ASSEMBLY FINANCE COMMITTEE
THE CITY AND BOROUGH OF JUNEAU, ALASKA
Wednesday, December 9, 2020, 6:00 PM.
Zoom Webinar & FB Live Stream

(webinar: https://juneau.zoom.us/j/95880573592 or call: 1-253-215-8782 webinar ID: 958 8057 3592)

I. **CALL TO ORDER**

II. **ROLL CALL**

III. **APPROVAL OF MINUTES**

a. **Wednesday, November 4, 2020 and Tuesday, November 10, 2020**

IV. **ITEMS FOR ACTION**

a. **General Fund to Debt Service Transfer - Ordinance 2020-09(Z) - $5,900,000 General Funds - Introduced 11/23 & Public Hearing 12/14**

b. **Proposed Projects for $15 Million G.O Bond**

c. **G.O. Bond Projects - Ordinance 2020-09(AB) - $376,000 Bond Proceeds - Introduction 12/14 & Public Hearing 1/4**

d. **Dimond Park Field House - Ordinance 2020-09(AA) - $45,000 General Funds - Introduction 12/14 & Public Hearing 1/4**

e. **Grant to Perseverance Theatre - Emergency Appropriation Resolution 2926 - $85,738 CARES Act Funds - Introduction & Public Hearing 12/14**

f. **CBJ Pandemic Emergency Response - Emergency Appropriation Resolution 2927 - $3,000,000 General Funds - Introduction & Public Hearing 12/14**

g. **ESTF Recommendations on Business Sustainability Grant and Economic Hardship Grant**

V. **ITEMS FOR DISCUSSION**

a. **A Balancing Act - Budget Simulator**

b. **Divestment from Fossil Fuel Investments**

c. **COVID Loan Program Update**

d. **CARES Act Funding Update**

VI. **INFORMATION ITEMS**

a. **Bond Reserve - 16B Docks**

VII. **SUPPLEMENTAL MATERIALS**

a. **G.O. Bond Projects Presentation**

b. **Housing Assistance/Individual Assistance Programs**

c. **JEDC COVID-19 Emergency Loan Report**

VIII. **NEXT MEETING DATE**

a. **January 6, 2021**

IX. **ADJOURNMENT**

ADA accommodations available upon request: Please contact the Clerk's office 72 hours prior to any meeting so arrangements can be made to have a sign language interpreter present or an audiotape containing the Assembly's agenda made available. The Clerk's office telephone number is 586-5278, TDD 586-5351, e-mail: city.clerk@juneau.org

DRAFT

City and Borough of Juneau
Minutes - Assembly Finance Committee Meeting
Zoom Webinar & Facebook Live Stream
Wednesday, November 4, 2020

I. CALL TO ORDER

The AFC meeting was called to order at 6:02 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; Marie Gladziszewski; Greg Smith; Christine Woll

Committee Members Absent: None

Staff Present Virtually: Rorie Watt, City Manager; Mila Cosgrove, Deputy City Manager; Jeff Rogers, Finance Director; Adrien Speegle, Budget Analyst; Rob Palmer, City Attorney; Patty Wahto, Airport Manager

Others Present Virtually: None.

III. APPROVAL OF MINUTES

a. The September 30, 2020 minutes were approved as presented.

IV. ITEMS FOR DISCUSSION

a. **Sales Tax Update (FY21 Q1 & Forecast)**

Mr. Rogers presented a memo to the Committee regarding actual revenue and projected forecasts in sales taxes, explaining that from FY16 to FY19, sales tax receipts increased by $4.8 million, more than 10%. Conversely, property taxes have been stable, but have trended to increase at just 1.5% to 2% annually. As sales taxes have risen, CBJ expenditures have risen in turn. The increase in revenue funded investments in police and emergency services, as well as negotiated wages. These substantial sales tax receipts also allowed the Assembly to fund several priority community projects and fortify general fund reserves.

Mr. Rogers added that the pandemic not only resulted in a global halt in cruising, but also a radical diminishment of air travel. These factors led to reduced sales tax revenue. However, other factors such as federal and state stimulus, an early Permanent Fund Dividend, and enhanced unemployment benefits helped to support overall sales tax receipts.

Mr. Rogers drew the Committee's attention to the FY20 projection, noting that sales tax receipts came in at $46.7 million - $3.7 million lower than FY19, but also $3.7 million higher than budgeted expectations. For Q1 in FY21, $9.4 million is projected in sales tax receipts. Estimates for Q2 and Q3 of FY21 have been re-forecast at $8.5 million each quarter. The estimate for Q4 is highly dependent on whether or not Juneau sees a cruise season; given recent reports from Cruise Lines International Association (CLIA) and others, the forecast has been lowered for Q4 FY21 from $12.0 million to $10.0 million. Given these actuals and projections, they represent a $12.8 million reduction in total annual sales tax from FY19 to FY21. Given the uncertainty about when ships will again port in Juneau, the forecast for Q1 FY22 has been reduced by $3.0 million and Q4 FY22 by $0.8 million. Q2 and Q3 of FY22 will remain unadjusted until Juneau's economic environment becomes clearer. Taken together, these adjustments reduce FY22 sales tax by $3.8 million.

Mr. Rogers responded to committee questions.

b. **Update on Remote Sales Tax Collection**

Mr. Rogers presented a memo to the Committee regarding CBJ's successful imposition of sales taxes on remote (i.e. online) sales, noting that the measure was intended to create tax equity between local and remote sellers. Secondarily, the measure is generating more than $1.0 million per year in sales tax revenue. After administrative costs are taken into account, CBJ has received $419,780 in remote sales tax receipts to date. FY21 totals are projected to be $1.2 million; FY22 total forecast is projected to be $1.5 million.

Mr. Rogers responded to committee questions.

c. **Impact of Non-General Fund Shortfalls**

Mr. Rogers presented a memo to the Committee on the potential impact of non-general fund shortfalls. Specifically, Hotel Bed Tax receipts and Marine Passenger fees, which are highly dependent upon tourism and visitation to Juneau. Given the effects of the pandemic, the Hotel Bed Tax and Passenger Fee funds are significantly depressed in FY21 and will remain so for the foreseeable future.

Mr. Rogers noted that if the Assembly wishes to avoid substantial general fund subsidies to the funds currently lacking revenue, one option is a central treasury loan. The primary difference between using a central treasury loan and subsidizing these funds with general funds is that the central treasury loan would be paid back in future years. This may be more attractive with the two Passenger Fee funds because in a typical year, those funds could have sufficient revenue to pay back a loan resulting from a prior year without visitors. The Hotel Bed Tax fund, however, may not be a good candidate for a central treasury loan as they have typically not significantly exceeded necessary annual expenditures.

Mr. Rogers responded to committee questions.

d. **Update on $15M G.O. Bond**

Mr. Rogers presented a memo updating the Committee on the $15.0 million General Obligation Bond. Resulting from an Alaska Supreme Court decision, the Alaska Municipal Bond Bank Authority (AMBBA) is not currently proceeding with new bond issues. The State has asked the Alaska Supreme Court for clarification about its authority to sell bonds as a conduit for municipal debt. Until this is resolved, CBJ cannot sell a bond through the AMBBA. However, CBJ is not required to use AMBBA; rather, CBJ may sell a bond directly into the market without the AMBBA as a conduit. For previous bonds, there were advantages to using the bond bank, including the State's credit rating, and the economies of scale that come from the bond bank selling one larger bond for multiple municipalities.

Mr. Rogers added that the biggest issue with going direct-to-market is the small size of the bond and the 20-25 year term. Institutional investors tend not to purchase bond maturities this small, which drives up overall interest costs. An alternative is "direct placement." CBJ Finance is exploring this option. Direct placement allows CBJ to sell a bond directly from an identified private bank. Direct placement avoids most of the effort required in selling to public markets; it usually results in slightly higher interest costs, but those costs are offset by savings on administrative and legal costs. CBJ Finance will continue to explore direct placement as an efficient option for selling the $15.0 million bond.

Mr. Rogers responded to committee questions.

The meeting recessed at 6:59 PM.
The meeting reconvened at 7:10 PM.

e. **Review Debt Service Schedule**

Mr. Rogers presented the updated CBJ Debt Service Model to the Committee. The Debt Service Model is a tool that is intended to aid in the projection and management of current and future debt service. Mr. Rogers added that given the State's reimbursement rate of School Bond Debt being lower than previous years and how that impacts debt service, the Committee will likely have several meetings in the upcoming months to discuss how best to manage CBJ's debt service going forward.

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Wednesday, November 4, 2020

Mr. Rogers responded to committee questions.

The Committee decided to table this topic and put it on a future agenda.

f. **Update on FY20/FY21/FY22**

Mr. Rogers presented a memo to the Committee detailing FY20's year-end closing status, noting that the financial statements are being finalized and the auditors have begun their initial review. The main takeaway is a resulting $3.5 million surplus after a budgeted $1.2 million draw to the unrestricted general fund balance. Several factors improved the overall financial outcome of FY20, such as federal emergency funding from various sources, sales tax receipts coming in $3.9 million higher than expected, and investment income. Mr. Rogers added that these numbers may move slightly as the Controller completes supporting financial statements, but a surplus in the ballpark of $3.5 million is safely expected.

Mr. Rogers responded to committee questions.

Mr. Rogers presented a memo to the Committee detailing FY21's current status, projections, and impact on the unrestricted general fund balance. CBJ continues to use CARES Act and FEMA funds in FY21 for all allowable expenditures related to emergency operations. This includes substantial police and fire payrolls, costs of the Emergency Operations Center, information technology infrastructure to support remote meetings and telework, and some building maintenance expenditures. Mr. Rogers noted that the table in the memo forecasts $3.0 million of unreimbursed emergency operations costs in FY21 for the period from January to June. The table includes a credit of $1.5 million in anticipation that the Assembly will likely consider using bond proceeds to offset general fund expenditures. All of the changes together turn a budgeted $3.1 million deficit into a projected $9.9 million deficit for FY21. This deficit would reduce the unrestricted general fund balance from $22.0 million at the end of FY20 down to $12.2 million at the end of FY21.

Mr. Rogers responded to committee questions.

Mr. Rogers presented a memo to the Committee regarding the outlook for FY22, noting that the amount of uncertainty about FY22 remains exceedingly high. Mr. Rogers stated that the Macro Budget Tool indicated a number of important policy decisions for the Assembly, including a presumptive increase to the Property Tax Mill Levy in FY22 and a delay of renovations to the Augustus Brown Pool from FY21 to FY22. The Assembly signaled the desire to reduce status quo capital spending by $1.5 million, which will be implemented by Public Works and Engineering as it prepares the FY21 Capital Improvement Plan (CIP).

Mr. Rogers added that this update is limited to just a few items. The most recent sales tax forecast reflects a $3.8 million reduction in sales tax revenue in FY22 from the assumptions during the budget process. Additionally, it may be prudent to assume that school bond debt will not be reimbursed at all (0% reimbursement). Further, the Assembly is likely to need to support other non-general funds with general fund subsidies as detailed in an earlier memo. What is most likely to change this trajectory is additional federal support; many observers presume that more funds will be made available to states and local governments at a later date.

Mr. Watt recommended that the Assembly request a status quo budget for FY22 with the budget changes modeled in the Macro Budget Tool in June 2020. Such a budget would incorporate all existing programs and services. Given the revenue projections, it is very likely that there will be a need for a broad discussion about budget reductions in this fiscal cycle within the next few months when there is more information available. In difficult budget times, it has to be a contextual conversation about what CBJ can afford and what the tradeoffs are.

Mr. Rogers and Mr. Watt responded to committee questions.

The meeting recessed at 8:20 PM.
The meeting reconvened at 8:30 PM.

V. ITEMS FOR ACTION

a. **Alaska Committee Grant – Ordinance 2020-09(X) – $300,000 General Funds – Introduced 10/26/20 & Public Hearing 11/23/20**

Mr. Rogers presented Ordinance 2020-09(X), which would appropriate $300,000 from the General Fund's fund balance to the Alaska Committee to coordinate and support public accommodations during the 2021 Alaska state legislative session.

Mr. Watt added that there have been many conversations about hotels and hotel space. The Baranof is closed and likely will be until May 2021. CBJ has been in regular communications with Legislative Affairs about the potential special session next week and the regular session next year. Options are being explored for regular testing of legislators and how Juneau can support that during the regular session. Mr. Watt stated that CBJ needs to ensure there is sufficient and safe accommodation available for the Legislature. Mr. Watt recommended that funds be disbursed to the Alaska Committee to oversee these efforts as they seem the best situated to do so.

Mr. Rogers and Mr. Watt responded to committee questions.

<u>Motion</u>: by Mayor Weldon to move Ordinance 2020-09(X) to the full Assembly for public hearing.

Motion passed by unanimous consent.

VI. INFORMATION ITEMS

a. Teacher Excellence Fund Update

Mr. Rogers presented an update from the Juneau Community Foundation (JCF) regarding the Teacher Excellence Fund (TEF) as of June 30, 2020. The TEF is a grant from the JCF to the School of Education (SoE) at the University of Alaska Southeast (UAS). This annual update that the JCF provides to CBJ is a requirement as a grantee.

Mr. Jones added that when the School of Education was going through structural changes in the University of Alaska System, CBJ committed to contributing $1.0 million through JCF for the support of the SoE being headquartered at UAS. Mayor Koelsch wanted to raise as much as he could of that commitment through businesses and private contributions. Mr. Jones stated that he believed the Assembly has contributed close to $750,000.

b. FY19 GFOA CAFR Award

Mr. Rogers congratulated CBJ Controller Sam Muse and his team for the Award of Financial Reporting received from the Government Finance Officers Association. This is in recognition of CBJ's Comprehensive Annual Financial Report. Mr. Rogers commented that receiving these awards each year means CBJ is on the right track; this is a great achievement.

The Committee expressed their appreciation for the Controller's Office and the work they do for the City.

c. Airport Terminal Reconstruction Project Update

Mr. Rogers updated the Committee on the financing strategy of the Juneau International Airport's Northern Terminal Project. Originally, the Assembly worked through the process of putting out to market a $24.0 million revenue bond. That bond was going to be repaid in part by general obligation and part of it was a revenue bond. Passenger Facility Charges (PFCs), would have repaid the revenue portion in part and it would have been paid by Airport Improvement Program (AIP) grants. The Federal Aviation Administration (FAA) has issued unprecedented grants that were meant to supplant future PFCs and also expected AIP receipts.

Ms. Wahto added that the Juneau International Airport was anticipating collecting four years' worth of the FAA AIP as opposed to receiving discretionary funds. This bond was initially set up for four years of entitlement with the FAA eligible portion; the remaining eligible portion would be coming from PFCs. While the Airport was looking at funding this project as a small hub, its hub status changed to a non-hub, which meant it was now eligible for discretionary money for terminal projects. With that status change, the FAA was able to combine funds from residual discretionary funds from 2019 as well as funds from 2020. In this particular CARES Act fund, anything that received AIP funds for Federal FY20 also received match funds. This funding in a sense gives the Airport the ability to pay off the revenue bonds.

Ms. Wahto responded to committee questions.

The Committee noted that Ordinance 2020-09(H), which would appropriate $14,858,227 to fund the Juneau International Airport's terminal construction revenue bond debt, has been introduced but needs to be moved to the full Assembly. Funding for this ordinance would be provided by the Federal Aviation Administration Airport Improvement Program.

Motion: by Mayor Weldon to move Ordinance 2020-09(H) to the full Assembly.

Motion passed by unanimous consent.

VII. NEXT MEETING DATE

a. Tuesday, November 10, 2020.

VIII. ADJOURNMENT

The meeting was adjourned at 9:07 PM.

DRAFT

City and Borough of Juneau
Minutes - Assembly Finance Committee Meeting
Zoom Webinar & Facebook Live Stream
Tuesday, November 10, 2020

I. Call to Order

The AFC meeting was called to order at 6:00 PM by Carole Triem, Chair.

II. Roll Call

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

Committee Members Absent: None

Staff Present Virtually: Mila Cosgrove, Deputy City Manager; Jeff Rogers, Finance Director; Rob Palmer, City Attorney; Adrien Speegle, Budget Analyst; Sarah Jahn, JSD Administrative Services Director; Katie Koester, Public Works and Engineering Director

Others Present Virtually: Amy Skilbred, Juneau Community Foundation Executive Director; Erin Walker-Tolles, Catholic Community Services Executive Director; Max Mertz, Economic Stabilization Task Force Co-Chair; Tari Stage-Harvey, Shepherd of the Valley Lutheran Church Pastor

III. INFORMATION ITEMS

a. **Utility Delinquent Accounts – COVID Deferral Program Update**

Ms. Koester presented a memorandum to the Committee regarding an updated COVID-19 deferral repayment process with utility delinquent accounts. Senate Bill 241 allows customers experiencing hardship from COVID-19 to avoid shut-offs and finance charges until November 15, 2020. So far, 55 residential accounts and 5 commercial accounts have submitted the COVID-19 hardship form required to be eligible for this extension. Individuals who cannot pay are able to defer and be put on a payment plan for a period not less than the duration of the emergency, currently being eight months. Ms. Koester stressed that the longer the deferral program is allowed to last, the further in arrears customers will find themselves, potentially creating extra financial stress once individuals begin the repayment process.

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<u>**Motion:**</u> **by Mr. Bryson to direct staff to extend the repayment process from eight months to up to 24 months, or as the situation would dictate for the delinquency utility account repayments.**

Objection by Mr. Jones, who stated that it is unclear whether the motion is for individual or commercial account holders. He added that the motion needs to have a more structured timeline, or there is an increased risk of delinquencies. Ms. Hale supported the objection, stating that the action is well intentioned but requires a more strategic approach.

Mr. Bryson withdrew his motion.

Mr. Rogers stated that he and Ms. Koester understand that now is not the right time to turn off people's water, and they will do everything in their power to balance the need to rationally get people caught up. He reiterated Ms. Koester's concerns regarding extending the repayment period, as people will get very deep in arrears and it will be even harder for them to get caught up, irrespective of the course of the pandemic. He stated that in the absence of direction from the Committee, he can work with Collections to provide direction that an eight month repayment plan should be the standard offering, and if people cannot afford this plan, longer plans can be considered as necessary.

b. **CARES Act Funding Update**

Mr. Rogers presented an updated CARES Act Funding pie chart. He stated that CBJ has obligated and/or spent $48,209,054, with $4,703,100 pending in legislation for Assembly consideration, and $298,788 remaining uncommitted. The Economic Stimulus Grant and Extreme Hardship Grant programs make up the majority of the pending legislation amount. He stated that in January, city staff will evaluate the remaining unspent CARES Act funding balance and identify and harvest any remaining eligible expenditures in General Fund departments, the Hospital, or the Juneau School District (JSD.) Utilizing the remaining unspent CARES Act funding balance for this purpose would likely offset general fund expenditures, or the expenditures of another fund.

Ms. Gladziszewski asked if there was a specific amount that could be absorbed.

Mr. Rogers stated that the $1-2 million range could reasonably be absorbed and reallocated.

Chair Triem inquired whether it will be necessary to draft separate ordinances to deappropriate from each of the programs that have remaining funds.

Mr. Rogers responded that a consolidated ordinance will be coordinated to appropriate supplemental CARES Act expenditures, and deappropriate from programs where funding wasn't fully utilized.

c. **School District CARES Act Funding and RALLY Update**

Ms. Jahn presented a memo on packet page six. As of November 5, 2020 there were 36 youths enrolled in the RALLY program. CARES Act funding is being used to provide subsidies to families with students enrolled in the program. The enrollment number for RALLY is lower than initial projections, resulting in reduced spending of the CARES Act funding allocation. Ms. Jahn affirmed that the RALLY program is projected to utilize funding amounting to approximately $120,000 through December, of the $600,000 total appropriation.

Ms. Jahn responded to committee questions.

Mr. Bryson asked Mr. Rogers how the additional remaining funds will impact projections.

Mr. Rogers stated that JSD will continue to have additional COVID-19 eligible expenditures that the Committee can reallocate the additional funding towards. JSD will be compiling and sending quarterly reports to the City Finance Department that show additional expenditures. JSD has completely expended the $700,000 appropriated with Emergency Resolution 2905, and have nearly expended the $1,653,000 authorized by Ordinance 2020-09(M).

Ms. Jahn responded to committee questions.

d. **Housing Assistance Grant Program Update**

Ms. Walker-Tolles stated that the number of applications for the Housing Assistance Grant Program has reduced drastically, from approximately 400 per-day to only five to ten. Roughly 35-40% of individuals are not filling out the application completely, requiring further follow up. Additional staffing is required to aid with application review. About 15% of grant applicants are not qualified, as their economic hardship is not directly due to COVID-19. She expressed concern of not being able to expend the full funding amount in the time allowed, as there is only a month left to disburse funds and the number of applications coming in has decreased.

Ms. Walker-Tolles responded to committee questions.

Mayor Weldon presented a draft resolution proposing an amendment to the Emergency Appropriation Resolution 2912(b)(am) for the Housing Assistance Grant Program. The amendment proposed a change to Section 3(d)(1) of the original resolution, raising the rent or mortgage grant amount from $1,500 to $2,500 per household, if the household meets the utility and rent qualifications.

Ms. Walker-Tolles responded that the extra $1,000 would have a significant impact on individuals experiencing economic hardship due to COVID-19, and would likely ensure the program could be fully expended within the required timeline.

Motion: by Mayor Weldon to move the resolution to amend the Housing Assistance Grant Program to the full Assembly

Objection by Mr. Smith for the purpose of a question. His objection was later removed.

The motion passed by unanimous consent.

The meeting recessed at 7:09 PM.
The meeting reconvened at 7:20 PM.

e. Non-Profit Sustainability Grant Program Update

Ms. Skilbred provided an updated summary of the CBJ CARES Act Nonprofit Sustainability Grant Program. There have been two rounds of grant awards with 78 total awardees, bringing the total awarded amount to $2,453,307.

Ms. Skilbred responded to committee questions.

Ms. Skilbred stated that the ordinance used very specific language concerning the maximum grant amount that could be received by an organization. If the Committee desired to award a non-profit a higher level of funding, or distribute the remaining funds on a pro-rata basis, a change in the language of the ordinance would be required.

Motion: by Ms. Gladziszewski to direct staff to prepare an ordinance to amend the NonProfit Sustainability Grant Program language.

The motion passed by unanimous consent.

f. **Rasmuson Foundation Matching Grant Program**

Mr. Rogers shared the estimated awards from the Rasmuson Foundation Matching Grant Program from packet page eleven. The Rasmuson Foundation grant is awarded on a pro-rata basis to organizations that were awarded grants through the Juneau Community Foundation and/or through the Juneau Economic Development Council granting programs. In total, the Rasmuson Matching Grant awarded $50,000 to seventeen organizations.

IV. ITEMS FOR ACTION

a. **Extreme Hardship Grant – Ordinance 2020-09(U) - $2,300,000 CARES Funds – Introduced 10/26 & Public Hearing 11/16 or 11/23**

Mr. Mertz presented the updated version of Ordinance 2020-09(U), which would appropriate $2.3 million for a COVID-19 Extreme Hardship Business Grant program, to be funded with CARES Act funds. The purpose of the program is to provide support to businesses that were disproportionately harmed by COVID-19. Program awards are intended to offset eligible business expenses from November 1 through December 30, 2020.

Mr. Mertz proposed an amendment to Section 4(c)(1) that would require an applying business to have received a business sustainability grant pursuant to Ordinance 2019-06(AG)(d) or a non-profit sustainability grant pursuant to Ordinance 2020-36. This requirement would reduce administrative burden on the grant administrator in reviewing applications to determine whether a business experienced hardship due to the pandemic.

Additionally, Mr. Mertz proposed to amend Section 4(c)(4), adding that a business must have lost at least $25,000 from Q3 2019 to Q3 2020 in gross receipts.

<u>Motion:</u> by Mayor Weldon to move Ordinance 2020-09(U) version AFC #2 as amended with changes proposed by Mr. Mertz to the full Assembly.

<u>Amendment 1:</u> by Ms. Hale to strike the sixth whereas clause in Ordinance 2020-09(U) and replace with *'WHEREAS, COVID-19 caused severe economic harm to businesses in the City and Borough of Juneau because nearly all of the forecasted cruise ship tourism was canceled, residents hunkered down to avoid COVID-19 and continue to do so, and businesses lost significant revenue due to*

the resultant loss of business and due to mandated closures or severely limited operations.'

The amendment passed by unanimous consent.

The main motion passed by unanimous consent.

b. **Economic Stimulus Grant – Ordinance 2020-09(Y) - $2,000,000 CARES Funds – Introduced 10/26 & Public Hearing 11/16 or 11/23**

Ms. Hughes-Skandijs introduced the Economic Stimulus Grant Program ordinance. This ordinance would appropriate $2 million for a grant program for individuals residing in Juneau who have been financially harmed by COVID-19. This program aims to provide support to individuals who need assistance paying for basic needs such as food, healthcare, utilities, housing, and transportation.

Ms. Hughes-Skandijs responded to committee questions.

Ms. Walker-Tolles stated that an additional applicant grant amount per dependent child would help address the strain on larger families that purchase more food and have higher healthcare and utility costs.

Mr. Palmer summarized the need to provide additional funding to aid families who have dependents under 18 by amending Section 4(c)(1) of the ordinance to state 'An applicant applying for or with a dependent must be a parent or guardian with legal custody of the dependent' and in Section 4(d) adding that in addition to the grant amount identified in Section 4(d)(1), each applicant is eligible for one $300 grant per eligible dependent.

<u>Motion</u>: by Ms. Hughes-Skandijs to amend Section 4(c)(1) and Section 4(d) to reflect changes stated by Mr. Palmer.

The motion passed by unanimous consent.

<u>Motion</u>: by Ms. Hughes-Skandijs to move ordinance 2020-09(Y) as amended to the full Assembly and ask for unanimous consent.

The motion passed by unanimous consent.

c. **Family Promise Grant – Ordinance 2020-09(W) - $300,000 CARES Funds- Introduced 10/26 Public Hearing 11/16 or 11/23**

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Mr. Rogers introduced Ordinance 2020-09(W). The ordinance would authorize a $300,000 grant of CARES Act funds to Family Promise of Juneau to purchase a building to support vulnerable families during the COVID-19 pandemic. Mr. Rogers asked Ms. Stage-Harvey to speak to the request.

Ms. Stage-Harvey explained that Family Promise aids families who are experiencing homelessness by using congregations to shelter and provide food. COVID-19 has closed most congregation spaces, leaving Family Promise to operate nearly entirely out of Chapel by the Lake. This reduced capacity has proven to be very cramped, stressful, and inefficient for staff and families. The purchase of a new building would allow the organization to move their day center to an independent location, allowing more space at Chapel by the Lake for sheltering, while also maintaining a stable facility for staff.

Motion: by Ms. Gladziszewski to move Ordinance 2020-09(W) to the full Assembly for adoption.

The motion passed by unanimous consent.

d. **ArtWorks Program Supplemental Grant – Emergency Appropriation Resolution 2919 - $30,000 CARES Funds- Introduction & Public Hearing TBD**

Ms. Hale introduced Emergency Appropriation Resolution 2919, aiming to authorize an additional $30,000 for the Juneau ArtWorks Grant Program. The program was initially appropriated $300,000 for the purpose of supporting artists who have been substantially negatively impacted by COVID-19. After applications were received, it was determined that an additional appropriation was needed in order to fund all eligible awards.

Motion: by Ms. Hale to move Emergency Appropriation Resolution 2919 Draft v2 to the full Assembly for the November 23, 2020 meeting.

The motion passed by unanimous consent

e. **2021 Assembly Calendar**

Mayor Weldon confirmed there would be no Special Assembly meeting held on November 16, 2020, and redirected the Committee's attention to the 2021 Assembly Calendar.

Motion: by Mayor Weldon to approve the 2021 Assembly Calendar presented at the Assembly retreat on November 7, 2020 for publication.

The motion passed by unanimous consent.

V. NEXT MEETING DATE

a. Wednesday, December 9, 2020

VI. ADJOURNEMNT

The meeting was adjourned at 8:40 p.m.

Presented by: The Manager
Introduced: November 23, 2020
Drafted by: Finance

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2020-09(Z)

An Ordinance Appropriating $5,900,000 to the Manager as Partial Funding for the City and Borough of Juneau's Fiscal Year 2021 Required Debt Service; Funding Provided by the General Fund's Fund Balance.

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. Appropriation. There is appropriated to the Manager the sum of $5,900,000 as partial funding for the City and Borough of Juneau's fiscal year 2021 required debt service.

Section 3. Source of Funds

General Fund's Fund Balance	$5,900,000

Section 4. Effective Date. This ordinance shall become effective upon adoption.

Adopted this ________ day of ____________, 2020.

____
Beth A. Weldon, Mayor

Attest:

____
Elizabeth J. McEwen, Municipal Clerk

CBJ Debt Service Model

Updated 11/2/2020

	Actual	*Projected*			
	FY2020	**FY2021**	**FY2022**	**FY2023**	**FY2024**
Debt Service Fund Balance	**$ 5,156,600**	**$ 881,048**	**$ -**	**$ -**	**$ -**
Required Debt Service	**$ 13,903,337**	**$ 13,496,211**	**$ 12,148,203**	**$ 8,137,911**	**$ 5,672,823**
Reimbursements/Subsidies					
SOA SBDR %	50%	0%	0%	0%	0%
SOA SBDR $	$ (3,441,732)	$ -	$ -	$ -	$ -
Federal Subsidy	$ (165,475)	$ (5,600)	$ -	$ -	$ -
Airport Reimbursement $		$ (602,375)	$ (662,625)		
Net Required Debt Service	**$ 10,296,130**	**$ 12,888,236**	**$ 11,485,578**	**$ 8,137,911**	**$ 5,672,823**
Debt Service Paid by Mill Rate	**$ 6,020,578**	**$ 6,144,501**	**$ 5,376,438**	**$ 8,137,911**	**$ 5,672,823**
Debt Service Fund Net Gain/(Loss)	**$ (4,275,552)**	**$ (881,048)**	**$ -**	**$ -**	**$ -**
Required General Fund Subsidy	**$ -**	**$ 5,862,688**	**$ 6,109,140**	**$ -**	**$ -**
Deb Service Mill Rate (Status Quo)	**1.20**	**1.20**	**1.05**	**1.57**	**1.08**
Valuation Growth	0.0%	0.0%	0.0%	1.5%	1.5%
Valuation	$ 5,017,148,146	$ 5,120,417,119	$ 5,120,417,119	$ 5,197,223,376	$ 5,275,181,726
Debt Service Mill Rate (with Future Debt)	**1.20**	**1.20**	**1.20**	**1.71**	**1.22**
Anticipated Future GO Bond Debt					
Bond Issued 2021	$ -	$ -	$ 768,307	$ 768,307	$ 768,307
Future Debt Contribution to Mill Rate					
Bond Issued 2021	0.00	0.00	0.15	0.15	0.15

MEMORANDUM

DATE: April 15, 2020

TO: Assembly Finance Committee

FROM: Jeff Rogers, Finance Director

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

SUBJECT: **Debt Service Overview**

Introduction

Typically, the calculation of the debt service mill rate is simple. Annual required debt service payments are simply divided by the borough's total assessed valuation. So, to pay $6 million of general obligation debt service from $5 billion of property assessed valuation, CBJ would need to assess a 0.12% tax or 1.2 mills on property value. It can be just that easy.

Unfortunately, CBJ's calculation of the debt service mill rate is made considerably more complex by two factors:

1. Anticipated state reimbursement of school bond debt is highly uncertain
2. In 2013, CBJ voted affirmatively to pre-fund future debt service costs from 1% temporary sales tax

Uncertainty of School Bond Debt Reimbursement

The Proposed FY2021/2022 Budget assumes that the state will honor 50% of its commitment to reimburse school bond debt in both years. That assumption follows the Governor's FY2020 veto of school bond debt reimbursement down to 50% of the amount committed. For FY2021, the Legislature funded 100% of school bond debt reimbursement in the budget, but the Governor vetoed 100% of that amount—which would result in zero dollars coming to CBJ as state reimbursement. However, the Governor indicated that it is his intention to fund 100% of school bond debt reimbursement via federal funding from the CARES Act.

Observers have speculated that budget items like school bond debt reimbursement may not be eligible for CARES Act funding. The Governor's Chief of Staff indicated on a call with the Alaska Municipal League that the state would work with the federal government to obtain the flexibility to meet community needs—whatever those needs were. To add to the uncertainty, the Senate President sent a letter to the federal government seeking to understand the Governor's potential latitude in allocating CARES Act funds. Hence, uncertainty prevails.

Mechanically, debt service payments for all bond issues (including schools) are made from the debt service fund. State reimbursement of school debt is just a funding source to the debt service fund. Hence, the state's failure to reimburse school bond debt erodes the debt service fund balance and eventually causes it to go negative.

The Assembly Finance Committee took action at its meeting on January 8, 2020 to direct staff to introduce an ordinance to fund unreimbursed school bond debt from the general government fund. That ordinance would have transferred funds from the general government fund to the debt service fund. However, with the dire financial uncertainty that ensued from COVID-19, the Finance Department delayed drafting and introducing that appropriation until the Assembly Finance Committee could consider the issue in the process of reviewing the FY2021 budget proposal. Hence, school bond debt service payments for FY2020 have been made from the debt service fund, but the amount unreimbursed by the state has not been resolved. Effectively, the debt service fund is still holding the tab.

2013 Ballot Measures: Prefunding Future Debt Service Costs with Sales Tax

Juneau voters endorsed two interrelated ballot measures in 2013. The first was a $25 million general obligation bond package, and the second was a 5-year extension of the temporary 1% sales tax for projects. One of the items funded by the extension of the 1% sales tax for projects was "Bonded Debt Service," the future cost of the related $25 million bond. In general, this leveraging strategy generated more funding in the near-term while mitigating the medium-term impact on the debt service mill rate. Effectively, sales tax receipts were used to pre-fund future debt repayments, which would have had a mitigating effect on the debt service mill rate.

The description of Bond Debt Prepayment from the voter information pamphlet:

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

From FY2015 to FY2019, a portion of the 1% sales tax for projects was transferred from sales tax fund to the debt service fund. Over five fiscal years, those transfers totaled $10 million. By the end of FY2019, $4.9 million had effectively "subsidized" the debt service mill rate, and the debt service fund had accumulated a balance of $5.1 million. Projections from Finance indicate that this $5.1 million debt service fund balance would have continued to pay a portion of general obligation debt costs for the next 2 to 3 years, effectively continuing to subsidize the debt service mill rate over that time.

Discussion

This memo is weedy, for sure. Nevertheless, these intricacies of the debt service fund are relevant to any decisions about how to resolve unreimbursed school bond debt. Namely, the amount of school bond debt service that was not reimbursed by the state in FY2020 has been "paid" by the accumulated debt service fund balance—which built up from sales tax receipts deposited there to mitigate the cost of the 2013 general obligation bond debt service. That is allowable and reasonable, but it eliminates a portion of a future debt service subsidy, which will cause the debt service mill rate to be higher than expected in the future. Additionally, any amount of unreimbursed school debt in FY2021 and FY2022 will similarly erode the debt service fund balance or cause it to go negative.

In order to address the shortage in the debt service fund, the Committee must strike the balance between transferring in general funds and adopting a higher debt service mill rate. Generally, the more general funds transferred, the lower the future debt service mill rate. The less general funds transferred, the higher the future debt service mill rate is required to be. But striking this balance is a challenge because the Committee does not know how much school bond debt will be reimbursed in the future. And, in the current environment, any transfer of general funds may require an increase to the areawide mill rate to generate the necessary revenue. A debt service fund model is available to the Committee. That model demonstrates the outcome of these variables.

Recommendation

I recommend that the Committee take no action in FY2020—meaning do not transfer general funds into the debt service fund (which the AFC directed staff to do in its January meeting). In the midst of the COVID-19 crisis, it is sensible to use the prefunding of other general obligation debt that accumulated in the debt service from 1% sales tax receipts. Doing nothing preserves unrestricted general government funds to be used for their highest purpose in the coming year. This will induce slightly higher than expected debt service mill rates in the future, but those rates could be similarly subsidized by future transfers from general funds.

Likewise, I recommend that the Committee authorize the 1.2 debt service mill rate as proposed. If funds for reimbursement of FY2021 school debt remain fully vetoed and unfunded, the Committee will need to appropriate general funds to cover any unreimbursed amount. The same will be true in FY2022 and beyond, though the amount of school debt service, and the expected reimbursement, drops significantly in FY2023.

Engineering & Public Works Department
155 South Seward Street
Juneau, Alaska 99801
Phone: 907-586-0800 | Fax: 907-463-2606

TO: Carole Triem
Chair, CBJ Finance Committee

FROM: Katie Koester, Director
Engineering & Public Works

DATE: December 4, 2020

SUBJECT: Voter Approved $15 million Bond Proposition

The voters approved the $15 million bond proposition from the October Municipal Election. The next steps are to identify the specific projects, approve the bond sale and appropriate funding.

Staff has nominated the following projects to be completed with the bond proceeds using selection criteria discussed at the Joint School District Facilities Committee, the Public Works and Facilities Committee and the Juneau Commission on Sustainability. A power point presentation on the 9th will provide more detail and explanation for each project. PWFC reviewed this list at their November meeting and forwarded it to the full body for consideration.

School Roof Projects: $5 million
- Gastineau Elementary
- D-H Middle School
- Riverbend Elementary

Street Project: $3 million
- Crest Street Reconstruction

Parks and Recreation Deferred Building Maintenance and Energy Efficiency Projects: $4.3 million
- Eagle Valley Center Heating Upgrade and Building Improvements
- Melvin Park Sports Lighting Repair and Replacement
- Glacier/Downtown Fire Stations Mechanical and Electrical Upgrades
- Savikko Park Lighting Replacement
- Treadwell Arena Roof Replacement

Parks and Recreation facilities Maintenance: $2.7 million
- Capital School Park Reconstruction
- Eagle Valley Center Site Improvements and Parking Area Expansion
- Savikko Park and Paving Improvements
- Hank Harmon Rifle Range Improvements

Actions Requested:
1) Review, comment and establish a list of projects to be established as priorities for funding with bond proceeds
2) Forward a request to proceed with the sale of bonds and appropriation of funds to complete the listed projects to the full Assembly

Engineering & Public Works Department
Marine View Building, Juneau, AK 99801
907-586-5254

MEMORANDUM

DATE: **December 4, 2020**

TO: **Chair Triem and CBJ Finance Committee**

FROM: **Katie Koester, Engineering & Public Works Director**

SUBJECT: **Design for 2021 Bond Funded projects**

At the December 9th meeting the Finance Committee will review a list of proposed projects for the recently approved $15 million bond package forwarded to the body from the Public Works and Facilities Committee. The attached ordinance appropriates the design funding needed to stay on schedule for three of the projects that are planned for next construction season. The schedule assumes an additional appropriation for construction early next year that would allow the projects to be bid in Spring 2021.

It is worth noting that at this time the list of projects Engineering has proposed for 2021 is longer than what is listed below, however there is existing authorization to initiate those projects within other CIP appropriations.[i]

This ordinance would appropriate $376,000 for the planning and design of bond-funded capital improvement projects with funding provided by General Obligation Bond Proceeds:

Crest Avenue Reconstruction (R72-155)	$ 175,000
Eagle Valley Center Improvements (P46-115)	$ 51,000
DT & Glacier Fire Stations – Mechanical/Electrical Upgrades (F21-041)	$ 150,000
Total	**$ 376,000**

Recommendation: Approve forwarding the ordinance the Assembly for review and introduction at the December 14th meeting.

PWFC is scheduled to review this ordinance at their December 7th meeting; I will be able to share their recommendation with you on the 9th.

Enc:
Draft Ordinance 2020-09(AB)

---

[i] 2021 project list includes Sayéik Gastineau Elementary School Roof Replacement, Savikko Park Lighting Replacement, and Capital School Park Improvements. Note the schedule is subject to change as design and scope solidify.

Presented by: The Manager
Introduced: December 14, 2020
Drafted by: Finance

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2020-09(AB)

An Ordinance Appropriating $376,000 to the Manager for the Planning and Design of Bond-Funded Capital Improvement Projects; Funding Provided by General Obligation Bond Proceeds.

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. Appropriation. There is appropriated to the Manager the sum of $376,000 for the planning and design of bond-funded capital improvement projects.

Section 3. Source of Funds

General Obligation Bond Proceeds	$376,000

Section 4. Effective Date. This ordinance shall become effective upon adoption.

Adopted this ________ day of ____________, 2021.

____
Beth A. Weldon, Mayor

Attest:

____
Elizabeth J. McEwen, Municipal Clerk

CITY AND BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY
PARKS & RECREATION

TO: Rorie Watt, City Manager

FROM: George Schaaf, Parks & Recreation Director

DATE: December 4, 2020

RE: Dimond Park Field House

Dimond Park Field House, Inc. and the Juneau Community Foundation have asked CBJ to assume ownership and operation of the Dimond Park Field House. You asked me to evaluate the proposal, identify pros/cons, and estimate operating costs. This task is complicated by the COVID-19 pandemic, which has severely impacted facility use, schedules, and revenues. The information contained in this memo represents our best estimates based on the information available at this time.

BACKGROUND

The Dimond Park Field House is a privately owned facility located within Dimond Park on land leased from the City & Borough of Juneau. The building is owned by Dimond Park Field House, Inc., and has been operated by Eaglecrest under a management agreement since 2008.

The Dimond Park Field House was conceived by the Juneau Community Foundation in 2005. A number of local sports organizations contributed to the project, including the Juneau Soccer Club, Midnight Suns Baseball & Softball, and Juneau School District sports teams. The CBJ agreed to lease land in Dimond Park for $1 per year. A grant from the State of Alaska provided $4 million in tobacco taxes for construction of the facility, which was completed in 2008. Wells Fargo also provided some funding in exchange for naming rights, which have now expired. A nonprofit organization, Dimond Park Field House, Inc., was established in 2008 to accept ownership of the facility upon completion. Since 2008, this organization has contracted with Eaglecrest Ski Area to manage the facility for $25,000 per year.

The building was manufactured by Garco and built by North Pacific Erectors. The field is lit with sodium vapor lights and the building is electrically heated, with electricity costs running about $50,000 per year. The artificial turf field is in good condition and was installed directly over gravel; there is no cement slab. Aside from the turf field, the facility includes a small office, restrooms, batting cage room, and an overhead track. The track does not meet the requirements of the Americans with Disabilities Act because the building is not equipped with an elevator. Our Facilities Maintenance Division is in the process of completing a facility assessment, but generally the major components and systems appear to be in good shape.

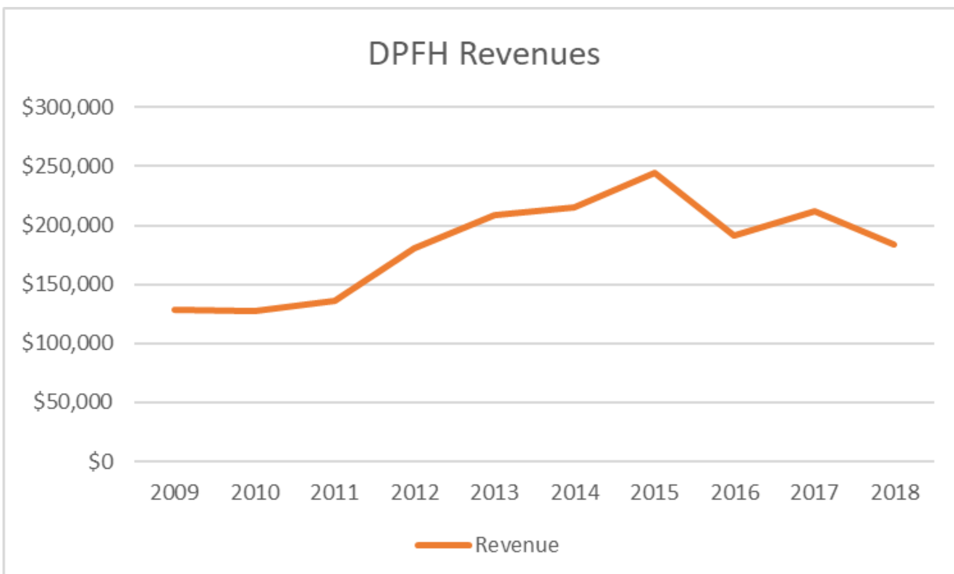
The Field House has remained open for limited hours during the summer months with operations focused on track usage and the “Turf for Tots” program averaging 25 hours per week. Various user groups compete for scheduled time the rest of the year. Youth sports organizations are prioritized above adult activities, with the Juneau Soccer Club and Midnight Suns accounting for the lion’s share of use. Preference is given to the Juneau Soccer Club and Midnight Suns during peak times.

155 S. Seward St • Juneau, AK 99801
Phone: (907) 586-5226 • Fax: (907) 586-4589 • Email: Parks.Rec@juneau.org

Excluding depreciation, Dimond Park Field House, Inc. has generated a modest profit in most years:

Year	Profit / (Loss)
2009	($33,370)
2010	($2,077)
2011	($13,728)
2012	$25,188
2013	$41,262
2014	$40,494
2015	$35,174
2016	$60,398
2017	($28,646)
2018	($55,062)

Revenues have dipped since 2015:



CURRENT SITUATION

The Dimond Park Field House has been closed since March due to the COVID-19 pandemic. As of September 23, 2020, Dimond Park Field House, Inc. reports having about $80,000 cash on hand. The organization currently owes Eaglecrest approximately $75,000 in deferred payroll costs and management fees. This amount will increase to about $90,000 by the end of the year. Dimond Park Field House, Inc. has applied for a CARES grant totaling $80,000; a decision is expected from the State of Alaska in the next few weeks.

Due to unavoidable fixed costs and a lack of revenue, the Juneau Community Foundation and Dimond Park Field House, Inc. believe it is in the best interest of the community for Parks & Recreation to assume ownership and management of the facility. Eaglecrest does not want to operate the facility after December 31, 2020.

DISCUSSION

Under the terms of the lease for the land on which the facility is built, CBJ will become the owner of the Field House if Dimond Park Field House, Inc. becomes insolvent or ceases operations. The building cannot be sold to any other public or private entity. The question now is whether CBJ is willing to operate the facility once it becomes the owner.

The Parks & Recreation Department is a logical home for the Dimond Park Field House. The Treadwell Arena Manager would oversee operations due to similarities in the two facilities and how they are used by various groups. Many people already assume the Department manages the facility and are surprised to learn that it is privately owned and managed under an agreement with Eaglecrest. The Parks & Recreation Department's Master Plan (2019-2029) identifies the lack of indoor gym space as a major gap in the Department's services. According to the National Recreation & Parks Association, the Department should operate two indoor gym facilities to serve a community of Juneau's size. Currently, the Department's only indoor gymnasium is Mt. Jumbo Gym, which is inadequate for most programs. Mt. Jumbo Gym has also reached the end of its useful life and requires significant repairs or replacement. Access to the Dimond Park Field House could also allow Parks & Recreation to significantly reduce the amount of money it pays to the Juneau School District (i.e. Community Schools) to use school gyms.

The Field House is a large facility with significant maintenance costs. Going forward, we estimate the Field House will require about $40,000 per year in periodic and preventive maintenance. The problem is that CBJ has taken on a number of complex facilities in recent years without adding any maintenance staff or funding, including the Dimond Park Aquatic Center, Consolidated Public Works Facility, and Mendenhall Valley Public Library. Adding the Dimond Park Field House without any additional resources would further reduce maintenance of all other municipal facilities. PDC Engineering estimates that long-term capital costs will total $277,000 to $383,000, including HVAC repairs, an elevator for ADA access, and eventual replacement of the turf field. In the short term, the facility needs $11,000 to $24,000 in immediate repairs, including:

- **Fire Sprinkler System ($1,000 to $5,000)** - Needs to be inspected and repaired, if needed. The last inspection was in 2017.
- **Fire Alarm Panel ($500 to $1,500)** - The system currently shows a trouble alarm and is also due for inspection within the next two months.
- **Locks ($1,000 to $2,000)** - Current door locks need to be changed to CBJ system.
- **Bathroom Exhaust Fans ($500 to $2,500)** - Not functioning properly. Troubleshoot and repair as needed.
- **Auxiliary Heating Units ($3,000)** - General Maintenance of AHU's needs to be performed to insure proper operations.
- **Turf ($5,000 to $10,000)** - Field turf has multiple seam failures that need to be repaired to avoid tripping hazards to players.

Benefits of Parks & Recreation owning and managing the Dimond Park Field House include:

- Provides needed indoor space for Parks & Recreation programs, reducing the need to rent JSD facilities through Community Schools.

- Access to the Field House could be included with memberships to other Parks & Recreation facilities, including the pools, Treadwell Arena, and Zach Gordon Youth Center. This would lead to increased use and value to the public.
- As a CBJ facility, future repairs and improvements would be eligible for municipal bonds.
- The facility would be utilized by Parks & Recreation 12 months a year.
- Parks & Recreation has the ability to handle reservations, memberships, passes, and payments through its existing point-of-sale system.
- The facility would be maintained by the Parks & Recreation Department's Facilities Maintenance Division, extending its service life and reducing deferred maintenance costs in the future.
- The $25,000 annual management fee paid to Eaglecrest would no longer be necessary.

There also could be some **negative** consequences of this proposal:

- As a private facility, current management is empowered to make tough decisions about schedules and pricing without political influence (e.g. Assembly).
- User groups that advocated for construction of the Field House enjoy some degree of preference in scheduling and use of the facility. As a public facility managed by Parks & Recreation, use would be allocated according to a scheduling policy adopted by the Department.

The reality is that it will cost more for the Parks & Recreation Department to operate the Field House. This is due in part to higher standards for building maintenance (about $40,000 per year). The other reason is that Eaglecrest adopted a salary schedule that pays significantly less than other CBJ departments. For example, an entry-level Eaglecrest employee who works at the Field House currently earns $11.50/hour; the same employee would earn $14.37 with Parks & Recreation. Benefits paid to Parks & Recreation employees account for another $75,000 in increased costs.

The attached *pro forma* budget for FY22 makes several assumptions: (1) revenues in FY22 will be flat compared to FY20, (2) the facility will be staffed by CBJ Parks & Recreation employees, (3) the facility will be open year-round, and (4) building maintenance will be provided by the Facilities Maintenance Division of Parks & Recreation. Under this scenario, Parks & Recreation would require a $175,000 increment in its FY22 Revised budget to operate the Field House. This represents a cost recovery of approximately 50%, which is substantially higher than our aquatics facilities (33%), but less than Treadwell Arena (60%). We believe that General Fund support could be reduced by increasing revenue through expanded programming and sponsorships in the future.

Due to uncertainties surrounding COVID-19, it is very difficult to predict operating costs for the near term (i.e. Q3 and Q4 of FY21). Our best estimate is that expenditures would total approximately $50k to $80k between January 1, 2021 and June 30, 2021. The Parks & Recreation Department would either seek an immediate supplemental appropriation for these costs, or attempt to absorb them into its FY21 budget (this will likely require a larger supplemental appropriation at the end of the year).

CONCLUSION

The Dimond Park Field House is a critical piece of our community's recreation infrastructure. Due to COVID-19, however, the facility's business model is no longer viable. The owner of the facility, Dimond Park Field House, Inc., and the Juneau Community Foundation believe it is in the best interest of the public for Parks & Recreation to assume ownership and management of the facility. The Dimond Park Field House fits well within the Department, and it would be easy to integrate the facility into our programs. The additional General Fund support required to operate the Field House is relatively modest compared to the benefits of continued operation and expanded programming.

There is no scenario where ownership of the facility does not revert to CBJ, so the question is whether CBJ will operate the Field House going forward. Rather than allow the facility to be mothballed, I recommend that we proceed with a thoughtful transition in operations from Eaglecrest to Parks & Recreation on January 1, 2021. The financial impact would be as follows:

1) In FY21, the Department would require a supplemental appropriation of $31,000 to $44,000 to pay for critical repairs and basic maintenance of the facility. Other operating costs would be absorbed by the Department this year.

2) In FY22, a full-year budget increment of approximately $150,000 to $175,000 is likely necessary for the Parks & Recreation Department to operate the facility at current service levels.

I recommend this be referred to either the Committee of the Whole or the Finance Committee.

Presented by: The Manager
Introduced: December 14, 2020
Drafted by: Finance

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2020-09(AA)

An Ordinance Appropriating $45,000 to the Manager for Parks and Recreation's Fiscal Year 2021 Dimond Park Field House Operating Costs; Funding Provided by the General Fund's Fund Balance.

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. Appropriation. There is appropriated to the Manager the sum of $45,000 for Parks and Recreation's fiscal year 2021 Dimond Park Field House operating costs.

Section 3. Source of Funds

General Fund's Fund Balance	$45,000

Section 4. Effective Date. This ordinance shall become effective upon adoption.

Adopted this ________ day of ____________, 2021.

____
Beth A. Weldon, Mayor

Attest:

____
Elizabeth J. McEwen, Municipal Clerk

Presented by: The Manager
Introduced: December 14, 2020
Drafted by: Finance

RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Emergency Appropriation Resolution Serial No. 2926

An Emergency Appropriation Resolution Appropriating up to $85,738 to the Manager as a Grant to Perseverance Theatre to Offset Economic Hardship Experienced as a Result of the COVID-19 Pandemic; Funding Provided by the CARES Act Special Revenue Fund.

WHEREAS, consistent with Charter 9.10(b), upon declaration by the Assembly that a public emergency exists and describing the emergency in clear and specific terms, the Assembly by resolution may make an emergency appropriation upon approval by all Assemblymembers present or by seven of its membership, whichever is the lesser number; and

WHEREAS, COVID-19 is a respiratory disease that can result in serious illness or death and is easily transmittable person to person; and

WHEREAS, on March 11, 2020, the World Health Organization declared the virus a pandemic; and

WHEREAS, on March 11, 2020, the State of Alaska declared a public health emergency in response to the anticipated outbreak of the virus in Alaska; and

WHEREAS, on March 13, 2020, President Donald J. Trump declared a national emergency in response to the virus pandemic; and

WHEREAS, on March 16, 2020, the Assembly declared a local emergency in response to COVID-19; and

WHEREAS, on March 22, 2020, the City and Borough of Juneau ("CBJ") received its first positive case of COVID-19; and

WHEREAS, since March the community has had more than 800 confirmed COVID-19 cases; and

WHEREAS, Perseverance Theatre has been unable to present performance to live audiences since March 2020; and

WHEREAS, Perseverance Theatre has witnessed unprecedented declines in ticket sales, individual contributions, corporate contributions, and contributions from foundations resulting from the COVID-19 pandemic; and

WHEREAS, support to Perseverance Theatre would aid in sustaining personnel and overhead expenses to preserve Alaskan artists and plays celebrating Alaskan culture by Alaska's only professional theater; and

WHEREAS, expenses for a grant to Perseverance Theatre to offset economic hardship experienced as a result of the COVID-19 pandemic was not accounted for in the FY20 budget; and

WHEREAS, expenses for a grant to Perseverance Theatre to offset economic hardship experienced as a result of the COVID-19 pandemic are incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.

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

Section 1. Emergency Appropriation. There is appropriated to the Manager the sum of up to eighty-five thousand seven hundred thirty-eight dollars ($85,738) for a grant to Perseverance Theatre to offset economic hardship experienced as a result of the COVID-19 pandemic.

Section 2. Source of Funds
CARES Act Special Revenue Fund $85,738

Section 3. Effective Date. This resolution shall become effective upon adoption.

Adopted this ________ day of December, 2020.

____
Beth A. Weldon, Mayor

Attest:

____
Elizabeth J. McEwen, Municipal Clerk

MEMORANDUM

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

DATE: December 4, 2020

TO: Assembly Finance Committee

FROM: Jeff Rogers, Finance Director

SUBJECT: **CARES Grant to Perseverance Theatre**

Mayor Weldon received an inquiry from Perseverance Theatre about the possibility of additional stabilization funding from CBJ's allocation of CARES Act funding.

CBJ has already offered several broadly available CARES-funded granting programs for non-profit organizations, and Perseverance Theatre has received awards under those programs. However, Perseverance Theatre is a rather unique entity and additional support may be warranted.

It appears that most non-profit social service providers have remained fairly stable during the pandemic as result of enhanced federal funding and generous donations. However, Juneau's non-profit arts and culture organizations—particularly live performance organizations—have endured great economic stress resulting from limits on large gatherings. Since the beginning of the pandemic, Perseverance Theatre has been unable to produce live performances. Its presentation of web-based productions has yielded only de minimis revenues. As result, all of Perseverance Theatre's revenue sources, except government support, have been tremendously curtailed.

Among Juneau's live performance organizations, Perseverance Theatre stands alone in its overall scale. Nearly all of Juneau's non-profit live performance organizations rent performance venues (school auditoriums, the JACC, church performance spaces, and Centennial Hall) and have limited full-time professional staff, which has allowed those organizations to reduce or eliminate operational costs. However, Perseverance Theatre owns several permanent buildings and has a substantial full-time year-round professional staff—costs it cannot easily avoid.

After a review of a current Profit & Loss statement from Perseverance Theatre (attached), CBJ Finance has determined eligibility for a grant of up to $85,738.34. The calculation of that eligibility follows:

	Year-over-Year	
Loss of Ticket Sales	$	(139,091.85)
Loss of Individual/Corporporate/Foundation Giving	$	(248,888.61)
Loss of Other Revenue	$	(24,841.07)
Total COVID-19 Economic Harm	**$**	**(412,821.53)**
Increase in Government Support	$	142,054.94
Net Economic Harm after Government Support	**$**	**(270,766.59)**
Avoided Expenditures (operational program reductions)	$	120,911.25
Net Remaining Economic Harm	**$**	**(149,855.34)**
Pending: Supplemental CBJ Non-Profit Grant	$	4,347.00
Pending: Rasmuson Foundation Match	$	9,770.00
Pending: CBJ Extreme Hardship Grant*	$	50,000.00
Net Remaining Economic Harm after Pending Grants	**$**	**(85,738.34)**

**Grant amount unknown, $50,000 maximum award used for calculation*

PERSEVERANCE THEATRE INC.

Profit & Loss Prev Year Comparison

July 1 through November 27, 2020

	Jul 1 - Nov 27, 20	Jul 1 - Nov 27, 19	$ Change	% Change
Ordinary Income/Expense				
Income				
Trade	11,032.00	0.00	11,032.00	100.0%
1000 · Ticket Sales	33,042.00	172,133.85	-139,091.85	-80.8%
1100 · Education Fees	12,001.00	28,481.50	-16,480.50	-57.86%
1200 · Other Income	1,896.90	10,257.47	-8,360.57	-81.51%
2000 · Individual Giving	33,431.37	96,868.29	-63,436.92	-65.49%
2100 · Corporate Giving	3,950.97	55,977.66	-52,026.69	-92.94%
2200 · Government Giving	211,804.94	69,750.00	142,054.94	203.66%
2300 · Foundation Giving	77,150.00	210,575.00	-133,425.00	-63.36%
Total Income	384,309.18	644,043.77	-259,734.59	-40.33%
Gross Profit	384,309.18	644,043.77	-259,734.59	-40.33%
Expense				
1.0 Payroll Expenses	0.00	-31,499.71	31,499.71	100.0%
8.0 Overhead Expenses	800.00	337.09	462.91	137.33%
5000 · Full Time Staff	151,917.28	202,824.91	-50,907.63	-25.1%
5100 · Part Time Staff	39,197.75	29,683.72	9,514.03	32.05%
5200 · Performers & Stage Managers	23,718.17	44,416.19	-20,698.02	-46.6%
5300 · Contracted Employees	45,012.16	38,261.14	6,751.02	17.65%
6000 · Fringe	70,559.51	57,298.00	13,261.51	23.15%
7000 · Production Costs	2,704.65	23,985.38	-21,280.73	-88.72%
7100 · Royalties	1,340.49	11,000.49	-9,660.00	-87.81%
7200 · Company Management	1,715.72	56,146.05	-54,430.33	-96.94%
7300 · Marketing	17,110.93	24,898.37	-7,787.44	-31.28%
7400 · Education	535.74	1,389.75	-854.01	-61.45%
7500 · Development	79.00	1,146.48	-1,067.48	-93.11%
7600 · Administration	12,727.29	12,733.52	-6.23	-0.05%
7700 · Facilities & Overhead	37,648.14	52,754.82	-15,106.68	-28.64%
8000 · Contingency	298.12	0.00	298.12	100.0%
9000 · In-Kind Expenses	-900.00	0.00	-900.00	-100.0%
Total Expense	404,464.95	525,376.20	-120,911.25	-23.01%
Net Ordinary Income	-20,155.77	118,667.57	-138,823.34	-116.99%
Net Income	**-20,155.77**	**118,667.57**	**-138,823.34**	**-116.99%**

Presented by: The Manager
Introduced: December 14, 2020
Drafted by: Finance

RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Emergency Appropriation Resolution Serial No. 2927

An Emergency Appropriation Resolution Appropriating up to $3,000,000 to the Manager for COVID-19 Pandemic Emergency Response Management; Funding Provided by the General Fund's Fund Balance.

WHEREAS, consistent with Charter 9.10(b), upon declaration by the Assembly that a public emergency exists and describing the emergency in clear and specific terms, the Assembly by resolution may make an emergency appropriation upon approval by all Assemblymembers present or by seven of its membership, whichever is the lesser number; and

WHEREAS, COVID-19 is a respiratory disease that can result in serious illness or death and is easily transmittable person to person; and

WHEREAS, on March 11, 2020, the World Health Organization declared the virus a pandemic; and

WHEREAS, on March 11, 2020, the State of Alaska declared a public health emergency in response to the anticipated outbreak of the virus in Alaska; and

WHEREAS, on March 13, 2020, President Donald J. Trump declared a national emergency in response to the virus pandemic; and

WHEREAS, on March 16, 2020, the Assembly declared a local emergency in response to COVID-19; and

WHEREAS, on March 22, 2020, the City and Borough of Juneau (“CBJ”) received its first positive case of COVID-19; and

WHEREAS, since March the community has had more than 800 confirmed COVID-19 cases; and

WHEREAS, federal CARES Act funding for the COVID-19 pandemic emergency response expires December 30, 2020; and

WHEREAS, funding for continued COVID-19 pandemic emergency response management is necessary after December 30, 2020 to help keep the community safe and mitigate the spread of COVID-19; and

WHEREAS, funding for COVID-19 pandemic emergency response management is necessary due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19).

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

Section 1. Emergency Appropriation. There is appropriated to the Manager the sum of up to three million dollars ($3,000,000) as funding for COVID-19 pandemic emergency response management.

Section 2. Source of Funds

General Fund's Fund Balance	$3,000,000

Section 3. Effective Date. This resolution shall become effective upon adoption.

Adopted this ________ day of December, 2020.

____
Beth A. Weldon, Mayor

Attest:

____
Elizabeth J. McEwen, Municipal Clerk

Estimated FY21 CBJ EOC Cost Center Expenditure Estimates - January to June

Cost Center		Monthly Cost
Hagevig Testing Center Operations	$	45,000
Pop-Up Testing Operations	$	10,000
Mobile Integrated Health	$	29,000
Laboratory Testing Costs*	$	275,000
COVID Hotline	$	38,000
Sheltering Facility and Operations (Armory Building)	$	50,400
Quarantine/Isolation Facility (Centennial Hall)	$	35,000
Quarantine/Isolation Operations (assumes 1 week/month)	$	30,400
PPE & Supplies	$	25,000
Press/Media/Communications	$	12,000
Supplemental Janitorial (CBJ Buildings)	$	4,500
Subtotal for Operations	**$**	**554,300**
Estimated Operational Cost January - June	**$**	**3,325,800**

* State of Alaska will continue operating the Airport Testing Center January to June--this will not be a CBJ expenditure. Also: all laboratory costs are currently paid directly by State, if those costs are shifted to CBJ, this esimtate could represent CBJ costs for sending tests to private labs, or could represent reimbursement of BRH's actual costs for performing the same service.

Quarantine & Isolation - Operating Costs

Excludes fixed facility overhead

Cost Center		Weekly Cost
Personnel - Site Managers (two 12.5-hour shifts daily)	$	3,794
Personnel - Site Assistants (seven 8-hour shifts daily)	$	7,840
PPE & Supplies	$	3,500
Janitorial	$	5,600
Security	$	3,807
Meals	$	4,375
Extraordinary Maintenance/Repairs	$	1,400
Subtotal for Quarantine and Isolation Operations	**$**	**30,400**

Economic Stabilization Task Force

Appointed by the City & Borough of Juneau's Mayor

Email: Economic-Stabilization@juneau.org
Mail: 155 S Seward Street, Juneau, AK 99801
www.beta.juneau.org/assembly/economic-stabilization

Date: **December 3, 2020**

To: **City & Borough of Juneau Assembly**

From: **Economic Stabilization Task Force**

Re: **Reopen Application Period for the Business Sustainability Grant Program**

By a 7/1 vote, the Economic Stabilization Task Force made the following recommendation:

To recommend re-opening the Business Sustainability Grant Program application period to new applicants for a brief period of time. The length of the reopening period is to be determined by city staff.

Economic Stabilization Task Force

Appointed by the City & Borough of Juneau's Mayor

Email: Economic-Stabilization@juneau.org
Mail: 155 S Seward Street, Juneau, AK 99801
www.beta.juneau.org/assembly/economic-stabilization

Date: **December 3, 2020**

To: **City & Borough of Juneau Assembly**

From: **Economic Stabilization Task Force**

Re: **Reallocate Excess Business Sustainability Grant Program Funds to the Extreme Hardship Grant Program**

By a 6/2 vote, the Economic Stabilization Task Force made the following recommendation:

> To recommend the reallocation of excess Business Sustainability Grant Program funds, after the reopening period has closed, to the Extreme Hardship Grant Program. If the Assembly chooses not to reopen the Business Sustainability Grant Program to new applicants, the Economic Stabilization Task Force recommends the full unspent balance of the Business Sustainability Grant Program be reallocated to the Extreme Hardship Grant Program.

Economic Stabilization Task Force

Appointed by the City & Borough of Juneau's Mayor

Email: Economic-Stabilization@juneau.org
Mail: 155 S Seward Street, Juneau, AK 99801
www.beta.juneau.org/assembly/economic-stabilization

Date: **December 3, 2020**

To: **City & Borough of Juneau Assembly**

From: **Economic Stabilization Task Force**

Re: **Emergency Appropriation Resolution 2926: An Emergency Appropriation Resolution Appropriating up to $85,738 to the Manager as a Grant to Perseverance Theatre to Offset Economic Hardship Experienced as a Result of the COVID-19 Pandemic; Funding Provided by the CARES Act Special Revenue Fund.**

By unanimous consent, the Economic Stabilization Task Force recommends to the Assembly the Attached draft Emergency Appropriation Resolution 2926 as written.

September 17, 2020

Mr. Jeff Rogers
Finance Director, City and Borough of Juneau
155 S. Seward Street
Juneau, AK 99801

Re: Energy sector analysis

Dear Jeff,

Per the City and Borough of Juneau's request, Insight Investment has analyzed the potential costs that may result from limiting fossil fuel exposure in your investment program. Our analysis considers an exclusionary policy to the energy sector of the corporate bond market. This sector includes companies that focus on fossil fuel extraction, pipeline transportation and energy services.

The result of the analysis indicates that there exists a potential cost to excluding the energy sector from your investment program. Insight examined current and historical market factors dating back to the year 2002. These factors included available market exposure, historical returns, returns relative to other corporate sectors and yields. From this analysis, Insight estimates that the cost to the City and Borough's investment program will average between 0.02% and 0.05% in lost return opportunity per year. It is worth noting that 0.01% of return, or 1 basis point of return, results in $16,700 in earnings on your $167 million investment portfolio managed by Insight. Our analysis therefore infers that the potential lost earnings range between $33,400 and $83,500 annually.

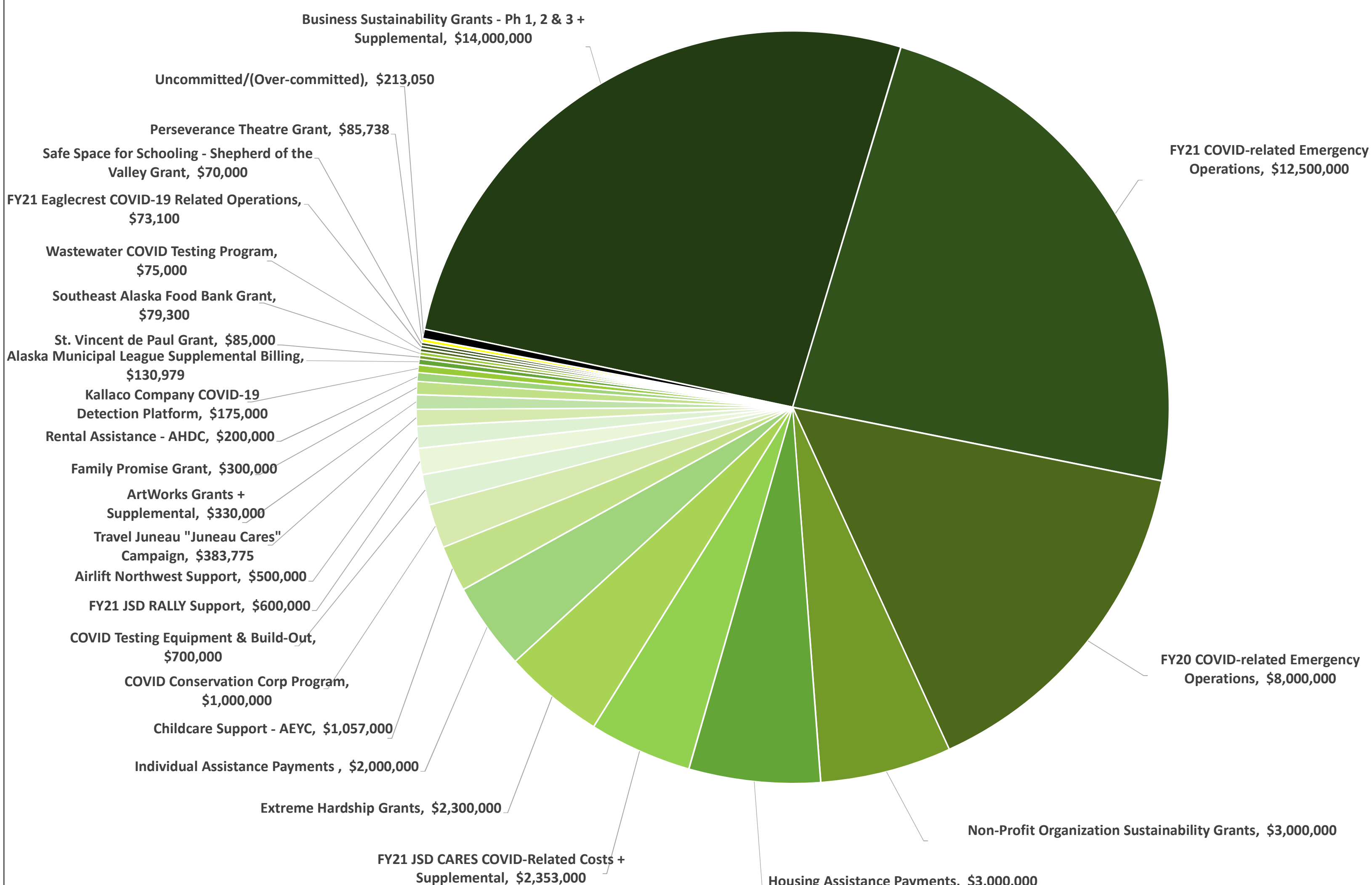
Insight welcomes the opportunity to discuss this analysis further or weigh alternative options to an exclusionary policy at your convenience. For your consideration and as separately discussed, one alternative option is to include an investment policy objective that defines and encourages socially responsible investment practices. This option begins the framework for a sustainable investment program without sacrificing return opportunity or the principle of diversification.

Best regards,

Jason Celente, CFA
Senior Portfolio Manager

Insight Investment, 200 Park Avenue, 7th Floor, New York, NY 10166
T: 212 527 1800 F: 212 527 1818 www.insightinvestment.com
Insight North America LLC

CBJ Allocation of CARES Act Funds



CBJ Allocation of CARES Act Funds

Appropriation	Amount	Anticipated Actuals	Difference
Committed:			
Business Sustainability Grants - Ph 1, 2 & 3 + Supplemental	$ 14,000,000	$ 13,010,071	$ (989,929)
FY21 COVID-related Emergency Operations	$ 12,500,000	$ 12,500,000	$ -
FY20 COVID-related Emergency Operations	$ 8,000,000	$ 8,000,000	$ -
Non-Profit Organization Sustainability Grants	$ 3,000,000	$ 3,000,000	$ -
Housing Assistance Payments	$ 3,000,000	$ 3,000,000	$ -
FY21 JSD CARES COVID-Related Costs + Supplemental	$ 2,353,000	$ 2,353,000	$ -
Extreme Hardship Grants	$ 2,300,000	$ 2,300,000	$ -
Individual Assistance Payments	$ 2,000,000	$ 1,000,000	$ (1,000,000)
Childcare Support - AEYC	$ 1,057,000	$ 1,057,000	$ -
COVID Conservation Corp Program	$ 1,000,000	$ 1,000,000	$ -
COVID Testing Equipment & Build-Out	$ 700,000	$ 700,000	$ -
FY21 JSD RALLY Support	$ 600,000	$ 117,700	$ (482,300)
Airlift Northwest Support	$ 500,000	$ 500,000	$ -
Travel Juneau "Juneau Cares" Campaign	$ 383,775	$ 383,775	$ -
ArtWorks Grants + Supplemental	$ 330,000	$ 330,000	$ -
Family Promise Grant	$ 300,000	$ 300,000	$ -
Rental Assistance - AHDC	$ 200,000	$ 150,000	$ (50,000)
Kallaco Company COVID-19 Detection Platform	$ 175,000	$ 175,000	$ -
Alaska Municipal League Supplemental Billing	$ 130,979	$ 130,979	$ -
St. Vincent de Paul Grant	$ 85,000	$ 85,000	$ -
Southeast Alaska Food Bank Grant	$ 79,300	$ 79,300	$ -
Wastewater COVID Testing Program	$ 75,000	$ 46,600	$ (28,400)
FY21 Eaglecrest COVID-19 Related Operations	$ 73,100	$ 73,100	$ -
Safe Space for Schooling - Shepherd of the Valley Grant	$ 70,000	$ 70,000	$ -
Pending:			
Perseverance Theatre Grant	$ 85,738	$ 85,738	$ -
Uncommitted/(Over-committed)	$ 213,050	$ 2,763,682	$ (2,550,629)
Total CARES Act Funding Available	**$ 53,210,942**	**$ 53,210,945**	

DEBT SERVICE FUND

TOTAL DEBT SERVICE (INCLUDES PRINCIPAL AND INTEREST)

The total debt service amounts shown below include the total debt service for both general obligation (under "Debt Service Fund") and revenue bond issues (under "Enterprise Fund"). The enterprise fund's debt service can be found in the Enterprise Fund section of this budget document.

	FY19 Actuals	FY20 Amended Budget	FY20 Projected Actuals	FY21 Adopted Budget	FY22 Approved Budget
GO Debt Service Fund:					
School Improvement Bonds	$ 11,513,300	9,548,900	9,548,900	8,713,200	7,393,500
Building Bonds	6,275,000	7,024,000	6,382,000	6,387,400	6,349,600
Leases	56,300	-	-	-	-
Bond Issuance Costs	-	60,000	86,000	-	-
Maintenance Fees	5,800	12,600	2,600	2,600	1,700
Other	-	82,300	-	-	-
Total GO Debt	17,850,400	16,727,800	16,019,500	15,103,200	13,744,800
Enterprise Funds:					
Airport	-	1,066,000	285,000	3,054,000	3,384,900
Harbors	639,900	738,100	738,100	738,400	737,600
Wastewater	501,000	1,449,500	1,604,500	1,778,200	1,776,900
Water	73,000	126,200	126,200	137,200	126,100
Hospital	1,410,900	1,661,900	1,661,900	1,661,500	1,666,700
Total Enterprise Funds Debt	2,624,800	5,041,700	4,415,700	7,369,300	7,692,200
Total Debt Service Obligation	**$ 20,475,200**	**21,769,500**	**20,435,200**	**22,472,500**	**21,437,000**

Changes in Outstanding General Obligation Debt Service

School bond debt will continue to decrease over the course of the next few years as debt comes due and no new debt is scheduled to be taken on. School debt payments will decrease $0.8 million (8.8%) and $1.3 million (15.1%) in FY21 and FY22, respectively. Building debt payments will decrease $0.6 million (9.0%) in FY21 from the FY20 Amended Budget, and will decrease $37,800 (0.5%) in FY22 from the FY21 Adopted Budget. New debt payments for the Airport Terminal bonds issued in FY20 will be paid by the Airport as an eligible CARES Act expenditure in FY21 and FY22.

DEBT SERVICE FUND

COMPARATIVES

	FY19 Actuals	FY20 Amended Budget	FY20 Projected Actuals	FY21 Adopted Budget	FY22 Approved Budget
EXPENDITURES:					
GO School Bonds:					
'06 School (OTC) ($1.94M)	66,200	113,900	113,900	208,300	-
'09 School ($1.17M)	138,000	137,700	137,700	-	-
'10 School ($6M)	717,500	707,800	707,800	696,200	-
'11 School ($5.8M)	657,300	659,600	659,600	655,200	-
'12 II Refund '03A ($9.08M)	1,958,400	-	-	-	-
'12 III ABay Sch ($11.3M)	1,199,700	1,168,200	1,168,200	1,169,300	1,167,700
'12 III Adair/Ken Turf ($1.19M)	126,300	123,000	123,000	123,100	123,000
'12 III ABay Sch Heating ($700K)	74,400	72,400	72,400	72,500	72,300
'13 III ABay Sch ($7.345M)	905,500	903,700	903,700	902,100	902,000
'15II GO 2005A Refund ($3.39M)	705,800	708,800	708,800	-	-
'16-III/IV 2006B Refund ($17.575M)	3,861,500	3,849,800	3,849,800	3,784,100	4,029,000
'18 GO 2008A&B Refund ($5.057M)	1,102,700	1,104,000	1,104,000	1,102,400	1,099,500
Total School Debt	**11,513,300**	**9,548,900**	**9,548,900**	**8,713,200**	**7,393,500**
GO Building Bonds:					
'03 CIP (OTC) ($1M)	13,300	14,800	14,800	12,200	11,600
'08C Pool (OTC) ($662K)	89,400	65,000	65,000	110,000	34,500
'09 Pool ($11.245M)	1,306,800	1,331,100	1,331,100	-	-
'10 Pool ($7.58M)	400,000	400,000	400,000	1,776,500	1,820,500
'12 III Refund '03B ($7.415M)	928,300	937,100	937,100	948,600	947,900
'13 I CIP ($2.6M)	199,600	204,600	204,600	200,200	200,800
'14 II CIP ($11.2M)	908,400	909,000	909,000	911,400	907,600
'14 I Seawalk CIP ($6.055M)	404,800	406,500	406,500	403,100	404,600
'15 Port CIP ($26.63M)	1,692,500	1,688,200	1,688,200	1,692,300	1,689,000
'16-III/IV CIP Go ($2.635M)	331,900	332,700	332,700	333,100	333,100
'18 CIP GO ($5.9M)	-	735,000	-	-	-
'19 JIA GO-Ex ($2.875M)	-	-	52,000	-	-
'19 JIA GO-AMT ($2.25M)	-	-	41,000	-	-
Total Building Debt	**6,275,000**	**7,024,000**	**6,382,000**	**6,387,400**	**6,349,600**
Bond Maintenance Fees	5,800	12,600	2,600	2,600	1,700
Bond Issuance Costs	-	60,000	86,000	-	-
Lease: '15 JPD Equip	28,800	-	-	-	-
Lease: '15 CCFR Equip	27,500	-	-	-	-
Govern Upgrade	-	82,300	-	-	-
Total Areawide Debt	**$ 17,850,400**	**16,727,800**	**16,019,500**	**15,103,200**	**13,744,800**

DEBT SERVICE FUND

COMPARATIVES, CONTINUED

	FY19 Actuals	FY20 Amended Budget	FY20 Projected Actuals	FY21 Adopted Budget	FY22 Approved Budget
FUNDING SOURCES:					
Interest Income	65,100	-	-	-	-
Federal Subsidy	94,800	183,400	183,400	126,000	97,500
School Construction Reimb.	8,453,900	7,096,000	3,550,000	-	2,818,000
Property Tax	6,320,300	5,946,100	5,969,000	6,134,500	6,134,500
Support From:					
Sales Tax	1,040,000	-	-	-	-
Port Development Fund	2,097,400	2,094,800	2,094,800	2,095,400	2,093,600
Roaded Service Area	28,800	-	-	-	-
Fire Service Area	27,500	-	-	-	-
Capital Projects	52,000	-	-	-	-
Total Funding Sources	**$ 18,179,800**	**15,320,300**	**11,797,200**	**8,355,900**	**11,143,600**
FUND BALANCES					
Beginning Reserve Balance	2,097,000	2,097,000	2,097,000	2,097,000	2,097,000
Increase (Decrease) in Reserve	-	-	-	-	-
End of Period Reserve	**$ 2,097,000**	**2,097,000**	**2,097,000**	**2,097,000**	**2,097,000**
Beginning Available Balance	4,827,200	5,156,600	5,156,600	934,300	(5,813,000)
Increase (Decrease) in Available	329,400	(1,407,500)	(4,222,300)	(6,747,300)	(2,601,200)
End of Period Available	**$ 5,156,600**	**3,749,100**	**934,300**	**(5,813,000)**	**(8,414,200)**

TAKING CARE OF WHAT WE HAVE & KEEPING OUR ECONOMY GOING

2020 15m bond package proposal

BALLOT LANGUAGE

Up to $15M bond package - *"To promote the health, well-being, education, and economic recovery of the community by repairing school facilities and roofs, improving and maintaining park infrastructure and recreation facilities, repairing streets, and completing energy efficiency building maintenance projects"*

Photo Credit:
Travel Juneau

PUBLIC PROCESS

What are the school district priorities for roofs? Gastineau top priority; confirm with JSD Facilities Committee on November 13

PW and Facilities – present complete plan November 9

JCOS Present informational overview (DATE)

No need to present to Parks and Rec Commission (George can confirm)

Assembly bond ordinance

Assembly appropriating ordinance/s

KEEP IN MIND

- Sold to voters as "taking care of what we have"
- Our cap is contractor capacity
- Cost estimates are assumed to be in range with exception of Capital Park
- 2-3 year timeline for projects
- FY 2022 no MPF or Bed Tax projects (CBJ predicting half)

CBJ ENERGY EFFICIENCY BUILDING MAINTENANCE CRITERIA
(PRESENTED TO JCOS AND PWFC)

Will the project result in increased energy efficiency and reduced greenhouse gas emissions?

What is the project's return on investment?

Will the project employ local workforce?

Can the project get dollars into the local economy quickly?

Is the project scheduled for deferred maintenance on the 6 year CIP?

Will the project improve employee working conditions?

Will the project prevent significant financial loss or costly damage to CBJ infrastructure?

Will the project significantly benefit the community with minimal cost?

POTENTIAL ENERGY EFFICIENCY PROJECTS PULLED FROM 6 YEAR CIP

Auke Bay Fire Station HVAC/ Energy Upgrades

Downtown Fire Station HVAC/ Energy Upgrades

Glacier Fire Station HVAC/ Energy Upgrades

Treadwell Ice Arena BAS Upgrades

Consolidated Public Works Facility BAS Upgrades (7 mile)

Savikko Park Lighting Replacement

Eagle Valley Center HVAC/ Energy Upgrades

Recommened projects

- Savikko Park Lighting Replacement
- Eagle Valley Center HVAC/Energy Upgrades
- Design of fire station HVAC upgrades and then construct one (JFS or GFS).

DOWNTOWN & GLACIER FIRE STATION HVAC UPGRADES

Systems are 40 plus years old

Mechanical and electric upgrades throughout entire facility

Glacier $1.5m/ Juneau 1.25m

15% energy savings depending on design

SAVIKKO PARK ROAD LIGHTING

Replace posts/bases and fixtures with metal poles, concrete bases and LED fixtures

Ensure high wind standards are met

Replace conduit

Install sensors for day/night lighting

70-75% energy reduction

$300,000

EAGLE VALLEY CENTER

Replace heat system – evaluate options

Replace windows

Add insulation

Increase ducting efficiency

60% savings

$300,000

PARK PROJECTS
YELLOW INDICATES RECOMMENDED PROJECT

Capital School Park (Playground, basketball court, retaining wall, drainage, lighting)

Cope Park (pave parking lot, curb gutter and ADA sidewalks) – not funded

Eagle Valley Center (pave parking lot , repair drainage) – Engineering recommend site work , no paving

Savikko Park (repave, drainage, new entry plaza, playground) – Engineering recommends no new playground

Dimond Park (ADA sidewalks, adult fitness, new dog park) – not funded

Melvin Park (replace lighting)

Treadwell Arena roof replacement

Adair- Kennedy Park (restroom, water/sewer, entry plaza, track) – not funded

CAPITAL SCHOOL PARK

Replace playground; basketball court; retaining wall; improve drainage; new open play area, install security lighting

SAVIKKO PARK

- Repave parking lot/ drainage
- Replace curb and gutter
- Construct new entry plaza
- (no new playground; rebuilt in 2008)

EAGLE VALLEY CENTER

- Drainage and site work (paving is not recommended due to substandard base material)

HANK HARMON RIFLE RANGE

- Repair safety berms
- Improve drainage
- Replace shooting benches

TREADWELL ROOF

- Add roof insulation
- Install new roofing

MELVIN PARK: REPLACE LIGHTING

TIMING

- Takes into consideration
  - Cash flow analysis
  - Timing of bond sales
  - Need to bid design for first year projects in January
  - Public and Assembly desire to move quickly on these projects
  - Contractor capability and capacity
  - Project Manager capacity

PARKS AND RECREATION PROJECTS $5.4M

Energy efficiency

- Savikko Lighting Replacement – 2021
- Treadwell Roof – 2023
- Eagle Valley Center Heating Improvements – 2021
- Melvin Park Sports Lighting - 2022

Maintenance

- Eagle Valley Site Improvements – 2021
- Capital School Park – 2021
- Savikko Park Paving & Drainage Improvements – 2022
- Hank Harmon Rifle Range - 2022

QUESTIONS ?

To: **Rorie Watt, CBJ Manager**
CC: **Jeff Rogers, CBJ Finance Director**
Mila Cosgrove, CBJ Deputy Manager
From: **Brian Holst, JEDC Executive Director**
Date: **Tuesday, December 8, 2020**
Re: **Final Report on Covid19 Emergency Loans per CBJ Resolution 2888**
Reporting Period: Wednesday, April 1 to Monday, November 30

1. INTRODUCTION AND OBJECTIVES

CBJ Assembly adopted Resolution 2888 on Wednesday, April 1, providing the Juneau Economic Development Council three million dollars for loans for small businesses in Juneau negatively impacted by Covid19. CBJ Resolution 2888 states: "The purpose of the loans administered by JEDC is to provide small businesses with working capital to bridge the time before federal or state monies are available. The absence of State or Federal assistance does not absolve the business owner for the responsibility to repay the loan." JEDC, following stipulations in Resolution 2888, created a loan program to meet the goals of the Assembly. This report summarizes the application processing and disbursement phases of the loan program between Wednesday, April 1, to Monday, November 30.

To qualify for the program, businesses must have met the following five criteria:
1. Business is physically located in Juneau.
2. Business is current with CBJ Sales Tax.
3. Business is current with property tax.
4. Business had 25 or fewer employees during the first quarter of 2020.
5. COVID-19 has adversely impacted the business.

Resolution 2888 allowed the CBJ Manager to consider exceptions to this eligibility, proposed by the Juneau Economic Development Council, on a case-by-case basis.

2. PROGRAM SECTION

a. Summary of Main Activities

Starting April 2, 2020, JEDC began receiving and processing applications for the CBJ Covid-19 Emergency Loan Program. As of November 30, 2020, all applications had been processed and disbursed. The online application was closed in September. The majority of the applications were submitted and processed in the first month of the program. Businesses that applied after April 30 were kept on a waiting list as loan decisions were made. The first-come, first-serve basis meant we waited for some businesses to sign documents or complete applications, holding a place in line until we were able to determine that they were not interested or they did not respond.

As we moved further through the list, the pace of releasing loans slowed as the remaining applications were characterized, generally, as slower to respond with needed information, having ownership structures requiring customized loan documents, or requesting amounts that required more careful underwriting.

The loan terms were as follows:

Express Loan:	$7,500
Amount:	Up to $50,000, includes Express Loan, if received
Term:	30 months, with six months of loan payment deferral
Fees:	$0
Interest Rate:	2%
Special Condition:	Loans fully repaid within twelve months pay no interest

Many loans have now started repayment after the six-month loan payment deferral period. Applicants who applied to the CBJ Business Sustatinablitly Grant Program were eligible to receive six months of payments as an eligible expense of their grant, reducing loan balances. JEDC is currently reaching out to loan recipients to remind them of their repayment options as the loan program enters into a loan servicing phase.

b. Application Review and Disbursement Process

On April 1, 2020, the CBJ Assembly passed Emergency Appropriation Res. 2888(b)(am), which allocated $3,000,000 of CBJ Budget Reserve Funds to provide small businesses access to low-interest loans. Businesses met the following requirements to be eligible for the program: have 25 or fewer employees (full-time equivalent), been adversely impacted by COVID-19, have a business license as of January 1, 2020; have a physical presence in Juneau as of March 1, 2020, and be current with CBJ property and sales taxes.

JEDC bought a subscription to HelloWorks to create and collect applications and to sign loan documents electronically. JEDC staff released the application on April 2 at 5:00 PM, just one day after the Assembly passed the Ordinance. Applicants entered their name and email in the link found on the JEDC website and were sent a link to their application. Applicant's work on their application was saved automatically and accessed using the link in their email.

JEDC staff downloaded submitted applications and assigned loan numbers based on the order received. JEDC staff members reviewed applicant eligibility and application completeness. If an applicant was not immediately eligible, JEDC staff directed applicants to the necessary resources to remedy their application, where possible. Some eligibility issues included expired business licenses, missing documents, and CBJ tax compliance. Applicants had to pay any outstanding CBJ taxes before being considered eligible. JEDC staff also collected missing information and documents from applicants, such as phone numbers or Operating Agreements, to ensure correct documentation to support taking on debt. Once an eligible applicant had a complete application, a final review was conducted by either the Executive Director or Loan Officer. Approved applicants were called by either the Executive Director or Loan Officer to review the loan terms. Loan documents were then sent to the relevant signers using HelloWorks. Once documents were signed, the Executive Director sent a memo to the JEDC accountant, who transferred funds via an ACH transfer to the business's bank account.

Full loan requests were not considered immediately. JEDC considered all applications for an express loan of $7,500 or lower before addressing the remaining, larger loan requests since larger loan requests required a more extensive review process and more documentation. Doing this allowed JEDC to move quickly with loans, meet immediate needs, and give time to make sure that larger loans underwent sufficient analysis and documentation review to safeguard CBJ resources. Larger loan requests were considered in the third week of the program.

Applicants of the CBJ Business Sustainability Grant Program had the option of using part or all of their awarded grant money to pay off their loan. In the first phase of the grant program, applicants could make this choice in their grant application. Applicants could also communicate that they wanted to use the grant money to pay off their loan when corresponding with JEDC staff. The CBJ Emergency Loan was not considered an eligible expense in this phase of the program. In later phases of the CBJ Business Sustainability Grant Program, applicants could include their CBJ Emergency Loan as an eligible expense under "long-term debt" and receive assistance for up to six months of their loan payments. Any funds awarded for CBJ Emergency Loan Payments were paid directly against their loan balance and not sent to the applicant.

c. Significant Events and Accomplishments

- JEDC has received 205 applications and disbursed a total of $3,051,750.
- Of that number, 32 applications did not qualify because of tax compliance issues, duplicate application, incomplete, or voluntary application withdrawal.
- CBJ reviewed tax compliance for all applications.
- One-hundred seventy-three (173) loans approved.
- As of today, 15 of the approved loans have been fully paid off, six of which used their CBJ Business Sustainability Grant to pay off their loan in full.
- One hundred one applicants had a portion of their loan paid off by the CBJ Business Sustainability Grant Program, totaling $538,990. This grant program is being re-opened so more loan recipients may have the opportunity to pay off a portion of their loan through this program.
- The 173 businesses with approved loans reported 481 part-time and 387 full-time positions during the first quarter of 2020.

CBJ Emergency Loan Weekly Report: 4/26/20	**Applications**	**Dollars**	**Part-Time Jobs**	**Full-Time Jobs**
Total Applications	**205**			
Active	**173**	**$3,051,750**	481	397
Approved Loans (some final amounts to be determined)	**173**	**$3,051,750**	481	397
Completed Loan, met full need	173	$3,051,750	481	397
Received Express Loan, Waiting for second disbursement	0	$ -	0	0
Loan Documents Sent But Not Signed	0	$ -	0	0
Loans in Approval Process	**0**	**$ -**	0	0
Application Complete	0			
Additional Documents/Info Needed	0			
Not Active (Tax Issues, Duplicate, Above Threshold, Withdrawn)	**32**			

Figure 1. This table summarizes the current state of all applications for this loan program. JEDC was able to lend slightly more than $3,000,000 because of limited lending of reflows (loans paid back by participants) during the loan issuing window.

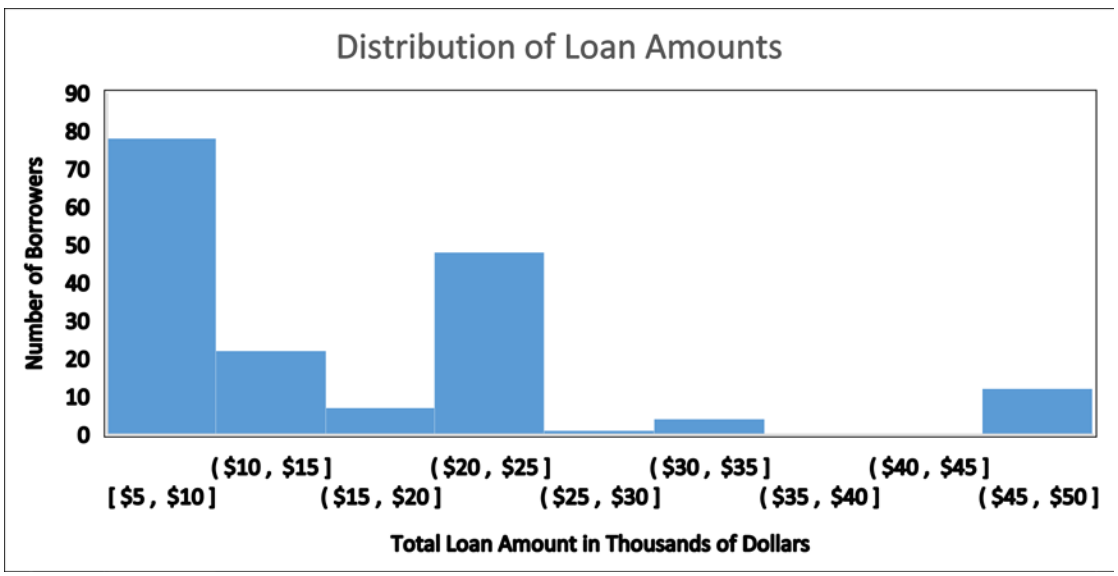


Figure 2. The above graph shows the frequency distribution of the loan amounts received by businesses. The average total loan received was for $17,551. The most frequently received loan was for $7,500. The median total loan amount was for $15,000.

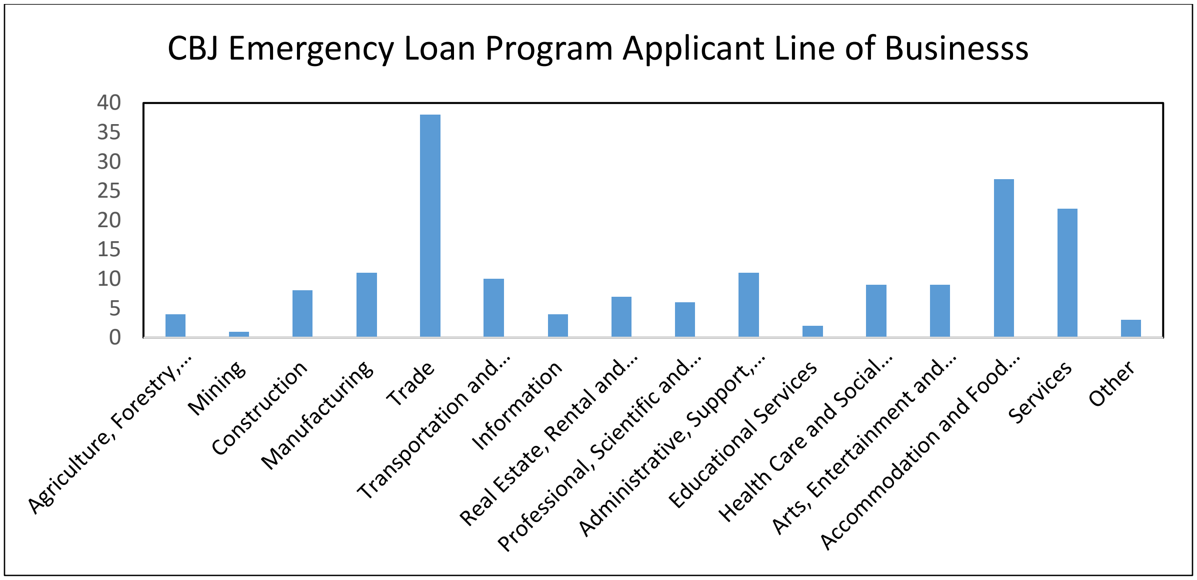


Figure 3. The above graph shows the sector for all approved and funded applicants. Trade and Accommodation/Food Services were the most represented. The Services sector was the most represented sector that is not directly related to tourism.

3. ADMINISTRATIVE SECTION

JEDC has calculated its administrative costs. Some costs include:

- JEDC personnel has invested approximately 800 hours of effort.
- JEDC acquired HelloWorks software to manage paperless processes (upgrade from HelloSign to HelloWorks). The cost is $3,633 for the first year.
- Initial IT support to create a completely hands-free process was $2,500 in professional services.
- JEDC's portfolio software can manage 50 loans. Two hundred additional loans are estimated to cost $3,200 in the first year of the program and approximately $800 in each subsequent year.
- Per the Ordinance, JEDC is to be compensated 1% of the loan capital or $30,000.
- JEDC will use the interest paid by borrowers to pay for costs associated with servicing the loans.