ASSEMBLY FINANCE COMMITTEE
THE CITY AND BOROUGH OF JUNEAU, ALASKA
Wednesday, June 2, 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
Immediately Following Special Assembly Meeting

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF MINUTES

A. May 19, 2021

IV. AGENDA TOPICS

A. Renewal of 3% Temporary Sales Tax (Ord 2021-17)

B. Sales Taxation of Services Delivered Out of Juneau

C. Incentive for Online Filing of Sales Taxes (Ord 2021-XX)

D. Update on Mandatory Real Estate Sales Price Disclosure

E. Information Only: Bond Refinancing Update

V. NEXT MEETING DATE

A. August 4, 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

City and Borough of Juneau
Minutes - Assembly Finance Committee Meeting
Wednesday, May 19, 2021

I. CALL TO ORDER

The meeting was called to order at 5:31 pm by Carole Triem, Chair.

II. ROLL CALL

Committee Members Participating Virtually: Carole Triem, Chair; Mayor Beth Weldon; Loren Jones; Alicia Hughes-Skandijs; Wade Bryson; Maria Gladziszewski; Greg Smith; Christine Woll; Michelle Bonnet-Hale

Committee Members Absent: None

Staff Present Virtually: 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 12, 2021 minutes were approved as presented.

IV. ITEMS FOR DISCUSSION

a. FY22 Wrap-Up and FY23 Preview

Jeff Rogers, Finance Director, presented packet pages 7-13 reflecting a summary of the FY19-22 budgets and a preview of the FY23 budget. Mr. Rogers also provided an overview of the unrestricted and restricted general government fund balances on packet page 14.

V. ITEMS FOR ACTION

a. Pending List

Commercial Passenger Vehicle (CPV) Business Grants

<u>Motion:</u> by Mayor Weldon to remove CPV business grants from the pending list, stating that this topic will be addressed with Resolution 2954 on packet page 35.

Minutes - Assembly Finance Committee Meeting
Wednesday, May 12, 2021, 5:30 pm

Mayor Weldon stated that this resolution, barring any objections, would be on the Assembly consent agenda on May 24, 2021.

Robert Palmer, City Attorney, responded to committee questions.

Motion passed by unanimous consent.

b. Mill Levy Ordinance 2021-10 – For Final Action

Mr. Rogers stated that the Manager's proposed budget reflected a mill rate of 10.86, a 0.20 mill increase over FY21 to provide a long-term source of funding for childcare. Mr. Rogers reminded the Committee that higher than anticipated property valuations and increased federal support in FY22 may factor into the decision to accept or reject the Manager's proposal.

<u>Motion:</u> by Ms. Gladziszewski to reject the Manager's recommendation, and to keep the mill rate flat over FY21 at 10.66 mills.

<u>Objection:</u> by Mayor Weldon and Ms. Hale for the purpose of an amendment.

<u>Amendment 1:</u> by Mayor Weldon to reserve 0.1 mill of the 10.66 mill rate for childcare.

Mr. Rogers clarified about the practical impact of reserving 0.1 mills for childcare. In summation, the intention would be clearly stated and understood, but any future assembly has the right to choose a different path and reallocate funds within the operating budget.

Amendment 1 passed by unanimous consent.

<u>Amendment 2:</u> by Ms. Hale to lower the mill rate from 10.66 mills to 10.56 mills.

<u>Objection to Amendment 2:</u> by Mr. Jones and Ms. Woll.

At the request of the Committee, Mr. Rogers demonstrated the impact of lowering the mill rate to 10.56 via the Budget Summary Excel spreadsheet. In summation, a 10.56 mill rate would result in an estimated $4.5 million deficit with some uncertainty around school bond debt reimbursement. Mr. Rogers reminded the Committee that expenditures inevitably grow throughout the fiscal year as a result of supplemental appropriations.

The Committee discussed the motion.

Minutes - Assembly Finance Committee Meeting
Wednesday, May 12, 2021, 5:30 pm

<u>Roll Call Vote: Amendment 2:</u>
Ayes: Hale, Smith, Bryson
Nays: Jones, Woll, Hughes-Skandijs, Gladziszewski, Weldon, Triem

Motion failed. Three (3) Ayes, Six (6) Nays.

The original motion, as amended, passed by unanimous consent.

<u>Motion:</u> by Mayor Weldon to move Mill Levy Ordinance 2021-10 to the full Assembly and asked for unanimous consent.

Motion passed by unanimous consent.

c. General CBJ Operating Ordinance 2021-08 – For Final Action

Mr. Rogers stated that the changes the Committee made during the budget review process will be incorporated into Ordinance 2021-08. Once forwarded out of committee, this ordinance will be on the Regular Assembly meeting agenda on June 14, 2021 for adoption.

<u>Motion:</u> by Mr. Smith to move General CBJ Operating Ordinance 2021-08 to the full Assembly for action and asked for unanimous consent.

<u>Objection:</u> by Mayor Weldon for the purpose of an amendment.

<u>Amendment:</u> by Mayor Weldon to fund a portion of the Assembly's grant for childcare with the 3% marijuana tax.

Amendment passed by unanimous consent.

The original motion, as amended, passed by unanimous consent.

d. Interest Rate Resolutions for Bond Refundings

Mr. Rogers presented resolutions 2958, 2951, and 2952 on packet pages 17-34, stating that these resolutions provide for interest rates for multiple bond refundings. Mr. Rogers stated that authorizing these refundings would result in significant savings over the terms of the bonds.

<u>Motion:</u> by Mayor Weldon to move Resolution 2948 to the full Assembly and asked for unanimous consent.

Motion passed by unanimous consent.

Motion: by Mayor Weldon to move Resolution 2951 to the full Assembly and asked for unanimous consent.

Motion passed by unanimous consent.

Motion: by Mayor Weldon to move Resolution 2952 to the full Assembly and asked for unanimous consent.

Motion passed by unanimous consent.

VI. NEXT MEETING DATE

a. June 2, 2021

VII. AJOURNMENT

The meeting was adjourned at 6:25pm.

MEMORANDUM

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

DATE: May 27, 2021

TO: Assembly Finance Committee

FROM: Jeff Rogers, Finance Director

SUBJECT: **Ballot Measure to Extend 3% Temporary Sales Tax**

CBJ's sales tax is comprised of three separate components:
- 1% permanent sales tax for general city/borough operations
- 3% temporary sales tax for street maintenance and general city/borough operations
- 1% temporary sales tax for specific community projects

The 3% temporary sales tax was last extended on October 4, 2016 and went into effect on July 1, 2017. Absent extension, the 3% temporary sales tax will expire on June 30, 2022.

CBJ's sales tax has varied significantly in the last year as a result of the economic downturn resulting from the pandemic, but in a typical pre-pandemic year, sales tax generates upwards of $50 million annually. Of that, the 3% temporary sales tax represents $30 million per year. In recent years, of that $30 million, CBJ has annually invested approximately $10 million in street maintenance, $1.5 million in general capital improvements, and $18.5 million in general city/borough services including police, fire, parks and recreation, and community grants.

By way of comparison, CBJ's 10.66 property tax mill rate is forecast to generate $56.4 million in property tax in FY2022. Without a renewal of the 3% temporary sales tax, and without budget reductions, the property tax mill rate would need to increase 5.54 mills from 10.66 mills to 16.20 mills to have sufficient revenue for city services. Such a mill rate would exceed the 12 mill operating mill rate cap established in the CBJ Charter.

Notably, the last time that the 3% temporary sales tax was renewed by Juneau voters, those same voters rejected a comparable ballot question that would have made the 3% sales tax permanent. The final vote tallies were split roughly two-thirds and one-third on both questions, with two-thirds supporting the temporary 3% tax and only one-third supporting making the 3% tax permanent.

Recommended Action

Ordinance 2021-17 was introduced on May 24, 2021 to put a question on the October 5, 2021 ballot to extend the 3% temporary sales tax. I recommend that the Assembly Finance Committee move to set Ordinance 2021-17 for public hearing on June 14, 2021.

Presented by: The Manager
Introduced: May 24, 2021
Drafted by: R. Palmer III

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2021-17

An Ordinance Providing for the Levy and Collection of a Temporary 3% Areawide Sales Tax on the Price of All Taxable Sales of Goods and Services Delivered within the City and Borough of Juneau, to be in Effect Five Years from July 1, 2022, through July 1, 2027; and Calling for an Election on Whether Such Sales Tax Shall Be Levied.

WHEREAS, the present 5% areawide sales tax rate in the City and Borough comprises a permanent 1% tax, a temporary 1% tax, and a temporary 3% tax; and

WHEREAS, the 3% temporary component of the sales tax expires on July 1, 2022, unless the voters approve extending the duration of the tax; and

WHEREAS, the 3% temporary sales tax provides a balance to municipal revenue sources between sales tax and property tax; and

WHEREAS, the Assembly has determined that an extension of the 3% temporary sales tax, to become effective on July 1, 2022, for a period of five years, is necessary to provide a stable revenue base for important municipal services and projects; and

WHEREAS, with the extension of the 3% temporary tax, the total sales tax rate in the City and Borough would remain unchanged at 5%.

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

Section 1. Classification. Section 2 of this ordinance, if approved by a majority of qualified voters voting on the question pursuant to Sections 3 and 4, shall be of a general and permanent nature and shall become a part of the City and Borough code, until it expires under its own terms. Sections 3 and 4 are noncode sections.

Section 2. Amendment of Section. CBJ 69.05.020 - Imposition of rate, is amended to read:

69.05.020 Imposition of rate.

...

(c) Subsection (a)(2) and this subsection (c) are automatically repealed on ~~July 1, 2022~~ July 1, 2027.

...

Section 3. Submission of Question to Voters.

(a) In accordance with Article IX, Section 9.17, of the Home Rule Charter of the City and Borough of Juneau, the question of whether or not a temporary 3% areawide sales tax shall be levied and collected effective July 1, 2022, for a period of five years only, shall be submitted to the qualified voters of the City and Borough at the regular municipal election to be held on October 5, 2021.

(b) The Municipal Clerk shall prepare the ballot proposition to be submitted to the qualified voters of the City and Borough for their consideration of the temporary 3% areawide sales tax set forth in this ordinance. The Municipal Clerk shall further perform all necessary steps in accordance with law to conduct the election and place the proposition before the qualified voters at the regular municipal election.

Section 4. Proposition. The proposition to be submitted to the qualified voters of the City and Borough as required by Section 3 above shall read substantially as follows:

Explanation

Juneau currently has a permanent 1% sales tax, a temporary 1% sales tax, and a temporary 3% sales tax. The temporary 1% sales tax is automatically repealed on September 30, 2023. The temporary 3% sales tax is automatically repealed on July 1, 2022. The total of all CBJ sales taxes is currently 5%.

This ballot proposition would continue the current 3% temporary sales tax rate for an additional five years, until June 30, 2027. Accordingly, if this proposition is approved, the total sales tax rate would remain at 5%. This proposition would also continue the Assembly's intended allocation of the temporary 3% sales tax revenues as follows:

Current Temporary Sales Tax (repealed July 1, 2022)		New Proposed Temporary Sales Tax (July 1, 2022 to June 30, 2027)	
1%	police, fire, street maintenance, snow removal, EMT/ambulance service, parks and recreation, libraries, and other general purposes;	1%	police, fire, street maintenance, snow removal, EMT/ambulance service, parks and recreation, libraries, and other general purposes;
1%	roads, drainage, retaining walls, sidewalks, stairs, and other capital improvements; and	1%	roads, drainage, retaining walls, sidewalks, stairs, and other capital improvements; and
1%	allocated annually by the assembly for capital improvements, general government services (including the Better Capital City account and youth activities) and Budget Reserve.	1%	allocated annually by the assembly among capital improvements, an emergency budget reserve, and other general public services.
Total 3%	Temporary sales tax until June 30, 2022	Total 3%	Proposed temporary sales tax starting July 1, 2022, and ending June 30, 2027

PROPOSITION NO. ______

Authorization to Renew a Temporary 3% Areawide Sales Tax Effective July 1, 2022, Intended to Be Used for Certain Purposes as Set Forth Below.

Shall the City and Borough of Juneau, Alaska, levy and collect a temporary 3% areawide sales tax on the price of all taxable sales of goods and delivered in the City and Borough, effective July 1, 2022, for a period of five years only, in addition to the 1% permanent areawide sales tax and the 1% temporary areawide sales tax.

It is the intent of the Assembly to use the temporary 3% areawide sales tax as follows:

1% police, fire, street maintenance, snow removal, EMT/ambulance service, parks and recreation, libraries, and other general purposes;

1% roads, drainage, retaining walls, sidewalks, stairs, and other capital improvement projects; and

1% allocated annually by the assembly among capital improvements, an emergency budget reserve, and other general public services.

Total 3% Temporary Sales Tax

Extend 3% sales tax five years YES [ ]

Extend 3% sales tax five years NO [ ]

Section 5. Effective Dates.

(a) The amendment of subsection (c) of CBJ 69.05.020 set forth in Section 2 of this ordinance shall become effective on July 1, 2022, if the proposition required by Sections 3 and 4 of this ordinance is approved by a majority of the qualified voters of the City and Borough voting on the proposition at the regular municipal election scheduled for October 5, 2021.

(b) Sections 3 and 4 of this ordinance authorizing the submission of the ballot proposition to the qualified voters of the City and Borough, shall be effective 30 days after adoption of this ordinance.

Adopted this _____ day of ___________, 2021.

____
Beth A. Weldon, Mayor

Attest:

____
Elizabeth J. McEwen, Municipal Clerk

MEMORANDUM

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

DATE: May 28, 2021

TO: Assembly Finance Committee

FROM: Jeff Rogers, Finance Director

SUBJECT: **CBJ Local Sales Tax Code & Remotely Delivered Services**

With the recently adopted changes to the Uniform Alaska Remote Sellers Sales Tax Code (the Uniform Code), CBJ will need to take action to better align the treatment of services performed in the borough but delivered outside of the borough. The changes to the Uniform Code were outlined for 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.

Discussion

In the wake of the *Wayfair* decision, the distinction between destination taxation and origin taxation is becoming increasingly important. With destination taxation, sales tax is collected by the taxing jurisdiction where goods and services are delivered to; and with origin taxation, sales tax is collected by the taxing jurisdiction where goods and services originate from.

For the sale of goods, CBJ has generally applied the destination taxation concept, which is accomplished by how taxability is defined under CBJ 69.05.020(b) and through the Out-of-Borough exemption under CBJ 69.05.040(3). By that exemption, goods that are delivered outside of Juneau are exempted from CBJ's sales tax. Inversely, CBJ has generally applied the origin taxation concept to the sale of services, because the Out-of-Borough exemption does not apply to services. Services that are performed in Juneau but delivered outside of Juneau remain subject to CBJ's sales tax under CBJ 69.05.020(b).

Since *Wayfair*, and with the formation of the Alaska Remote Sellers Sales Tax Commission (ARSSTC), remote sales of goods and services are now subject to sales tax in the jurisdictions where those goods and services are delivered. However, CBJ's treatment of services performed in Juneau and delivered to clients outside of Juneau creates the possibility of double taxation—a phenomenon where a sale is taxed by its originating jurisdiction and its destination jurisdiction. The ARSSTC has agreed that double taxation must be avoided, and that the destination jurisdiction has the greatest claim to collect sales tax on any sale.

The most recent updates to the Uniform Code reinforced the principle of destination taxation, and they clarified that services are taxable where they are delivered. With these changes, it is incumbent on Juneau to adopt adjustments to its local CBJ sales tax code to prevent double taxation by applying the destination taxation principle to services in the same way that CBJ applies the destination taxation principle to the sale of goods. In order apply the destination taxation principle to services, code changes will be necessary, most importantly to the sections on exemptions, imposition of rate, and definitions.

It is not possible to estimate the potential difference in sales tax collection, but it will definitely be minor, even miniscule. If there is any sales tax loss, it will be more than offset by the substantial sales taxes generated by the Remote Sales Tax generally.

Requested Action

Direct staff to draft, introduce, and set for public hearing an ordinance that would make changes to CBJ code to apply the destination taxation principle to the sale of services and bring overall alignment and conformance between CBJ's local sales tax code and the Uniform Remote Sellers Sales Tax Code.

MEMORANDUM

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

DATE: May 28, 2021

TO: Assembly Finance Committee

FROM: Jeff Rogers, Finance Director

SUBJECT: **Sales Tax Filing Incentive**

The FY2021 budget defunded a full-time accounting technician in the CBJ Sales Tax Office. The FY2022 budget made that change permanent and deleted the position altogether. This change reduced the team of four to a team of three. This change, combined with the departure of long-time Sales Tax Administrator Clinton Singletary, has left the Sales Tax Office shorthanded and struggling to stay current.

The Sales Tax Office serves the public in several ways: accepting and recording sales tax returns, audit/compliance, senior and other exemption programs, and technical assistance to sellers. By far, the largest volume of clerical work comes from accepting and recording sales tax returns. The Sales Tax Office processes approximately 16,250 returns per year (including all monthly, quarterly, and annual returns). Of those 16,250 returns, approximately 76% are submitted by sellers on paper forms. Those 12,350 paper returns must be *individually hand-keyed* into CBJ's revenue system by staff in the Sales Tax Office.

Instead of proposing to restore the eliminated staff, I am requesting that the Assembly consider incentivizing sellers to file online using CBJ's existing online eGov portal. This online portal for sales tax filing has existed for many years, but sellers have not been enthusiastic about using it. In spite of recent upgrades, the online portal remains somewhat 'clunky'. Wider use of the online portal could solve the current staffing shortage, and it would further assist department-wide efforts to transition to paperless workflows.

CBJ code 69.05.100 already offers an incentive for timely filing. Sellers qualify for this incentive if they file their return within the month following the end of a reporting period. This incentive is 1% of the tax collected, limited to $50 per monthly return and $100 per quarterly/annual return.

A sample ordinance is attached for consideration. This ordinance requires online filing through the eGov portal in order to receive the timely filing discount conferred by CBJ 69.05.100. Under this ordinance, only a seller who files timely *and* using the online eGov portal would be eligible for the incentive. Filing timely by paper would not qualify for the incentive, and neither would late filing using the online eGov portal.

<u>Recommended Action</u>
Direct staff to introduce the attached ordinance and set it for public hearing.

Presented by: The Manager
Presented:
Drafted by: R. Palmer III

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2021-_____

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 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, <u>or if any submittal method other than the CBJ online portal is used</u>.

Section 3. Amendment of Section. CBJ 69.07.060 is amended to read:

65.07.060 Operator's Compensatory Collection Discount.

All operators rendering hotel-motel tax returns to the City and Borough <u>through the CBJ online portal</u> 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 <u>through the CBJ online portal</u> 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, <u>or if any submittal method other than the CBJ online portal is used</u>.

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

MEMORANDUM

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

DATE: May 28, 2021

TO: Assembly Finance Committee

FROM: Jeff Rogers, Finance Director

SUBJECT: **Update on Mandatory Disclosure of Real Estate Sales Prices**

The Assembly passed Ordinance 2020-47(am) in October 2020 enacting CBJ 15.05.105. Hence, on November 30, 2020, the CBJ Assessor shifted from sending letters to buyers and sellers requesting voluntary disclosure of sales prices to sending letters indicating that CBJ law now requires sales prices to be confidentially disclosed to the Assessor.

Since the new law came into effect, the Assessor has mailed disclosure letters to the buyers involved in 343 real estate transactions. Letters were not mailed when the transactions were clearly exempt from mandatory disclosure. To-date, the Assessor has received 117 responses to the buyer market letters. Of the 226 transactions for which the required disclosure has not been submitted by the buyer, they are aged as follows since the time that the transactions were recorded:

- Fewer than 30 days 50
- 30 to 60 days 40
- 60 to 90 days 37
- More than 90 days 99

As passed, the mandatory disclosure ordinance did not enact any compliance mechanism. While the CBJ is able to compel compliance by court order, some buyers may be failing to return the disclosure letters because they believe CBJ's law is "toothless" and "unenforceable."

For the vast majority of other jurisdictions with mandatory disclosure, there is no need for an express compliance mechanism because disclosure of the 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 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.

Without a compliance mechanism in code, CBJ's sole ability to compel disclosure is to take buyers to court or to continue to rely on voluntary disclosure—which may defeat the Assembly's goal with the ordinance to require mandatory disclosure.

Most likely, only a civil fine or penalty will be effective to compel compliance. Such a civil fine or penalty could be applied daily after a reasonable period of time—perhaps 90 days after real estate sale is recorded would be reasonable.

Recommended Action

Direct staff to develop an ordinance for consideration that would assess a daily civil fine or penalty to the buyer, if the buyer has failed to disclose the price of real estate transaction within 90 days of recording.

MEMORANDUM

155 South Seward
Juneau, AK 99801
Phone: (907) 586-5215
Fax: (907) 586-0358

DATE: May 28, 2021

TO: Assembly Finance Committee

FROM: Jeff Rogers, Finance Director

SUBJECT: **Update on 2021 Taxable Bond Refinancing**

The Assembly adopted Ordinance 2021-15 on April 26, 2021. This ordinance amended Ordinance 2020-21 with updated information relating to the bond refinancings previously authorized by Ordinance 2020-21. These ordinances authorized CBJ's participation in the Alaska Municipal Bond Bank Authority's (AMBBA) refinancing of multiple bond issues: 2013 Bartlett Hospital Refunding, 2013 GO CIP, and 2015 Cruise Ship Dock Expansion bonds.

The "pricing" (sale) of these refinanced bonds occurred on Wednesday, May 26, 2021. Market conditions were highly favorable. The resulting savings far exceeded the $1.4 million savings previously estimated by PFM (CBJ's Financial Advisor), Bank of America (the underwriter), and AMBBA. The savings detailed below will be experienced as reduced debt service payments over the repayment life of the bonds.

	Prior Total Debt Service	New Total Debt Service	Dollar Savings	Interest Rate (All-in TIC)
Bartlett Hospital	$ 13,941,663	$ 12,591,987	$ 1,349,676	2.01%
2013-I CIP	$ 2,169,420	$ 1,968,919	$ 200,501	1.89%
2015-II - 16B Dock	$ 10,745,875	$ 8,868,205	$ 1,877,670	2.29%
		Total Dollar Savings	**$3,427,847**	