

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 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: 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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Motion: 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.

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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.

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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.

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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.

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

Amendment 1: 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*

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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.

Motion: 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.

Motion: 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. Gladyszewski 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.

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The motion passed by unanimous consent.

V. NEXT MEETING DATE

- a. Wednesday, December 9, 2020

VI. ADJOURNMENT

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