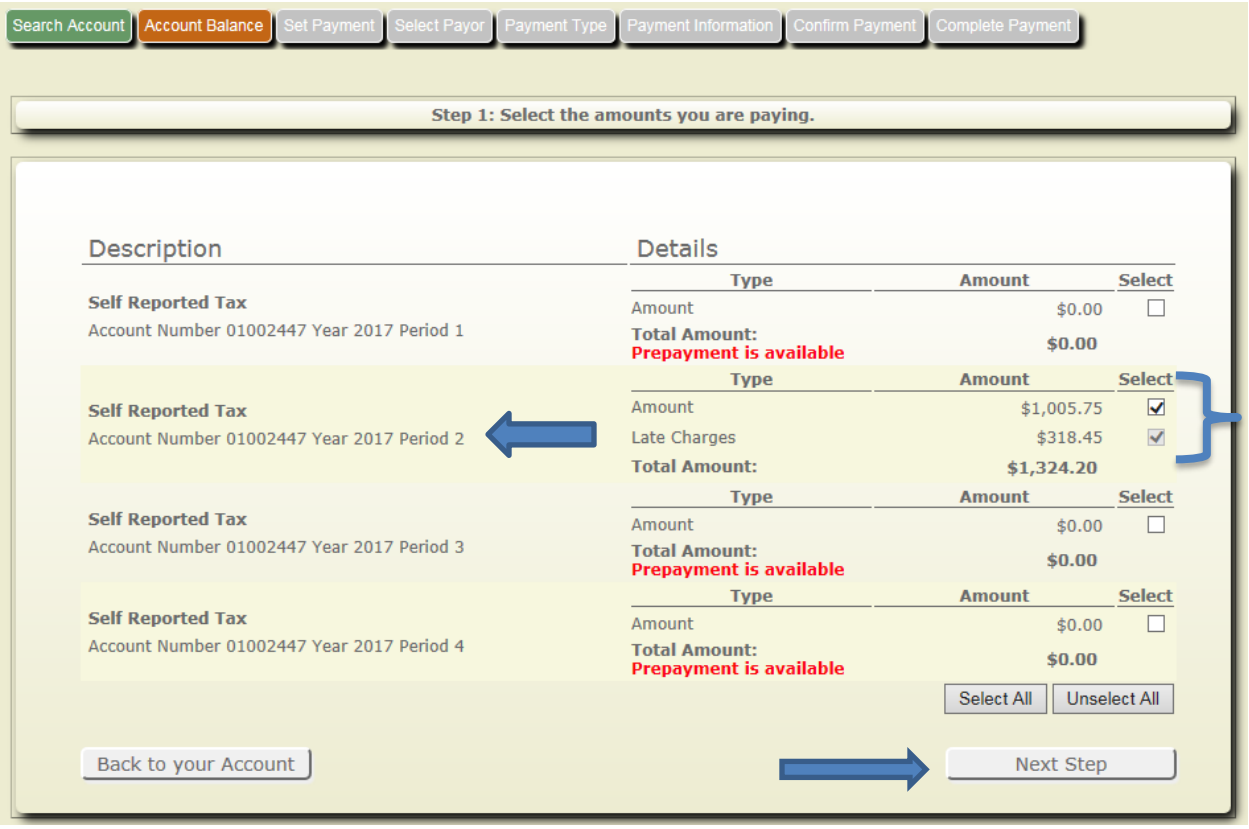
CITY AND BOROUGH OF JUNEAU, ALASKA
Finance Department – Sales Tax Division
155 South Seward Street, Juneau, Alaska 99801
Phone (907) 586-5265 FAX (907) 586-0365

Making a payment with filing a return

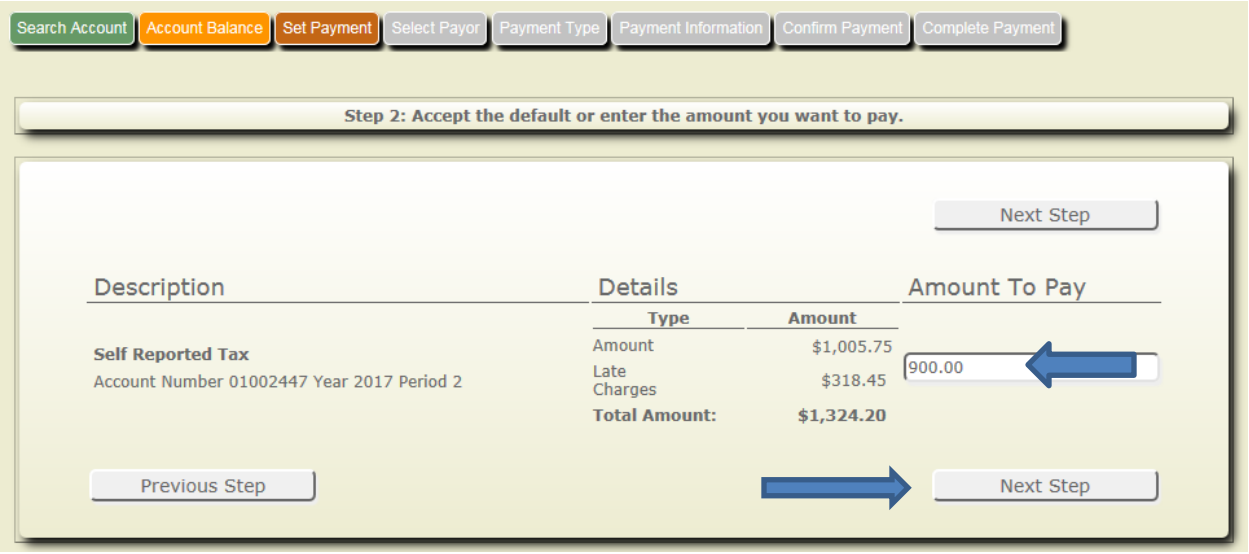
1. Once you have submitted your return, from the "Balance Summary" screen, select "Pay Now".



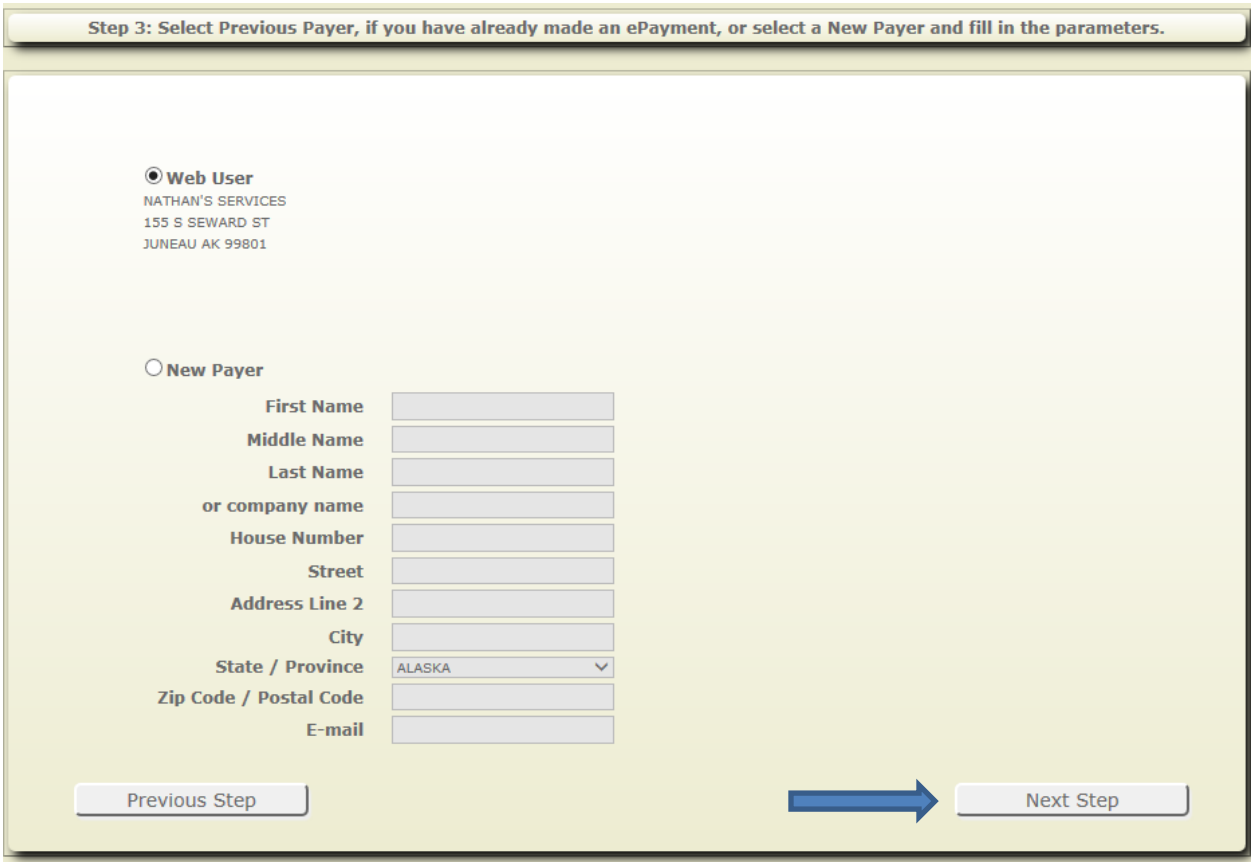
2. On the “Account Balance” screen, locate the balance you want to pay.
3. **Important:** All checkboxes for a period must be selected to make a payment to a period balance.
4. Once both checkboxes are checked, select “Next Step” to continue



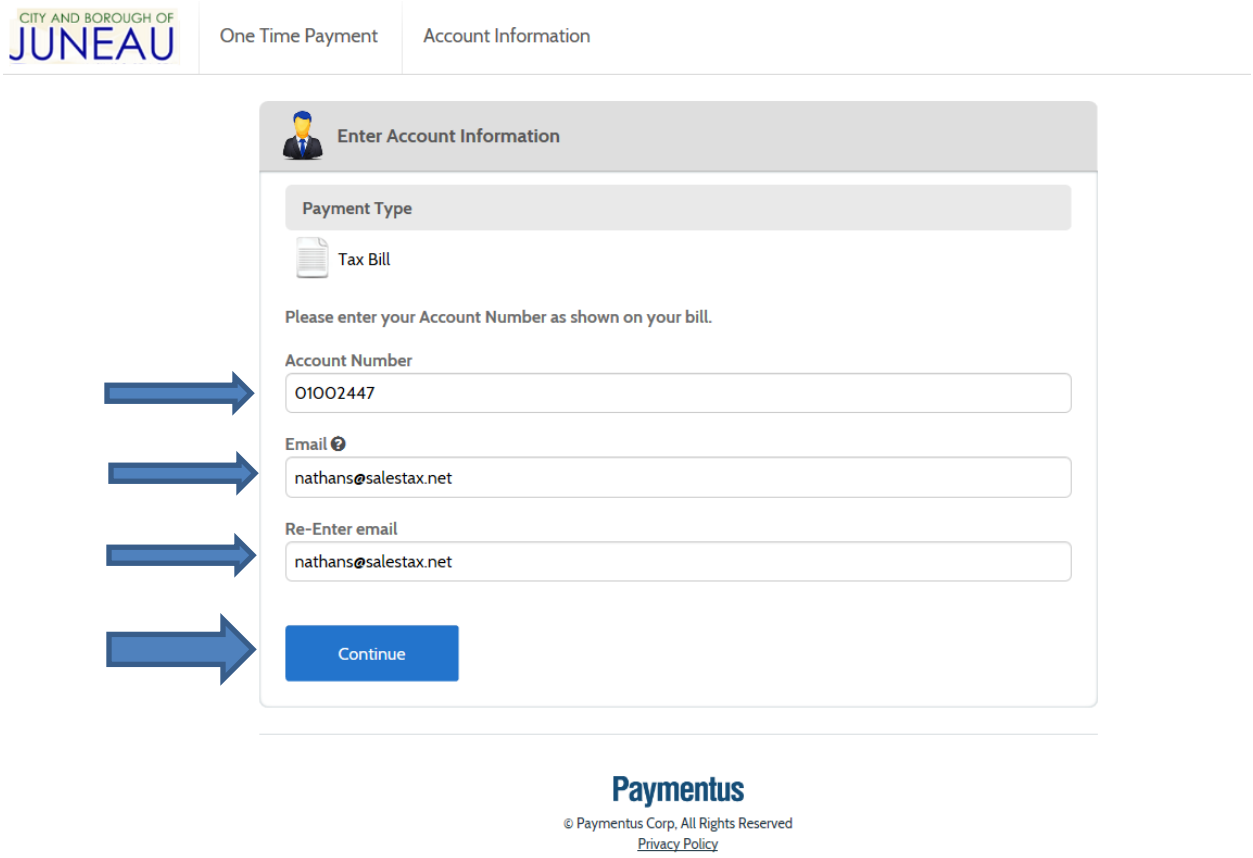
5. On the next screen, enter the amount you want to pay.
6. ****Important**** - There is a maximum transaction limit of $99,000.
    - Payments greater than $99,000 will need to be split into multiple transactions
7. The default is the full balance for that period, but you can submit a partial payment.
8. Once you have entered your payment amount, select “Next Step”.



9. On the following screen, select or enter the Payer name and billing address
10. Select “Next Step”



11. You'll then be taken to Paymentus to make your payment.
12. Verify your CBJ Sales Tax account number is correct.
13. Verify the email address that should be used for your payment confirmation.
14. Make the necessary changes and hit "Continue".



15. Next, enter payment information and select payment method

Description of Payment methods

- Credit Card
  - Visa, MasterCard & Discover are accepted.
  - Convenience fee of 2.95% per transaction is charged on credit card payments.
- Debit Card
  - Visa & MasterCard debits cards are accepted.
  - Convenience fee of 2.95% per transaction is charged on debit card payments.
- ACH / eChecks
  - Checking or savings accounts can be used.
  - Convenience fee of $1.00 per transaction is charged on ACH / eCheck payments.
- ****Please note****: There is a $99,000 maximum transaction limit.
  - Payments greater than $99,000 will need to be split into multiple transactions.

MEMORANDUM

DATE: August 13, 2021

TO: Assembly Finance Committee

FROM: Jeff Rogers, Finance Director

155 Municipal Way
Juneau, AK 99801
Phone: (907) 586-5215
Fax: (907) 586-0358

SUBJECT: **Ordinance to Exempt Services Delivered Outside the Borough from Sales Tax**

At the June 2, 2021 Assembly Finance Committee meeting, a staff memo recommended a change to the taxation of sales on services delivered outside the borough to bring CBJ's code into alignment with the Uniform Alaska Remote Sellers Sales Tax Code (the Uniform Code). This meeting followed a discussion of changes to the Uniform Code at the Assembly Finance Committee on February 3, 2021, and the staff cover memo indicated that changes to CBJ's local code would also be needed.

The committee endorsed the recommendation in the memo and directed staff to introduce such an ordinance and set it for public hearing. Hence, Ordinance 2021-30 was introduced on August 2, 2021 and is set for public hearing on August 23, 2021. This ordinance does four primary things:

1. Defines "point of delivery" to clarify that the point of delivery for products or services delivered electronically is the billing address of the purchaser.
2. Defines "receive" to clarify that temporary possession of goods by a carrier does not constitute receipt of goods for the purpose of determining taxability.
3. Amends CBJ 69.05.020 *Imposition of Rate* to clarify that the taxation of services is determined where the service is received.
4. Amends CBJ 69.05.040 *Exemptions* to expand the current "out of borough exemption" to additionally exempt services performed inside the borough but delivered outside of the borough.

This ordinance is set for public hearing on August 23, 2021 and no action is necessary unless the Assembly Finance Committee has further concerns or requests for changes.

Presented by: The Manager
Presented: 08/02/2021
Drafted by: R. Palmer III

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2021-30

An Ordinance Amending the Sales Tax Code Regarding the Taxability of Services.

BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

Section 1. Classification. This ordinance is of a general and permanent nature and shall become a part of the City and Borough of Juneau Municipal Code.

Section 2. Amendment of Section. CBJ 69.05.010 Definitions, is amended to include the following:

CBJ 69.05.010 Definitions.

…

Point of Delivery means the location at which the property or a product is delivered or service performed. For products and services delivered or transferred electronically, point of delivery is the billing address of the buyer or consumer.

…

Receive means, for the purposes of point of delivery under CBJ 69.05.020:

(1) Taking possession of personal property or goods;

(2) Making first use of services;

(3) Taking possession or making first use of digital goods, whichever comes first.

The term "receive" does not include temporary possession by a shipping company on behalf of the buyer or consumer.

Section 3. Amendment of Section. CBJ 69.05.020 Imposition of rate, is amended to read:

CBJ 69.05.020 Imposition of rate.

…

(b) If parts of a sale, service or rental, or a combination thereof, occur both inside and outside the City and Borough, or occur over a period of time during which two different tax rates apply, the tax shall be the highest rate applicable to any part of the sales, service or rental and shall be applied to the price of the entire transaction; provided, if the invoice of the transaction separates and prices the various parts of the transaction in accordance with the location of the parts of the transaction, or the time of the transaction, the different sales tax rates applicable to the separate parts of the transaction shall be applied, but only if each such part of the transaction is a sale, service or rental which may be made and is regularly offered on a separate basis by the seller. The taxability of a sale of goods is determined by the point of delivery of the tangible personal property. The taxability of a service is determined by the location where the service performed is received. The taxability of a ~~service performed or~~ rental made is determined by the place where the ~~service is performed or~~ rental property is located.

…

Section 4. Amendment of Section. Chapter 69.05.040 Exemptions, is amended to read:

CBJ 69.05.040 Exemptions.

…

(3) Sales of goods and/or the performance of services and associated shipping and handling charges resulting from orders received from outside the City and Borough where goods and/or services are received by the buyer outside the City and Borough after seller ships the goods and/or delivers the service by mail, electronic transfer, or common carrier. Shipment and/or delivery outside the City and Borough must be verified by postal or shipping documents. If the shipment and/or delivery is by electronic means, shipment and/or delivery must be verified by the buyer's "billed to" address. Common carrier means a commercial enterprise that holds itself out to the public as offering to transport freight for a fee without refusal.

…

Section 5. Effective Date. This ordinance shall be effective 30 days after its adoption.

Adopted this _____ day of _____, 2021.

_____
Beth A. Weldon, Mayor

Attest:

_____
Elizabeth J. McEwen, Municipal Clerk

Presented by: Weldon, Hale, Triem
Presented: 8/16/2021
Drafted by: R. Palmer III

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2021-37

An Ordinance Authorizing Property Taxes to be Paid in Two Installments for 2021.

WHEREAS, A.S. 29.45.170 and CBJC 15.05.120 require taxpayers to receive an assessment notice that includes dates when the Board of Equalization will sit; and

WHEREAS, the Board of Equalization is supposed to conduct the valuation appeal hearings prior to June 1, so the final assessment roll can be certified by June 1 (CBJC 15.05.230 and A.S. 29.45.210), which can be supplemented for any appeal not heard by May 29 (CBJC 15.05.235 and A.S. 29.45.220); and

WHEREAS, the Board of Equalization conducted its first set of hearings on July 29, 2021, and its second set of hearings are scheduled for August 25, 2021; and

WHEREAS, due to the volume of commercial property tax appeals, the Board of Equalization is diligently scheduling approximately 20 more hearings between August 26 and December 9, 2021; and

WHEREAS, CBJ code currently requires property taxes to be paid on or before September 30 and imposes penalties and interest for delinquent payments (CBJC 69.10.070 and CBJC 69.10.080); and

WHEREAS, taxpayers that have filed appeals with the Board of Equalization may not have had their valuation appeal decided prior to September 30, which forces the taxpayer to pay the assessed taxes despite the appeal and exposes the CBJ to monetary risk of 8% interest plus costs for any excessive assessments (A.S. 29.45.500 and CBJC 69.10.090(c)); and

WHEREAS, the community and especially the businesses dependent on tourism are still recovering from the impacts of COVID-19 and could benefit from paying property taxes in two installments; and

WHEREAS, taxpayers that can pay the full amount of taxes owed are encouraged to do so by September 30, including those with automatic mortgage service payments and those who signed up for direct debit ACH process; and

WHEREAS, A.S. 29.45.250 provides if a tax payer that is given the right to pay the tax in two installments, then the penalty and interest on an unpaid installment accrues from the date the installment comes due; and

WHEREAS, upon balancing the upcoming September 30 tax deadline, the delays in the Board of Equalization schedule, taxpayers that are still recovering from the impacts of COVID-19, and the significant need for the majority of property taxes to be paid by September 30, the Assembly concludes that taxpayers should be allowed to pay the 2021 taxes in two installments.

THEREFORE BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

Section 1. Classification. This ordinance is a noncode ordinance.

Section 2. 2021 Property Tax Installments.

(a) Despite CBJC 69.10.070 or 69.10.080 or any other CBJ code, all taxes levied in accordance with chapter 69.10 and title 15 of CBJ code shall be due and payable as follows:

(1) 80% of the taxes levied shall be due and payable on or before September 30, 2021; and

(2) The remaining 20% of taxes levied shall be due and payable on or before December 31, 2021.

(b) Automated tax payments prearranged with the CBJ prior to Ordinance 2021-37 shall be processed as previously scheduled unless the taxpayer provides written notice to the CBJ by noon on September 23, 2021.

(c) When 80% of the general tax provided in this chapter is not paid on or before the due date of September 30, 2021, the tax shall become delinquent and penalty and interest shall accrue as follows:

(1) On October 1, 2021, a penalty of five percent of the tax due shall be added to all delinquent tax.

(2) On March 1, 2022, an additional penalty of ten percent of the tax due, for a total penalty of 15 percent of the tax due, shall be added to all delinquent tax.

(3) Interest at the rate of 15 percent a year shall accrue upon all unpaid taxes, not including penalty, from the due date until paid in full as provided by state law.

(d) When the remaining 20% of the general tax provided in this chapter is not paid on or before the due date of December 31, 2021, the tax shall become delinquent and penalty and interest shall accrue as follows:

(1) On January 1, 2022, a penalty of five percent of the tax due shall be added to all delinquent tax.

(2) On March 1, 2022, an additional penalty of ten percent of the tax due, for a total penalty of 15 percent of the tax due, shall be added to all delinquent tax.

(3) Interest at the rate of 15 percent a year shall accrue upon all unpaid taxes, not including penalty, from the due date until paid in full as provided by state law.

Section 3. Effective Date. This ordinance shall be effective 30 days after its adoption.

Adopted this _____ day of _____, 2021.

_____
Beth A. Weldon, Mayor

Attest:

_____
Elizabeth J. McEwen, Municipal Clerk

MEMORANDUM

DATE: August 13, 2021

TO: Assembly Finance Committee

FROM: Jeff Rogers, Finance Director

155 Municipal Way
Juneau, AK 99801
Phone: (907) 586-5215
Fax: (907) 586-0358

SUBJECT: **Authority for Reimbursement of Expenditures with Bond Proceeds**

The Bartlett Regional Hospital (BRH) Board voted affirmatively on July 27th to seek $15 million bond debt financing for its Crisis Stabilization Center and its Emergency Room Remodel and Expansion. The Finance Department is in the process of working with BRH on suitable bond financing options. This would be a revenue bond that must be authorized by the Assembly, but it would not require approval of Juneau voters.

The Crisis Stabilization Center is already underway: design is complete, construction bids have been awarded and ground work began about six weeks ago. This creates a timing issue for the hospital because tax-exempt bond debt financing cannot generally be used for expenditures already incurred.

Under IRS rules, municipalities may only seek tax-exempt financing for capital projects that are determined to be tax-exempt. When expenditures have already been incurred, the IRS views that as a "reimbursement" to the municipality, and such reimbursements are not eligible for tax-exempt financing.

However, the IRS does allow municipalities to preemptively certify that tax-exempt project expenditures may be reimbursed by tax-exempt bonds in the future—but this certification must occur *before* those project expenditures are incurred. In practice, this takes the form of an "Intent Certificate." The IRS allows municipalities to trigger this preemptive eligibility for bond financing in one of two ways—a project-specific Resolution, or a Resolution delegating such authority for certification to municipal staff.

Resolution 2963 delegates to the City Manager and the Finance Director the authority to preemptively certify that tax-exempt project expenditures *may* be reimbursed in the future with tax-exempt bond proceeds. This preemptive certification *does not* require that those expenses are reimbursed with bond proceeds, or that the municipality sell bonds at all. In fact, this certification doesn't require that the municipality do anything; it simply allows those expenditures to be eligible for reimbursement from tax-exempt bond proceeds.

This likely feels like a complicated concept, but it is very limited in its scope. Here are the salient points:

- Resolution 2963 solves the timing issue of selling a tax-exempt bond after tax-exempt project expenditures have been incurred
- Resolution 2963 *does not* require CBJ to sell bonds or to use bond proceeds for any specific project
- All capital project appropriations still require Assembly approval by ordinance
- All bond debt issuances still require Assembly approval by ordinance

I recommend that the Assembly Finance Committee move Resolution 2963 to the full Assembly and set it for adoption at the regular Assembly meeting on August 23rd, 2021.

Presented by: The Manager
Introduced: 08/23/21
Drafted by: Bond Counsel

RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Resolution No. 2963

A Resolution appointing the City Manager or the Finance Director of the City and Borough for the purpose of designating certain expenditures for reimbursement from bonds to be issued in the future.

WHEREAS, the City and Borough of Juneau, Alaska (the "City and Borough") issues tax-exempt obligations from time to time, (including *e.g*., bonds and leases) for the purpose of financing its governmental activities; and

WHEREAS, the United States Department of the Treasury has promulgated Regulations limiting the ability of the City and Borough to use the proceeds of tax-exempt obligations for reimbursement of prior expenditures; and

WHEREAS, the Regulations permit the City and Borough to appoint one or more officials for the purpose of identifying and qualifying capital projects for reimbursement purposes;

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA, as follows:

Section 1. Appointment of City Manager or Finance Director. Pursuant to U.S. Treasury Regulation Section 1.150-2(e)(1), the Assembly of the City and Borough hereby designates and appoints the City Manager or the Finance Director of the City and Borough as the responsible officials for the purpose of issuing statements of official intent in compliance with Treasury Regulation Section 1.150-2.

Section 2. Statements of Official Intent. Upon a determination by the City Manager or the Finance Director that the costs of a particular capital project are expected to be reimbursed from

the proceeds of a tax-exempt obligation(s) of the City and Borough, the City Manager or the Finance Director is authorized and directed to execute a certificate of official intent, substantially in the form attached hereto as Exhibit A. Each certificate so executed shall become a part of the official records of the City and Borough available for public inspection and review.

No capital projects will be undertaken unless such projects have been previously approved in the customary manner by the Assembly of the City and Borough, and the execution of any intent certificate shall not obligate the City and Borough to issue any debt all of which shall require separate and additional official approval by the Assembly of the City and Borough.

ADOPTED this 23rd day of August, 2021.

_____
Beth A. Weldon, Mayor

Attest:

_____
Elizabeth J. McEwen, Municipal Clerk

CERTIFICATE

I, the undersigned, Clerk of the City and Borough of Juneau (herein called the "City and Borough"), DO HEREBY CERTIFY:

1. That the attached Resolution No. 2963 (herein called the "Resolution") is a true and correct copy of a resolution of the City and Borough as finally adopted at a meeting of the Assembly of the City and Borough held on August 23, 2021, and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Assembly voted in the proper manner for the passage of the Resolution; that all other requirements and proceedings incident to the proper passage of the Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 23rd day of August, 2021.

_____

Elizabeth J. McEwen, Municipal Clerk
City and Borough of Juneau

EXHIBIT A

FORM OF OFFICIAL INTENT CERTIFICATE

Pursuant to Resolution No. 2963 of the Assembly of the City and Borough of Juneau, Alaska (the "City and Borough"), the undersigned, [City Manager] [Finance Director] of the City and Borough hereby states as follows:

Section 1. The City and Borough reasonably expects to reimburse the expenditures described herein with the proceeds of debt to be incurred by the City and Borough (the "Reimbursement Bonds").

Section 2. The maximum principal amount of Reimbursement Bonds expected to be issued is $_____.

[Select one version of Section 3]

Section 3. The expenditures with respect to which the City and Borough reasonably expects to be reimbursed from the proceeds of Reimbursement Bonds are for _____ [insert general functional description of the property, project or program, for example, construction of a building to be situated at _____].

OR

Section 3. The expenditures with respect to which the City and Borough reasonably expects to be reimbursed from the proceeds of Reimbursement Bonds will be made from _____ [insert name of fund or account from which the expenditure will be made and description of the functional purpose of the fund, for example, capital improvement program].

Dated this ___ day of _____, 202_.

_____
[City Manager] [Finance Director]

MEMORANDUM

DATE: August 13, 2021

TO: Assembly Finance Committee

FROM: Jeff Rogers, Finance Director

155 Municipal Way
Juneau, AK 99801
Phone: (907) 586-5215
Fax: (907) 586-0358

SUBJECT: **Updating FY2022 Passenger Fee Projections**

This memo and the attached table update the committee with a new FY2022 forecast for the Passenger Fee funds. The following were not included in the FY2022 budget and have been adjusted in the attachment:

- Added the following amounts to FY2022 in anticipation of 100,000 passengers July-Sept 2021
  - $500,000 of CBJ Marine Passenger Fees (MPF)
  - $300,000 of Port Development Fees (PDF)
- Added the following amounts from state ARPA funds as hold-harmless payments for lost state passenger fee revenue
  - $5.971M of State Marine Passenger Fees (SMPF) for FY2021
  - $5.971M of State Marine Passenger Fees (SMPF) for FY2022

The ARPA pass-through funds from the state cannot be spent on debt payments, but can generally be spent on any other government purpose (operating or capital). As these are federal grants, these funds are not principally restricted to the requirements of the CLIAA settlement.

With these updates to forecast revenue, the issue of negative passenger fee fund balance is resolved. Furthermore, approximately $10.5 million is available through the end of the current year FY2022. These funds are available for appropriation to eligible infrastructure projects or operating programs. For consideration, several incremental waterfront seawalk improvement projects are ready-to-be-bid. Additionally, the Docks & Harbors enterprise has substantially eroded its fund balance to continue essential service during the pandemic, and it has several worthy infrastructure projects that are seeking funding (including Statter Harbor Phase IIIC).

The Assembly may also see these funds as re-establishing a minimum balance of passenger fee funds. However, I don't strongly recommend a minimum because, as recently demonstrated, CBJ has substantial flexibility to accommodate future downturns in passenger fee revenue. At maximum, I recommend that the combined balance of passenger fee funds be held at approximately $2.1 million (one year of debt service on the 16B docks).

City and Borough of Juneau
Passenger Fees from All Sources
($000 Thousands)
August 4, 2021

	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
MPF									
Revenue	$ 5,067	$ 5,407	$ 5,991	$ 4,000	$ -	$ 3,000	$ 5,600	$ 5,600	$ 5,600
Unspent MPF returned to Fund	$ 251	$ 30	$ 2,410	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	$ (3,953)	$ (3,337)	$ (3,189)	$ (5,424)	$ (2,408)	$ (2,771)	$ (2,771)	$ (2,771)	$ (2,771)
Capital Expenditures	$ (1,303)	$ (1,869)	$ (5,385)	$ (677)	$ -	$ -	$ (2,500)	$ -	$ -
Surplus/Deficit	$ 62	$ 231	$ (173)	$ (2,101)	$ (2,408)	$ 229	$ 329	$ 2,829	$ 2,829
Fund Balance	$ 536	$ 767	$ 594	$ (1,507)	$ (3,915)	$ (3,686)	$ (3,357)	$ (528)	$ 2,301
SMPF									
Revenue	$ 4,600	$ 4,600	$ 5,271	$ 5,971	$ 8,416	$ 5,971	$ 5,250	$ 5,250	$ 5,250
Operating Expenditures	$ -	$ -	$ -	$ -	$ (351)	$ -	$ -	$ -	$ -
Debt Service					$ (2,095)	$ -			
Capital Expenditures	$ (4,600)	$ (4,600)	$ (5,000)	$ (4,500)	$ -	$ -	$ (5,000)	$ -	$ -
Surplus/Deficit	$ -	$ -	$ 271	$ 1,471	$ 5,970	$ 5,971	$ 250	$ 5,250	$ 5,250
Fund Balance	$ 295	$ 295	$ 566	$ 2,037	$ 8,007	$ 13,978	$ 14,228	$ 19,478	$ 24,728
PDF									
Revenue	$ 3,015	$ 3,217	$ 3,568	$ 2,367	$ -	$ 1,800	$ 3,250	$ 3,250	$ 3,250
Operating Expenditures	$ (6)	$ (6)	$ (6)	$ (365)	$ (8)	$ (8)	$ -	$ -	$ -
Debt Service	$ (2,093)	$ (2,095)	$ (2,097)	$ (2,095)	$ -	$ (2,028)	$ (2,028)	$ (2,028)	$ (2,028)
Capital Expenditures	$ -	$ -	$ (3,700)	$ -	$ -	$ -	$ (1,500)	$ -	$ -
Surplus/Deficit	$ 916	$ 1,116	$ (2,235)	$ (93)	$ (8)	$ (236)	$ (278)	$ 1,222	$ 1,222
Fund Balance	$ 1,732	$ 2,848	$ 613	$ 520	$ 512	$ 276	$ (2)	$ 1,220	$ 2,442
TOTAL PASSENGER FEES									
Revenue	$ 12,682	$ 13,224	$ 14,830	$ 12,338	$ 8,416	$ 10,771	$ 14,100	$ 14,100	$ 14,100
Unspent MPF returned to Fund	$ 251	$ 30	$ 2,410	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	$ (3,959)	$ (3,343)	$ (3,195)	$ (5,789)	$ (2,767)	$ (2,779)	$ (2,771)	$ (2,771)	$ (2,771)
Debt Service	$ (2,093)	$ (2,095)	$ (2,097)	$ (2,095)	$ (2,095)	$ (2,028)	$ (2,028)	$ (2,028)	$ (2,028)
Capital Expenditures	$ (5,903)	$ (6,469)	$ (14,085)	$ (5,177)	$ -	$ -	$ (9,000)	$ -	$ -
Surplus/Deficit	$ 978	$ 1,347	$ (2,137)	$ (723)	$ 3,554	$ 5,964	$ 301	$ 9,301	$ 9,301
Fund Balance	$ 2,563	$ 3,910	$ 1,773	$ 1,050	$ 4,604	$ 10,568	$ 10,869	$ 20,170	$ 29,471

FY20 Passenger Fees Appropriated to 3rd Party Grantees

	Appropriated	Spent	Remaining*	
Travel Juneau (Crossing Guards)	$ 325,460	$ 195,276	$ 130,184	*Already disbursed, should be held by grantee*
Travel Juneau (Visitor Information)	$ 148,300	$ 88,980	$ 59,320	*Already disbursed, should be held by grantee*
Downtown Ambassadors (DBA)	$ 65,000	$ 39,000	$ 26,000	*Awaiting disbursement*
Tourism Best Management Practices	$ 15,000	$ 15,000	$ -	
Franklin Dock	$ 395,000	$ 362,269	$ 32,731	*Awaiting disbursement*
AJ Dock	$ 252,800	$ 145,040	$ 107,760	*Awaiting disbursement*
Total	$ 1,201,560	$ 843,209	$ 358,351	

*Remaining unspent balances to be reserved for April - June, 2022 period.

MEMORANDUM

DATE: August 13, 2021

TO: Assembly Finance Committee

FROM: Jeff Rogers, Finance Director

155 Municipal Way
Juneau, AK 99801
Phone: (907) 586-5215
Fax: (907) 586-0358

SUBJECT: **Financing Strategy for New City Hall**

As the Assembly reignites its consideration of a New City Hall, this memo serves to resurface prior considerations of potential financing strategies.

A potential financing strategy would likely pay for a New City Hall from some portion of cash and some portion of debt. The cash portion would include proceeds from selling the current CBJ City Hall and also any amount appropriated from general fund balance. The debt portion would likely take the form of a General Obligation (GO) Bond, which would require an affirmative vote of the public. However, prior consideration of such a bond presumed that the largest portion of the debt services would be paid for with operating budget with funds previously spent on office lease payments, utility savings, and foregone maintenance expenditures of the current CBJ City Hall

The project cost and the following calculations have not been updated since early 2019, but they illustrate potential options for Assembly consideration. Options 1, 2, and 3 are the same except for the amount of general fund balance appropriated by the Assembly and the resulting impact on the debt service mill rate.

Option 1 details that the project would receive zero support from general fund balance, which would require the mill rate to increase by 0.15 mills. Option 2 contemplates the Assembly appropriating $5 million of fund balance, which would only require the mill rate to increase by 0.09 mills. Option 3 assumes the Assembly appropriates $10 million, which only requires a 0.03 increase to the mill rate (which would likely result in a "flat" mill rate after factoring for increasing assessed valuations over time). CBJ has sufficient debt capacity for such a bond issuance.

	Option 1	Option 2	Option 3
Project Cost – New City Hall	$26,732,560	$26,732,560	$26,732,560
Less: FMV of current 155 Seward	($2,500,000)	($2,500,000)	($2,500,000)
Less: Appropriation of Fund Balance	($0)	($5,000,000)	($10,000,000)
Project Cost to be Financed	$24,232,560	$19,232,560	$14,232,560
Annual Debt Service Cost for New City Hall (30 years)	$1,454,300	$1,154,300	$854,200
Plus: Annual Custodial, Utility, and Maintenance Cost	$331,762	$331,762	$331,762
Total Annual Costs for New City Hall (30 years)	$1,786,062	$1,486,062	$1,185,962
Less: Offset CBJ Lease Costs Available for Debt	$783,760	$783,760	$783,760
Less: Current City Hall Util./Maint. Available for Debt	$273,000	$273,000	$273,000
Annual Debt Service Cost paid by Increased Millage	$729,302	$429,302	$129,202
Millage Increase for New City Hall Debt Service	0.15 mills	0.09 mill	0.03 mill
Annual Property Tax Increase per $100,000 Value	$15.00	$9.00	$3.00
Annual Property Tax Increase per $350,000 Home	$52.50	$31.50	$10.50

These calculations can be updated at any time by request of the Assembly Finance Committee.

MEMORANDUM

DATE: August 13, 2021

TO: Assembly Finance Committee

FROM: Jeff Rogers, Finance Director

SUBJECT: **Update on A Balancing Act and Taxpayer Receipt**

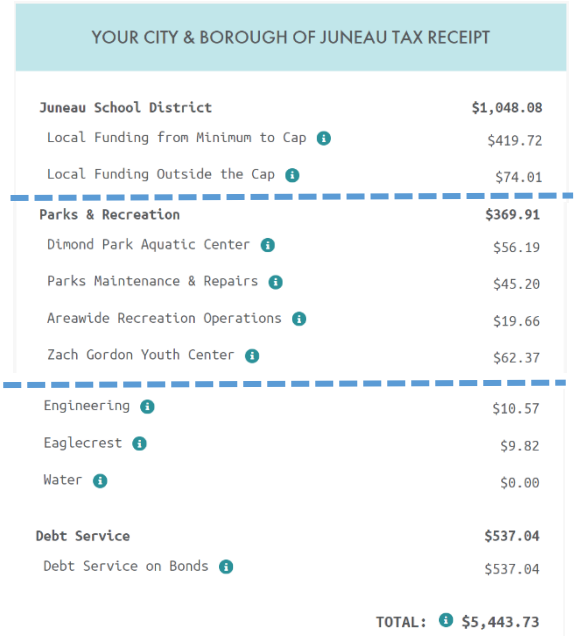
155 Municipal Way
Juneau, AK 99801
Phone: (907) 586-5215
Fax: (907) 586-0358

On December 9, 2021, the Assembly Finance Committee approved a contract with A Balancing Act for use of their budget simulation software. The simulator module can be used to engage the public in providing feedback to the Assembly decisions about budget prioritization, or as an interactive community education tool to promote transparency in CBJ's budgeting practices. A Balancing Act's software contains a secondary module called ***Taxpayer Receipt***, which allows local residents to estimate taxes paid and see which services and programs their tax dollars support.

Both modules have been populated with data from CBJ's FY22 adopted budget and are ready to publicize. However, use of the budget simulator tool will require the Assembly to determine specific timing, content, and context of publication. The Assembly might consider publicizing the budget simulation tool in two ways:

1. Use simulator only as interactive community education tool. The budget simulator's content would focus on broad budgeting outcomes that engage the public to balance the budget by increasing or decreasing expenditures and revenues, with little to no focus on specific community issues or decisions. The intent behind this option would be purely to educate the public on the components of CBJ's budget.
2. Use simulator as mechanism to obtain broad or specific community feedback on the budget. In addition to engaging the public through the ability to interactively balance the budget, the simulator's content may also include specific questions relating to key community issues or focus areas. The intent behind this option would be to obtain feedback from the public that may be used to inform decision making or guide the Assembly's direction on the FY23/24 budget process.

In the meantime, staff plan to publicize the ***Taxpayer Receipt*** in the coming weeks. The ***Taxpayer Receipt*** module allows the public to enter a few personal details (income, age, purchasing habits, and home ownership) to estimate how much tax they pay and what services that tax pays for. The ***Taxpayer Receipt*** module then estimates a resident's tax burden for both property tax and sales tax. The module then breaks that total tax burden down into proportional amounts for all of CBJ's individual programs and services—police, fire, parks, recreation, libraries, etc.



The Assembly may test the ***Taxpayer Receipt*** module at this web address: https://juneau.abalancingact.com/city-borough-of-juneau-taxpayer-receipt?preview=f6446ee5999a53ccf906a8e24dd1abaf