ASSEMBLY FINANCE COMMITTEE
THE CITY AND BOROUGH OF JUNEAU, ALASKA
Wednesday, April 21, 2021, 5:30 PM.
Zoom Webinar & FB Live Stream

https://juneau.zoom.us/j/91437455050 or call: 1-253-215-8782 Webinar ID: 914 3745 5050

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF AGENDA

IV. APPROVAL OF MINUTES

- **A. April 14, 2021**

V. BUDGET PRESENTATIONS

- **A. Consumer Tax Forecasts**
- **B. 2021 (FY2022) Property Assessments**
- **C. Debt Service**
- **D. Proposed Mill Rate**
- **E. Travel Juneau**

VI. ITEMS FOR ACTION

- **A. Vote-by-Mail Election Funding**
- **B. Establish Local Funding for School District Operations**
- **C. Ordinance 2021-15 GO and Revenue Bond Refinancing**

VII. INFORMATION ITEMS

- **A. FY22 Revised Budget AFC Calendar**

VIII. NEXT MEETING DATE

- **A. April 28, 2021**

IX. SUPPLEMENTAL MATERIALS

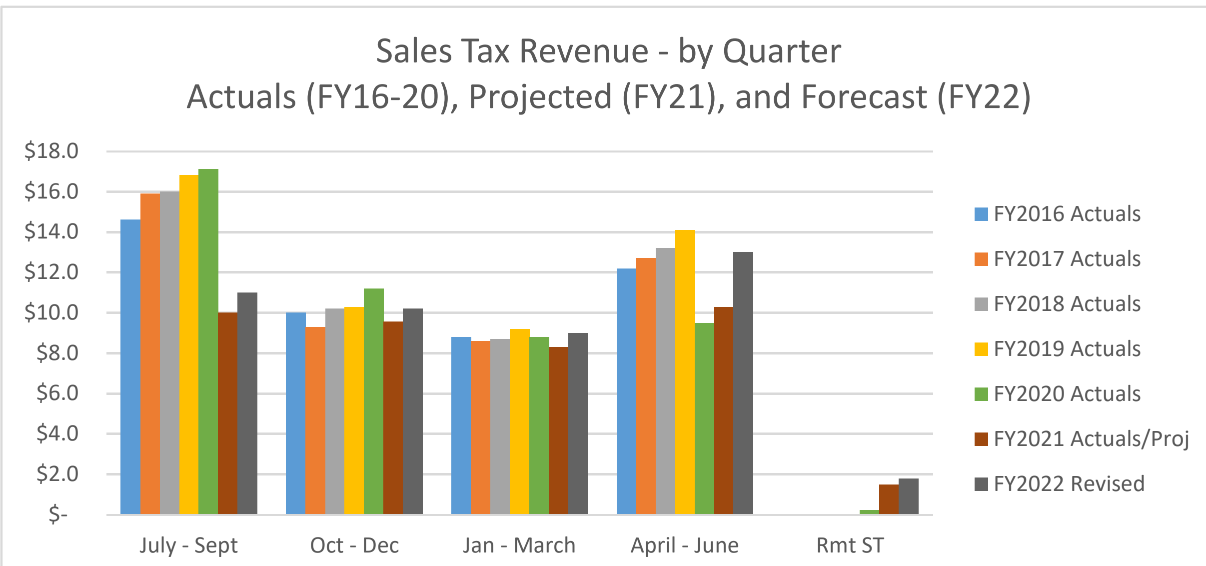
- **A. April 14, 2021 AFC Meeting Minutes**
- **B. 2021 Assessment Presentation**

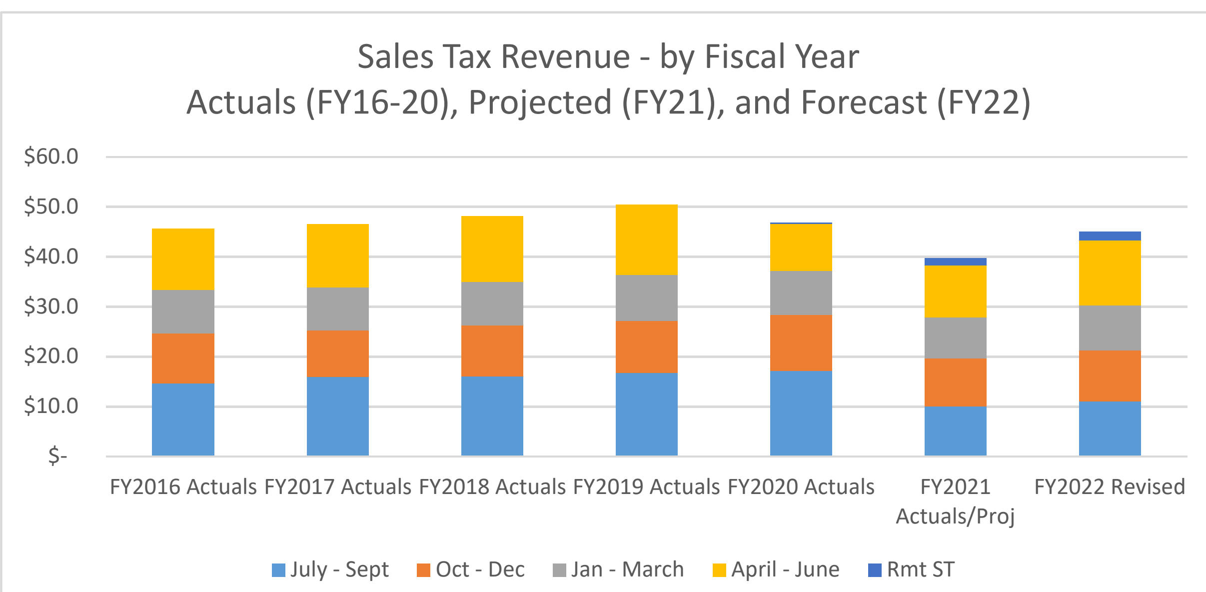
X. ADJOURNMENT

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

Sales Tax Actuals, Projected, and Forecast
Updated 4/16/2021

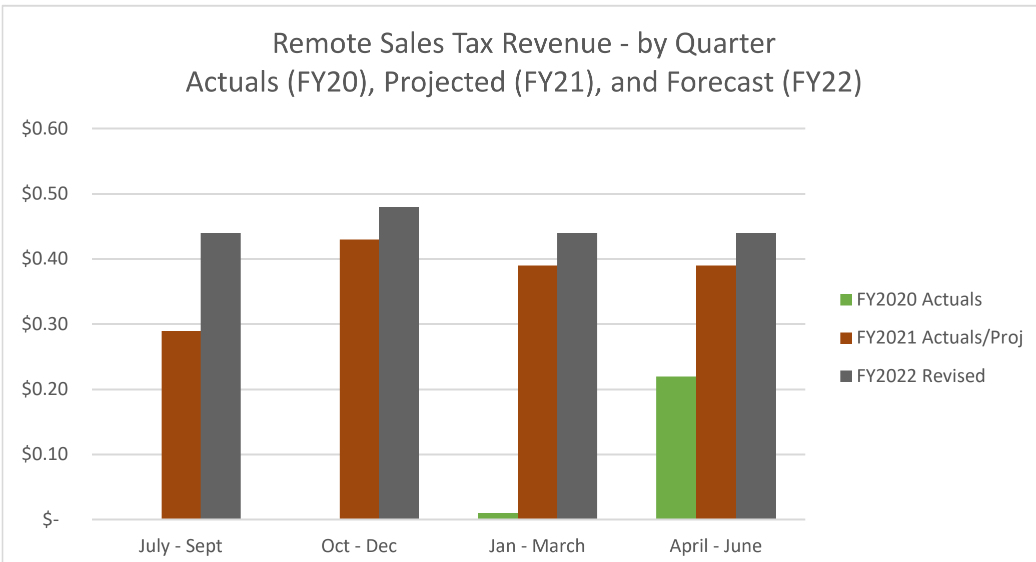
Sales Tax	Q1 July - Sept	Q2 Oct - Dec	Q3 Jan - March	Q4 April - June	Annual Rmt ST	Total
FY2016 Actuals	$ 14.6	$ 10.0	$ 8.8	$ 12.2	$ -	**$ 45.6**
FY2017 Actuals	$ 15.9	$ 9.3	$ 8.6	$ 12.7	$ -	**$ 46.5**
FY2018 Actuals	$ 16.0	$ 10.2	$ 8.7	$ 13.2	$ -	**$ 48.1**
FY2019 Actuals	$ 16.8	$ 10.3	$ 9.2	$ 14.1	$ -	**$ 50.4**
FY2020 Actuals	$ 17.1	$ 11.2	$ 8.8	$ 9.5	$ 0.2	**$ 46.8**
FY2021 Budget	$ 11.1	$ 9.0	$ 8.6	$ 12.0	$ 1.2	**$ 41.9**
FY2021 Actuals/Proj	$ 10.0	$ 9.6	$ 8.3	$ 10.3	$ 1.5	**$ 39.7**
Over/(Under) Proj	$ (1.1)	$ 0.6	$ (0.3)	$ (1.7)	$ 0.3	**$ (2.2)**
FY2022 Budget	$ 15.0	$ 10.3	$ 9.0	$ 13.0	$ 1.5	**$ 48.8**
FY2022 Revised	$ 11.0	$ 10.2	$ 9.0	$ 13.0	$ 1.8	**$ 45.0**
Over/(Under) Proj	$ (4.0)	$ (0.1)	$ -	$ -	$ 0.3	**$ (3.8)**

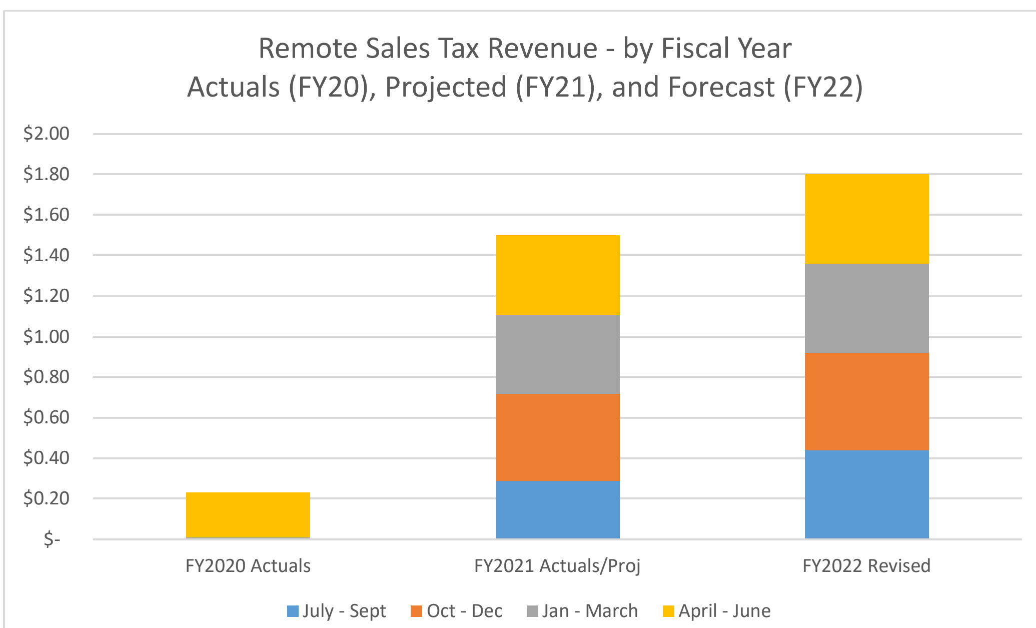




Remote Sales Tax Actuals, Projected and Forecast
Updated 4/16/2021

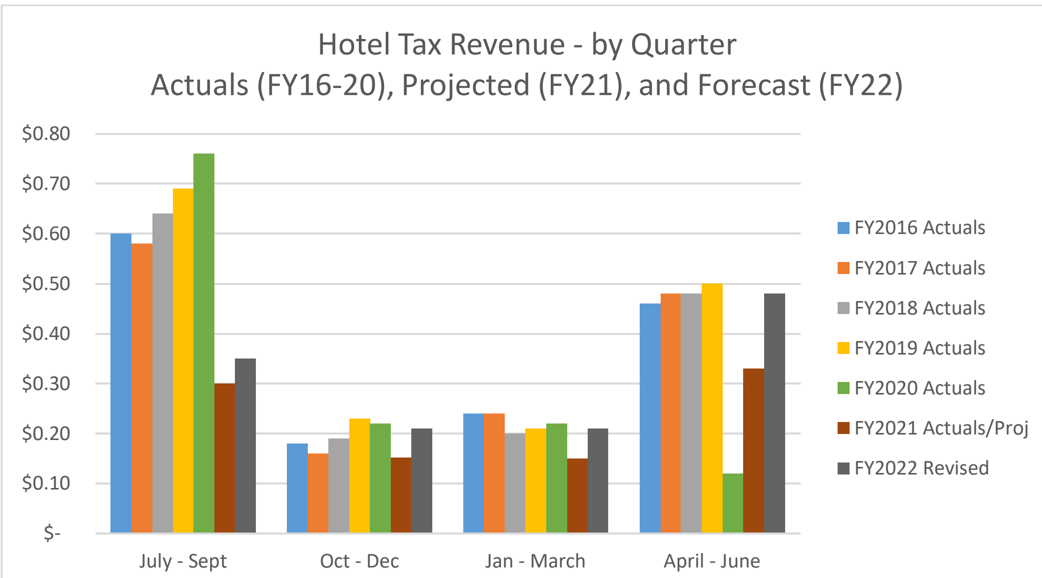
Remote Sales Tax	Q1 July - Sept	Q2 Oct - Dec	Q3 Jan - March	Q4 April - June	Total
FY2016 Actuals	$ -	$ -	$ -	$ -	**$ -**
FY2017 Actuals	$ -	$ -	$ -	$ -	**$ -**
FY2018 Actuals	$ -	$ -	$ -	$ -	**$ -**
FY2019 Actuals	$ -	$ -	$ -	$ -	**$ -**
FY2020 Actuals	$ -	$ -	$ 0.01	$ 0.22	**$ 0.23**
FY2021 Budget	$ 0.20	$ 0.40	$ 0.30	$ 0.30	**$ 1.20**
FY2021 Actuals/Proj	$ 0.29	$ 0.43	$ 0.39	$ 0.39	**$ 1.50**
Over/(Under) Proj	$ 0.09	$ 0.03	$ 0.09	$ 0.09	**$ 0.30**
FY2022 Budget	$ 0.36	$ 0.42	$ 0.36	$ 0.36	**$ 1.50**
FY2022 Revised	$ 0.44	$ 0.48	$ 0.44	$ 0.44	**$ 1.80**
Over/(Under) Proj	$ 0.08	$ 0.06	$ 0.08	$ 0.08	**$ 0.30**

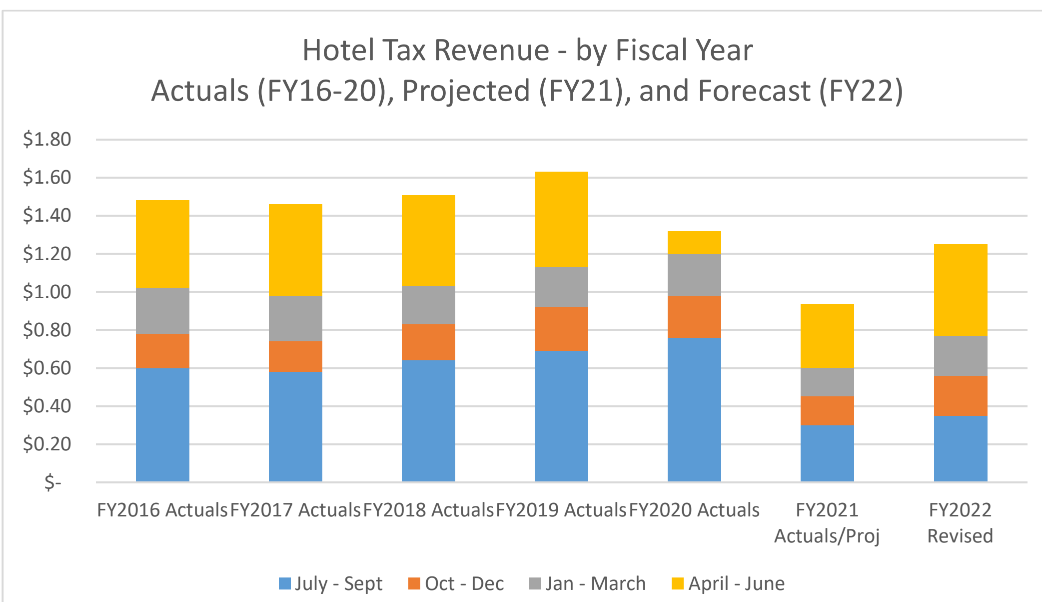




Hotel Tax Actuals, Projected, and Forecast
Updated 4/16/2021

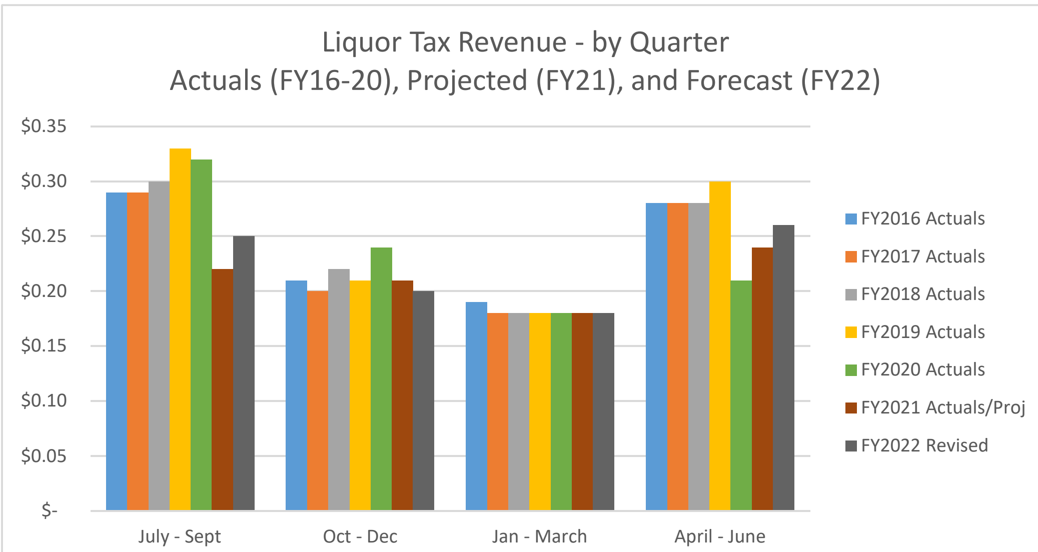
Hotel Tax	**Q1** July - Sept	**Q2** Oct - Dec	**Q3** Jan - March	**Q4** April - June	**Total**
FY2016 Actuals	$ 0.60	$ 0.18	$ 0.24	$ 0.46	**$ 1.48**
FY2017 Actuals	$ 0.58	$ 0.16	$ 0.24	$ 0.48	**$ 1.46**
FY2018 Actuals	$ 0.64	$ 0.19	$ 0.20	$ 0.48	**$ 1.51**
FY2019 Actuals	$ 0.69	$ 0.23	$ 0.21	$ 0.50	**$ 1.63**
FY2020 Actuals	$ 0.76	$ 0.22	$ 0.22	$ 0.12	**$ 1.32**
FY2021 Budget	$ 0.19	$ 0.06	$ 0.11	$ 0.37	**$ 0.73**
FY2021 Actuals/Proj	$ 0.30	$ 0.15	$ 0.15	$ 0.33	**$ 0.93**
Over/(Under) Proj	$ 0.11	$ 0.09	$ 0.04	$ (0.04)	**$ 0.20**
FY2022 Budget	$ 0.35	$ 0.21	$ 0.21	$ 0.48	**$ 1.25**
FY2022 Revised	$ 0.35	$ 0.21	$ 0.21	$ 0.48	**$ 1.25**
Over/(Under) Proj	$ -	$ -	$ -	$ -	**$ -**

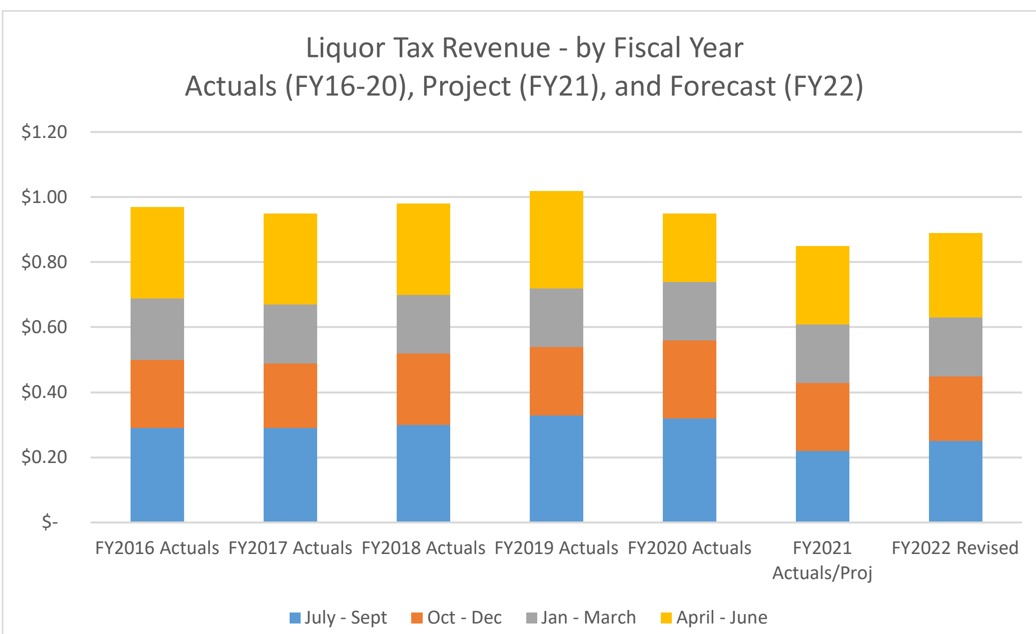




Liquor Tax Actuals, Projected, and Forecast
Updated 4/16/2021

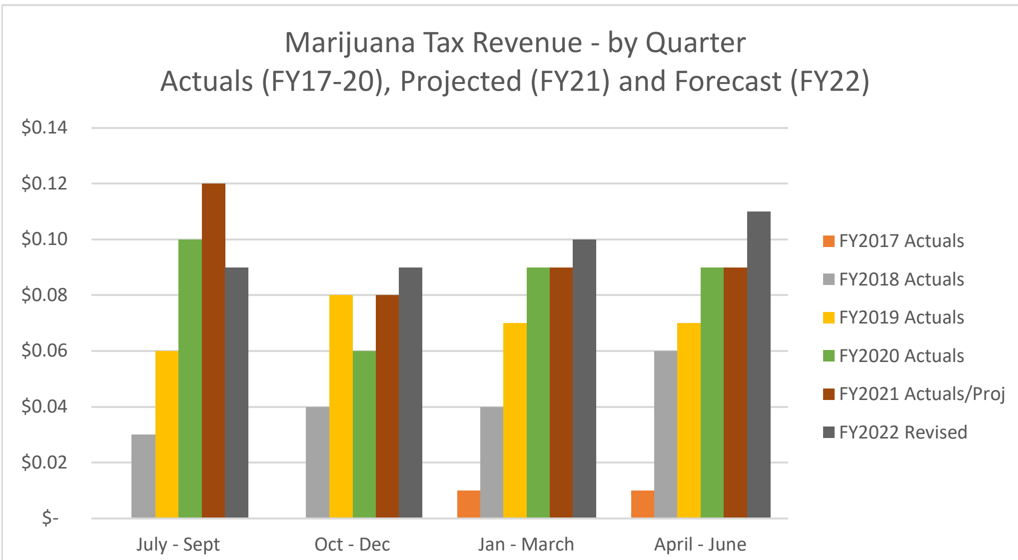
Liquor Tax	Q1 July - Sept	Q2 Oct - Dec	Q3 Jan - March	Q4 April - June	Total
FY2016 Actuals	$ 0.29	$ 0.21	$ 0.19	$ 0.28	**$ 0.97**
FY2017 Actuals	$ 0.29	$ 0.20	$ 0.18	$ 0.28	**$ 0.95**
FY2018 Actuals	$ 0.30	$ 0.22	$ 0.18	$ 0.28	**$ 0.98**
FY2019 Actuals	$ 0.33	$ 0.21	$ 0.18	$ 0.30	**$ 1.02**
FY2020 Actuals	$ 0.32	$ 0.24	$ 0.18	$ 0.21	**$ 0.95**
FY2021 Budget	$ 0.13	$ 0.19	$ 0.17	$ 0.24	**$ 0.73**
FY2021 Actuals/Proj	$ 0.22	$ 0.21	$ 0.18	$ 0.24	**$ 0.85**
Over/(Under) Proj	$ 0.09	$ 0.02	$ 0.01	$ -	**$ 0.12**
FY2022 Budget	$ 0.25	$ 0.20	$ 0.18	$ 0.26	**$ 0.89**
FY2022 Revised	$ 0.25	$ 0.20	$ 0.18	$ 0.26	**$ 0.89**
Over/(Under) Proj	$ -	$ -	$ -	$ -	**$ -**

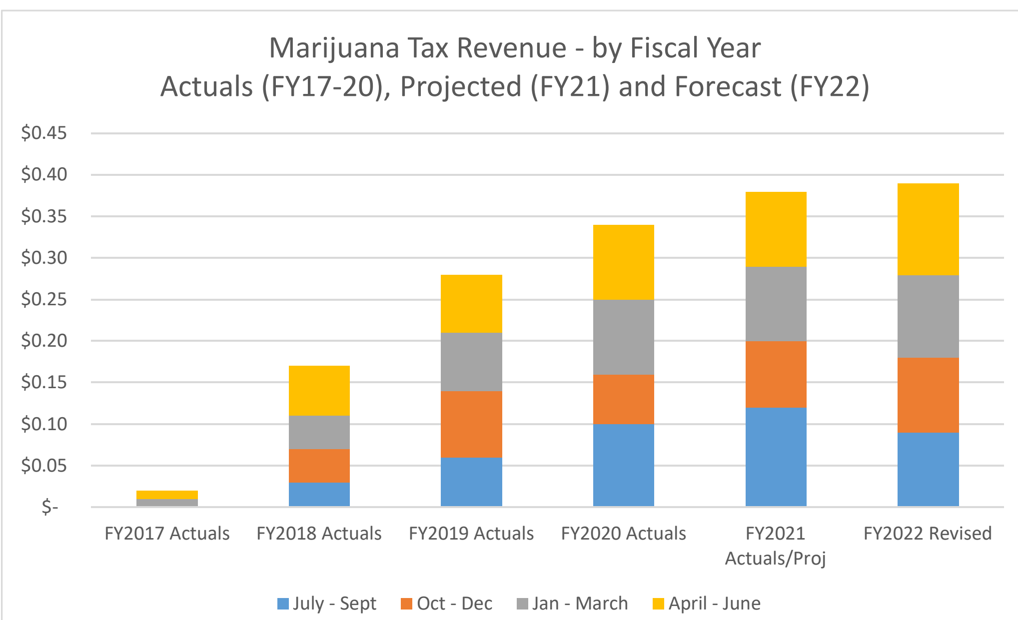




Marijuana Tax Actuals, Projected and Forecast
Updated 4/16/2021

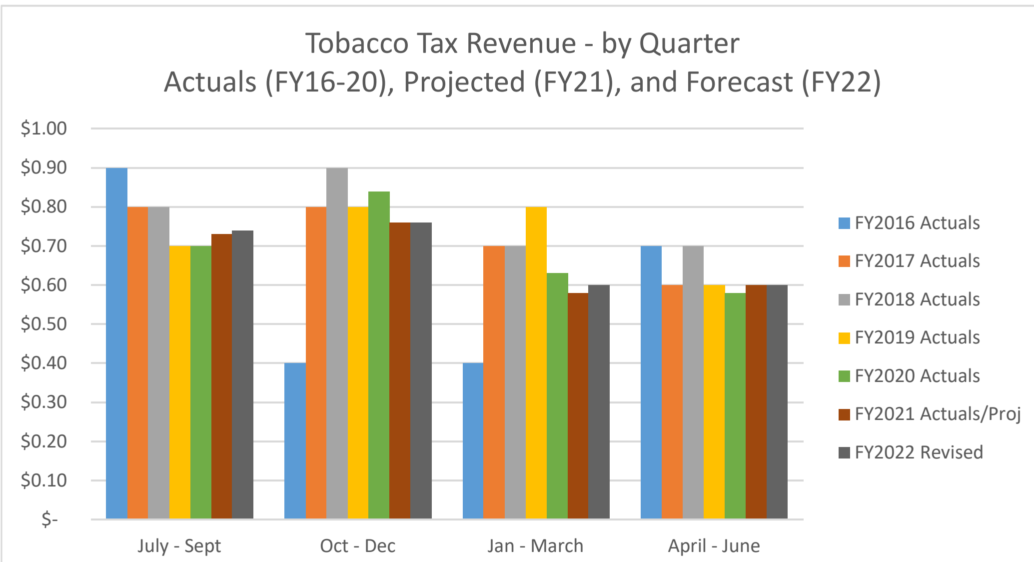
Marijuana Tax	Q1 July - Sept	Q2 Oct - Dec	Q3 Jan - March	Q4 April - June	Total
FY2016 Actuals	$ -	$ -	$ -	$ -	**$ -**
FY2017 Actuals	$ -	$ -	$ 0.01	$ 0.01	**$ 0.02**
FY2018 Actuals	$ 0.03	$ 0.04	$ 0.04	$ 0.06	**$ 0.17**
FY2019 Actuals	$ 0.06	$ 0.08	$ 0.07	$ 0.07	**$ 0.28**
FY2020 Actuals	$ 0.10	$ 0.06	$ 0.09	$ 0.09	**$ 0.34**
FY2021 Budget	$ 0.05	$ 0.05	$ 0.05	$ 0.05	**$ 0.20**
FY2021 Actuals/Proj	$ 0.12	$ 0.08	$ 0.09	$ 0.09	**$ 0.38**
Over/(Under) Proj	$ 0.07	$ 0.03	$ 0.04	$ 0.04	**$ 0.18**
FY2022 Budget	$ 0.07	$ 0.06	$ 0.06	$ 0.06	**$ 0.25**
FY2022 Revised	$ 0.09	$ 0.09	$ 0.10	$ 0.11	**$ 0.39**
Over/(Under) Proj	$ 0.02	$ 0.03	$ 0.04	$ 0.05	**$ 0.14**

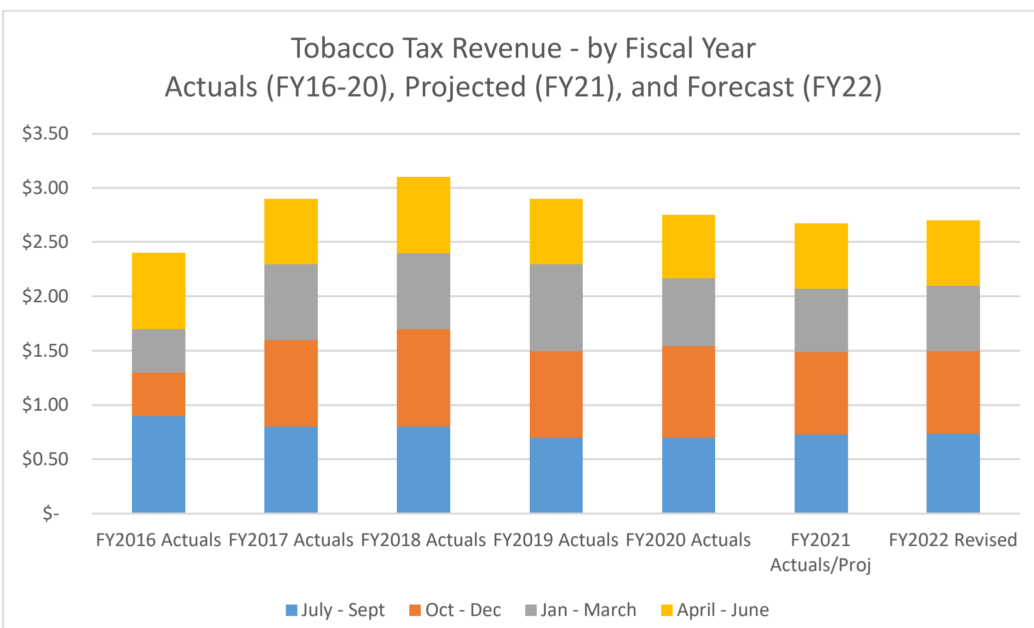




Tobacco Tax Actuals, Projected, and Forecast
Updated 4/16/2021

Tobacco Tax	Q1 July - Sept	Q2 Oct - Dec	Q3 Jan - March	Q4 April - June	Total
FY2016 Actuals	$ 0.90	$ 0.40	$ 0.40	$ 0.70	**$ 2.40**
FY2017 Actuals	$ 0.80	$ 0.80	$ 0.70	$ 0.60	**$ 2.90**
FY2018 Actuals	$ 0.80	$ 0.90	$ 0.70	$ 0.70	**$ 3.10**
FY2019 Actuals	$ 0.70	$ 0.80	$ 0.80	$ 0.60	**$ 2.90**
FY2020 Actuals	$ 0.70	$ 0.84	$ 0.63	$ 0.58	**$ 2.75**
FY2021 Budget	$ 0.60	$ 0.70	$ 0.50	$ 0.50	**$ 2.30**
FY2021 Actuals/Proj	$ 0.73	$ 0.76	$ 0.58	$ 0.60	**$ 2.67**
Over/(Under) Proj	$ 0.13	$ 0.06	$ 0.08	$ 0.10	**$ 0.37**
FY2022 Budget	$ 0.70	$ 0.80	$ 0.60	$ 0.60	**$ 2.70**
FY2022 Revised	$ 0.74	$ 0.76	$ 0.60	$ 0.60	**$ 2.70**
Over/(Under) Proj	$ 0.04	$ (0.04)	$ -	$ -	**$ -**





Finance Department
Assessor Division
155 S Seward St.
Juneau AK 99801
(907)586-5215

Assessment Valuations Summary Report

City and Borough of Juneau

For Assessment Year 2021

Assessment Date (Effective Valuation Date): January 1,

2021 Report Date: April, 2021

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Special Message for 2021

We are in the process of a major review of the valuation models, the assessed values and the assessment level for all Juneau commercial properties.

Commercial property valuations are challenging in Juneau. We are a somewhat isolated market with a limited number of commercial properties available and a fairly low number of sales. Up until late this last year there was no requirement that the sales price be disclosed in real estate transactions. So, besides starting with a low number of sales we only had data on a portion of those.

It would seem that those challenges resulted in assessed values for commercial properties, on a whole, not being increased for the past 10 or more years causing the commercial property assessed values to lag behind the market. This caused a tax shift. A tax shift occurs when the tax burden that should be paid by one party is shifted to being paid by another party. In this case the shift was from commercial properties onto residential properties.

To rectify this tax shift the commercial property assessed values must be brought up to market. This means that commercial properties will see increases that should have occurred in smaller increments for the past 10 plus years being applied in a few years. Because the increases will represent multi-year corrections they may seem to be significant increases.

This first year we are addressing the land component. Next year we will refine the land adjustments and also start making adjustments to the improvement portion of the commercial values.
The more sales, market and lease information we can gather the better our basis for market analysis.
For sales, the primary year we look at is the last year. For property types with fewer sales, which include all commercial property types, we expand the sales data up to 5 years back until we have a large enough sample. For special studies we occasionally go back 10 or more years.

Overall residential assessed property values increased 3.16% from 2020 to 2021
Overall commercial assessed property values increased 17.97% from 2020 to 2021
Overall vacant land assessed property value decreased by 12.98% from 2020 to 2021
Business Personal Property Values increased 0.5% from 2020 to 2021
Overall Taxable value increase before appeals 7.00%
Estimated taxable value increase after appeals 6.49%

Scope

Scope of Work

The valuation of all taxable property within the City and Borough of Juneau (CBJ).

Client & Intended Users

The intended user(s) of this report are the Borough Assessor's Office.

Intended Use

This report is intended for use by the Assessor's Office in the administration of ad valorem property taxation.

It is not intended to serve as an all encompassing report but as a summary report of the relevant valuations. Additional supporting documentation can be found on the CBJ Assessor webpage at https://juneau.org/finance/assessor-office

Effective Date

The effective date of this report and the associated values is January 1, 2021 for all property types.

For ad valorem tax purposes the Assessor is required by law to annually value all property as of January 1st of each year, at one hundred percent of the true and fair market value.

Identification of Property

The subject properties of this report are all taxable real and personal properties within The City and Borough of Juneau.

CBJ 15.05.100 Determination of full and true value:

Property shall be assessed at its full and true value in money, as of January 1 of the assessment year. In determining the full and true value of property in money, the person making the return, or the assessor, as the case may be, shall not adopt a lower or different standard of value because same is to serve as a basis of taxation, nor shall the assessor adopt as a criterion of value the price for which the property would sell at auction, or at a forced sale, either separately or in the aggregate with all of the property in the taxing district, but the assessor shall value the property at a sum which the assessor believes it is fairly worth in money at the time of assessment.

(CBJ Code 1970, § 15.05.100; Serial No. 70-33, § 3, 1971)

State law reference(s)—Full and true value, AS 29.45.110.

Valuation Summary

Assessment Process Overview

Sales Data Procedures

Sales data was gathered and considered through a sales validation and verification process.

Sales utilized for analysis are from the range of January 1, 2016 to December 31, 2020 for commercial property. There were at total of 54 qualified sales with confirmed sale prices for the main analysis set, 53 after eliminating one non-market sale during the analysis.

Sales utilized for analysis are from the range of January 1, 2018 to December 31, 2020 for residential property. There were a total of 1,025 qualified sales of residential properties with confirmed sale prices for the main analysis set, 1,030 after additional sales data was qualified.

Model Specification & Calibration Procedures

Mass appraisal models utilized in generating values have gone through the processes and Specification and Calibration.

Three Approaches to Value

Cost Approach – is calibrated through trends in costs.

Sales Comparison Approach – utilizes market sales.

Income Approach – utilizes industry standard and/or individual property data.

For many classes of properties our CAMA utilizes a model that is a hybrid of the Cost and Sales Comparison approaches; a Market Adjusted Cost Approach.

Analysis and Valuation Overview

Summary of Market Indications

- A lot of work was done this year cleaning up the commercial property sales data. There is still more work to be done but good progress was made. That resulted in us having 57 market sales from the past 5 years for which we had sales prices. Removing the 3 boathouse sales left 54 sales as the main set for analysis. One additional sale was eliminated as non-market while doing the analysis so the final set was 53 sales plus 3 boathouse sales that were dealt with separately.
- Below is a table that summarizes some of the ratios from comparing assessed values to sales. A ratio of 1.00 would be right at market, a ratio under 1.00 indicates that properties are undervalued. This analysis compares 01/01/2020 assessed values to 01/01/2021 market value.

Property Class	*Count*	*Mean*	*Median*
Commercial Land	12	0.4095	0.3928
Commercial Improved Properties (Core Types)	35	0.7748	0.8112
Commercial Properties Overall	57	0.7149	0.7411
Residential Properties (for class equity comparison)	1025	0.9791	0.9809

- The residential market appeared strong in 2020 with growth in single family homes, attached homes, and residential condos.

Property Type	2018 Median Sale Price	2019 Median Sale Price	2020 Median Sale Price
Single Family Homes	420,000	419,900	440,450
Attached Homes	298,500	309,000	325,000
Residential Condos	216,500	230,700	240,000

Summary of Performance Tests and Measures (Statistics) Commercial

This summary report shows statistics from the starting point for assessment year 2021. We had a starting ratio of 0.7839 for the mean and 0.7881 for the median for improved commercial properties and a mean of 0.3800 and median of 0.3922 for vacant commercial properties.

AY2021- Comm- Set 2- 20210316- No19- All, 5 Yr, 5% Trend

Summary Report

Statistics

Current	**Proposed**		
54	54	Count	(Number of Records with Ratio)
0.1959	0.3419	Minimum Ratio	
1.1908	1.6221	Maximum Ratio	
0.9950	1.2801	Range	
0.6879	**0.8989**	**Mean**	(This is the average ratio for your sample.)
0.7286	**0.8375**	**Median**	(This is the mid-point value for your sample. Preferred measure of central tendency.)
0.5418	0.7694	Weighted Mean	
2.3448	4.4163	Sum of the Square of Deviations	
0.1720	0.2321	AAD	
0.2103	0.2887	Standard Deviation	
23.6036	**27.7094**	**COD**	(Good indicator of confidence level.)
30.5772	**32.1131**	**COV**	
1.2696	**1.1683**	**PRD- Price-Related or Factor Differential**	
		(PRD s/b between 0.98 & 1.03, IAAO)	
		(PRD over 1=Regressive)	

IAAO Standards for COD	
SFR	15.0 or less
SFR-newer/homog	10.0 or less
Income Properties	20.0 or less
Income-Urban area	15.0 or less
Vacant Land	20.0 or less

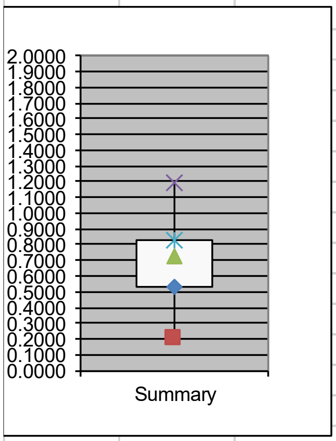
Coefficients (0=Normal Distribution)	
Kurtosis	-0.3111
Skewness	-0.2814
Alt.Cyhelsky's Skew	-0.1481
Alt.Pearson's Skew	-0.5808

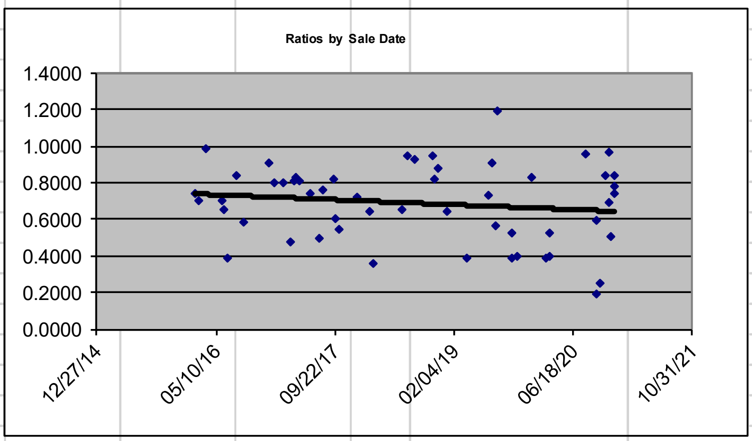
Trending Factors

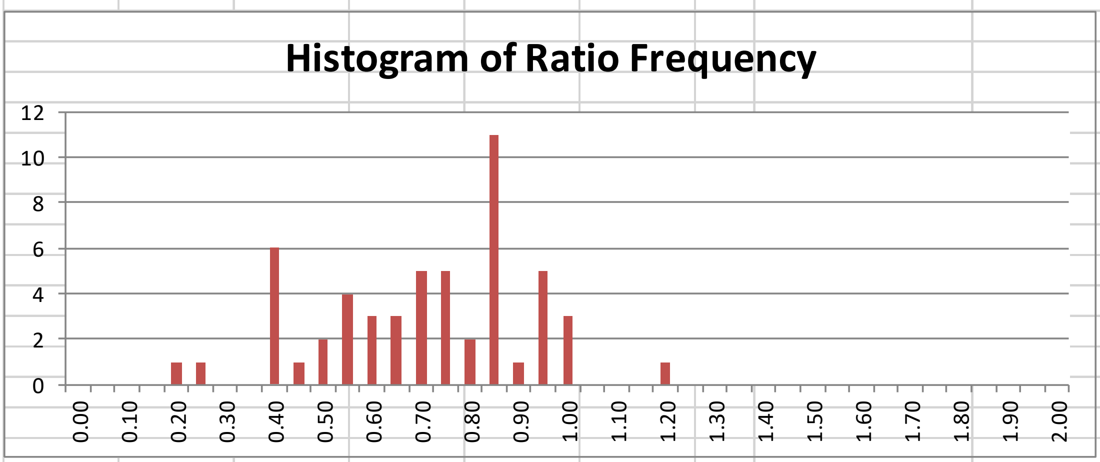
0.98	Target Level
1.4246	Factor on Mean
1.3450	**Factor on Median**
1.8087	Factor on Weighted Mean

Normal / Skewed Distribution Evaluation

0.0407	Differential Mean to Median
23	Number of data points below the mean.
31	Number of data points above the mean.
	*Note- # below/above works on data sets up to 5,000 pts.







This second summary report shows the statistics after calibrating the values. After calibration we had an overall mean of 0.8526 and an overall median of 0.8853 for commercial properties. We had a mean of 0.9142 and median of 0.9228 for improved commercial properties and a mean of 0.6631 and median of 0.5902 for vacant commercial properties.

AY2021- Comm- Set 2 Updated AVs Live1- 20210316- No 19- All, 5 Yr, 5% Trend

Summary Report

IAAO Standards for COD	
SFR	15.0 or less
SFR-newer/homog	10.0 or less
Income Properties	20.0 or less
Income-Urban area	15.0 or less
Vacant Land	20.0 or less

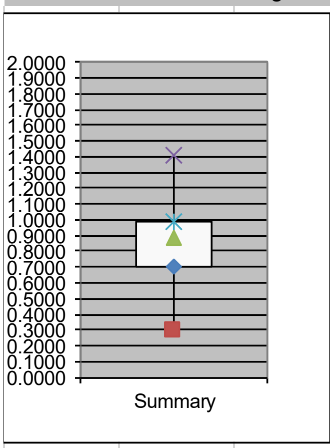
Statistics

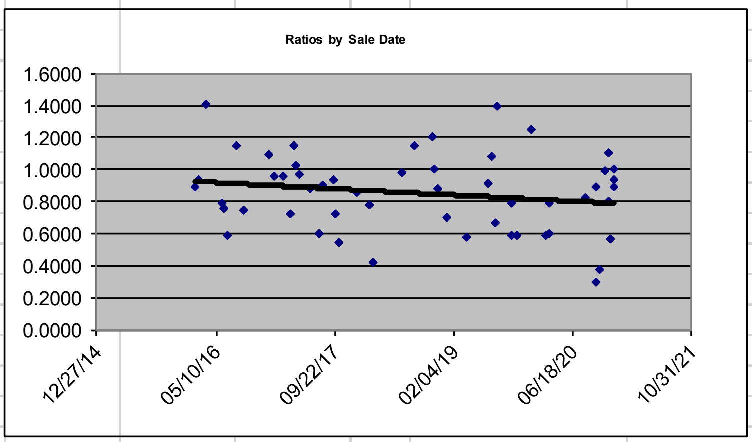
Current	Proposed		
53	53	Count	(Number of Records with Ratio)
0.2932	0.2932	Minimum Ratio	
1.4091	1.4091	Maximum Ratio	
1.1159	1.1159	Range	
0.8526	**0.8526**	**Mean**	(This is the average ratio for your sample.)
0.8853	**0.8853**	**Median**	(This is the mid-point value for your sample. Preferred measure of central tendency.)
0.6981	0.6981	Weighted Mean	
3.0313	3.0313	Sum of the Square of Deviations	
0.1908	0.1908	AAD	
0.2414	0.2414	Standard Deviation	
21.5490	**21.5490**	**COD**	(Good indicator of confidence level.)
28.3180	**28.3180**	**COV**	
1.2214	**1.2214**	**PRD- Price-Related or Factor Differential**	
		(PRD s/b between 0.98 & 1.03, IAAO)	
		(PRD over 1=Regressive)	

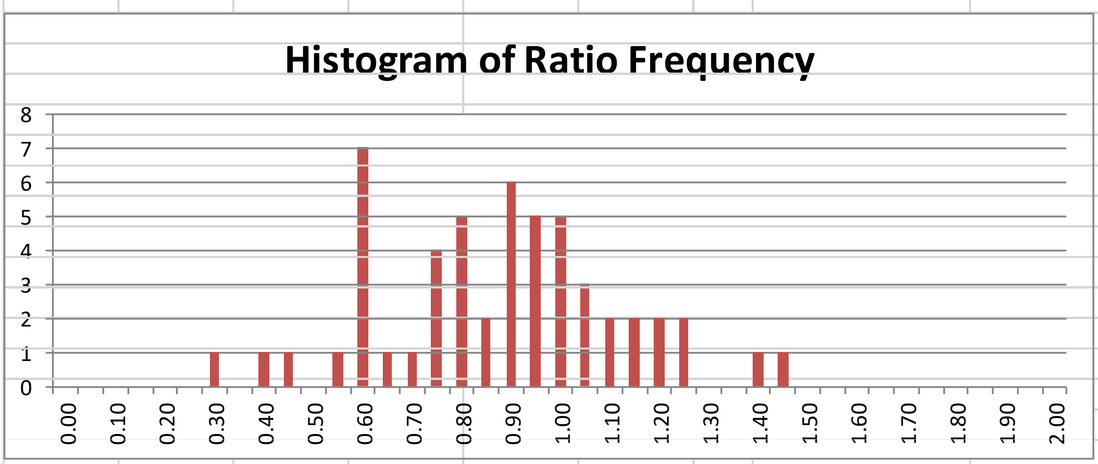
Coefficients (0=Normal Distribution)	
Kurtosis	-0.0245
Skewness	0.0181
Alt.Cyhelsky's Skew	-0.0943
Alt.Pearson's Skew	-0.4059

Trending Factors	
0.85	Target Level
0.9969	Factor on Mean
0.9601	**Factor on Median**
1.2176	Factor on Weighted Mean

Normal / Skewed Distribution Evaluation	
0.0327	Differential Mean to Median
24	Number of data points below the mean.
29	Number of data points above the mean.
*Note- # below/above works on data sets up to 5,000 pts.	





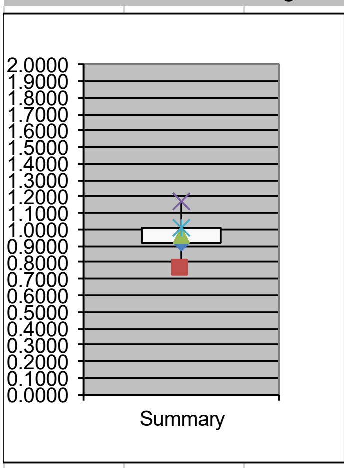


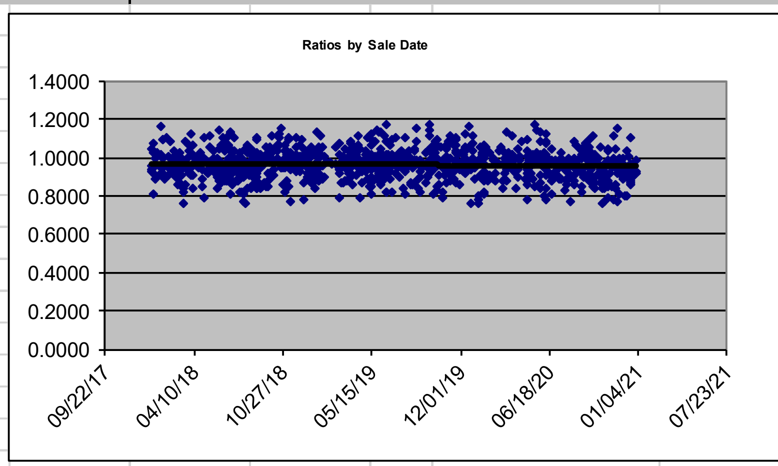
Summary of Performance Tests and Measures (Statistics) Residential

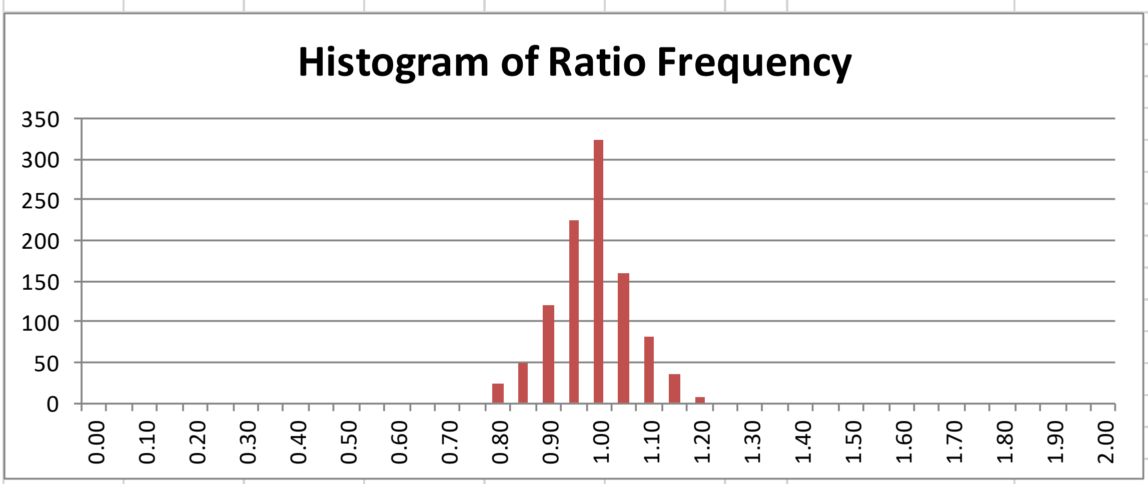
This summary report shows statistics for residential properties from the starting point for assessment year 2021 showing mean and median ratios of 0.96.

AY2021				
Summary Report Before Calibration				
			IAAO Standards for COD	
Statistics			SFR	15.0 or less
Current			SFR-newer/homog	10.0 or less
1025	Count	(Number of Records with Ratio)	Income Properties	20.0 or less
0.7611	Minimum Ratio		Income-Urban area	15.0 or less
1.1691	Maximum Ratio		Vacant Land	20.0 or less
0.4080	Range			
0.9629	**Mean**	(This is the average ratio for your sample.)		
0.9653	**Median**	(This is the mid-point value for your sample. Preferred measure of central tendency.)		
0.9638	Weighted Mean			
5.8049	Sum of the Square of Deviations			
0.0579	AAD			
0.0753	Standard Deviation		**Coefficients (0=Normal Distribution)**	
5.9992	**COD**	(Good indicator of confidence level.)	**Kurtosis**	#DIV/0!
7.8193	**COV**		**Skewness**	#DIV/0!
0.9990	**PRD- Price-Related or Factor Differential**		Alt.Cyhelsky's Skew	-0.0263
	(PRD s/b between 0.98 & 1.03, IAAO)		Alt.Pearson's Skew	-0.0969
	(PRD over 1=Regressive)			

Trending Factors		**Normal / Skewed Distribution Evaluation**	
0.85	Target Level	0.0024	Differential Mean to Median
0.8828	Factor on Mean	499	Number of data points below the mean.
0.8805	**Factor on Median**	526	Number of data points above the mean.
0.8819	Factor on Weighted Mean		*Note- # below/above works on data sets up to 5,000 pts.







This second summary report shows the statistics for residential properties after calibrating the values for assessment year 2021 showing mean and median ratios of 0.98.

AY2021

Summary Report After Calibration

Statistics			
Current			
1030	Count	(Number of Records with Ratio)	
0.7940	Minimum Ratio		
1.1745	Maximum Ratio		
0.3805	Range		
0.9791	**Mean**	(This is the average ratio for your sample.)	
0.9809	**Median**	(This is the mid-point value for your sample. Preferred measure of central tendency.)	
0.9756	Weighted Mean		
5.0141	Sum of the Square of Deviations		
0.0533	AAD		
0.0698	Standard Deviation		
5.4347	**COD**	(Good indicator of confidence level.)	
7.1297	**COV**		
1.0035	**PRD- Price-Related or Factor Differential**		
	(PRD s/b between 0.98 & 1.03, IAAO)		
	(PRD over 1=Regressive)		

IAAO Standards for COD	
SFR	15.0 or less
SFR-newer/homog	10.0 or less
Income Properties	20.0 or less
Income-Urban area	15.0 or less
Vacant Land	20.0 or less

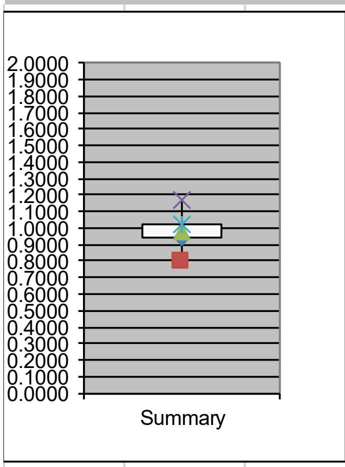
Coefficients (0=Normal Distribution)	
Kurtosis	#DIV/0!
Skewness	#DIV/0!
Alt.Cyhelsky's Skew	-0.0214
Alt.Pearson's Skew	-0.0793

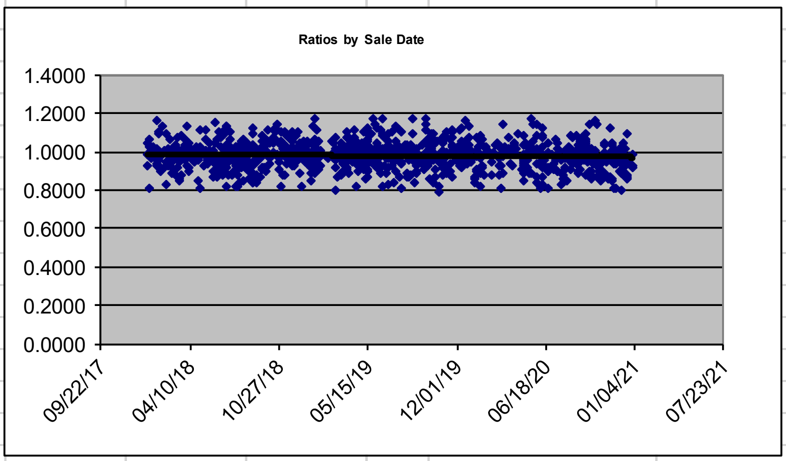
Trending Factors

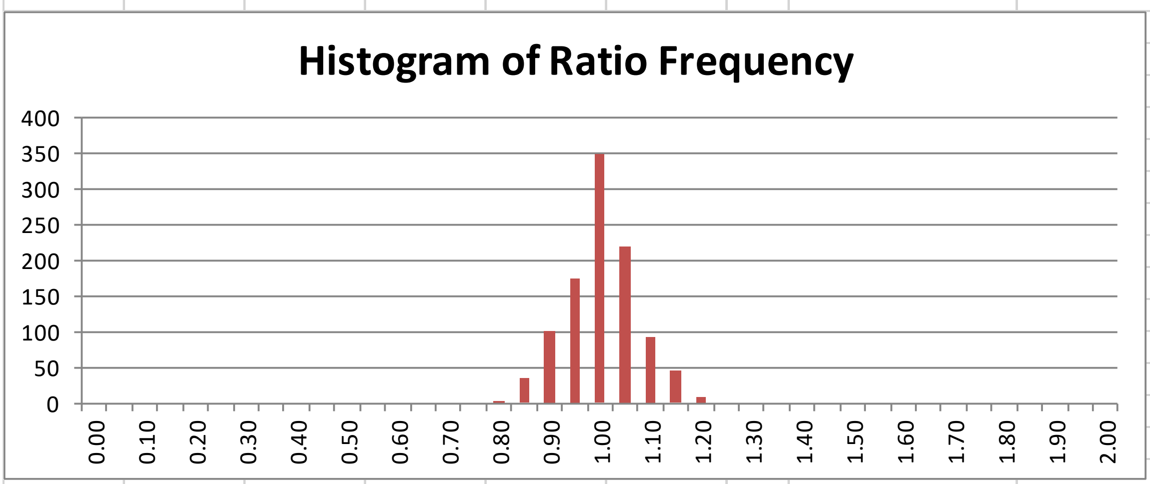
0.85	Target Level
0.8682	Factor on Mean
0.8665	**Factor on Median**
0.8712	Factor on Weighted Mean

Normal / Skewed Distribution Evaluation

0.0018	Differential Mean to Median
504	Number of data points below the mean.
526	Number of data points above the mean.
	*Note- # below/above works on data sets up to 5,000 pts.







If we were a larger jurisdiction with thousands of sales and hundreds of sales in particular subsets, then we could make more drastic changes to correct the imbalance between residential and commercial properties more quickly but with limited sales we need to be a little more cautious.

Over the next few years we will work to:

- Bring more uniformity between the commercial and residential property classes
- Bring more uniformity between the commercial subclasses
- Correct the imbalance in the distribution of the value between the land component and the building component(s).

This year will just be a first step. For most properties the increase will be applied to just the land component this year. For some classes of properties that have no land component or only a token land value, the increase will be applied to the buildings. This will bring all commercial properties closer to market. Next year we will take another step towards parity with residential properties. This will likely involve a further increase in land and, at least in some cases, a reduction in the building component.

The adjustment being applied this year will result in a 50% increase in the land component for most commercial properties. One class of properties, boathouses, will actually see a 20% reduction this year.

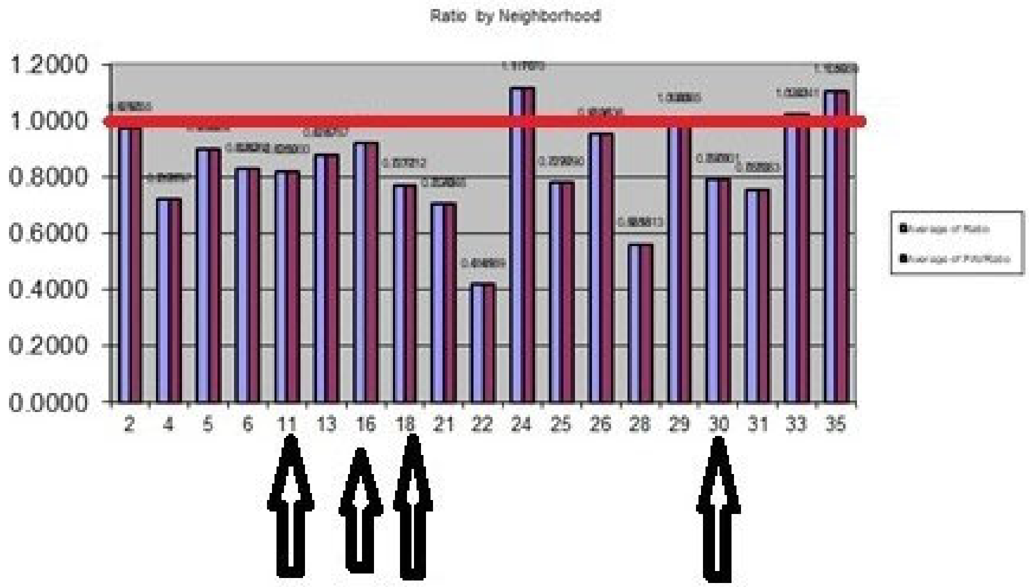
Submarkets, Stratifications and Characteristics Adjustments

Commercial

In doing the analysis we looked at subtypes or submarkets to determine if any type of property needed to be excluded from the general adjustment of 50% increase in land value. Influences that we looked at included market areas, property types and zoning. The one property type that warranted special treatment was boathouses. They were reduced by 20% on the building value. In addition, Warehouse Condos typically do not have a full land value so most of them saw a 20% increase to the building portion.

In looking at market areas special attention was paid to the downtown area as it would seem that they would be most impacted by the Covid restrictions. Below is a graph of market areas. The ones with arrows are market areas for which we had 5 or more sales. No special treatment was indicated for the downtown area, in fact, downtown was lower than the new overall ratio.

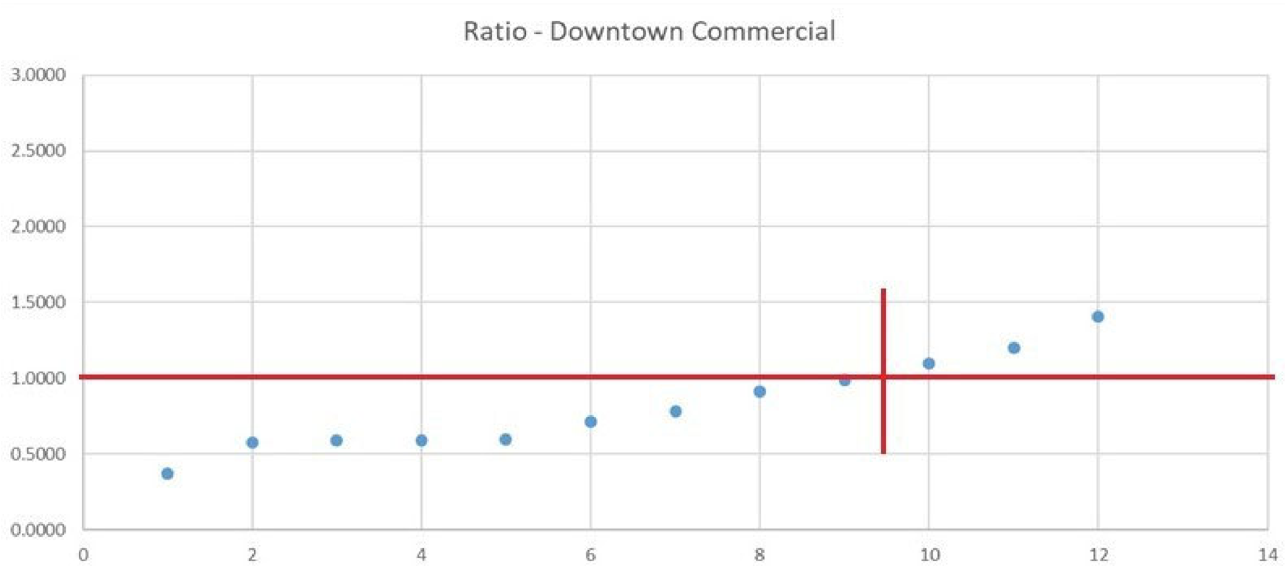
The following charts are from the audit analysis AFTER the calibration adjustments.



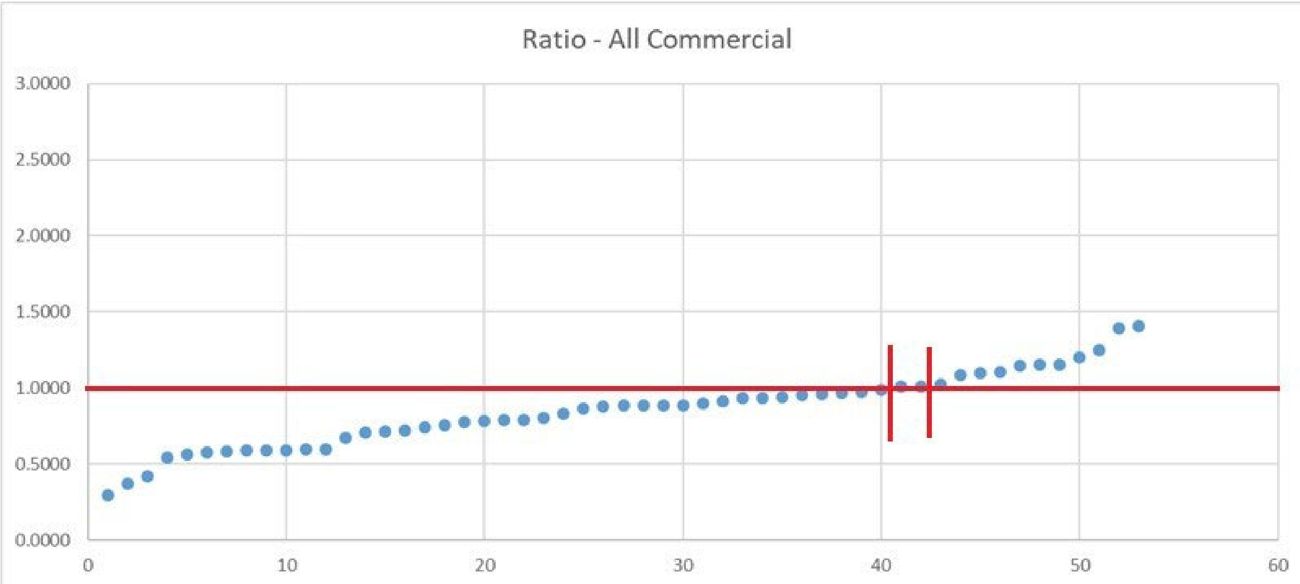
11 - Downtown Commercial - 12 Sales
16 - Lemon Creek Commercial - 9 Sales
18 - Mendenhall Peninsula Commercial - 5 Sales
30 - South Valley Commercial - 5 Sales

*** Ratios are from after AY2021 Calibrations.**

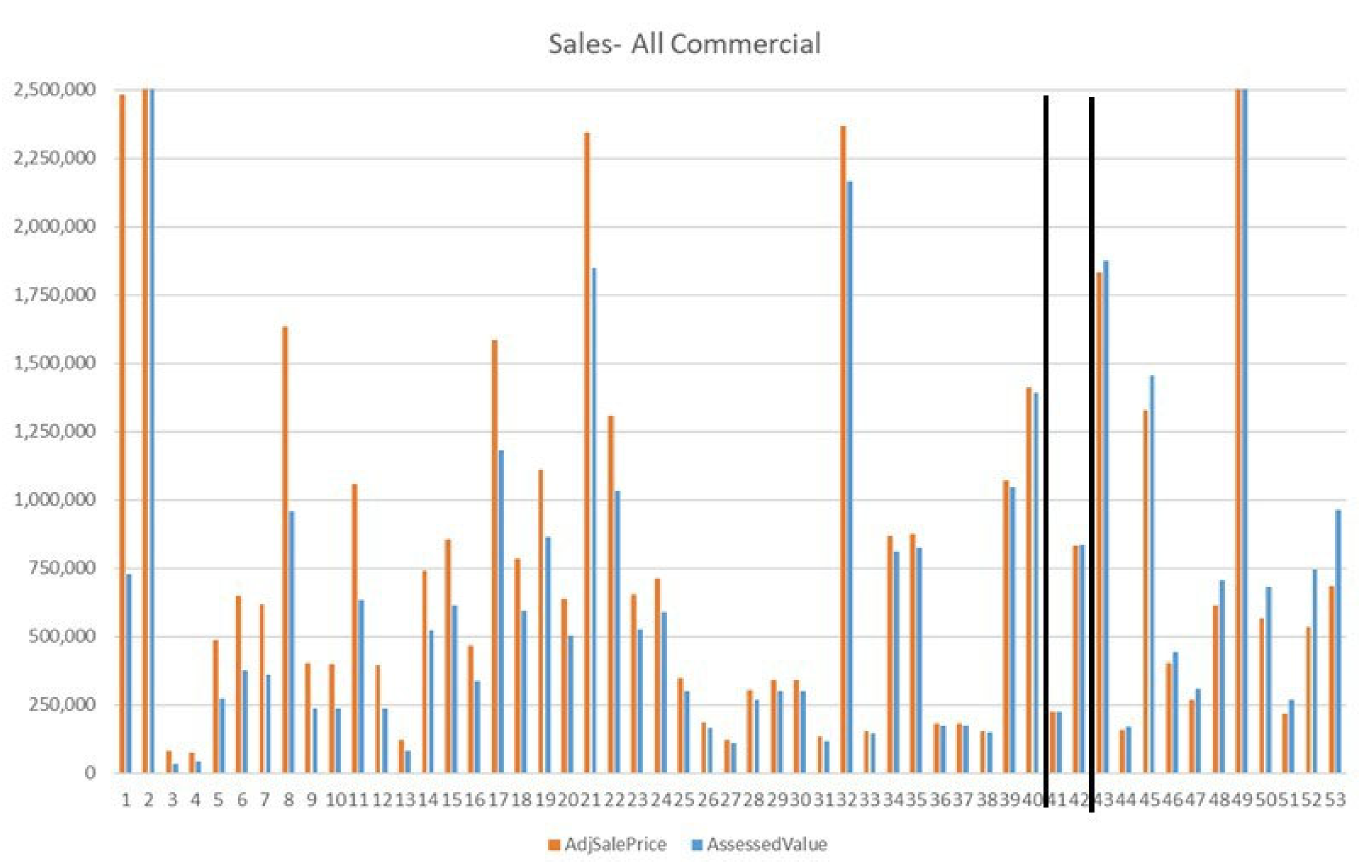
Below is a scatter diagram for the 12 downtown sales. Nine indicate assessments below market and only three have a ratio above 1. (Again, this is after the calibration adjustments, not the starting point.)



The chart below shows the ratios for the entire data set after the adjustments. The red horizontal line indicates market. There are two sales right at market. They are bracketed in red. Sales to the right have a ratio above 1. From this chart you can see that even after the adjustments about 80% of the sales have ratios indicating that our assessed values are below market, with an overall assessment level for commercial properties of 0.85.

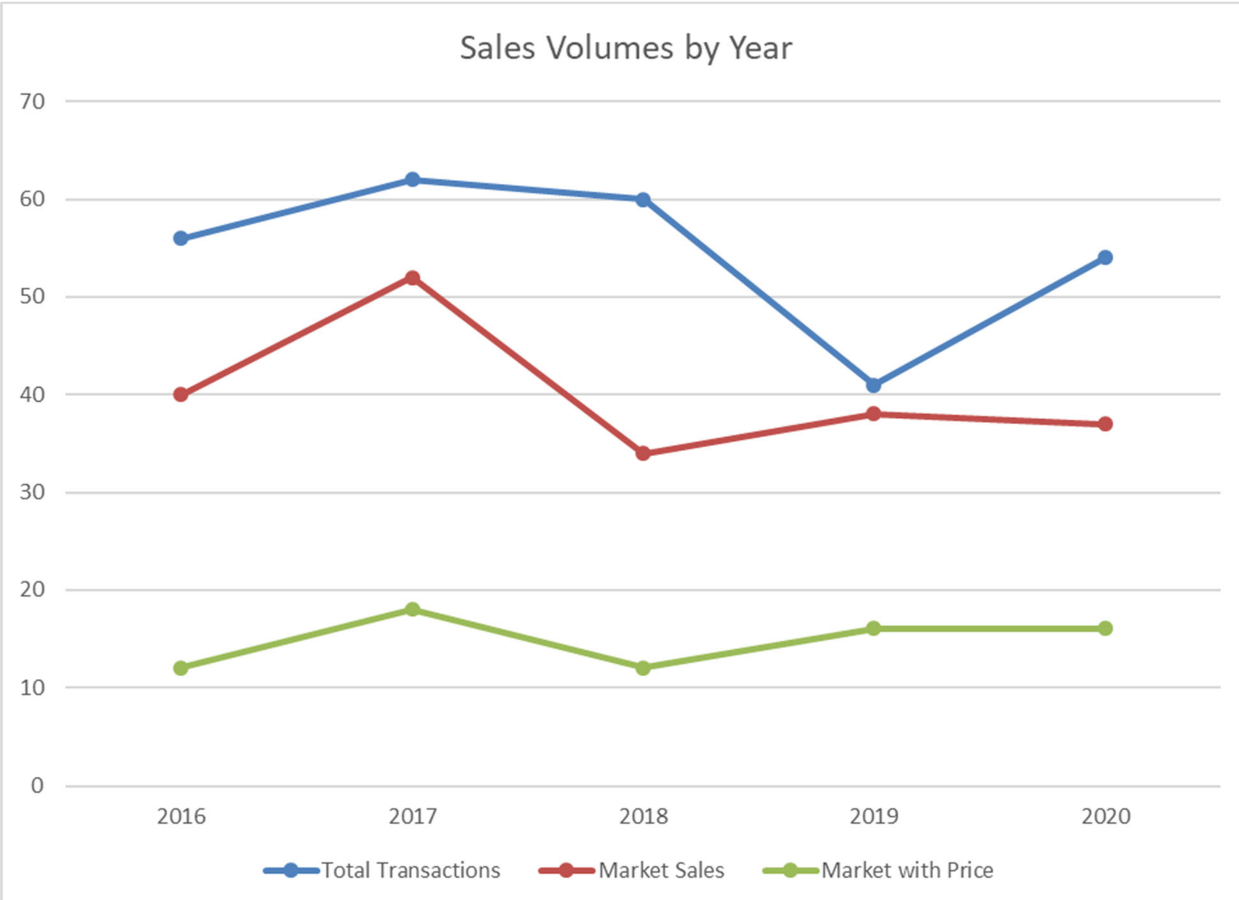


The bar chart below shows the adjusted sale price in orange and the 2021 assessed value in blue. Here the two at market are bracketed in black. Again, we are below market on about 80% of the sales, with an overall assessment level for commercial properties of 0.85.

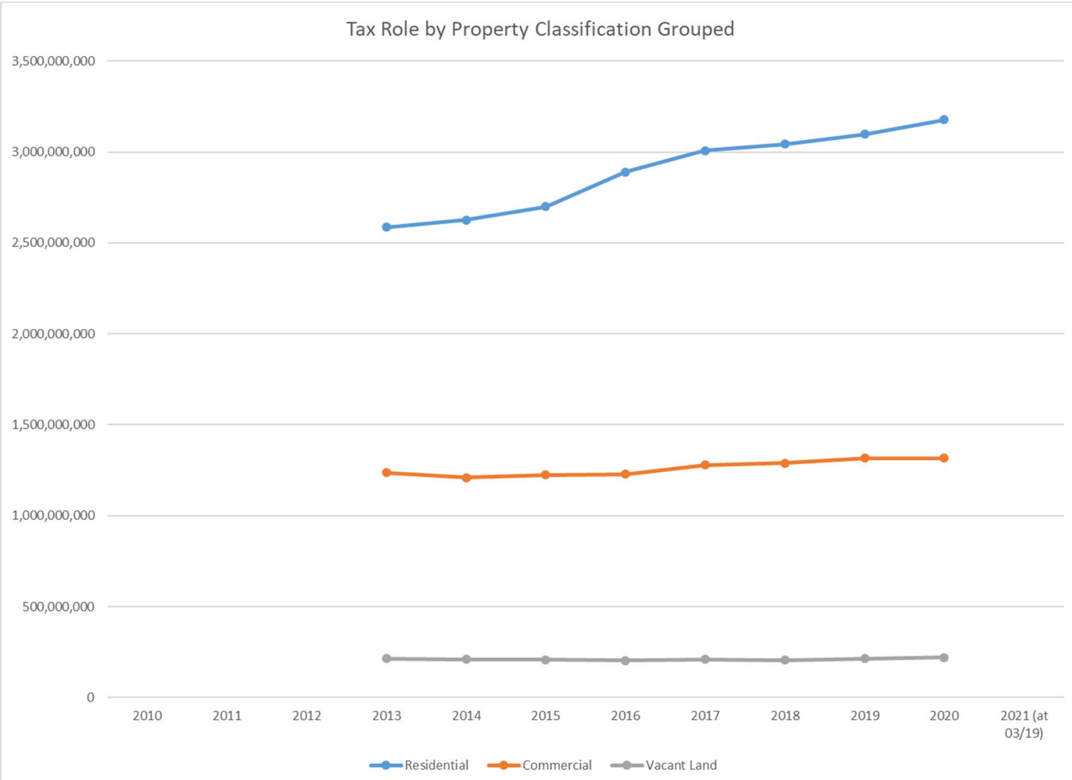


General Charts of Commercial Market Information

This first chart shows the number of sales per year in three groups- total transactions, market sales and market sales for which we know the sales price. You can see that the sales volume held steady through 2020 in spite of the pandemic.

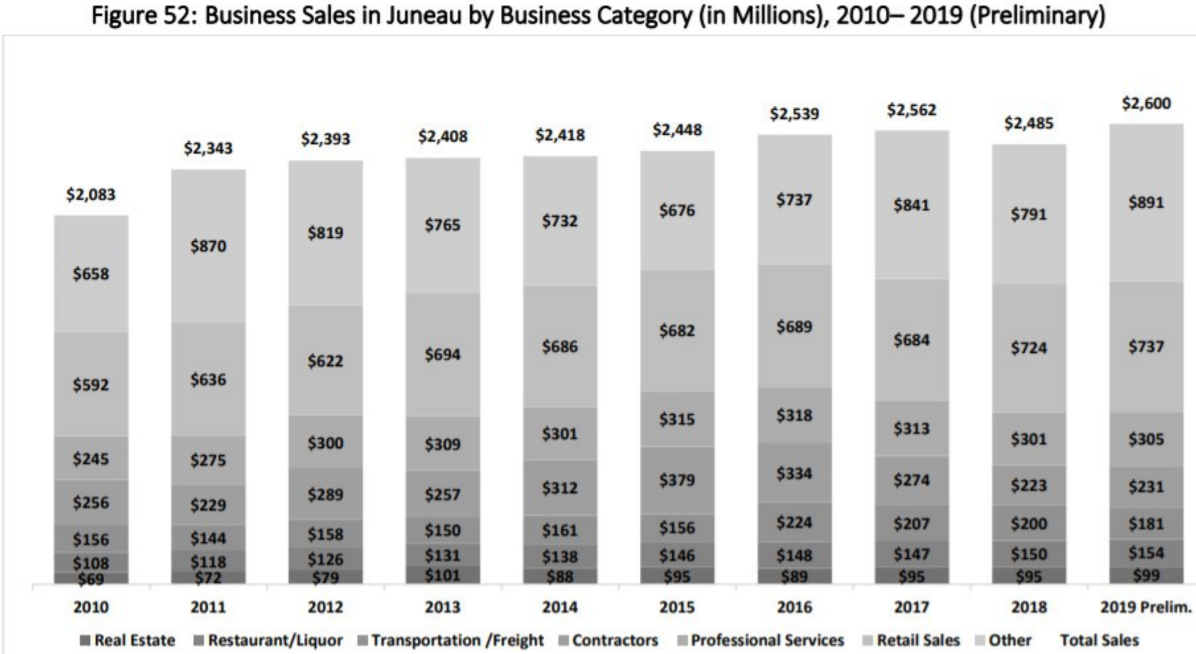


The second chart (below) shows the change in total assessed values by classification over the past 8 years. It includes both new construction and market trend increases. You can see that the residential assessed values have been increased each year while the land assessments and commercial assessments have remained flat. Economic data from the same time period would suggest that over the past 8 years the actual market value of residential property, land and commercial property have all actually increased.



The next chart is from the JEDC Economic Indicators Report 2020 and shows the growth in sales for Juneau businesses over the past 10 years.

Figure 52: Business Sales in Juneau by Business Category (in Millions), 2010– 2019 (Preliminary)

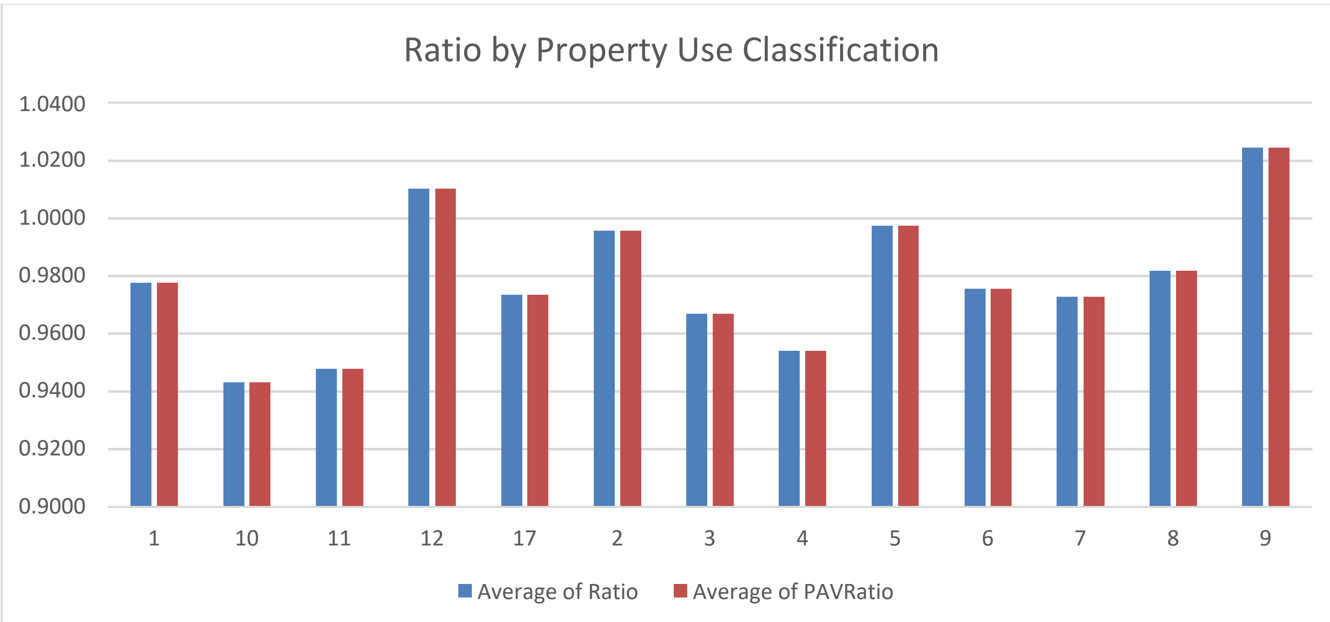


Source: City & Borough of Juneau Sales Tax Office and CBJ Comprehensive Annual Financial Report, July 1, 2018- June 30, 2019, Statistical Section. **Note:** "Other" category includes mineral sales, wholesale equipment, food suppliers, and fuel companies.

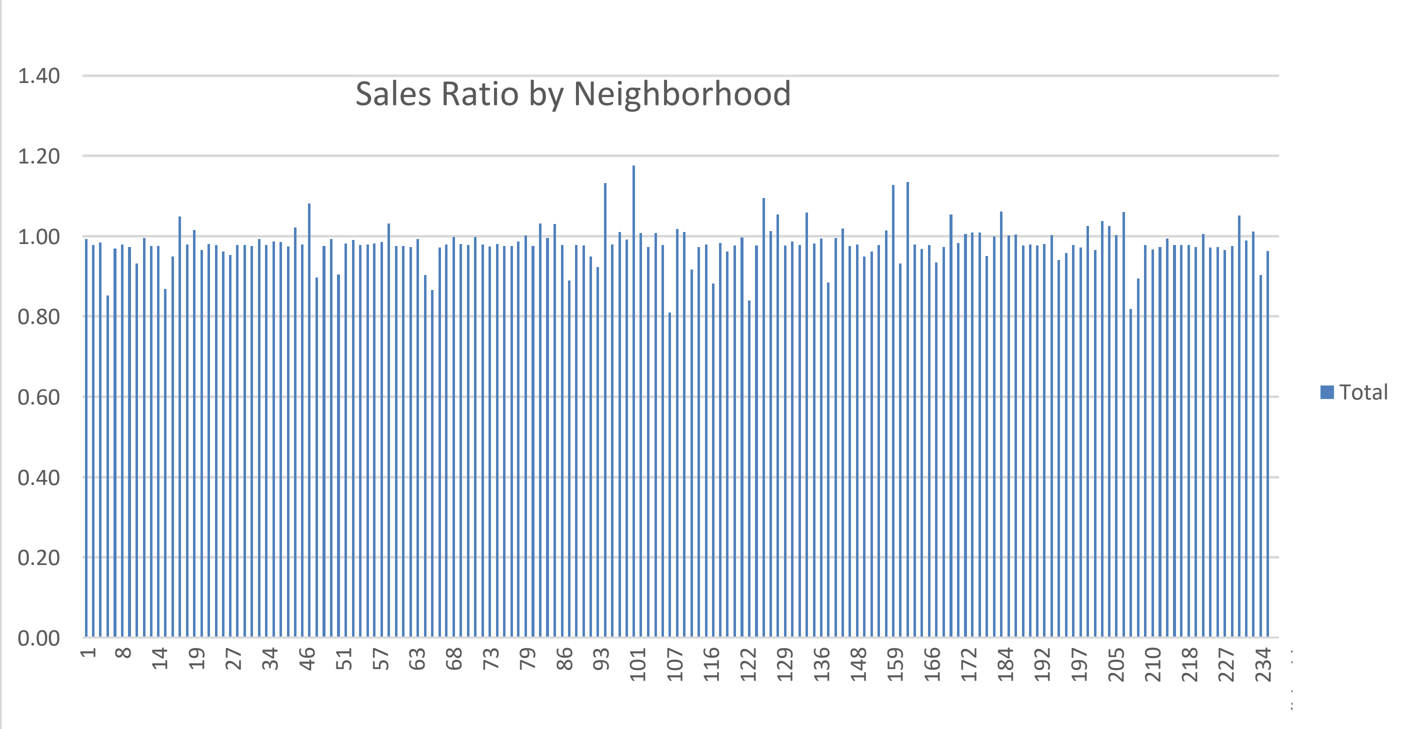
Residential

The following charts are from the audit analysis AFTER the calibration adjustments.

This chart shows the average assessed value to sales (a/s) ratio by property type.



- Prior to calibration four plex properties had an a/s ratio of .92 indicating the need for an upward market adjustment to this property type.
- The chart appears to indicate that mobile homes in parks and on fee simple land are undervalued. Additional calibration of the mobile homes model will need to be done before making market adjustments to this property type.
- All other property types appear to be within 5% above or below market value and within 5% of the overall ratio which attests to uniformity and assessment level.



This chart shows sales ratios by neighborhood.

- Care was taken to review neighborhoods with sales ratios above 1 which showed that there was not enough data to make downward adjustments to these property groups.
- Neighborhoods saw adjustments ranging from 0.5% to 26%
- The largest adjustment was for Mountain Meadow Estates which received a 26% increase. This neighborhood had not seen an increase in assessment since 2015. Prior to calibration the neighborhood had a ratio of 0.76.

General Reconciliation & Conclusions Summary

After consideration of the data, the various models, and the performance measurements and tests, we have applied the above outlined submarket valuation "Summaries" and "Reconciliations & Conclusions" to the subject properties.

All three approaches were considered for all properties. Similar appraisal methodologies were applied to similarly classed properties in order to promote equity and uniformity. For some classes of properties one or more of the approaches were not given significant weight. Additional information in this regard can be found in the supporting documentation.

Statements & Definitions

Type and Definition of Value (Interest Being Appraised)

The value being assessed is fee simple ownership interest at 100% of market value as of the effective date. Market value is the amount of money a willing buyer, not obligated to purchase, would pay and a willing seller, not obligated to sell, would accept for a property.

Highest and Best use Definition

A properties use may or may not represent its highest and best use. The highest and best use is the most profitable use given the probable legal, physical, and financial constraints.

Statement of Assumptions and Limiting Conditions

1. This report and the associated assessed values are intended for ad valorem taxation purposes and may not be applicable for any other use.
2. The following are general statements. Records pertaining to individual properties may list specific exceptions.
3. It is assumed that:
   a. Title is free and clear.
   b. There are no encroachments.
   c. There are no hidden defects or conformity issues.
   d. There is no contamination or hazardous materials present.
4. Property attributes observed upon exterior inspection are assumed to be representative of interior attributes when interior inspections were not feasible.

Certification Statement

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are the personal, impartial, and unbiased professional analyses, opinions and conclusions of the Assessor's Office.
- I and the Assessor's Office staff have no present or prospective interest in the property that is the subject of this report except any personal real estate holdings we may have within the county. No individual inspected their own property.
- We have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the reporting of a predetermined value or direction in value, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Our analyses, opinions and conclusions were developed, and the report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- We have made a personal inspection of the properties that are the subject of this report as outlined in our revaluation plan.
- The Assessor's Office staff provided significant mass appraisal assistance to the person (the Assessor) signing this certification.

Mary Hammond

Mary Hammond
City and Borough of Juneau Assessor

MEMORANDUM

DATE: April 16, 2021

TO: Assembly Finance Committee

FROM: Jeff Rogers, Finance Director

SUBJECT: **FY2022 Debt Service Summary**

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

CBJ's general obligation debt service has been substantially impacted by unreimbursed school bond debt from the State of Alaska. Conversely, FY2022 debt service is supported by revenue from the Airport and Hotel Bed Tax.

In FY2020, the Governor vetoed school bond debt reimbursement down to 50% of the amount committed. By staff recommendation, the Assembly chose to draw down on the Debt Service Fund's fund balance that accumulated as a result of prefunding general obligation debt from 1% sales tax receipts. Subsequently, the majority of the available fund balance was eroded to cover the state's unreimbursed portion of school bond debt in FY2020.

In FY2021, the Governor vetoed 100% of school bond debt reimbursement, resulting in a considerable shortfall in the Debt Service Fund if left unsubsidized. In addition to drawing down on the remaining fund balance, the Assembly appropriated $5.9 million of general funds to the Debt Service Fund in FY2021 to compensate for the reduction in state support. This action allowed the Assembly to maintain a flat debt service mill rate over the prior year and avoid shifting the burden of the unreimbursed portion of school bond debt from the state onto residential and commercial property owners.

In FY2022, the Governor's budget includes funding for school bond debt reimbursement at only 50%. To address this, the FY2022 Manager's Proposed Budget includes a $2.8 million general fund subsidy to the Debt Service Fund to cover the unreimbursed portion of school bond debt, and an additional $258,000 subsidy to cover remaining debt obligations to avoid an increase to the debt service mill rate. As detailed in the Assessor's 2021 Valuation Report, the 6.5% increase in 2021 assessed valuations is significantly higher than the 1.5% assumed increase reflected in the Manager's Proposal. If the Assembly chooses to maintain a flat debt service mill rate in FY2022 of 1.20, the increase to assessed valuations is estimated to produce $304,581 more than what is currently reflected in the proposed budget to cover debt obligations. This additional property tax revenue will partially alleviate the burden on the required general fund subsidy into the Debt Service Fund in FY2022.

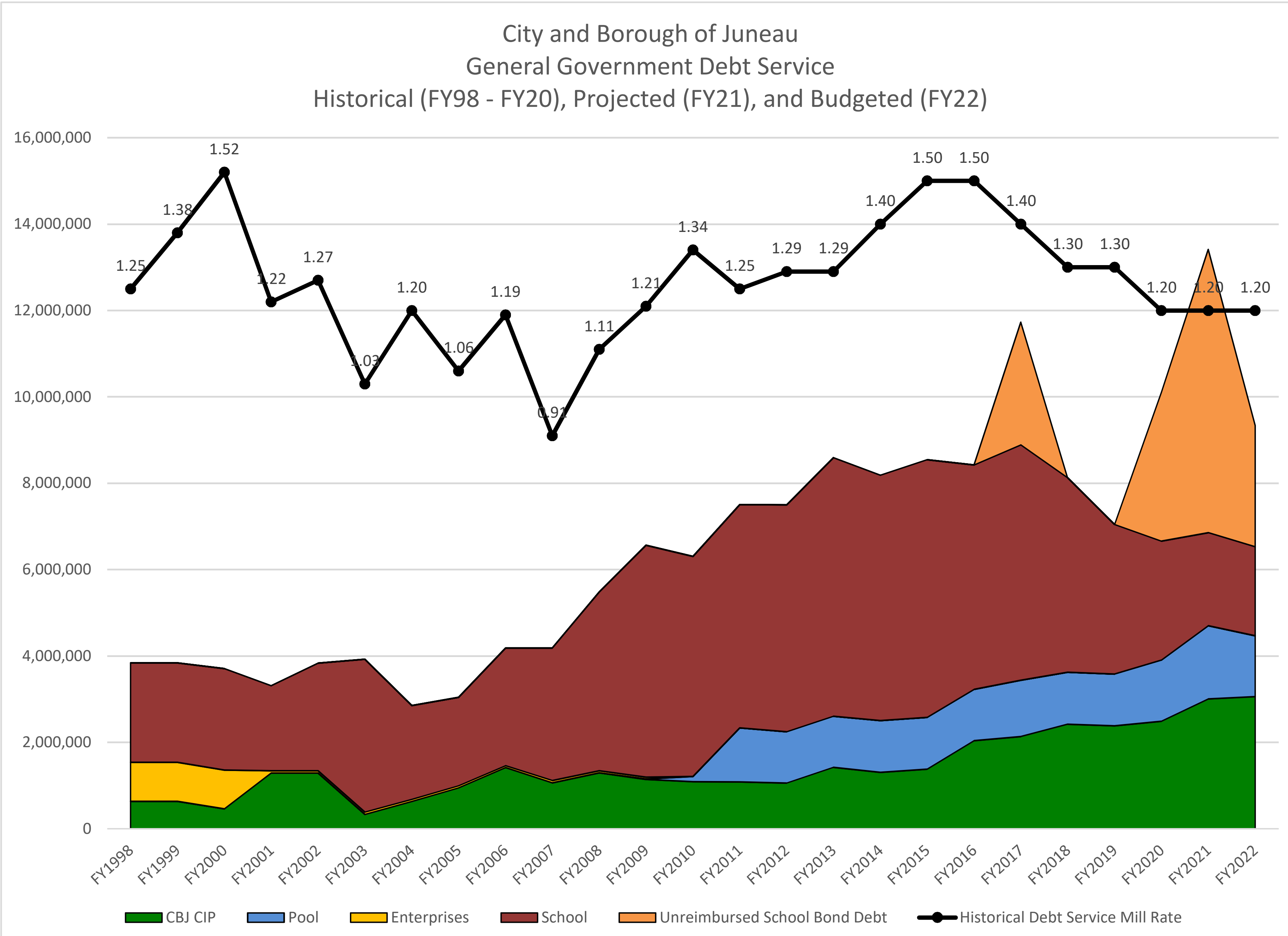
The Manager's Proposal also includes a transfer of $277,700 from the Hotel Bed Tax Fund to the Debt Service Fund. This transfer represents 2% of the forecast 9% hotel bed tax. As a reminder, on January 1, 2020 the community increased the hotel bed tax from 7% to 9% with the intent for the additional 2% to assist in funding future capital improvements to Centennial Hall. This transfer is intended to subsidize the new general obligation bond debt incurred in FY2022 as a result of issuing a $7 million bond to fund Centennial Hall renovations. Additionally, the Manager's Proposal includes $662,625 support from the Airport Fund to the Debt Service Fund. This airport-related debt was part of CBJ's 2019 general obligation bond sale as local match, but paying these debt costs is an eligible expenditure under the Airport's new federal grant funding.

I recommend that the Committee authorize the 1.20 debt service mill rate as proposed. If funds for reimbursement of FY2022 school bond debt are not funded by the Legislature and Governor, the Committee will need to appropriate additional general funds to cover any unreimbursed amount.

CBJ Debt Service Model

Updated 4/16/2021

	Actual	*Projected*	*Budgeted*	*Forecast*			
	FY2020	**FY2021**	**FY2022**	**FY2023**	**FY2024**	**FY2025**	**FY2026**
Debt Service Fund Balance	**$ 5,156,600**	**$ 974,938**	**$ 31,102**	**$ -**	**$ -**	**$ -**	**$ -**
Required Debt Service	**$ 13,903,271**	**$ 13,516,211**	**$ 13,070,327**	**$ 8,857,011**	**$ 6,391,923**	**$ 4,713,985**	**$ 3,557,985**
Reimbursements/Subsidies							
SOA SBDR %	50%	0%	50%	50%	50%	50%	N/A
SOA SBDR $	$ (3,441,732)	$ -	$ (2,809,000)	$ (1,684,437)	$ (823,206)	$ (504,300)	$ -
Federal Subsidy	$ (184,804)	$ -	$ -	$ -	$ -	$ -	$ -
Interest Income	$ (38,294)	$ -	$ -	$ -	$ -	$ -	$ -
Airport Reimbursement $	$ -	$ (602,375)	$ (662,625)	$ -	$ -	$ -	$ -
Hotel Bed Tax Subsidy	$ -	$ -	$ (277,700)	$ (280,000)	$ (284,200)	$ (288,463)	$ (292,790)
Other Financing Sources (Uses)	$ (73,961)	$ -	$ -	$ -	$ -	$ -	$ -
Net Required Debt Service	**$ 10,164,480**	**$ 12,913,836**	**$ 9,321,002**	**$ 6,892,574**	**$ 5,284,517**	**$ 3,921,222**	**$ 3,265,195**
Debt Service Paid by Mill Rate	**$ 5,982,818**	**$ 6,070,000**	**$ 6,222,500**	**$ 6,892,574**	**$ 5,284,517**	**$ 3,921,222**	**$ 3,265,195**
Debt Service Fund Net Gain/(Loss)	**$ (4,181,662)**	**$ (974,938)**	**$ (31,102)**	**$ -**	**$ -**	**$ -**	**$ -**
Required General Fund Subsidy	**$ -**	**$ 5,868,898**	**$ 3,067,400**	**$ -**	**$ -**	**$ -**	**$ -**
Voluntary General Fund Subsidy	**$ -**	**$ 5,900,000**	**$ 3,067,400**	**$ -**	**$ -**	**$ -**	**$ -**
Debt Service Mill Rate (Status Quo)	**1.20**	**1.20**	**1.20**	**1.31**	**0.99**	**0.72**	**0.59**



City and Borough of Juneau
General Government Debt Service
Historical (FY98 - FY20), Projected (FY21), and Budgeted (FY22)
16,000,000
14,000,000
12,000,000
10,000,000
8,000,000
6,000,000
4,000,000
2,000,000
0
1.25
1.38
1.52
1.22
1.27
1.03
1.20
1.06
1.19
0.91
1.11
1.21
1.34
1.25
1.29
1.29
1.40
1.50
1.50
1.40
1.30
1.30
1.20
1.20
1.20
FY1998
FY1999
FY2000
FY2001
FY2002
FY2003
FY2004
FY2005
FY2006
FY2007
FY2008
FY2009
FY2010
FY2011
FY2012
FY2013
FY2014
FY2015
FY2016
FY2017
FY2018
FY2019
FY2020
FY2021
FY2022
CBJ CIP
Pool
Enterprises
School
Unreimbursed School Bond Debt
Historical Debt Service Mill Rate

MEMORANDUM

DATE: April 16, 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: **Consideration of Assessed Valuation on Mill Rate**

Background

Property tax revenue is the product of multiplying taxable assessed property valuation by the established mill rate. The CBJ Assessor bears the responsibility for establishing taxable assessed property valuation in accordance with state law, local code, and industry best practice. The Assembly bears the responsibility for establishing the mill rate. This memo provides an update about 2021 assessed values (the basis for FY2022 property taxes) and gives the Assembly mill rate options for consideration.

Discussion

As demonstrated by the period prior to 2010, the mill rate can be quite dynamic, ranging from 10.17 to 12.22. These dynamic changes to the mill rate responded to the year-by-year change in assessed valuations and the need for new tax revenue to pay for increased municipal costs (including debt). However, in most of CBJ's history since 2010, the mill rate has hewed to a narrow range between 10.50 and 10.76. Generally, the Assembly's effort has been to prevent the mill rate from rising, and thus the mill rate has remained generally flat. Rising sales tax revenues and increases in property valuations have allowed the Assembly to adopt largely unchanged mill rates year-over-year, in spite of rising municipal costs.

A common misconception is that the Assessor increases property values to achieve revenue goals. That is not the case. The Assessor is required by state law to determine fair market value (FMV) on an annual basis and is given no direction on valuation or on revenue goals. The Assessor's task is formidable: determining the FMV of 8,000 properties with limited staff and historically limited access to market sales price information. Unsurprisingly, significant corrections have occasionally been necessary. With CBJ now requiring mandatory sales price disclosure, valuations will become more closely aligned with sales prices and disproportionate corrections should become less necessary.

The authority for determining the amount of property tax to be levied is held solely by the Assembly, which it does by establishing the annual mill rate. There's no strictly right or wrong way to calculate the mill rate. Consider a community whose sole source of revenue is property tax. That community would calculate its mill rate annually by dividing total municipal costs by total taxable assessed value—the calculation would be rather simple, and there wouldn't be many alternatives. However, Juneau has many sources of revenue, including, notably, sales tax and fund balance. Hence, the Assembly can approach the mill rate with a more expansive view, considering all of the cost impacts of property taxation and the beneficial impact of property tax expenditures.

The FY2022 Manager's Budget proposes a total mill rate of 10.86, which would increase the areawide portion of the mill rate by 0.20 mills. This proposal is an outgrowth of discussion at the retreat where the Assembly agreed to start the budget with a status quo approach and the Assembly's discussion on May 28, 2020 when the Assembly established the FY2021 mill rates. The consensus of that conversation was that support for childcare was a new program that needed an established future funding source, and that the Assembly should expect to implement that increase in FY2022, after one-time CARES funds were depleted. Hence, the Manager proposes to increase the mill rate by 0.20 mills from 10.66 to 10.86.

However, the Manager's proposal was based on a presumptive 1.5% increase in assessed valuations. For many years, it has been the practice of the Finance Department to build the budget using a presumptive increase in the range of 1.5% to 2.0%. Assessed valuations have typically risen more than that, so this presumption is conservative in nature. The CBJ Assessor mailed out assessment notices in late March. And after correcting for known errors, it appears that assessed valuations have actually risen by approximately 6.5% from 2020 (FY2021) to 2021 (FY2022). The reasons for this increase are several and are discussed at length in a separate report from the Assessor. Any disputes regarding assessed values that cannot be resolved by the Assessor can be appealed by property owners to the Board of Equalization. Corrections to assessments made through the review process will continue to shift final total taxable assessed valuation of the borough. The total taxable assessed valuation on the attached calculation assumes that pending reviews and appeals will result in some net reduction in total valuation, but the exact total assessed taxable valuation will not be known until after the budget process is complete.

An increase to taxable assessed valuations of this magnitude gives the Assembly flexibility and options in establishing the mill rate that will determine FY2022 property taxes. Those options include (but may not be limited to):

Option #1 – Accept the Manager's Proposal of a total mill rate of 10.86 mills
Option #2 – Maintain the mill rate flat from the prior year at 10.66 mills
Option #3 – Recalculate the mill rate to realize the amount of property tax in the Manager's proposal

See the attached table for calculations of the above three options.

As currently re-calculated, option #3 would reduce the total mill rate to 10.40 mills. That would be a historically low rate. Since 1998, the total mill rate has only been lower than 10.40 in years 2007 (10.17), 2008 (10.37), and 2009 (10.37). Calculating a lower mill rate in light of higher valuations seems like the right thing to do, but it may be counter-intuitive to set a historically low mill rate in the face of a historically large general fund deficit.

Likewise, the decision between options is considerably complicated by an uncontrollable outside factor—the state's failure to reimburse school bond debt. Paying the state's unreimbursed portion of school bond debt with property taxes in prior years would have required a staggering increase to the debt service mill rate. Super-sizing the debt service mill rate to tax the public for the state's failure has not been attractive, so budgets for the last several years have used general funds to subsidize CBJ's debt fund shortages resulting from the unreimbursed amounts. The FY2022 Manager's Proposed Budget likewise requires a $2.8 million subsidy from the general fund to the debt service to cover unreimbursed school bond debt. This challenge complicates the consideration of an appropriate debt service mill rate.

Conclusion

The Assembly could adopt one of the presented options, or it could direct staff to recalculate the mill rate based on any concept, variable, or desired outcome. As detailed separately by the Assessor, the substantial increase in assessed valuations is due largely to the first phase of a correction to historically under-assessed commercial properties. That under-assessment has had the effect of shifting the property tax burden from commercial to residential properties over time. Hence, recalculating and reducing the mill rate for all property tax payers would have a correcting effect—shifting a portion of the property tax burden off of residential homeowners back to commercial property owners who have enjoyed erroneously low property valuations, and lower property tax bills, for many years. The Assessor anticipates that fully correcting commercial assessments to fair market value will take several years of iterative adjustments, so this is a trend that could continue for several years.

Property owners who believe their properties are incorrectly assessed are encouraged to file a Petition for Review with the Assessor by May 3.

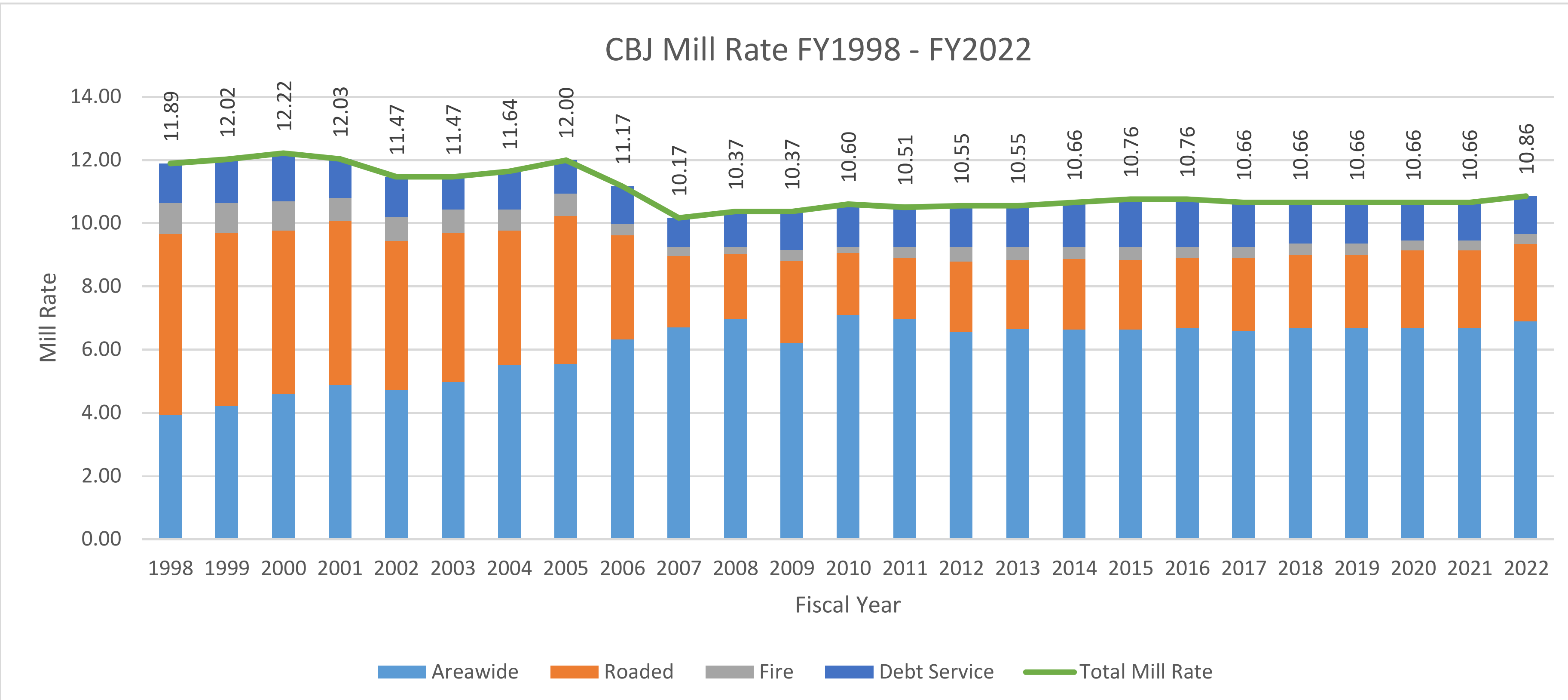
2021 Assessed Valuations and FY2022 Mill Rates and Property Tax

Scenarios for Assembly Consideration

		FY2021 Actual Valuation	FY2022 Forecast Valuation	FY2022 Revised Valuation
Taxable Assessed Valuation	Non-Roaded	$ 503,006,508	$ 510,551,606	$ 502,753,257
	Roaded	$ 4,559,129,391	$ 4,627,516,332	$ 4,888,592,832
	Roaded wo/ Fire	$ 27,698,718	$ 28,114,199	$ 28,653,911
	Total	**$ 5,089,834,617**	**$ 5,166,182,136**	**$ 5,420,000,000
Taxable Assessed Valuation Increase over Prior Year			**1.5%**	**6.5%**

		Prior Year	As Proposed	FY2022 Scenarios for Consideration: Option #1 Accept Proposal	Option #2 Flat from Prior Year	Option #3 Recalculate
Mill Rates	Areawide	6.70	6.90	6.90	6.70	6.58
	Roaded	2.45	2.45	2.45	2.45	2.32
	Fire	0.31	0.31	0.31	0.31	0.30
	Debt	1.20	1.20	1.20	1.20	1.20
	Total	**10.66**	**10.86**	**10.86**	**10.66**	**10.40**
Property Tax	Areawide	$ 34,101,892	$ 35,646,657	$ 37,398,000	$ 36,314,000	$ 35,663,600
	Roaded	$ 11,237,729	$ 11,406,295	$ 12,047,255	$ 12,047,255	$ 11,408,012
	Fire	$ 1,413,330	$ 1,434,530	$ 1,515,464	$ 1,515,464	$ 1,466,578
	Debt	$ 6,107,802	$ 6,199,419	$ 6,504,000	$ 6,504,000	$ 6,504,000
	Total	**$ 52,860,752**	**$ 54,686,900**	**$ 57,464,718**	**$ 56,380,718**	**$ 55,042,190**
Property Tax Revenue Increase over Proposed($$$):			N/A	**$ 2,777,818**	**$ 1,693,818**	**$ 355,290**
Property Tax Revenue Increase over Prior Year ($$$):			**$ 1,826,148**	**$ 4,603,966**	**$ 3,519,966**	**$ 2,181,438**
Property Tax Revenue Increase over Prior Year (%):			**3.5%**	**8.7%**	**6.7%**	**4.1%**

4/16/2021



CBJ Mill Rate FY1998 - FY2022
Mill Rate
14.00
12.00
10.00
8.00
6.00
4.00
2.00
0.00
11.89
12.02
12.22
12.03
11.47
11.47
11.64
12.00
11.17
10.17
10.37
10.37
10.60
10.51
10.55
10.55
10.66
10.76
10.76
10.66
10.66
10.66
10.66
10.66
10.86
1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022
Fiscal Year
Areawide
Roaded
Fire
Debt Service
Total Mill Rate

TRAVEL JUNEAU

TO: Ms. Carole Triem
Chair – Assembly Finance Committee, City & Borough of Juneau
FROM: Liz Perry
President & CEO, Travel Juneau
DATE: April 9, 2021

Ms. Triem,

On behalf of our board of directors, thank you and the Assembly Finance Committee for the opportunity to present Travel Juneau's proposed FY22 budget.

The FY22 budget is presented in two spreadsheets:

1) the proposed budget which includes our annual request of Hotel Bed Tax at the same amount as FY21 plus a grant of Marine Passenger Fees (MPFs) to support Visitor Information Services and the Crossing Guard program. This version is increased by a little over $67,000 over FY21, as the organization will print a visitor guide for 2022.

2) an alternate budget, in which MPFs are omitted. Without $150,000 to support Visitor Services and the Crossing Guard program (spring 2022), the organization will lay off staff and reduce trade show and other opportunities not already contracted from previous years. Production of the 2022 Official Visitors Guide will move forward. The organization has renegotiated as many of the fixed operational costs as possible.

Accompanying the budget is our FY2020 Annual Report. Reecia Wilson, treasurer for the board, will make the presentation.

Sincerely,

Liz Perry
President & CEO
Travel Juneau

Proposed and Alternate (excl. MPF Grants) FY22
TJ Budget

Line	FY22 Budget	Description & Notes	CS	DM	VIS	PS	Admin	Alt FY22	Proposed FY22	FY21 Appr
Line	REVENUES & INCOME									
4000	**Hotel Bed Tax - CBJ Grant**	**General funding across all classes**	166,394	265,321	63,339		129,946	625,000	625,000	625,000
4001	**Partnership Sales**	Partnership Tiers base - 200 @$400	20,585	14,000	34,000	11,415		80,000	80,000	72,000
4010								0		
4025								0		
								0		
								0		
4100	**Web Ad Sales**					6,000		6,000	6,000	
	Co-Op Ads							0		
4110	Travel Planner Ads	From Partner Svc	10,000	95,000				105,000	105,000	
4111	CST Ads on monitor	From Partner Svc						0		
4200	**Website Add'l Listings**	From Partner Svc				3,500		3,500	3,500	3,500
4250	**Travel Planner Add'l Listings**	From Partner Svc				3,000		3,000	3,000	0
4350	**Travel Fair Vendors**				1,492	3,508		5,000	5,000	7,500
4400	**Annual Mtg**					350		350	350	350
4450	**Marketing Momentum**	Ticketed event				1,000		1,000	1,000	1,500
4500	**Booth Share**									3,000
4550	**Mtg Planner Event Vendors**									
4600	**Interest**						325	325	325	325
4650	**MPFs for Visitor Services**								150,000	
4700	**Other revenue & income**				100			100	100	
4750	**Pass-through and Special Projects - Class 6**							0		
	Crossing Guard Program - MPFs	10% Admin fee for pass-through							36,342	2,000
4770	Carry-over	c/o from FY21	35,000	50,000			15,000	100,000	100,000	219,270
		TJ reserves	15,350	19,000	90,710	365	11,000	136,425	52,000	200,000
4800	**Other Grants**	PPP c/o from FY21	6,169	9,089	8,089	2,540	8,089	33,976	33,976	
	TOTAL REVENUES		253,498	452,410	197,730	31,678	164,360	1,099,676	1,201,593	1,134,445

Proposed and Alternate (excl. MPF Grants) FY22
TJ Budget

	FY22 Budget	Description & Notes	CS	DM	VIS	PS	Admin	Alt FY22	Proposed FY22	FY21 Appr
	EXPENSES									
5000	Personnel Expenses									
	Gross	Maintains pay cuts	123,000	109,000	125,000		130,000	487,000	553,000	548,261
		Loss of 1 FTE								
		No 401(K) match								
		No wellness								
6000	Staff Training & Conferences			750			6,250	7,000	19,520	
6010	Staff Incentives						1,500	1,500	1,500	2,000
6025	Mileage		185	230	500	185	100	1,200	1,200	1,198
6030	Telephone & Internet		1,785	3,570	3,570		2,790	11,715	13,500	13,500
6040	Technology & Connectivity		4,857	9,713	9,713	4,857	5,860	35,000	35,000	
6050	Equipment - Purchase & Maintenance		142	216	216	142	284	1,000	1,000	1,500
6070	Postage		250	250	4,000	250	250	5,000	5,000	5,000
6080	Supplies		155	310	310	155	180	1,110	1,110	1,110
6090	Copying/Printing	All office	214	428	428	214	216	1,500	1,500	1,500
6100	Dues/Partnerships		1,520	14,990	720	720	720	18,670	17,870	
6200	Subscriptions			19,245	1,970	720	570	22,505	22,505	
6300	Community Relations		125				125	250	1,700	
6400	Shows		25,000	29,000				54,000	59,250	
6430	FAM - Prospects		8,569	5,000				13,569	18,000	
6450	Premiums		1,000	1,000				2,000	3,500	
6475	Travel Guide Distribution	Trade shows								350
	CONVENTION SALES/MARKETING									
6500	Centennial Hall rebate & mtg support	Incl A/V support	47,000					47,000	50,000	42,500
6510	Meeting Printing		500					500	500	
6515	Conv Sales Site Visits - MPs		10,000					10,000	10,000	3,500
6520	Bid in Person or mtg promotion		5,000					5,000	5,000	3,178
6530	Convention Advertising & Ad Dev		15,000					15,000	15,000	37,400
6550	Meeting Planner Events									
6575	Sales Missions									
	DESTINATION MARKETING									
6600	Travel Writer Expenses/PR			22,000				22,000	24,000	
6710	Destination Print Advertising			20,042				20,042	13,149	16,500
6720	Destination Digital Advertising			30,522				30,522	33,385	35,932
6725	Destination Photos, Video, & Graphic Design			21,100				21,100	10,000	12,919
6730	Destination Social Media Promotion			7,500				7,500	7,500	13,191
6740	Travel Guide Production & Distribution	Rev for 2022		75,000				75,000	75,000	5,000
6750	Website Hosting & Maintenance			64,150				64,150	64,150	
	VISITOR SERVICES									
6810	AKA Fulfillment (bulk mail)				10,000			10,000	10,000	10,000
6815	Storage				2,750			2,750	2,750	2,750
6820	Volunteer - Training				2,500			2,500	4,500	4,500
6825	Volunteer Recognition				3,750			3,750	4,750	3,500
6830	Summer Assistants							0	14,734	16,742
6840	Parking - Seasonal				650			650	650	650
6845	Travel Guide Dist - Interior				2,260			2,260	2,260	2,260
6850	Visitor Site Supplies				1,000			1,000	1,000	1,000
6852	Copy/Printing - Dept Specific							0	1,500	1,500
6855	DT Walking Map				10,000			10,000	10,000	10,000
6860	Visitor Retention									
6865	Cruise Calendar Prod							0	500	500
	PARTNER SERVICES									
6910	Travel Fair	Spr '22				8,488		8,488	8,488	
6925	Partnership Education					2,000		2,000	2,000	3,000
6945	Annual Meeting & Annual Rpt	Spr '22				3,000		3,000	3,000	3,000
6950	New Partner Recruitment					250		250	250	250
6965	Decals									
6970	DTN Contracts									
6975	Dining Guides					1,500		1,500	1,500	
	ADMIN									
7010	Rent		7,142	14,286	14,286	7,143	7,143	50,000	50,000	49,000
7015	Property Insurance		207	414	414	207	210	1,452	1,452	1,452
7020	Liability Insurance		385	771	771	385	388	2,700	2,700	2,700
7025	Employee Dishonesty Insurance		68	134	133	68	70	473	475	475
7030	Fees & Taxes						5,800	5,800	5,800	5,800
7040	ERISA Bond		180	360	360	180	170	1,250	1,250	1,250
7050	Board of Directors						520	520	695	1,000
7070	Accounting		1,214	2,429	2,429	1,214	1,214	8,500	8,500	8,500
7080	DestNEXT - DMO evaluation									
	TOTAL EXPENSES		253,498	452,410	197,730	31,678	164,360	1,099,676	1,201,593	1,140,595
	% of total budget		23.1%	41.1%	18.0%	2.9%	14.9%			
8100	SPECIAL PROJECTS - CLASS 6									
	Crossing Guard Program (MPF)									
	$363,423 - 10% Admin Fee									

TRAVEL JUNEAU
ANNUAL REPORT

JULY 2019 - JUNE 2020


JUNEAU CONVENTION & VISITORS BUREAU WAS ESTABLISHED IN 1985 AND BEGAN DOING BUSINESS AS TRAVEL JUNEAU IN 2016.
Happy 35th Anniversary!

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FROM THE BOARD CHAIR

Dear Travel Juneau Partners,

It is my honor to serve you again this year as Chair of Travel Juneau's Board. The directors serv
in their own organizations and we're dedicated to bringing economic benefit to our entire com
Board of Directors and the Travel Juneau staff, it is my pleasure to present the annual report fo
provide these highlights.

For the first time in over a decade, and in collaboration with Sealaska Heritage Institute and A
production of our annual Official Visitors Guide in-house. Because we had complete control o
took the opportunity to overhaul the publication, resulting in a more inspirational and useful to
meeting planners.

We added a Destination Marketing Coordinator to the staff. This position creates, schedules, a
assists in creating organizational documents like the annual report, researches markets, and a
needed. This position has made the department more responsive to prospective visitors and re
Lead.

As the impacts of the pandemic came more into focus in March, the team rolled up its sleeves
operations that would both assist our partners and conserve revenue. We instituted quarterly p
all contracts for Destination Travel Network (DTN) back to that company for maintenance, as D
monthly billing, spreading those payments out over time. One staff member was furloughed for
back at the beginning of the new fiscal.

Finally, because we were unable to host our annual Travel Fair, staff quickly developed and im
Solstice Sale, an online fair of local specials that ran June 18-20, 2020. Promoted to the Junea
helped generate some much-needed revenue for our partners.

Heading into fiscal 2021, we've undertaken a number of initiatives, including the Juneau Cares
supported by a CARES grant from the City & Borough of Juneau. Since its launch in early Dece
become a model for other DMOs throughout the state.

Travel Juneau remains committed to keeping our community a great place to live, work, and pl
role in restarting Juneau's economy will be even more important in the coming years, as we co
opportunity for our partners. Thank you for your partnership.

Richard Burns
Chair - Travel Juneau Board of Directors

ing Travel Juneau are leaders
nmunity. On behalf of your
or the fiscal year 2020 and

Alaska Litho, we brought
ver the publication, the staff
ol for our visitors and

and monitors all social media,
ssists the DM Lead as
duced the workload on the

to make changes to
payment options and shifted
TN has the capacity for
r six weeks but was brought

plemented the Juneau
au community, the sale

program, generously
ember, this program has

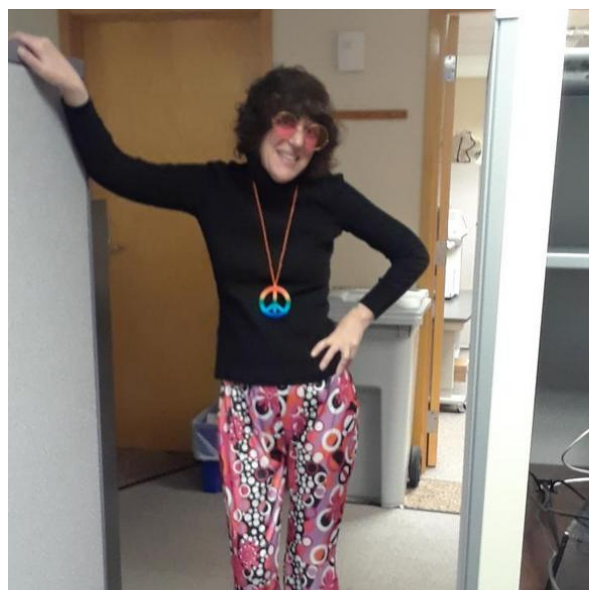
ay. We anticipate that our
ntinue to help drive economic

MEET THE TEAM

LIZ PERRY
JOINED DECEMBER 2012
PRESIDENT & CEO

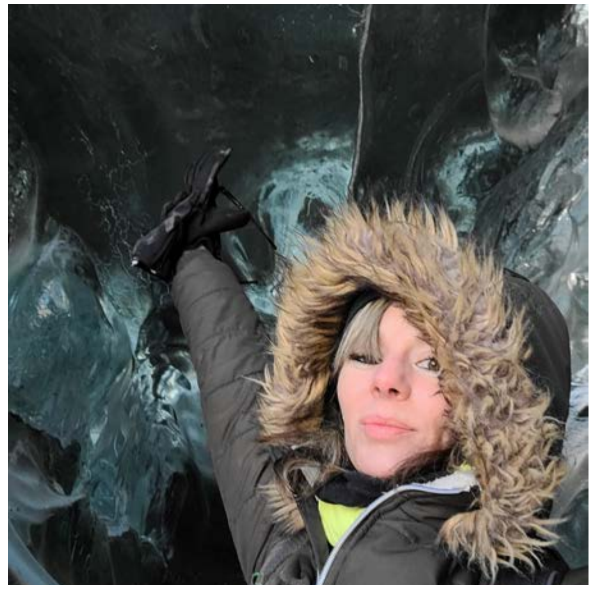
KARA TETLEY
JOINED APRIL 2014
DESTINATION MARKETING LEAD

ALICIA LEAMER
JOINED NOVEMBER 2018
VISITOR SERVICES LEAD



THERESA SULLIVAN
JOINED JUNE 2006
DIRECTOR OF FINANCE

VICKI LOGAN
JOINED OCTOBER 2017
CONVENTION SALES LEAD



COLLEEN EVANCO
JOINED MAY 2019
PARTNERSHIP SALES LEAD

BEN RUBENSTEIN
JOINED NOVEMBER 2019
DESTINATION MARKETING COORDINATOR

MARISSA KUHN
JOINED APRIL 2019
VISITOR SERVICES COORDINATOR

BALANCE SHEET FY20

CURRENT ASSETS

WEBSITE & OTHER CAPITAL ASSETS

TOTAL ASSETS

CURRENT LIABILITIES

NET ASSETS

TOTAL LIABILITIES & NET ASSETS

FY20	FY19
721,725	692,809
38,003	53,429
759,728	746,238
147,109	204,467
612,619	541,771
759,728	746,238

FY20 INCOME

67.67%	**CBJ HOTEL BED TAX & MPFs**	**$973,980**
12.72%	**CROSSING GUARD (PASS-THROUGH)**	**$183,017**
06.14%	**PARTNER FEES**	**$88,316**
12.58%	**AD/EVENT INCOME**	**$181,103**
00.59%	**TBMP (PASS-THROUGH)**	**$8,440**
00.31%	**OTHER**	**$4,408**

TOTAL INCOME $1,439,264

FY20 EXPENSES

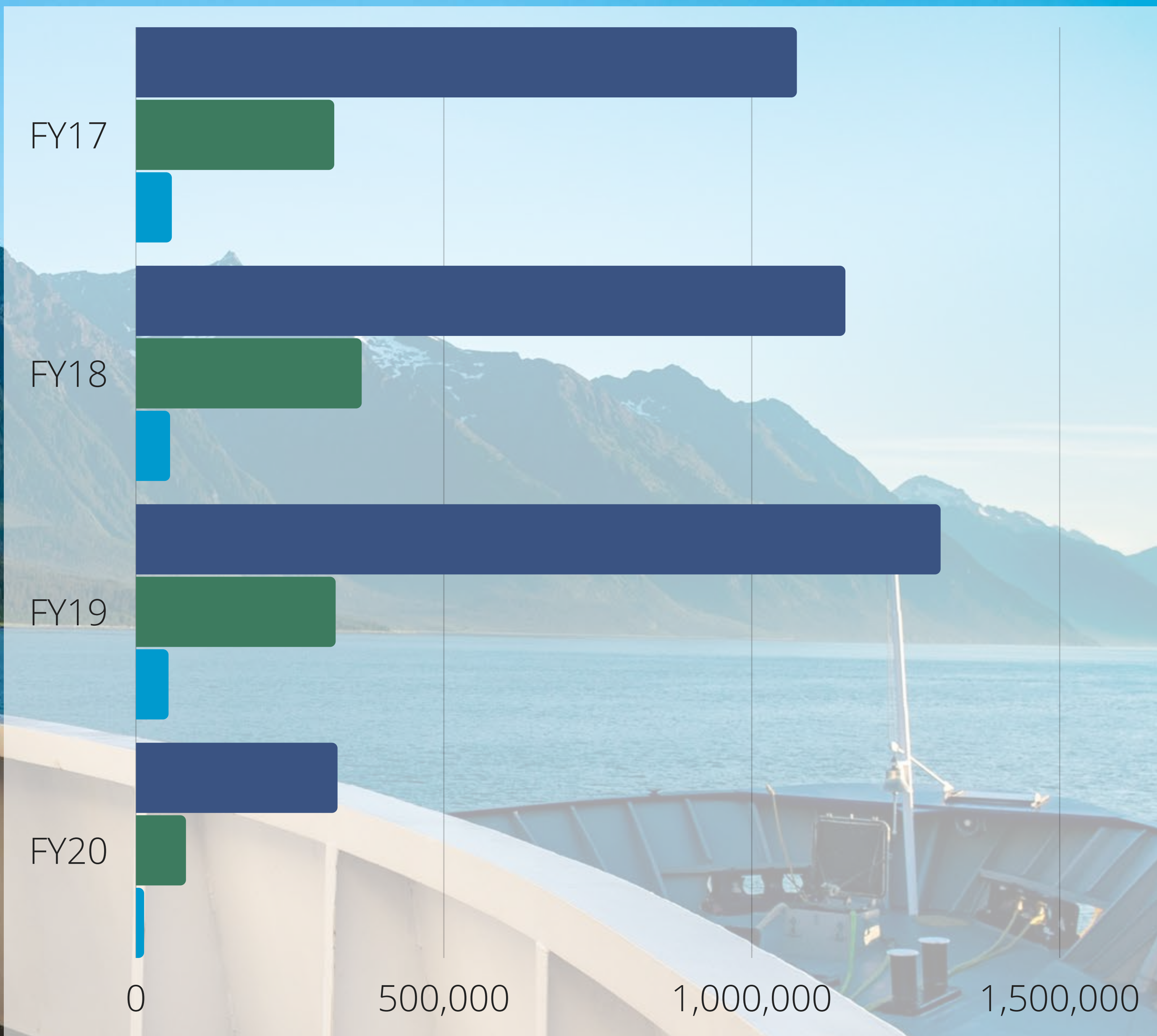
33.30%	**DESTINATION MARKETING**	**$455,725**
21.30%	**ADMINISTRATION**	**$291,446**
12.19%	**VISITOR INFORMATION SERVICES**	**$166,825**
11.00%	**CROSSING GUARD (PASS-THROUGH)**	**$150,471**
11.26%	**CONVENTION SALES**	**$154,117**
10.33%	**PARTNERSHIP SERVICES**	**$141,392**
0.62%	**TBMP (PASS-THROUGH)**	**$ 8,440**

TOTAL EXPENSES $1,368,416

FY20 ARRIVALS 1,076,196

July 1, 2019 - June 30, 2020

CRUISESHIP	806,700
AIR ARRIVALS	245,634
ALASKA MARINE HIGHWAY	23,862


FY17
FY18
FY19
FY20
0
500,000
1,000,000
1,500,000

DESTINATION MARKETING FY20

TRAVELJUNEAU.COM

303K
PAGEVIEWS

167K
SESSIONS

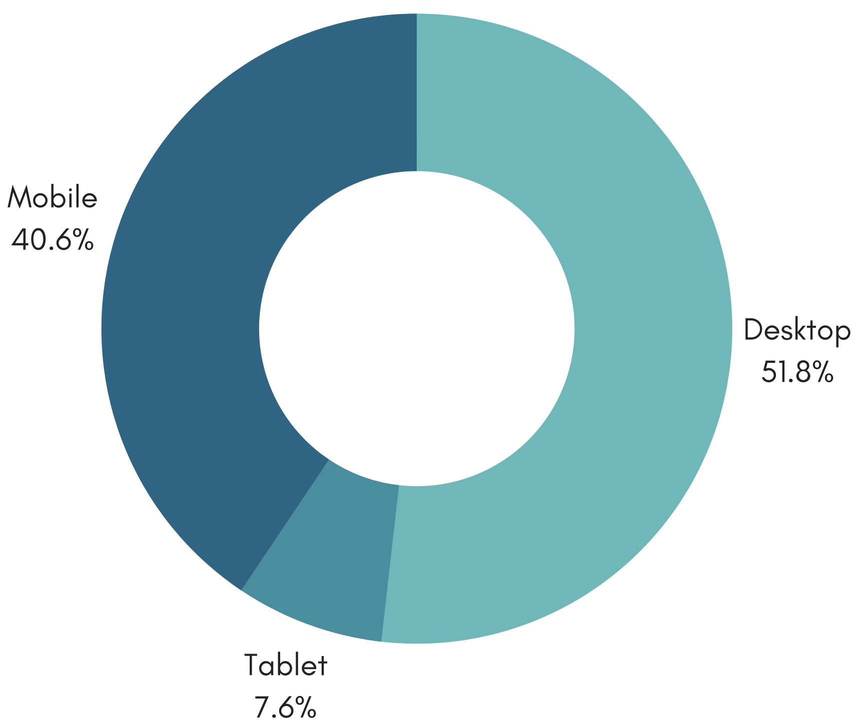
2:26
AVG SESSION DURATION

2.8
PAGES/SESSION

TOP 5 LANDING

1. **traveljuneau.com**
2. **traveljuneau.com/plan-your-trip/getting-here-and-around/travel-to-juneau-by-ferry**
3. **traveljuneau.com/events/**
4. **traveljuneau.com/things-to-do/top-attractions/downtown-street-tour/**
5. **traveljuneau.com/things-to-do/whale-watching-wildlife-viewing/admiralty-island-bears/**

DEVICE



SOCIAL MEDIA

5,626	3,550	45,661	38
↑ 24%	↑ 3%	↑ 2%	↑ 90%

TOP 5 SEARCH TERMS | TOP 5 STATES

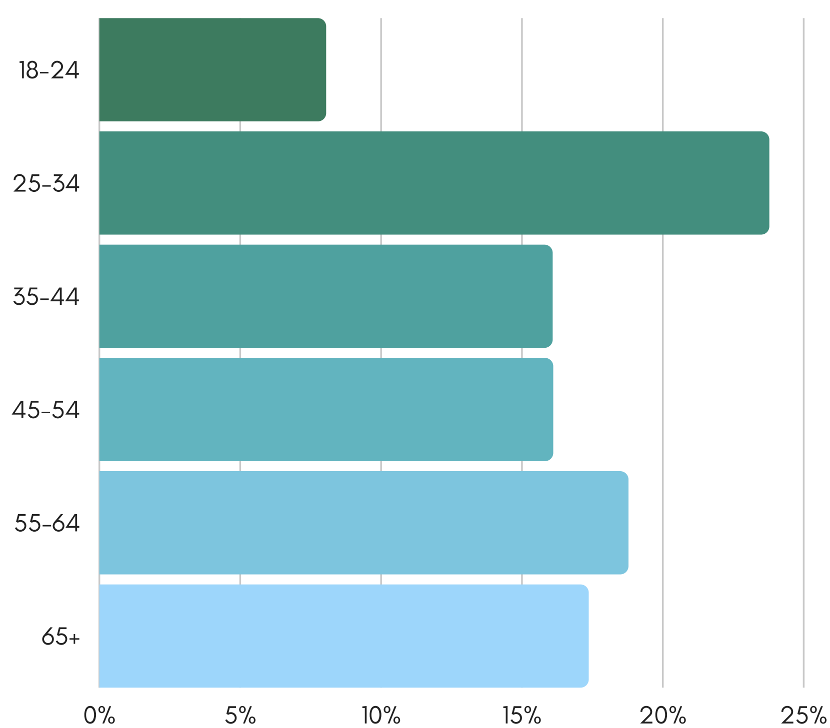
Top 5 Search Terms

1. **MAP**
2. **WATER TAXI**
3. **TRAM**
4. **RENEWABLE JUNEAU**
5. **DOG SLEDDING**

Top 5 States

1. **ALASKA**
2. **WASHINGTON**
3. **CALIFORNIA**
4. **TEXAS**
5. **FLORIDA**

AGE DEMOGRAPHICS



DESTINATION MARKETING FY20

JUNEAU STORIES

WITH 14 MEDIA ASSISTS JUNEAU STORIES GENERATED:

$10.8 MILLION
IN ON-AIR AND ONLINE MEDIA ADVERTISING EQUIVALENCY

650 MILLION REACH
IN POTENTIAL COMBINED ON-AIR AND ONLINE AUDIENCE

SOME ONLINE MENTIONS FROM FY20

Wherever Family
Family-Friendly Fun in Juneau

Bon Vivant (Pg 18)
Dig Into Wild Juneau

Snowledge Blog
PASSAGE

4FRNT
Juneau Trip Report

Travel Weekly
Juneau Food Tours plans summer cruise with Celebrity

NEW IN FY20

TRAVEL JUNEAU'S PARTNERSHIP WITH PLEDGE FOR THE WILD

A NEWLY DESIGNED (IN-HOUSE) OFFICIAL VISITORS GUIDE

CONVENTION SALES FY20

MEETING ROI

$6.90 FOR EVERY $1 INVESTED IN CONVENTION SALES

	FY20	FUTURE MEETINGS
ROOM NIGHTS	5,539	25,789
EEI (ESTIMATED ECONOMIC IMPACT)	$2.23M	$11.8M

VISITOR SERVICES FY20

The locals who make up our volunteer corps are truly the backbone of our visitor services experience. It is not an exaggeration to say that we would not be able to provide the excellent level of information and customer service to our visitors without them. Prior to pandemic years, our volunteers dedicated over 5,000 hours annually across our four visitor information center locations. We proudly have the largest DMO volunteer corps, to our knowledge, in the USA with over 150 volunteers!

While we could not afford to pay for the number of hours that volunteers dedicate, we also could not pay for the decades of experiences and knowledge shared among the group. The information, recommendations, and stories they have to share with our visitors are invaluable and we are so thankful that they chose to spend their free time representing our wonderful city and Travel Juneau.

171

VOLUNTEERS

3,041

VOLUNTEER HOURS

120,648

VISITORS SERVED

6,407

GUIDES DISTRIBUTED

GET TO KNOW A FEW LONGTIME VOLUNTEERS

VICKI CAMPBELL

Volunteer for ***26 YEARS***

1. Because it's so enjoyable to meet people from all over the world and share my enthusiasm for Juneau with them. We have amazing shore excursions and things to do, it's great to be able to offer a choice of many beautiful, exciting, and interesting activities to cruise ship passengers and independent travelers.
2. Once when I was talking to a tourist about the glacier near the end of my shift and I was able to give her a ride out there and show her around a bit.
3. To walk on the trails by the glacier, especially when I'm lucky enough to see a bear.

MICHELLE STORER

Volunteer for ***37 YEARS***

1. I love making connections and helping people. Some visitors are so enthusiastic they make me feel like I'm on vacation too! I'm fortunate to have the opportunity to help my wonderful community and make new friends at the same time.
2. On a rainy blustery day, I helped an 84-year-old woman find her mother's grave in Evergreen Cemetery. The woman was about 7 years old when her mother passed away and she was shielded from attending her mother's burial. Shortly after her mother's death, she and her father moved south and never returned to Alaska. She told me her wish was to visit her mother's grave before she died. I'm glad I was able to make that happen.
3. Taku Lodge...it's the whole Alaskan experience!

1. WHY DO YOU VOLUNTEER WITH TRAVEL JUNEAU?
2. WHAT IS ONE OF YOUR FAVORITE VOLUNTEERING MEMORIES?
3. WHAT IS YOUR FAVORITE THING TO DO IN JUNEAU?

JAN VAN SLYKE

Volunteer for ***39 YEARS***

1. I do it to give back to the community that I love.
2. My favorite memories are the fun people I have worked with over the years and conversations we have with visitors from all over the world.
3. I really enjoy walking the various trails.

JAMES WYCOFF

Volunteer for ***29 YEARS***

1. I love to show off the beauty of the Juneau area and as a traveler myself, I always appreciated local knowledge. So it's a special reward for me when I get a friendly smile from a person that has come here from the other side of the world.
2. One day I was on one of the ships as an on-board greeter for Travel Juneau when I noticed a whale spout off the side of the ship. As I walked over to the window I said, " there be whales", in about 60 seconds I had about 20 people watching three humpbacks swimming up the channel towards the bridge on a sunny day.
3. My favorite thing in Juneau is enjoying the various hiking trails that we have in about every type of terrain you can imagine especially in the spring when the trails are surrounded by every shade of green that nature shows off (of course, backlit by sunshine).

PARTNERS

HOW SOME PARTNERS WERE ABLE TO PIVOT THEIR BUSINESS DURING THE PANDEMIC

GLACIER SILT SOAPS

We would like to share the way that our loyal customers have helped not only to keep our family soap business afloat but have made it possible to donate soap to shelters at the same time. When the pandemic began, we kept hearing "wash your hands with soap" and we thought "that's great, but what if you don't have any soap?" We decided to launch our Soap for Shelters campaign in April and over 1000 bars of soap were donated to 13 shelters in Alaska and Bellingham, Washington, in 2020. Another round of shelter soap was scheduled to ship in early 2021. In addition, we were honored to be able to supply soap to Samaritan Lodge Alaska retreat for wounded veterans and their spouses. Online orders have been at an all-time high this past year. By providing a way for our customers to help others, we have been able to keep our employees busy making glacier silt soap. It has definitely been a win-win solution for us.

ALLEN MARINE

Prior to the pandemic, Allen Marine had been investigating hypochlorous acid as a cleaning and disinfectant solution for its vessels, lodges, and other facilities. The Allen family was drawn to this solution because it did not leave behind harmful residue, was free from added dyes and fragrances, and was effective against viruses and bacteria. In the spring of 2020, the company purchased the equipment to manufacture Aquaox—an EPA registered, broad-spectrum, hospital disinfectant. The company now produces this hypochlorous acid solution in its Sitka facility and has been distributing it to businesses and other entities throughout the region.

JUNEAU FOOD TOURS

When COVID hit and the cruise ships canceled, I was faced with the fear of closing my doors. Rather than give in to that fear, I created Taste Alaska!, a subscription box service that delivers Alaska to those who couldn't come to visit. Each box is filled with tasty Alaska goodies, artwork or cultural items, and travel information such as Travel Juneau and Travel Alaska guides. The success of the boxes has allowed me to relocate to a street level location that includes retail, shipping, and office space. It will be a stop on our tours when we are able to resume. I'm hopeful for the future and look forward to what that brings.

PARTNERS

SEALASKA HERITAGE INSTITUTE

The pandemic and economic downturn forced Sealaska Heritage Institute to reimagine the delivery of services and programs. The Alaska Native nonprofit wasted no time in making the transition to virtual platforms. SHI's online services reached a broad audience and were so well received that virtual programming will likely become a permanent part of their operations. Celebration: SHI's biennial culture festival is one of the largest events in Southeast Alaska attracting more than 6,000 dancers, artists and participants. SHI went forward with a virtual Celebration in an effort to bring families together and provide a positive experience for communities at a time when there was much uncertainty, fear and anxiety. Celebration was broadcast live on YouTube and 360 North and featured live moderators, greetings from dance groups, Juried Art Show, Native Fashion Show, Toddler Regalia Review and re-broadcast dance performances from Celebration 2018.

Education: SHI has millions of dollars invested in education programs that engage directly with school districts, the University of Alaska Southeast, Tribal Governments, classrooms and teachers throughout the region. SHI switched from in-classroom to remote delivery of lessons. The organization invested in hardware, tablets, and internet connectivity for financially-disadvantaged students and rural communities. SHI manufactured classroom materials and lesson plans. SHI's new STEAM program created a series of "kits" which are mailed directly to more than 1,300 students. SHI moved ahead with a wide range of virtual academic summer camps, a teacher certification program and a very popular education conference which doubled its participation thanks to the virtual format. Art: SHI shifted its art programming in order to generate income and opportunity for artists. Monthly First Friday events moved to a Facebook live event. Celebration 2020 featured a virtual arts market and the SHI Store promoted products of local artists on social media. SHI hired artists for Zoom workshops, YouTube lecture series and live sessions on skin sewing, toolmaking, weaving and formline design.

Culture: SHI created its first 3-D interactive virtual museum exhibit. The project uses state-of-the-art technology allowing visitors to virtually roam through the War and Peace exhibit on a desktop or mobile device. SHI's popular lecture series that were previously held inside the Shuká Hít Clan House was instead broadcast live via YouTube. The series included speakers on Northwest Coast art, language revitalization, Alaska Native corporations, paleogenomics, and subsistence. The virtual format led to increased attendance and allowed participation for viewers outside of Juneau. When revered Elder David Katzeek (Kingeisti) passed away unexpectedly, SHI was concerned that Elders and clan leaders would gather in-person in order to conduct the traditional memorial ceremony. To keep the community safe, SHI organized a memorial service via Zoom allowing for the completion of the ceremonial grieving process.

Arts Campus: SHI initiated the construction of the Arts Campus in the center of downtown Juneau despite economic challenges. The Arts Campus construction will help Juneau's economy by providing 55 jobs, $5.5 million in payroll and $9.5 million in expenditures. The project will boost community morale and offer hope for the future beyond the pandemic.

BOARD OF DIRECTORS

CHAIR

Richard Burns

ABC Superstations

VICE-CHAIR

McHugh Pierre

Goldbelt, Inc

TREASURER

Reecia Wilson

Juneau Waterfront Restaurants

SECRETARY

Jill Ramiel

Silverbow Inn & Suites

PAST CHAIR/EX OFFICIO

John McConnochie

Cycle Alaska

Liz Barlow

Above & Beyond Alaska

Kirby Day

Holland America Group

CBJ APPOINTED

George Schaaf

Dir., CBJ Parks & Rec

CBJ ASSEMBLY LIAISON

Carole Triem

CBJ Assembly

ASSOCIATE PARTNERS

TIER 1

Alaska Airlines

COUNTRY Financial — AUTO | HOME | LIFE | BUSINESS | RETIREMENT

First Bank — The one who's here.

TIER 2

Alaska Litho

TIER 3

Alaska Broadcast Communications, Inc.
Alaska Electric Light & Power Company
Alaska in Motion
Alaska Unlimited Realty
Capitol Copy Ltd
Coeur Alaska - Kensington Mine
Cruise Line Agencies of Alaska
Cruise Lines International Association of Alaska
Elgee Rehfeld, LLC
First National Bank Alaska
Holland America Group - Princess Cruises
Made in Alaska
McDowell Group, Inc.
Northrim Bank
Printing Trade Company
Royal Caribbean Group
True North Federal Credit Union


THANK YOU FOR YOUR PARTNERSHIP
TRAVEL
JUNEAU

OFFICE OF THE MUNICIPAL CLERK/ ELECTION OFFICIAL
City and Borough of Juneau (CBJ)
155 S. Seward St., Room 202
Juneau, Alaska 99801
Phone: (907)586-0203 Fax: (907)586-4552
email: Beth.McEwen@juneau.org

Date: April 15, 2021

To: Assemblymember Carole Triem, Finance Chair
Assembly Finance Committee

From: Beth McEwen, Municipal Clerk/Election Official

Subject: **Additional Information on CBJ Elections Options following March 15, 2021 COW**

At the March 15, 2021 Assembly Committee of the Whole (COW) meeting, I presented information on how CBJ might conduct future elections. In light of the strong voter turnout in the 2020 Vote By Mail (VBM) Regular Municipal Election, the COW directed me to provide additional information related to Option B1 (a Juneau based VBM election) and Option B3 (partnering with Municipality of Anchorage similar to the 2020 election). The attached "Expense Detail" spreadsheet is an update of the information provided at the March 15 COW meeting focusing on the B1 and B3 options while leaving the status quo (Option A) in-person Polling Place on the table for comparison purposes.

Following the March 15 COW meeting, I've worked with Lands Division and Engineering/Public Works staff to begin looking at possible premises and remodeling/retrofitting expenses associated with a Juneau based VBM Election Center under Option B1. The attached spreadsheet provides updated cost estimates based on those discussions. The changes on that spreadsheet reflect revised estimates on the cost per square footage for premises leasing as well as retrofitting any premises that are secured for election use. The other changes to the spreadsheet reflect an updated cost estimate for staffing from the Municipality of Anchorage (MOA) for Option B3.

Due to the timelines involved, if the Assembly wished to pursue Option B1, most of the expenses involved would need to be added to the pending list for the FY22 Budget and the earliest we could secure, retrofit, and equip premises for an Election Center would be in time for the October 4, 2022 regular municipal election. Please note that there is legislation, currently pending in the Alaska State Legislature that, if adopted, may affect the conduct of future state and local elections and may have significant impacts affecting local elections in 2022 and beyond.

For the October 5, 2021 Regular Municipal Election, to conduct a VBM election, we would need to partner with the Municipality of Anchorage similar to that of the 2020 Regular Municipal Election. The only other alternative for 2021 would be to go with a status quo (Option A) in-person Polling Place based election. The next page contains a side by side comparison table setting forth the timelines for the 2021 Regular Municipal Election held via VBM or status quo in-person Polling Place Election.

Recommended actions for the Assembly:

- **Decide on whether to hold the October 5, 2021 Regular Municipal Election as a VBM election with MOA (Option B3) or as a status quo in-person Polling Place election (Option A).**
- **If option B3 is chosen, the Assembly needs to adopt a motion to direct staff to conduct the October 5, 2021 election by mail per CBJ 29.07.360, in partnership with the Municipality of Anchorage.**
- **If the AFC chooses to pursue Option B1, a motion to place Option B1 on the FY22 pending list for creating a Juneau based Election Center for future VBM elections would be in order.**

April 15, 2021 Beth McEwen memo to Assembly Finance Committee re: Election Options

Task for the 10/5/2021 Election	OPTION A (Poling Place) Date(s)	OPTION B3 (VBM w/MOA) Date(s)
If VBM for 2021, Assembly adopts a motion to direct staff to conduct the 10/5/2021 Election as VBM election per CBJ 29.07.360(a).		4/26/21
Last regular meeting to introduce ordinances repealing or adopting Election Code changes to be effective prior to candidate filing period opening.	5/24/21	5/24/21
Earliest meeting for Assembly to introduce a Charter amendment ordinance for the 10/5/2021 Election. Also the last Assembly meeting to adopt ordinances repealing or adopting Election Code changes to be effective prior to candidate filing period opening.	6/14/21	6/14/21
Last regular Assembly meeting to introduce a ballot ordinance	8/2/21	7/12/21
Candidate Filing Period Open (Opens at 8am on the first day of the filing period and closes at 4:30pm on the last day of the filing period.)	8/6-8/16/21	7/16-7/26/21
Last regular Assembly meeting to adopt any Charter Amendments	8/2/21	8/2/21
Last date for candidates to withdraw from the ballot	8/20/21	7/30/21
Last regular Assembly meeting to adopt ballot ordinances	8/23/21	8/2/21
Final Ballot sent to the programmer for ballot creation	8/24/21	8/16/21
Voter Registration Deadline	9/5/21	9/5/21
Ballots Mailed out from printer for VBM		9/14/21
Drop Boxes ready and open to receive ballots		9/17/21
Absentee/Early Voting or Vote Centers Open to assist voters	9/20-10/5/21	9/20-10/5/21
ELECTION DAY (Vote Centers or Polling Places Open 7am-8pm; Ballot Drop Boxes close at 8p.m., VBM Ballots must be postmarked by 10/5/21)	10/5/2021	10/5/2021
Preliminary Unofficial Results posted	10/5/2021	10/8/21
Additional unofficial preliminary results posted		10/9-10/15/21
Canvass Review Board meets (may be delayed day to day for up to 3 days as necessary) & **Election is Certified; Official Results Posted**	10/12-10/15/21	10/19-10/22/21

CBJ Muni Election Options - Expense Details

Updated 4/16/2021

	YEAR 1				YEAR 2 & BEYOND				
	1	2	3	4	5	6	7	8	9
	YEAR 1: Election Total which includes Initial Investment in Equipment (Columns 2-7)	Year 1: Dominion Equipment Equipment & Contractual Svc (ADA Tablets at Precincts or VC, Stand alone server/Ballot Scanner w/Software)	Year 1: Election Center Initial Sorter & Security Equipment Purchases	Year 1: Juneau Election Center Premesis Retrofit [Varies $150-350K depending on site]	Annual Lease or Rental of Election Center or Precinct Polling locations.	Estimated Staffing Costs	Printing, Postage, Advertising/PR, Contractual Services & Misc. expenses	Annual Equipment License Fees after Year 1	Total Operating Expenses (per election) after Year 1 (Columns 5-8)
OPTION A: Status Quo Precinct Election (Includes 2 Early/Absentee Vote Centers with Manual Absentee/Early Ballot Processing)	$169,000.00	$113,000.00	$0.00		$1,000.00	$30,000.00	$25,000.00	$15,000.00	$71,000.00
OPTION B (1) Juneau Based Vote By Mail w/CBJ Election Center & Sorter [RD Option 1]	$703,000.00	$110,000.00	$95,000.00	$250,000.00	$108,000.00	$60,000.00	$80,000.00	$25,000.00	$273,000.00
OPTION B (3) Contract with Municipality of Anchorage (MOA) for Vote By Mail similar to 2020 Election [RD Option 3]	$205,000.00	$60,000.00	$0.00		$0.00	$65,000.00	$80,000.00	$13,000.00	$158,000.00

* The FY21 Budget includes $93,600 for election equipment. The FY22 Revised Budget includes $86,900 for a status-quo Polling Place election. The estimates above would supersede these amounts.

Requests for Funding

Request for Funding Subject to CBJ Assembly approval		
General School Operations		$27,264,600
Requests Beyond the Local Allowable Contribution		
K-12 Programs:		
High School Activities		1,099,300
Middle School Activities		102,200
Transportation		250,000
Food Service		75,000
Other Programs:		
Kinder Ready		300,000
Community Schools		95,000
RALLY		150,000
Total Requests Outside the Cap		2,071,500
Total Requests for Funding		**$29,336,100**

MEMORANDUM

DATE: April 16, 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: **Alaska Municipal Bond Bank Authority Bond Refinancing**

Ordinance 2021-15 was introduced at the April 5, 2021 Regular Assembly Meeting. This ordinance amends Ordinance 2020-21 with updated information relating to the bond refinancings.

Ordinance 2020-21 was adopted in May 2020, and it 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.

In 2020, resulting from an uncertain Alaska Supreme Court decision about state bonding authority, the AMBBA temporarily discontinued serving as a conduit for municipal debt. Hence, the refinancings authorized by Ordinance 2020-21 were not executed. However, the underlying legal questions are now resolved, and the AMBBA has now reestablished services, allowing CBJ to move forward with the refinancings. Proceeding with the refinancings through AMBBA requires the Assembly to amend the original Ordinance 2020-21 to account for current market factors.

CBJ's current remaining debt service obligations on the affected bonds, including principal and interest, total approximately $47.5 million. Approximately $18.4 million in debt principal will be refinanced. In March 2021, the AMBBA estimated savings to the CBJ of approximately $1.4 million in the refinancing. This refinancing will not extend the term of the bonds.

CBJ has had notable recent success with a market bond sale independent of the AMBBA. The success of that sale suggests that CBJ has a strong incentive to go to the market independent for future general obligation debts. However, the debt issues to be refinanced under this ordinance are primarily revenue bond debts. For CBJ to refinance these revenue bond debts independently, credit ratings would be required for each individual pledged revenue stream. Those credit ratings would increase the overall cost of the refinancing considerably, and they may not be as high as CBJ's general obligation rating. Staff have determined that it is financial advantageous to use the AMBBA as a conduit for the proposed refinancing.

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

REFUNDING BONDS

Serial No. 2021-15

AN ORDINANCE AMENDING ORDINANCE SERIAL NO. 2020-21 REGARDING THE PROPOSED REFINANCINGS BY THE ALASKA MUNICIPAL BOND BANK OF VARIOUS GENERAL OBLIGATION AND REVENUE BONDS OF THE CITY AND BOROUGH AUTHORIZED THEREUNDER.

Approved: April 26, 2021

Prepared by:

K&L GATES LLP
Seattle, Washington

City and Borough of Juneau, Alaska
Ordinance Serial No. 2021-15
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* This Table of Contents and the cover page are provided for convenience only and are not a part of this ordinance.

Presented by: The Manager
Introduced: 04/05/21
Drafted by: Bond Counsel

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2021-15

An Ordinance Amending Ordinance Serial No. 2020-21 Regarding the Proposed Refinancings by the Alaska Municipal Bond Bank of Various General Obligation and Revenue Bonds of the City and Borough Authorized Thereunder.

WHEREAS, the Assembly of the City and Borough of Juneau (the "City and Borough") adopted Ordinance Serial No. 2020-21 (the "Ordinance"), authorizing the City and Borough's participation in proposed refinancings of the Alaska Municipal Bond Bank that provided funds to purchase various general obligation and revenue bonds of the City and Borough on May 18, 2020; and

WHEREAS, the Alaska Municipal Bond Bank was delayed in issuing its bonds for the refinancing from 2020 to 2021; and

WHEREAS, the Assembly intends to amend the Ordinance to provide updated parameters relating to the refinancings authorized thereunder; and

WHEREAS, the Finance Director will hold a public hearing on the issuance of any series of the refinancings herein authorized that will be private activity bonds as required by Section 147(f) of the Internal Revenue Code of 1986, as amended;

NOW, 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. Amendment of Section 2(a). Section 2(a) of Ordinance Serial No. 2020-21 is hereby amended to read as follows (additions are underscored, and deletions are shown with the text stricken through):

(a) *2013 Hospital Bond*. The revised schedule of debt service on the 2013 Hospital Bond and other provisions as may be required by the Bond Bank will be set forth in an amendatory loan agreement and a refunding bond to be issued in exchange for the 2013 Hospital Bond. The refunding bond shall come due on the dates set forth in such amendatory loan agreement of the following years in the following estimated principal installments:

Maturity Year	Amount
2021	$ <u>75,000</u>~~265,000~~
2022	145,000
2023	<u>150,000</u>~~145,000~~
2024	150,000
2025	<u>155,000</u>~~150,000~~
2026	<u>1,205,000</u>~~1,230,000~~
2027	<u>1,240,000</u>~~565,000~~
2028	<u>1,265,000</u>~~940,000~~
2029	<u>1,290,000</u>~~1,320,000~~
2030	<u>1,325,000</u>~~1,350,000~~
2031	<u>1,360,000</u>~~1,380,000~~
2032	<u>1,115,000</u>~~1,120,000~~
2033	0
2034	<u>670,000</u>~~665,000~~
2035	<u>600,000</u>~~585,000~~

At the time of sale, the principal maturities in the foregoing schedule may be increased or decreased by the City Manager or his/her designee for any year by 25%.

Section 3. Amendment of Section 2(b). Section 2(b) of Ordinance Serial No. 2020-21 is hereby amended to read as follows (additions are underscored, and deletions are shown with the text stricken through):

(b) *2013 GO Bond*. The revised schedule of debt service on the 2013 GO Bond and other provisions as may be required by the Bond Bank will be set forth in an amendatory loan agreement and a refunding bond to be issued in exchange for the 2013 GO Bond. The refunding bond shall come due on the dates set forth in such amendatory loan agreement of the following years in the following estimated principal installments:

Maturity Year	Amount
2021	$ 15,000~~35,000~~
2022	30,000~~20,000~~
2023	30,000~~20,000~~
2024	150,000~~20,000~~
2025	155,000~~20,000~~
2026	160,000
2027	160,000
2028	160,000
2029	165,000~~170,000~~
2030	175,000
2031	175,000
2032	180,000
2033	185,000~~0~~

At the time of sale, the principal maturities in the foregoing schedule may be increased or decreased by the City Manager or his/her designee for any year by 15%.

Section 4. Amendment of Section 2(e). Section 2(e) of Ordinance Serial No. 2020-21 is hereby amended to read as follows (additions are underscored, and deletions are shown with the text stricken through):

(e) *2015 Port Bond*. The revised schedule of debt service on the 2015 Port Bond and other provisions as may be required by the Bond Bank will be set forth in an amendatory loan agreement and a refunding bond to be issued in exchange for the 2015 Port Bond. The refunding bond shall come due on the dates set forth in such amendatory loan agreement of the following years in the following estimated principal installments:

Maturity Year	Amount
2021	0~~$ 155,000~~
2022	0~~60,000~~
2023	0~~60,000~~
2024	0~~65,000~~
2025	0~~65,000~~
2026	0~~65,000~~
2027	0~~65,000~~
2028	0~~65,000~~
2029	0~~70,000~~
2030	$1,175,000~~1,405,000~~
2031	1,235,000~~1,440,000~~
2032	1,290,000~~1,470,000~~
2033	1,360,000~~1,510,000~~
2034	1,095,000~~1,210,000~~

At the time of sale, the principal maturities in the foregoing schedule may be increased or decreased by the City Manager or his/her designee for any year by 25%.

Section 5. Ratification of Ordinance. As amended by this ordinance, the Ordinance is hereby ratified approved and confirmed.

Section 6. Effective Date. This ordinance shall become effective thirty days after adoption.

ADOPTED this 26th day of April, 2021.

Beth A. Weldon, Mayor

ATTEST:

Elizabeth J. McEwen, Clerk

CERTIFICATE

I, the undersigned, Clerk of the City and Borough of Juneau, Alaska (the "City and Borough"), Do HEREBY CERTIFY:

1. That the attached ordinance is a true and correct copy of Ordinance Serial No. 2021-15 (the "Ordinance") of the City and Borough as finally passed at a regular meeting of the Assembly of the City and Borough (the "Assembly") held on the 26th day of April 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 special 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 Ordinance; that all other requirements and proceedings incident to the proper passage of the Ordinance 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 ___ day of April, 2021.

____

Elizabeth J. McEwen, Clerk
City and Borough of Juneau

City and Borough of Juneau
Assembly Finance Committee (AFC)

FY22 Revised Budget Calendar and Key Dates – as of April 16, 2021
Wednesdays at 5:30 pm, unless otherwise stated

APRIL 2021

5th **Regular Assembly Meeting – Monday – 7:00 pm**
Regular Assembly Meeting to Introduce FY22 Revised Budget
A. Introduction of the General Operating CBJ Budget Ordinance 2021-08
B. Introduction of the General Operating School District Budget Ordinance 2021-09
C. Introduction of the Mill Levy Ordinance 2021-10
D. Introduction of the CIP Resolution 2937

7th **AFC Meeting #1 – 5:30 pm**
A. FY22 Revised Budget Overview
B. School District Budget Presentation
C. Docks & Harbors (Carl Uchytil, Port Director)
D. Capital Improvement Plan Presentation

14th **AFC Meeting #2 – 5:30 pm**
A. American Rescue Plan Act Funding
B. Juneau International Airport (Patty Wahto, Airport Manager)
C. Bartlett Regional Hospital (Kevin Benson, CFO)
D. Eaglecrest (Dave Scanlan, Eaglecrest General Manager)

21st **Special Assembly Meeting - 5:30 pm - Followed by Assembly Finance Committee**
A. General Operating CBJ Budget Ordinance 2021-08
B. General Operating School District Budget Ordinance 2021-09
C. Capital Improvement Program (CIP) Resolution 2937
D. Mill Levy Ordinance 2021-10
Public hearings on the budget must be completed by May 1, per Charter Section 9.6

21st **AFC Meeting #3 (Immediately following Special Assembly Meeting)**
A. Consumer Tax Forecasts
B. 2021 Property Assessments
C. Debt Service
D. Proposed Mill Rate
E. Travel Juneau (Liz Perry, President/CEO)
F. Vote-by-Mail Election Funding
G. Establish Local Funding for School District Operations – Required by Charter Section 13.6 (b)
Assembly must determine school district instructional funding and notify district within 30 days of receipt of district budget (Charter Section 13.6(b))

28th **AFC Meeting #4 – 5:30 pm**
A. Full Cost Allocation Overview
B. Passenger Fee Recommendations – For Review
C. Hotel-Bed Tax Funding
D. Juneau Economic Development Council (Brian Holst, Executive Director)
E. Sleep-Off Program Expansion/Mobile Integrated Health Program
F. Childcare

MAY 2021

5th **AFC Meeting #5 – 5:30 pm**

A. Passenger Fee Recommendations – For Action
B. Capital Improvements Projects Program Budget/Plan – For Review
C. Pending Items List

12th **AFC Meeting #6 – 5:30 pm**

A. School District Funding Ordinance 2021-09 – For Final Action
B. Capital Improvements Projects Program Budget/Plan – For Action
C. Pending Items List

19th **AFC Meeting #7 – 5:30 pm**

A. Fund Balance – Committee Questions
B. Pending Items List – For Final Action
C. Set Mill Rates – For Final Action
D. Final FY22 Revised Budget Decisions
   a. CIP Resolution 2937
   b. Mill Levy Ordinance 2021-10
   c. General CBJ Operating Ordinance 2021-08

24th **Regular Assembly Meeting – Monday – 7:00 pm**

A. Adoption of the School District's General Operating Budget Ordinance 2021-09
   Assembly must appropriate school district funding by May 31 (Charter Section 13.6(b))

26th **BREAK – No meeting unless needed for critical items.**

JUNE 2021

2nd **AFC Meeting**

A. TBD

9th **TBD – No meeting anticipated.**

14th **Regular Assembly Meeting – Monday – 7:00 pm**

A. Adoption of the General Operating CBJ Budget Ordinance 2021-08
B. Adoption of the CIP Resolution 2937
C. Adoption of the Mill Levy Ordinance 2021-10
   Assembly must adopt Operating Budget, Mill Levy, and Capital Improvement Plan by June 15th or the manager's proposal is deemed adopted (Charter Section 9.7 & 9.8)

DRAFT

City and Borough of Juneau
Minutes - Assembly Finance Committee Meeting
Wednesday, April 14, 2021

I. CALL TO ORDER

The meeting was called to order at 5:30 PM by Carole Triem, Chair.

II. ROLL CALL

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

Committee Members Absent: None

Staff Present Virtually: Rorie Watt, City Manager; Rob Palmer, City Attorney; Jeff Rogers, Finance Director; Adrien Speegle, Budget Analyst; Patty Wahto, Juneau International Airport Manager; Scott Rinkenberger, Juneau International Airport Deputy Manager; Kevin Benson, Bartlett Regional Hospital Chief Financial Officer; Rose Lawhorne, Bartlett Regional Hospital Chief Executive Officer; Dave Scanlan, Eaglecrest General Manager

Others Present Virtually: Jerry Godkin, Airport Board Chair; Angela Rodell, Airport Board Member; Kenny Solomon-Gross, Bartlett Regional Hospital Board President, Mike Satre, Eaglecrest Board Chair; Brian Holst, Juneau Economic Development Executive Director

III. APPROVAL OF MINUTES

The April 7, 2021 minutes were approved as presented.

IV. BUDGET PRESENTATIONS

a. **Juneau International Airport**

Patty Wahto, Airport Manager, provided an overview of the Airport's projected fiscal position in FY21 and their requested budget for FY22. In FY21 and FY22, the Airport is projecting $3 million and $1.8 million budgetary shortfalls, respectively. Under normal circumstances any shortfall would be covered by the Airport's fund balance, however these shortfalls will instead be covered with the Airport's allocation of federal CARES Act funding in FY21 and FY22. Ms. Wahto stated that the initial FY22 budget prepared in last year's cycle included rate and fee increases for tenants and users of the airfield, however the Airport Board approved to defer these increases until a later date in consideration of the

COVID-19 pandemic's impact on Airport traffic. The Airport Board also approved aviation rent abatements for FY21 and FY22 to help alleviate the fiscal impacts of the pandemic.

Ms. Wahto responded to committee questions.

Motion: **by Mayor Weldon to accept the Juneau International Airport's budget as submitted.**

The motion passed by unanimous consent.

b. **Bartlett Regional Hospital**

Rose Lawhorne, Chief Executive Officer at Bartlett Regional Hospital (BRH), and Kevin Benson, Chief Financial Officer at BRH, presented the FY22 budget request to the Committee. Mr. Benson stated that BRH received $13 million in Provider Relief Funds from the federal CARES Act in the past two fiscal years. BRH applied half of these funds to FY20 and the other half to FY21. Additional federal funding for FY22 was not included in the budget, as it is still an unknown amount. Mr. Benson stated that there was a significant increase in salaries and wages that will continue into FY22, as BRH mitigation efforts have included hiring triage workers, molecular lab technicians, and other COVID-19 related positions. Mr. Benson provided inpatient statistics from FY18 through FY21 and stated that patient volume drives both generated revenues and incurred expenses, and it is difficult to predict patient numbers in such an uncertain health crisis. Mr. Benson stated that the Rainforest Recovery Center was closed during COVID-19 in order to be used as an alternative care site, however was able to reopen in October 2020. For BRH's capital improvement projects, $1.5 million was requested for the Crisis Stabilization Center, and $4 million was requested for deferred maintenance to address infrastructure projects.

Mr. Benson responded to committee questions.

Motion: **by Mayor Weldon to approve Bartlett Regional Hospital's budget as submitted.**

The motion passed by unanimous consent.

The committee recessed at 6:48 PM.
The committee reconvened at 7:00 PM.

Minutes - Assembly Finance Committee Meeting
Wednesday, April 14, 2021, 5:30 p.m.

c. **Eaglecrest**

Dave Scanlan, Eaglecrest Ski Area General Manager, and Mike Satre, Eaglecrest Board Chair, presented an overview of the FY21 budget and their FY22 budget request to the Committee. Mr. Scanlan stated that during the 2020-2021 ski season, Eaglecrest operated for 92 total days, reaching 80,000 total skier visits, which represents a new record for Eaglecrest. Mr. Scanlan shared statistics with the Committee about ski patrol avalanche mitigation, snow school and ski lessons, rentals, and the Eaglecrest COVID-19 Conservation Corps Program during FY21.

Mr. Scanlan stated that since Eaglecrest's FY22 budget was developed in January, revised projections for ending season revenue and expenditures have been prepared. The projected revenue for FY21 is now estimated to be $3,170,000, and the projected expenses $3,030,000, resulting in an anticipated contribution to fund balance of $140,000. For FY22, Mr. Scanlan stated that Eaglecrest developed a conservative budget, citing a reduction in personnel service and training costs, and a reduction in full cost allocation fees over prior year.

Mr. Jones asked for clarification of the total in Eaglecrest's restricted fund balance.

Mr. Scanlan stated that at the end of FY20, the restricted fund balance was $39,000. Eaglecrest anticipates a contribution of $140,000 to fund balance at the end of the current fiscal year, resulting in a total restricted fund balance of $179,000 at the end of FY21.

Mr. Scanlan responded to committee questions.

<u>Motion</u>: by Mayor Weldon to approve the Eaglecrest budget as presented.

<u>Objection</u>: by Ms. Hale for purpose of a question, who asked if it was standard practice to approve a budget that draws from the General Fund this early in the budget process, prior to reviewing remaining pending requests.

Mr. Rogers responded to Ms. Hale, stating that the Committee has the option to approve the Eaglecrest budget or place it on the pending list for approval later in the budget process.

Ms. Hale removed her objection.

The motion passed by unanimous consent.

Minutes - Assembly Finance Committee Meeting
Wednesday, April 14, 2021, 5:30 p.m.

V. ITEMS FOR DISCUSSION

a. American Rescue Plan Act

Mr. Rogers presented a memo on packet page 51 regarding CBJ's $12.8 million allocation of federal American Rescue Plan Act funds. The memo describes the eligible uses and restrictions of the funds.

Mr. Rogers also presented two documents from the Juneau Economic Development Council (JEDC) that summarized the various federal funds available to both businesses and individuals, as well as an estimate of incoming business relief for Juneau. Mr. Rogers invited Mr. Holst of JEDC to speak more to the content of the documents.

Mr. Holst responded to committee questions.

b. GO Bond Sale Update

Mr. Rogers stated that CBJ had a very successful pricing of Juneau's $22 million general obligation bond on April 14, 2021, and stated that CBJ's strong credit rating was beneficial in the sale. Mr. Rogers added that total demand was three times more than the available bond amount, which allowed CBJ to work with their underwriter to reduce interest yields, which will result in long-term interest savings to CBJ. Mr. Rogers stated that the total arbitrage yield, or the weighted average of all the interest rates across the maturities of a bond, is just over 1.3%, and the "All-in True Interest Cost," which is the total interest cost inclusive of the one-time transactional costs of selling the bond, is 1.8%.

VI. INFORMATION ITEMS

a. FY22 Revised Budget AFC Calendar

Mr. Rogers stated that the next Assembly Finance Committee (AFC) meeting will include information on major revenue forecasts, debt service, and the proposed mill rate. Mr. Rogers reminded the Committee that immediately before next week's AFC meeting, public hearings will be held on CBJ's FY22 budget ordinance, the Juneau School District's FY22 budget ordinance, the ordinance establishing the mill rate for 2021 (FY22), and the FY22 Capital Improvement Plan resolution.

VII. NEXT MEETING DATE

a. Wednesday, April 21, 2021

VIII. ADJOURNMENT

The meeting was adjourned at 8:01 pm

2021 Assessor's Report

Presented to the Assembly Finance Committee

April 21, 2021

CITY AND BOROUGH OF
JUNEAU
ALASKA'S CAPITAL CITY

Assessment Basics

- Assessor is required by AS 29.45.110 to determine the fair market value of all taxable properties
- Value is determined as of January 1st each year
- Three approaches to value: Cost, Sales Comparison, and Income
- CBJ Assessor generally uses the Cost approach adjusted for Sales Comparisons
  - Referred to as *Market Adjusted Cost Approach*
- Computer Assisted Mass Appraisal (CAMA)
  - Underlying land value is determined from a base rate (per SqFt) adjusted for various factors of desirability or usability
  - Improvement value is determined by Replacement Cost New Less Depreciation (RCNLD) that considers size, age, construction method, quality, and enhancing features
  - Land and improvements are reviewed for adjustment annually based on comparison to comparable sales through the Ratio Study process

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Summary of Change in Assessed Values from 2020 to 2021 (FY2021 to FY2022)

- Overall borough-wide total taxable value increase
  - 7.00% before appeals
  - 6.49% after appeals *(estimated)*
- Assessed property value change by category
  - 3.16% total residential value increase
  - 17.97% total commercial value increase
  - 12.98% total vacant land value decrease *(resulting from fewer vacant land parcels)*
  - 0.5% total business personal property increase

CITY AND BOROUGH OF
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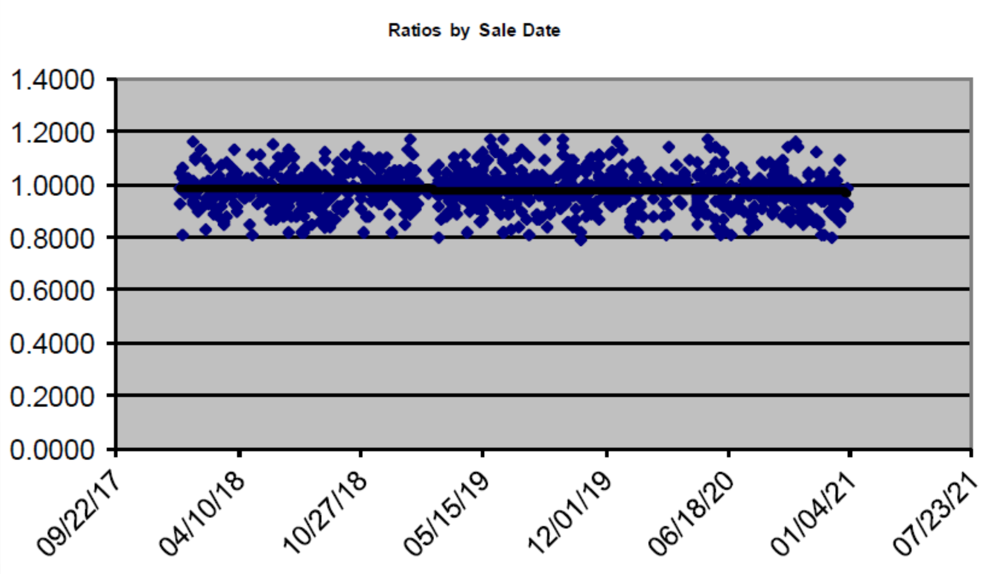
Ratio Study Process

- Ratio Study process compares assessed values to sales prices
- For each known *qualified* sale, the assessed value is a % of the sales price
  - $1,000,000 Sales Price of property Assessed at $900,000 equals 90.0% or 0.900
  - $400,000 Sales Price of a property Assessed at $410,000 equals 102.5% or 1.025
- For the purpose of making valuation adjustments in response to the ratio study process, the CBJ Assessor targets a median assessment value of 98% of sales prices
- International Association of Assessing Officers (IAAO) defines the Coefficient of Dispersion (COD) as the best overall indicator for confidence of assessments across the entire universe of properties
  - Lower COD is better
- Visit: www.iaao.org/media/standards/Standard_on_Ratio_Studies.pdf

CITY AND BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY

Residential Ratio Study 2021
Assessed Values as % of Sales Prices

Prior/After	Lowest	Mean	Median	Highest	COD
Prior to 2021 adjustments	76.11%	96.29%	96.53%	116.91%	6.00%
After 2021 adjustments	79.40%	97.91%	98.09%	117.45%	5.43%



Correcting Commercial Assessments

- Overall commercial property assessments have been essentially flat for 10 years
- Prior to 2021 adjustments
  - Median commercial property was assessed at 72.86% of sales price (68.79% mean)
  - Median improved commercial property was assessed at 78.81% of sales price (78.39% mean)
  - *Median vacant commercial land was assessed at just 39.22% of sales price (38.00% mean)*
- Commercial adjustments made in 2021
  - 50% increase to base commercial land value
  - 20% increase to warehouse condos
  - 20% decrease to boat shelters
- Result: Median commercial assessment ratio moved from 72.86% to 88.53% in 2021
  - CBJ Assessor target for median assessment ratio is 98%
  - Commercial properties in Juneau remain under-assessed by ~10% overall
  - CBJ Assessor will continue to refine the land adjustments and begin adjusting improvement values to reflect market sales in future years

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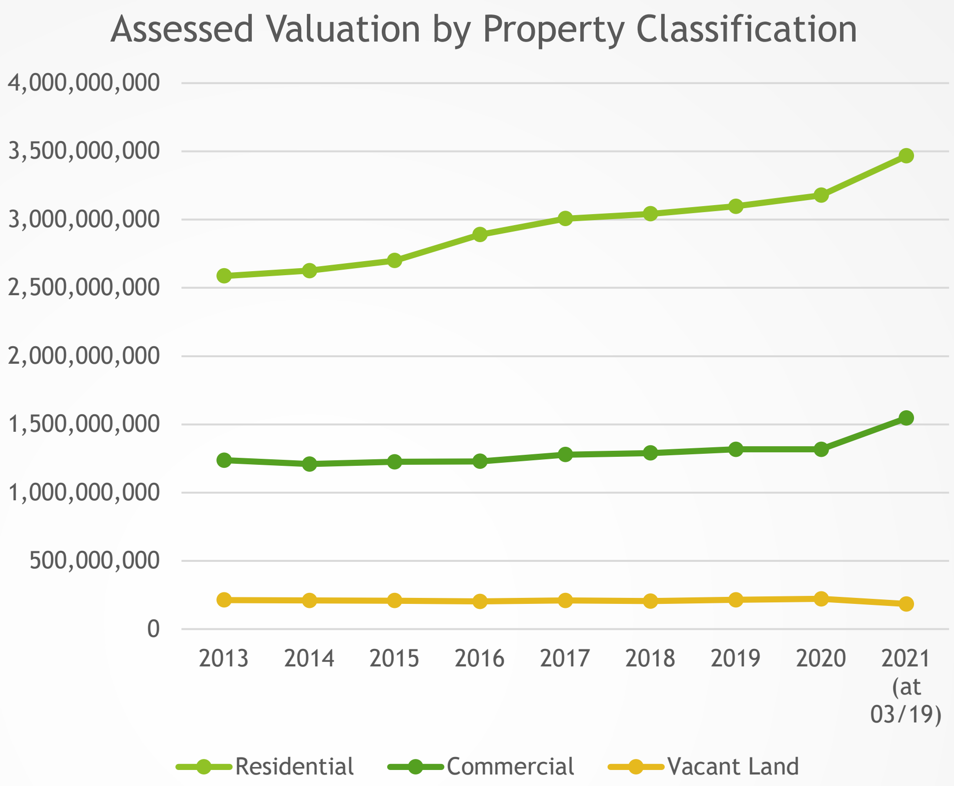
Tax Shifting

- Under-assessment of commercial properties over the past decade has had the effect of shifting the property tax burden from commercial property owners to residential property owners
- Correcting the assessment of commercial properties to fair market value will fairly shift a portion of the tax burden from residential property owners back to commercial property owners



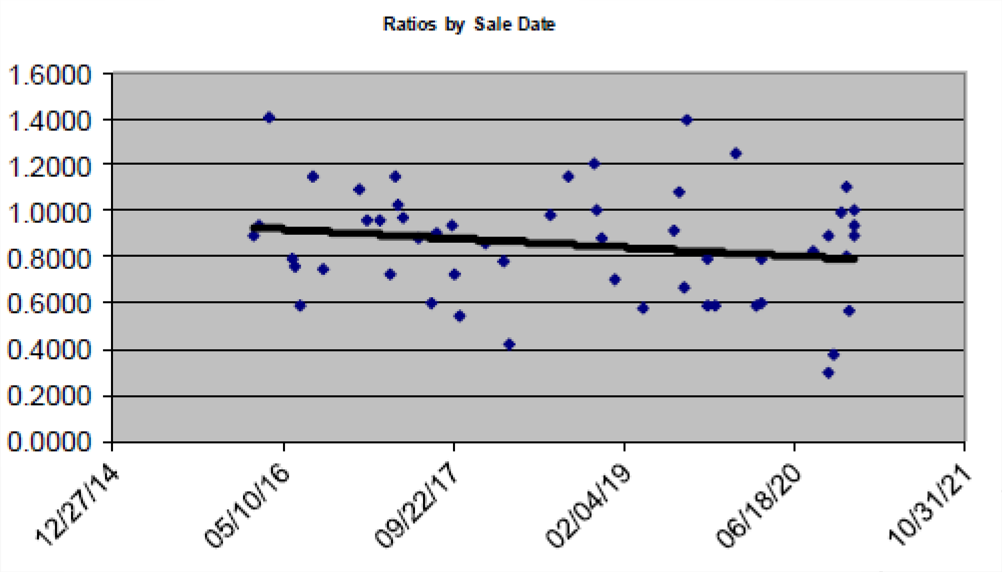
Tax Burden % by Property Classification

	2013	2014	2015	2016	2017	2018	2019	2020	2021
Residential	64.1%	64.9%	65.3%	66.9%	66.9%	67.1%	66.9%	67.4%	66.7%
Commercial	30.6%	29.9%	29.6%	28.4%	28.4%	28.4%	28.5%	27.9%	29.7%
Vacant Land	5.3%	5.2%	5.1%	4.7%	4.7%	4.5%	4.6%	4.7%	3.6%

CITY AND BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY

Commercial Ratio Study 2021
Assessed Values as % of Sales Prices

Prior/After	Lowest	Mean	Median	Highest	COD
Prior to 2021 adjustments	19.59%	68.79%	72.86%	119.08%	23.60%
After 2021 adjustments	29.32%	85.26%	88.53%	140.91%	21.55%



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How has the Pandemic and Economic Slowdown affected Property Values?

- Qualified residential and commercial sales in 2020 fully support the 2021 valuations, with no evidence of softening valuations
- Replacement costs have continued to rise
- Commercial properties are variously affected by the pandemic and economic slowdown; some businesses have boomed, others have been very challenged
- Commercial income is one approach to determine fair market value; and if income information is disclosed to the Assessor, it can be considered in the review process
  - IAAO recommends a 3-year average of income for valuation purposes
- Commercial properties with reduced income may not have not lost value
  - Sellers are unlikely to sell for less than they would have prior to the pandemic
  - Buyers are looking forward to the economic rebound rather than current circumstances

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Petitions for Review and Appeals to the Board of Equalization

- Any property owner whose property is assessed for more or less than the fair market value is encouraged to file a Petition for Review with the CBJ Assessor by May 3rd
- This review process is a critical element of assessment process, because the Assessor learns more about details of the property from the owner
- New information about the property (additions, changes, damage, disrepair, etc) may allow the Assessor to adjust property value to better reflect fair market value
- Any Petitions for Review that cannot be settled between the Assessor and property owner may be appealed to the Board of Equalization

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Questions?

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