

City and Borough of Juneau
Minutes - Assembly Finance Committee Meeting
Zoom Webinar & Facebook Live Stream
Wednesday, May 20, 2020, 5:00 PM

I. Call to Order

The AFC meeting was called to order at 5:00 PM by Loren Jones, Chair.

II. Roll Call

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

Committee Members Absent: None.

Staff Present Virtually: Rorie Watt, City Manager; Mila Cosgrove, Deputy City Manager; Jeff Rogers, Finance Director; Adrien Speegle, Budget Analyst; Katie Koester, Public Works Director; John Bohan, Chief CIP Engineer; Brenwynne Grigg, CDD Admin Officer; George Schaaf, Parks and Recreation Director; Dave Scanlan, Eaglecrest General Manager.

Others Present Virtually: Liz Perry, President/CEO, Travel Juneau; Kathleen Harper, Juneau Arts and Humanities Council, Centennial Hall House Manager; Laura Martinson, Economic Stabilization Task Force Member; Midgi Moore, Owner, Juneau Food Tours; Tom Rutecki, Aquatics Board Member; Max Mertz, Economic Stabilization Task Force Co-Chair; Linda Thomas, Economic Stabilization Task Force Co-Chair.

III. APPROVAL OF MINUTES

- a. The May 13, 2020 minutes were approved as presented.

IV. CONTINUATION OF PENDING ITEMS

a. **Update on COVID-19 Response**

Mila Cosgrove, Deputy City Manager, presented the most recent EOC report and gave an update on COVID-19 cases and response in Juneau. There are currently no new cases in Juneau, the number of recovered cases remains at 28. 57 people were tested last night in an initial round of testing of CBJ's "Shelter Testing Initiative". Testing of Juneau's unsheltered population will continue tonight. The Lemon Creek Correctional Center has completed their testing of a total of 62 staff members and 170 inmates. Of those tested, one staff member was positive, as reported previously. No inmate tests resulted positive, though two of the tests had issues with collection and were repeated. Those results are pending.

Governor Dunleavy combined phases 3 and 4 of the Reopen Alaska Responsibly Plan to be effective 8:00 AM this Friday (May 22, 2020). The interstate travel quarantine mandate still exists.

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Ms. Cosgrove stated that a Special Assembly Meeting may be warranted to discuss potential changes related to travel such as a 2020 proposal from one of the smaller cruise companies.

Additionally, CBJ staff have been receiving questions regarding the reopening of city services. That process is currently being worked through, though many staff members are balancing full time or nearly full time EOC duties with their department's budget and related concerns, as well as reopening plans. The Libraries are anticipated to open next week, and recreation facilities are working on modifications. Capital Transit anticipates some amount of service modifications as well.

Ms. Cosgrove responded to committee questions.

Mayor Weldon asked the committee if they would like to meet next Thursday 05/28/2020 to discuss COVID response topics in more detail. Five committee members expressed their interest. Mayor Weldon confirmed a Special Assembly Meeting to be held Thursday, May 28, 2020 at 6:00 PM.

b. Macro Budget Tool

Rorie Watt, City Manager, gave an update on the Manager's FY21 Proposed Budget and Macro Budget Tool (MBT). This tool has been updated with current information and is presented as a new starting point forecasting the direction that the committee would like to take.

The Alaska State Legislature completed the CARES Act appropriation this morning (May 20, 2020) confirming Juneau's appropriation of 53 million dollars. These funds are to be split into three allocations with the first 25 million dollars being received soon, and the remainder anticipated in July and October. The timeline for expenditure is accelerated and must be complete by December 31, 2020. Additionally the CARES Act rules are changing. The US treasury just clarified that public safety personnel (Police and Fire) wages are eligible expenses. We can now assume that 100% of the public safety employee personnel costs (wages and benefits) from March 1, 2020 through December 31, 2020 will be CARES Act reimbursable expenses.

Mr. Watt discussed the five strategies that he is recommending to the assembly in order to balance the budget.

Mr. Watt responded to committee questions.

Mr. Rogers responded to committee questions.

Committee discussion with Mr. Watt and Mr. Rogers regarding the MBT and the items included therein.

V. ITEMS FOR ACTION

Items addressed out of order. (b., a., c.)

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a. COVID Related Childcare Support

Ms. Cosgrove presented information related to CARES Act reimbursable childcare assistance. The initial purchase of supplies such as PPE were distributed to childcare facilities today. It is believed that additional funding is needed for childcare facilities to reopen and remain open and be fiscally sustainable. The Economic Stabilization Task Force (ESTF) recommended a three month grant program for childcare providers. After further consideration and consultation with the Association for the Education of Young Children (AEYC), CBJ staff are recommending CARES Act fund distribution over the entire eligibility period, through December 31, 2020. The proposed grant program considers infant through pre-K aged children only and does not extend to school aged children at this time.

Laura Martinson, ESTF member, responded to committee questions.

Ms. Cosgrove responded to committee questions.

Motion: by Mayor Weldon to instruct the City Attorney to draft an ordinance for disbursement of CARES Act funding for childcare in the amount of \$1,057,000.

Ms. Cosgrove asked for clarification on drafting an ordinance v. emergency resolution in order to disperse first round of funding in time for the June 1 cycle, as the current meeting calendar will delay the disbursement of funding.

Amendment: by Mayor Weldon that the motion be for an emergency appropriation resolution instead of an ordinance, to be brought to the full Assembly next Thursday 05/28/2020.

No objection, motion passed unanimously.

The meeting recessed at 7:22 PM.

The meeting reconvened at 7:30 PM.

b. Economic Stabilization Task Force Recommendations

Max Mertz, co-chair of the ESTF gave an update on their recommendations, simplified per assembly request.

The ESTF recommends business sustainability grants be issued to businesses based on size, with an assumption of three size tiers. The size of a business is determined based on prior year actual or 2020 expected revenue collection. This CARES Act reimbursable grant program is estimated to cost roughly 7-10 million dollars. The cost of the initial round of grants is approximately 2.3 million dollars.

Linda Thomas, ESTF co-chair discussed the Commercial Water and Sewer Utility Payor Relief program recommendations. There is potential to combine this program with the

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Business Sustainability Grant program, if the assembly so chooses. The combined total cost of these two programs is estimated at 11-15 million dollars.

Ms. Triem stated that she was concerned that the ESTF committee is focusing all of their efforts on small business programs, and would like to see more consideration for assisting employees and individuals.

The meeting recessed at 6:19 PM.

The meeting reconvened at 6:30 PM.

Ms. Thomas responded to Ms. Triem's question, stating that some of the initial focuses of the ESTF included rental assistance, childcare, and alternate employment opportunities for those unable to work this summer, such as employees in the tourist industry.

Ms. Hale commended the ESTF on their work and recommendations. Ms. Hale asked if the business assistance grant program would be a first come first serve basis, or a lottery. Ms. Hale stated that she was concerned about the smallest businesses who have fewer resources at their disposal. If the program is run on a first come first serve basis, they may miss out on grant availability.

Ms. Thomas responded stating that the first round of the program will help determine how to best move forward with the remaining rounds of program funding.

Ms. Thomas responded to additional committee questions.

Motion: by Ms. Gladziszewski that an ordinance be drafted based on the memo dated 05/19/2020 for the initial phase of the CARES Act reimbursable Business Sustainability Grant program to include eligibility criteria supporting employment. To be brought back to the AFC prior to moving to the full assembly.
No objection, motion passed unanimously.

c. CIP Update – Capital Improvement Project Review Scoring

Mr. Watt stated that he did not have anything to add to the Proposed FY2021 CIP Reduction memo as included.

Katie Koester, CBJ Public Works and Engineering Director, gave a high level overview of the proposed CIP reductions.

Mr. Watt responded to committee questions.

Ms. Koester responded to committee questions.

Motion: by Ms. Gladziszewski to accept the 3.5 million dollar CIP reduction from the area-wide street sales tax priorities for FY21.

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Objection: by Mayor Weldon who stated that the committee may want to wait to vote on this issue until they work through the rest of the Macro Budget Tool.

Mayor Weldon removed her objection after discussion.

No objection, motion passed unanimously.

Motion: by Ms. Gladziszewski to accept the one year delay of the Augustus Brown Pool (ABP) deferred maintenance renovation for 3.3 million dollars of temporary sales tax expenditures.

Objection: by Ms. Triem.

Mr. Watt clarifies that the delay of the Augustus Brown Pool renovation would not affect the Macro Budget Tool.

Motion Withdrawn: After discussion of the effect on the Macro Budget Tool, Ms. Gladziszewski withdrew her motion.

d. **FY21 Budget Pending Items List**
Jensen-Olson Arboretum

Ms. Cosgrove presented information about the Jensen-Olson Arboretum (JOA) Groundskeeper request. The JOA is having difficulty keeping up with work due to the volume of visitors. They also have difficulty retaining employees because their positions are part time limited positions and are not eligible for benefits. The cost increase is almost fully offset by a \$16,600 increase in funding from the Jensen-Olson Arboretum Endowment.

Motion: by Ms. Gladziszewski to accept the JOA Groundskeeper FY21 increment request.

Ms. Gladziszewski spoke against the motion in order to exclude the item from the FY21 budget.

Chair Jones clarified that motions are typically made in the affirmative, and voting to not fund this position would require a "no" vote.

Chair Jones responded to committee questions.

Mr. Bryson spoke in support of the JOA Groundskeeper, as the JOA is funded in large part by a trust [JOA Endowment] and not by Juneau taxpayers.

Mayor Weldon spoke against the motion as this was a program donated to CBJ, however it costs CBJ over \$100,000 per year to operate.

Ms. Hale spoke against the motion and agreed with Mayor Weldon. Ms. Hale wished to preserve the budget however possible.

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Ms. Triem clarified that \$1,300 would be CBJ's contribution to the JOA Groundskeeper position. The total cost is \$17,900, with \$16,600 being contributed by the JOA Endowment fund.

Ms. Cosgrove confirmed that Ms. Triem's understanding is correct.

Ms. Gladziszewski stated that the CBJ contribution amount to the JOA Groundskeeper was not clear in the information provided. Ms. Gladziszewski withdrew her comments against the motion.

Mr. Rogers responded to clarify how the JOA Endowment monies are incorporated into the JOA budget.

Objection: by Chair Jones.

Roll call votes:

Ayes: Gladziszewski, Bryson, Edwarson, Hale, Hughes-Skandijs, Smith, Triem.

Nays: Weldon, Jones.

Absent: None.

Motion passed 7/2.

JEDC Grant

Motion: by Ms. Gladziszewski to accept the JEDC request for \$325,000 (a \$75,000 reduction over FY20).

No objection, motion passed unanimously.

Juneau Commission on Aging Grant via JEDC

Mr. Rogers responded to committee questions.

Mr. Watt responded to committee questions.

Motion: by Ms. Gladziszewski to accept the Juneau Commission on Aging FY21 grant increment request for \$10,000 via JEDC.

Ms. Gladziszewski spoke against the motion.

Ms. Hale expressed her support of the commission and spoke in support of the funding.

Roll call votes:

Ayes: Bryson, Edwarson, Hale, Hughes-Skandijs, Smith, Triem, Weldon, Jones.

Nays: Gladziszewski.

Absent: None.

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Motion passed 8/1.

Youth Activities Board

Motion: by Ms. Gladziszewski to accept the FY21 \$17,500 increment request for the Youth Activities Board Grants.

Objection: by Mayor Weldon who stated reservations about adding expenditures back to the budget.

Roll call votes:

Ayes: None.

Nays: Gladziszewski, Hale, Bryson, Edwardson, Hughes-Skandijs, Smith, Triem, Weldon, Jones.

Absent: None.

Motion failed.

Mayor Weldon requested that Mr. Rogers create a spreadsheet that would tally amounts as they are voted on. Currently the total amount in excess of the budget is \$331,500.

Chair Jones stated that the remaining pending list items will be addressed at next week's AFC meeting.

VI. Information Items

- a. **AFC Meeting Schedule**

VII. NEXT MEETING DATE

- a. **Wednesday, May 27, 2020 5:00 PM.**

VIII. ADJOURNMENT

The meeting adjourned at 8:45 PM.