

City and Borough of Juneau
Minutes - Assembly Finance Committee Meeting
Zoom Webinar & Facebook Live Stream
Wednesday, September 30, 2020

I. CALL TO ORDER

The AFC meeting was called to order at 5:37 PM by Loren Jones, Chair.

II. ROLL CALL

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

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; Bridget Weiss, Juneau School District (JSD) Superintendent; Dave Scanlan, Eaglecrest Ski Area General Manager

Others Present Virtually: Joan O'Keefe, United Human Services of SE Alaska Executive Director; Lee Kadinger, Sealaska Heritage Institute (SHI) Chief of Operations; Brian Holst, Juneau Economic Development Council (JEDC) Executive Director; Geoff Larson, Alaskan Brewing Company Owner; Erin Walker-Tolles, Catholic Community Services Executive Director; Max Mertz, Economic Stabilization Task Force (ESTF) Co-Chair; Linda Thomas, ESTF Co-Chair; Liz Perry, Travel Juneau President/CEO; Amy Skilbred, Juneau Community Foundation Executive Director

III. APPROVAL OF MINUTES

- a. The September 2, 2020 minutes were approved as presented.

IV. INFORMATION ITEMS

a. **CARES Act Funding Update**

Mr. Rogers presented the updated CARES Act funding pie chart to the Committee. Mr. Rogers explained that the green wedges represent funds that have already been appropriated, the orange and yellow wedges represent pieces of legislation that are in progress, and the black wedge represents funds that remain uncommitted. Mr. Rogers reminded the Committee that the uncommitted CARES Act funds could potentially be carried forward past December 30, 2020 if the Federal Government passes legislation to allow it.

Mr. Rogers brought to the attention of the Committee a memo on AFC packet page twelve from the ESTF regarding the exploration of opportunities to spend

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remaining CARES Act funding, noting that the memo provides an overview of many of the items the AFC will be discussing this evening.

Mr. Rogers responded to committee questions.

V. ITEMS FOR ACTION

a. **United Human Services Funding Request – Ordinance 2020-09(J) – \$1,100,000 General Funds – Introduction 10/1/20 & Public Hearing 10/26/20**

Mr. Rogers introduced Ordinance 2020-09(J), which would appropriate \$1,100,000 of the General Fund's fund balance as a grant to United Human Services of SE Alaska to aid in the construction of the Southeast Community Services Center.

Mr. Watt noted to the Committee that Mayor Weldon has placed this ordinance on tomorrow night's Special Assembly Meeting agenda as an item for introduction. Public hearing will take place October 26, 2020.

Mr. Rogers responded to committee questions.

Motion: by Ms. Gladyszewski to move Ordinance 2020-09(J) to the Assembly as written.

Motion passed by unanimous consent.

b. **Sealaska Heritage Institute Funding Request – Ordinance 2020-09(K) – \$1,500,000 General Funds – Introduction 10/26/20 & Public Hearing 11/23/20**

Mr. Rogers presented Ordinance 2020-09(K), which would appropriate \$1,500,000 of the General Fund's fund balance as a grant to Sealaska Heritage Institute to aid in the construction of the Sealaska Heritage Arts Campus.

Mr. Kadinger explained to the Committee that the funding from this ordinance would be instrumental in SHI completing the project. If CBJ were to commit funds, it would assure SHI receives the remaining funding they need from other entities for the project. Mr. Kadinger noted that the contractors have discovered that the soil the campus is being built on is contaminated. The unanticipated costs of removing contaminated material exacerbates the need for funding sooner rather than later.

Mr. Kadinger responded to committee questions.

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Motion: by Ms. Gladziszewski for Ordinance 2020-09(K) to be introduced on October 26, 2020 and public hearing on November 23, 2020.

Motion passed by unanimous consent.

c. FY21 Juneau School District Supplemental Request – Ordinance 2020-09(M) – \$1,653,00 CARES Act Funds – Introduced 9/21/20 & Public Hearing 10/1/20

Mr. Rogers presented Ordinance 2020-09(M), which would appropriate \$1,653,000 of CARES Act funds as supplemental funding for JSD's FY21 COVID-19 related costs. Mr. Rogers referred the Committee to page 59 in the AFC meeting packet, noting that there are three moving pieces of legislation for the School District. This request is supplemental to two existing requests.

Ms. Weiss confirmed that the memo details estimated costs for the School District through December and drew attention to the costs indicated in the Ord. 2020-09(M) column. Estimated expenses include items such as technology for continuing distance education for children and their families (including internet access for those who need it), operational supplies, staff time and support, transportation, and food services.

Ms. Weiss responded to committee questions.

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

Motion passed by unanimous consent.

The meeting recessed at 6:53 PM.

The meeting reconvened at 7:00 PM.

d. Business Sustainability Grant Program Additional Funding – Emergency Appropriation Resolution 2907 – \$2,000,000 CARES Act Funds – Introduced 9/21/20 & Public Hearing 10/1/20

Mr. Rogers presented Emergency Appropriation Resolution 2907, which would appropriate \$2,000,000 of CARES Act funds as additional funding for Phases 2 and 3 of the COVID-19 Business Sustainability Grant Program. The JEDC estimates that the total amount of eligible grants may exceed available grant funds by up to \$2,000,000. Without additional funds, the JEDC will be required to prorate all eligible grant awards to remain within the currently appropriated amount. The proration process delays disbursement of funds to all applicants because each application must be fully processed before any disbursements may be made. Fully funding all estimated grant applications allows the JEDC to timely disburse funds to affected small businesses.

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Mr. Rogers responded to committee questions.

Motion: by Mayor Weldon to move Emergency Appropriation Resolution 2907 to the Assembly.

Motion passed by unanimous consent.

e. **Kallaco Testing Grant – Emergency Appropriation Resolution 2910 – \$175,000 CARES Act Funds – Introduced 9/21/20 & Public Hearing 10/1/20**

Mr. Rogers presented Emergency Appropriation Resolution 2910, which would appropriate \$175,000 of CARES Act funds as a grant to the Greater Juneau Chamber of Commerce to administer a volunteer pilot program to detect and mitigate the spread of COVID-19. This platform would be deployed with front-facing hospitality workers and it would allow employers in Juneau to rapidly trace and monitor their employees.

Mr. Larson responded to committee questions.

Ms. Triem requested that the language in Section 3(d), “Confidentiality,” be updated to reflect that CBJ will keep participant information confidential, but Kallaco will not.

Mr. Palmer confirmed that he would work on the language and present an updated version to the Assembly tomorrow, October 1, 2020.

Motion: by Ms. Gladziszewski to move Emergency Appropriation Resolution 2910 to the Assembly for public hearing on October 1, 2020.

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

Motion passed by unanimous consent.

f. **Housing Assistance Grants – Emergency Appropriation Resolution 2912 - \$3,000,000 CARES Act Funds – Introduction & Public Hearing 10/1/20**

Mr. Rogers presented Emergency Appropriation Resolution 2912, which would appropriate \$3,000,000 of CARES Act funds to support a COVID-19 Housing Assistance Grant Program. This would provide financial support to people residing in CBJ who have been financially harmed by COVID-19 and need assistance paying for mortgage, rent, and utilities from October 1, 2020 through December 30, 2020. Grantees are eligible for up to \$2,000 per household.

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Ms. Walker-Tolles and Mr. Mertz responded to committee questions.

Motion: by Mayor Weldon to move Emergency Appropriation Resolution 2912 to the Assembly.

Objection by Mr. Jones and Ms. Gladziszewski for the purpose of amendments.

Amendment 1: by Ms. Gladziszewski to amend Section 3(a), "Intent," by changing the date from October 1, 2020 to August 1, 2020, as well as in Section 3(d)(a).

Amendment 1 passed by unanimous consent.

Amendment 2: by Ms. Gladziszewski to amend the statement in Section 3(c)(5), "so the Grant Administrator can arrange payment to the relevant third-party payee" by removing "the relevant third-party payee" and replacing it with "applicant." Also, amend Section 2(d)(b), "Payment Process," by removing the language "landlords, mortgage holders and/or utility providers directly" and replacing it with "applicant."

Objection to Amendment 2 by Mr. Jones.

Roll Call Vote:

Ayes: Bryson, Edwardson, Gladziszewski, Hale, Hughes-Skandijs, Triem

Nays: Jones, Smith, Weldon

Absent: None

Amendment 2 passed 6/3.

Amendment 3: by Ms. Gladziszewski to amend Section 3(c)(6) by changing the language in the last sentence from "three calendar days" to and "five working days."

Amendment 3 passed by unanimous consent.

Amendment 4: by Mr. Jones to amend Section 3(c)(1) by changing the period of the last sentence into a comma and adding in "which must be occupied by the applicant."

Amendment 4 passed by unanimous consent.

Revision to Original Motion: by Mayor Weldon to move Emergency Appropriation Resolution 2912 version B, as amended, to the Assembly.

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Motion passed by unanimous consent.

The meeting recessed at 8:25 PM.

The meeting reconvened at 8:35 PM.

g. **Post-Secondary Education Grants – Ordinance 2020-09(O) – \$500,000 CARES Act Funds – Introduction 10/1/20 & Public Hearing 10/26/20**

Mr. Rogers presented Ordinance 2020-09(O), which would appropriate \$500,000 of CARES Act funds for post-secondary education assistance grants related to COVID-19. The grant would be administered by the Southeast Regional Resource Center (SERRC) and would provide financial assistance to post-secondary students who have been financially harmed by COVID-19.

Mr. Mertz added that this ordinance would provide \$150 per credit hour (up to twelve credit hours maximum) to eligible students who are physically located in Juneau and attending college. The grant would provide an estimated 250 students with assistance.

Mr. Mertz responded to committee questions.

Amendment 1: by Ms. Hale to amend Section 4(c)(3) by striking “A student that has received unemployment benefits since March 2020 is not eligible.”

Objection to Amendment 1 by Mayor Weldon. The objection was later removed.

Amendment 1 passed by unanimous consent.

Amendment 2: by Ms. Hale to strike the Section 4(c)(4) statement “Proof of income can be evidenced by the most recent tax return or other reasonable and verifiable information. The Grant Administrator shall not keep a copy of the income verification,” and replace this language with the language used in the Housing Assistance Emergency Appropriation Resolution 2912 under Section 3(c)(6).

Amendment 2 passed by unanimous consent.

Motion: by Mr. Bryson to move Ordinance 2020-09(O) version B, as amended, to the Assembly for introduction on October 1, 2020.

Objection by Mr. Jones, who asked Mr. Bryson to speak to his motion.

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Mr. Bryson stated that when people further their education, they improve their income earning capacity. Incentivizing user groups to further their education would strengthen the economy. His opinion is that the Assembly should be supporting post-secondary education in Juneau.

Roll Call Vote:

Ayes: Bryson, Edwardson, Hale, Smith

Nays: Gladyszewski, Hughes-Skandijs, Jones, Triem, Weldon

Absent: None

Motion failed 5/4.

h. **Hospitality Industry Grants – Ordinance 2020-09(P) – \$1,500,000 CARES Act Funds – Introduction 10/1/20 & Public Hearing 10/26/20**

Mr. Mertz stated that the ESTF discussed Ordinance 2020-09(P) at length during its last two meetings. The Task Force believes the ordinance still needs work in terms of its breadth and intent. The ordinance has been referred back to the fact finding committee, who will discuss it at their October 8, 2020 meeting.

No action was taken on Ordinance 2020-09(P). The AFC will wait for additional information and recommendation from the ESTF.

i. **Bartlett Regional Hospital Patient Intake/Triage Planning – Emergency Appropriation Resolution 2908 – \$400,000 CARES Act Funds – Introduced 9/21/20 & Public Hearing 10/1/20**

Mr. Watt recommended that the AFC wait to take any action on Emergency Appropriation Resolution 2908 until closer to the end of the calendar year. This emergency appropriation resolution will be publicly heard on October 1, 2020. Mr. Watt said that Mr. Bill at Bartlett Regional Hospital has confirmed that the hospital plans to proceed with the planning work regardless of funding source. The Assembly will be able to circle back to this item closer to the end of the year to determine which costs are eligible to be covered under CARES Act funds.

The AFC decided to hold off on this item until more information is available.

j. **Travel Juneau Campaign Grant – Ordinance 2020-09(L) – \$383,775 CARES Act Funds – Introduced 9/21/20 & Public Hearing 10/1/20**

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Mr. Rogers presented Ordinance 2020-09(L), which would appropriate \$383,775 of CARES Act funds to be used as a grant to Travel Juneau for the Juneau Cares Campaign.

Ms. Perry added that travelers are looking for assurance that destinations are safe to visit. The Juneau Cares initiative is a communications project to encourage the development and implementation of robust protocols and mitigation plans among visitor industry businesses. The initiative will provide resources to all local businesses and communicate Juneau's commitment to safety from pathogens like COVID-19 to its visitors.

Ms. Perry responded to committee questions.

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

Motion passed by unanimous consent.

The meeting recessed at 9:42 PM.

The meeting reconvened at 9:51 PM.

k. Non-Profit Grant Program & Additional Requests

Mr. Watt presented a spreadsheet to the Committee from Juneau Community Foundation detailing the non-profit funding requests received under the Non-Profit Grant Program. Mr. Watt reminded the Committee that the appropriation for this program was originally set at \$3,000,000; the initial requests came in at \$1,800,000. Ms. Skilbred, working with her employee contractor, has come up with a methodology that could potentially increase the grant awards to a maximum of \$2,400,000 after any deductions of CARES Act funding that grantees may have already received are taken into account. In conferring with Mr. Palmer, it was determined that this would not fall under the Manager's discretion; a motion is needed in order to increase the overall grant amount.

Ms. Skilbred responded to committee questions.

Motion: by Mayor Weldon to have the Attorney draft an emergency ordinance to authorize Juneau Community Foundation to increase its overall grant amount so as to allow for additional allotments to awarded non-profit grants and to give the Foundation the flexibility to explore potential non-profit shelter and food grant opportunities. This should be ready for introduction and public hearing October 26, 2020.

Objection by Mr. Jones and Ms. Gladziszewski for the purpose of a question. The objections were later removed.

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Motion passed by unanimous consent.

I. Further Funding Requests

Mr. Smith stated that looking at the amount of CARES Act funds remaining to be spent versus the need under the Housing Assistance Program, seemingly the amount of the program is going to come up short. Mr. Smith added that he would like to work with the Attorney to draft a supplemental appropriation ordinance for the Housing Assistance Program in anticipation that the original appropriation may fall short of community need.

The Committee discussed Mr. Smith's request.

Motion: by Mr. Smith to work with the Attorney to draft a supplemental appropriation ordinance for introduction on October 26, 2020 for the purpose of adding additional funds to the Housing Assistance Program.

Motion passed by unanimous consent.

Motion: by Ms. Hughes-Skandijs to work with the Attorney to explore options for a program based on demonstrating economic harm from COVID-19 as an individual, similar to Skagway's program, with a set amount that would perhaps be comparable to the rental and heating assistance program.

Motion passed by unanimous consent.

VI. ITEMS FOR DISCUSSION

a. Eaglecrest: Operating Budget & Equipment Reserve

Mr. Scanlan explained that Eaglecrest has been exploring ideas on how they can effectively operate the ski area safely this winter; they have put together a COVID-19 operations plan. In order to enact that plan, Eaglecrest has need for additional staffing. Eaglecrest will be a face mask mandated campus and will be keeping visitors outside as much as possible while maintaining safe social distancing measures. There will be additional chair operations, frequent cleaning, and outdoor controls. The other component of the operations plan is to create outdoor spaces by putting up large tents and seating to give guests alternative places to rest and mitigate the risk of COVID-19 exposure.

Mr. Scanlan responded to committee questions.

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Motion: by Ms. Gladziszewski that the Manager, Finance Director, and Mr. Scanlan work to come up with a number for CARES Act eligible spending, introduce an ordinance based on that number, and follow up on the remaining expenditures at a later date.

Objection by Mayor Weldon for the purpose of an amendment.

Amendment 1: by Mayor Weldon to forward both sets of funding and split them out from what is CARES Act eligible and what is not, and then decide from there.

Mr. Jones clarified that Mayor Weldon's amendment essentially restates the original motion by Ms. Gladziszewski. Ms. Gladziszewski accepted the restatement.

Objection by Mr. Jones.

Roll Call Vote:

Ayes: Bryson, Edwardson, Gladziszewski, Hales, Hughes-Skandijs, Smith, Weldon

Nays: Jones, Triem

Absent: None

Motion passed 7/2.

VII. NEXT MEETING DATE

- a. Wednesday, November 4, 2020.

VIII. ADJOURNMENT

The meeting was adjourned at 10:29 PM.