ASSEMBLY FINANCE COMMITTEE
THE CITY AND BOROUGH OF JUNEAU, ALASKA
Wednesday, May 13, 2020, 5:00 PM.
Zoom Webinar & FB Live Stream

Webinar: https://juneau.zoom.us/j/92033584393 or call: 1-346-248-7799 Webinar ID: 920 3358 4393

I. **CALL TO ORDER**

II. **ROLL CALL**

III. **APPROVAL OF MINUTES**

a. **Wednesday, May 6, 2020**

IV. **CONTINUATION OF PENDING ITEMS**

a. **Update on COVID-19 Response**
b. **CARES Act Funding**

V. **ITEMS FOR ACTION**

a. **Staff Recommendation on Collection of Delinquent Accounts**
b. **Pending List: Manager's Proposed Increments**
c. **Pending List: Docks Budget**
d. **Pending List: Harbors Budget**
e. **Pending List: Airport Budget**
f. **Pending List: Eaglecrest Budget**
g. **Pending List: HeatSmart Grant Request**
h. **Pending List: Youth Activity Board Grant Request**
i. **Pending List: HBTF Travel Juneau Grant Request**
j. **Pending List: HBTF Centennial Hall Funding**
k. **Pending List: HBTF Downtown Business Associated Grant Request**
l. **Pending List: Manager's Passenger Fee Proposal**
m. **Pending List: Other Pending Items**
n. **Ordinance 2019-06(AB) Transfer for Accounting System Upgrade**

VI. **ITEMS FOR DISCUSSION**

a. **Economic Stabilization Task Force Recommendations**
b. **Review of 4th Quartile Budget Priorities**
c. **Capital Improvement Plan Reductions**
d. **Operational Service Reductions**
e. **Personnel Services Cost Reduction Strategies**

VII. **INFORMATION ITEMS**

a. **AFC Meeting Schedule**

VIII. **SUPPLEMENTAL MATERIALS**

a. **Letter to the Governor**
b. **COVID-19 Update**

c. **FY21 Budget Reduction Scenarios**

d. **Heat Smart FY20 Spending Update**

IX. NEXT MEETING DATE

a. **Wednesday, May 20, 2020**

X. 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
Virtual Meeting Only
Wednesday, May 6, 2020, 5:00 PM

I. Call to Order

The AFC meeting was called to order at 5:03 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, Greg Smith, Michelle Bonnet Hale 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; Rob Palmer, City Attorney; Bridget Weiss, Juneau School District Superintendent; Sarah Jahn, Juneau School District Administrative Services Director.

Others Present Virtually: Brian Holst, Juneau School District Board Member.

III. APPROVAL OF MINUTES

a. The April 15, 2020 minutes were presented with corrections.

b. The April 22, 2020 minutes were presented with corrections.

<u>**Motion**</u>: **by Chair Jones to accept the minutes with corrections.**

No objection, corrected minutes accepted unanimously.

IV. ITEMS FOR ACTION

a. **School District Funding Ordinance 2020-10 - For Final Action**

Bridget Weiss, Juneau School District Superintendent, responded to committee questions regarding CARES Act money and what it could potentially be spent on. JSD believes a portion of the food service costs will be covered by the CARES Act money, however that is not currently reflected in the JSD budget request. Similarly JSD is hopeful that RALLY revenue losses will be reimbursable with the CARES Act. Operational costs in the JSD budget request are absent any COVID impacted costs.

JSD is in the process of standing up childcare for first responders utilizing current RALLY staff.

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The JSD fund balance is incredibly low which is the result of a previous decision made in order to preserve services instead of making additional cuts. If the current request for above the cap funding is not approved, additional and drastic cuts will have to be made to JSD services.

Mr. Bryson asked Dr. Weiss about potential savings from eliminating the across town busing system that allows students to choose which high school they attend.

Dr. Weiss addressed Mr. Bryson's questions, stating that eliminating this program would not result in a large cost savings.

Mayor Beth Weldon asked Dr. Weiss if the School District was seeing any cost savings from not operating their RALLY program.

Dr. Weiss responded to Mayor Beth Weldon's questions regarding RALLY, stating that the RALLY program is tuition based and with no services being offered there is presently no revenue and thus no cost savings. Additionally, the School District has not laid off any RALLY employees, instead diverting them to perform alternative work duties.

Dr. Weiss stated that the CARES Act money will be used for expenses specifically related to the COVID-19 pandemic. That is separate from the JSD operating budget that has been requested.

Prior to the below motion, Assemblymembers discussed options for revising Ordinance 2020-10 outside-the-cap amount at the May 18, 2020 Regular Assembly Meeting. As it stands, the ordinance only includes outside-the-cap funding at the FY20 balance. Mr. Palmer advised the Assembly that they may choose to amend the ordinance to increase this amount to match the funding request made by the School District for FY21, or decrease this amount as deemed appropriation prior to adoption at the May 18th meeting.

Motion: by Mayor Weldon to move JSD ordinance 2020-10 to the May 18, 2020 Assembly meeting.

No objection, motion passed unanimously.

V. ITEMS FOR DISCUSSION

a. Update on COVID-19 Response

Mila Cosgrove, Deputy City Manager, gave an update on COVID-19 cases and response in Juneau. There is a cumulative total of 27 cases locally. Currently 26 are recovered and 1 is active. Bartlett Hospital is beginning to return to offering non-emergent services and procedures. Additional cruise companies (Holland America, Princess and Sea Born) have cancelled all Alaska sailings for the 2020 summer season.

Ms. Cosgrove responded to committee questions.

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b. **Ordinance for Electronic Procurement**

Jeff Rogers, CBJ Finance Director, presented information regarding the potential process of Electronic Procurement. Moving the process to an online platform could expand the number of vendors bidding on CBJ solicitations, and reduce CBJ costs. CBJ code currently requires that bids and proposals be physically accepted by CBJ from vendors. Use of an online platform would reduce this contact.

Ms. Gladziszewski expressed concerns regarding CBJ's cessation of using the local newspaper to place ads for notices.

Ms. Hale seconded concern regarding the cessation of utilizing the local newspaper and the impact of a reduction of CBJ business on the local newspaper.

Mr. Rogers responded to committee questions.

Mr. Palmer responded to committee questions.

Mr. Palmer suggested changing the phrase "may include" to "shall include" in regards to language surrounding public notice utilization of local newspaper.

<u>Motion:</u> by Ms. Gladziszewski that the City Attorney craft a definition of public notice to require advertising in the local newspaper if the option exists.

Amendment: by Mayor Weldon to move ordinance 2020-23 to the Assembly for public hearing once the abovementioned change has been made.

No objection, motion passed unanimously.

c. **Collection of Past Due Accounts**

Mr. Rogers presented information regarding current collections activity. Currently past due notices have been extended or delayed for certain past due accounts, including: water, wastewater, utility shut-offs, and sales tax remittances. Unless CBJ staff is otherwise instructed by the committee, past due notices will continue to follow CBJ code for collection of past due accounts including: sales tax, property tax, and miscellaneous billings.

Mr. Rogers responded to committee questions.

Rorie Watt, City Manager, responded to committee questions.

Ms. Hale requested that staff make proposals on how to address different types of past due accounts.

The meeting recessed at 6:42 PM.
The meeting reconvened at approximately 6:50 PM.

d. **Ordinances for Bond Refundings**

Mr. Rogers presented information regarding ordinance 2020-19 and 2020-21 for bond refundings. Mr. Rogers stated that a potentially more accurate term would be bond "refinancing".

Mr. Rogers responded to committee questions.

Motion: by Mayor Weldon that ordinance 2020-19 be introduced in separate public hearing at the next regularly scheduled assembly meeting.

No objection, motion passed unanimously.

Motion: by Mayor Weldon that ordinance 2020-21 be introduced in separate public hearing at the next regularly scheduled assembly meeting.

No objection, motion passed unanimously.

VI. INFORMATION ITEMS

a. **Update on Assessment Appeals**

Mr. Rogers gave an update on assessment appeals.
Mr. Rogers responded to committee questions.

b. **Update on FY2020 Q3 Sales Tax Returns**

Mr. Rogers gave an update on quarter 3 sales tax returns.
Mr. Rogers responded to committee questions.

c. **Update on CARES Act Funding**

Mr. Watt gave an update on CARES Act funding.
Mr. Watt responded to committee questions.

d. **Revised Macro Budget Tool**

Mr. Rogers gave an update on the revised Macro Budget Tool.
Mr. Rogers responded to committee questions.

Mr. Watt responded to committee questions.

Ms. Gladziszewski requested that CBJ staff present a budget proposal that would not increase the property tax mil rate.

e. **FY2021 Budget Pending List**

Mr. Rogers presented information regarding the budget pending list.

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Motion: by Mayor Weldon to accept the requested budgets for Docks, Harbors, and the Juneau International Airport as none of these departments are requesting additional general funds.

Objection: by Ms. Hale in order to review Docks and Harbors budget request specifics.

Objection: by Ms. Triem in order to review Marine Passenger Fees in the Docks and Harbors budget request.

Roll call votes:

Ayes:	**Weldon, Bryson, Hughes-Skandijs, Jones.**
Nays:	**Edwarson, Gladziszewski Hale, Smith, Triem.**
Absent:	**None**

Motion fails 4/5. Items will remain on the pending list.

f. **AFC Meeting Schedule**

VII. SUPPLEMENTAL MATERIALS

a. **EOC COVID-19 Update**

Ms. Cosgrove gave an update on information that came from the State of Alaska Governor's Office regarding economic re-opening.

Ms. Cosgrove responded to committee questions.

Ms. Hale requested that CBJ attempt to formally request from the Governor's Office more timely information regarding re-opening mandates.

Ms. Cosgrove indicated that she has made similar requests but has not received any additional information.

b. **COVID-19 City Cost Savings**

c. **Senator Sullivan – Coronavirus Relief Fund Flexibility Act**

d. **Coronavirus Relief Fund FAQ**

e. **Wednesday, April 15, 2020 Minute Corrections – Ms. Hale**

f. **Wednesday, April 22, 2020 Minute Corrections – Ms. Hale**

VIII. NEXT MEETING DATE

a. **Wednesday, May 13, 2020 5:00 PM.**

IX. ADJOURNMENT

The meeting adjourned at 8:20 PM.

City and Borough of Juneau
City & Borough Manager's Office
155 South Seward Street
Juneau, Alaska 99801
Telephone: 586-5240| Facsimile: 586-5385

TO: Chair Jones & Assembly Finance Committee DATE: May 12, 2020
FROM: Rorie Watt, City Manager
RE: CARES Act Funding

Pursuant to the Governor's request and the Legislative Budget and Audit Committee action on Monday, the CBJ anticipates receiving $53M of CARES Act funding. We are waiting for formal correspondence from the State Administration.

Expenditure of those funds is restricted per federal guidelines as determined by the Secretary of the Treasury. To date, Congress has not expanded expenditure authority to offset shortfalls in municipal revenue. Additionally, the expenditure deadline is 12/31/2020. As such, CBJ may be limited in recognizing the maximum benefit of this CARES Act funding.

The grant funding of $21.7M to the Airport has been confirmed via a separate CARES Act program administered by the FAA. In addition, Bartlett Regional Hospital has also received approximately $7M of CARES Act funding through federal healthcare programs.

There are certain expenditures that are clearly allowable under the current guidelines:

1. COVID Expenditures in FY20, after 3/1/2020: Estimated ~$3.0M
2. COVID Expenditures in FY21, Estimated ~$3.0 - $7.0M, high uncertainty
3. Rental Assistance – $200K
4. Small Business Loan Program - $3M
5. Debt on Airport Terminal Project - $650K/year for 4 years (minimum)

Additionally, the new language from Treasury on May 4, 2020, provides language that I believe communities across the country will take advantage of to various degrees. The full guidance is attached, and the excerpt of FAQ #2 is below.

The FAQ says that we may presumptively assume payroll costs for police and fire are substantially dedicated to the public health emergency. CBJ Police and Fire personnel budgets are approximately $13.9M and $8.3M respectively, which equate to approximately $1.8M/month. Some of their costs are already accounted for in items 1 & 2 above. Given the un-clarity of the federal guidance, it is prudent to assume less than 100% use of this reading of the FAQ.

With the Assembly's concurrence, it seems reasonable to assume that 50% of those public safety personnel costs are eligible for 9 months of the fiscal year or 9 Months * 1.8M * 50% = $8.1M eligible costs in calendar 2020. The Assembly could decide to be more or less aggressive.

Further, bills are moving in the US House and the US Senate that would allow CARES Act Funding recipients to use those funds to replace lost revenue. We believe this legislation is fairly likely to pass, which would significantly broaden the scope eligible uses. However, uncertainty rules the day.

Recommendation:
The Assembly should receive this issue as informational at this time.

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FAQ #2 in 5/4/2020 Treasury Updates

The Guidance says that funding can be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. How does a government determine whether payroll expenses for a given employee satisfy the "substantially dedicated" condition?

The Fund is designed to provide ready funding to address unforeseen financial needs and risks created by the COVID-19 public health emergency. For this reason, and as a matter of administrative convenience in light of the emergency nature of this program, a State, territorial, local, or Tribal government may presume that payroll costs for public health and public safety employees are payments for services substantially dedicated to mitigating or responding to the COVID-19 public health emergency, unless the chief executive (or equivalent) of the relevant government determines that specific circumstances indicate otherwise.

Coronavirus Relief Fund
Frequently Asked Questions
Updated as of May 4, 2020

The following answers to frequently asked questions supplement Treasury's Coronavirus Relief Fund ("Fund") Guidance for State, Territorial, Local, and Tribal Governments, dated April 22, 2020, ("Guidance").[1] Amounts paid from the Fund are subject to the restrictions outlined in the Guidance and set forth in section 601(d) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act").

Eligible Expenditures

Are governments required to submit proposed expenditures to Treasury for approval?

No. Governments are responsible for making determinations as to what expenditures are necessary due to the public health emergency with respect to COVID-19 and do not need to submit any proposed expenditures to Treasury.

The Guidance says that funding can be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. How does a government determine whether payroll expenses for a given employee satisfy the "substantially dedicated" condition?

The Fund is designed to provide ready funding to address unforeseen financial needs and risks created by the COVID-19 public health emergency. For this reason, and as a matter of administrative convenience in light of the emergency nature of this program, a State, territorial, local, or Tribal government may presume that payroll costs for public health and public safety employees are payments for services substantially dedicated to mitigating or responding to the COVID-19 public health emergency, unless the chief executive (or equivalent) of the relevant government determines that specific circumstances indicate otherwise.

The Guidance says that a cost was not accounted for in the most recently approved budget if the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation. What would qualify as a "substantially different use" for purposes of the Fund eligibility?

Costs incurred for a "substantially different use" include, but are not necessarily limited to, costs of personnel and services that were budgeted for in the most recently approved budget but which, due entirely to the COVID-19 public health emergency, have been diverted to substantially different functions. This would include, for example, the costs of redeploying corrections facility staff to enable compliance with COVID-19 public health precautions through work such as enhanced sanitation or enforcing social distancing measures; the costs of redeploying police to support management and enforcement of stay-at-home orders; or the costs of diverting educational support staff or faculty to develop online learning capabilities, such as through providing information technology support that is not part of the staff or faculty's ordinary responsibilities.

Note that a public function does not become a "substantially different use" merely because it is provided from a different location or through a different manner. For example, although developing online

[1] The Guidance is available at https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf.

instruction capabilities may be a substantially different use of funds, online instruction itself is not a substantially different use of public funds than classroom instruction.

May a State receiving a payment transfer funds to a local government?

Yes, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act. Such funds would be subject to recoupment by the Treasury Department if they have not been used in a manner consistent with section 601(d) of the Social Security Act.

May a unit of local government receiving a Fund payment transfer funds to another unit of government?

Yes. For example, a county may transfer funds to a city, town, or school district within the county and a county or city may transfer funds to its State, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, a transfer from a county to a constituent city would not be permissible if the funds were intended to be used simply to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify as an eligible expenditure.

Is a Fund payment recipient required to transfer funds to a smaller, constituent unit of government within its borders?

No. For example, a county recipient is not required to transfer funds to smaller cities within the county's borders.

Are recipients required to use other federal funds or seek reimbursement under other federal programs before using Fund payments to satisfy eligible expenses?

No. Recipients may use Fund payments for any expenses eligible under section 601(d) of the Social Security Act outlined in the Guidance. Fund payments are not required to be used as the source of funding of last resort. However, as noted below, recipients may not use payments from the Fund to cover expenditures for which they will receive reimbursement.

Are there prohibitions on combining a transaction supported with Fund payments with other CARES Act funding or COVID-19 relief Federal funding?

Recipients will need to consider the applicable restrictions and limitations of such other sources of funding. In addition, expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds, are not eligible uses of Fund payments.

Are States permitted to use Fund payments to support state unemployment insurance funds generally?

To the extent that the costs incurred by a state unemployment insurance fund are incurred due to the COVID-19 public health emergency, a State may use Fund payments to make payments to its respective state unemployment insurance fund, separate and apart from such State's obligation to the unemployment insurance fund as an employer. This will permit States to use Fund payments to prevent expenses related to the public health emergency from causing their state unemployment insurance funds to become insolvent.

Are recipients permitted to use Fund payments to pay for unemployment insurance costs incurred by the recipient as an employer?

Yes, Fund payments may be used for unemployment insurance costs incurred by the recipient as an employer (for example, as a reimbursing employer) related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.

The Guidance states that the Fund may support a "broad range of uses" including payroll expenses for several classes of employees whose services are "substantially dedicated to mitigating or responding to the COVID-19 public health emergency." What are some examples of types of covered employees?

The Guidance provides examples of broad classes of employees whose payroll expenses would be eligible expenses under the Fund. These classes of employees include public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. Payroll and benefit costs associated with public employees who could have been furloughed or otherwise laid off but who were instead repurposed to perform previously unbudgeted functions substantially dedicated to mitigating or responding to the COVID-19 public health emergency are also covered. Other eligible expenditures include payroll and benefit costs of educational support staff or faculty responsible for developing online learning capabilities necessary to continue educational instruction in response to COVID-19-related school closures. Please see the Guidance for a discussion of what is meant by an expense that was not accounted for in the budget most recently approved as of March 27, 2020.

In some cases, first responders and critical health care workers that contract COVID-19 are eligible for workers' compensation coverage. Is the cost of this expanded workers compensation coverage eligible?

Increased workers compensation cost to the government due to the COVID-19 public health emergency incurred during the period beginning March 1, 2020, and ending December 30, 2020, is an eligible expense.

If a recipient would have decommissioned equipment or not renewed a lease on particular office space or equipment but decides to continue to use the equipment or to renew the lease in order to respond to the public health emergency, are the costs associated with continuing to operate the equipment or the ongoing lease payments eligible expenses?

Yes. To the extent the expenses were previously unbudgeted and are otherwise consistent with section 601(d) of the Social Security Act outlined in the Guidance, such expenses would be eligible.

May recipients provide stipends to employees for eligible expenses (for example, a stipend to employees to improve telework capabilities) rather than require employees to incur the eligible cost and submit for reimbursement?

Expenditures paid for with payments from the Fund must be limited to those that are necessary due to the public health emergency. As such, unless the government were to determine that providing assistance in the form of a stipend is an administrative necessity, the government should provide such assistance on a reimbursement basis to ensure as much as possible that funds are used to cover only eligible expenses.

May Fund payments be used for COVID-19 public health emergency recovery planning?

Yes. Expenses associated with conducting a recovery planning project or operating a recovery coordination office would be eligible, if the expenses otherwise meet the criteria set forth in section 601(d) of the Social Security Act outlined in the Guidance.

Are expenses associated with contact tracing eligible?

Yes, expenses associated with contract tracing are eligible.

To what extent may a government use Fund payments to support the operations of private hospitals?

Governments may use Fund payments to support public or private hospitals to the extent that the costs are necessary expenditures incurred due to the COVID-19 public health emergency, but the form such assistance would take may differ. In particular, financial assistance to private hospitals could take the form of a grant or a short-term loan.

May payments from the Fund be used to assist individuals with enrolling in a government benefit program for those who have been laid off due to COVID-19 and thereby lost health insurance?

Yes. To the extent that the relevant government official determines that these expenses are necessary and they meet the other requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance, these expenses are eligible.

May recipients use Fund payments to facilitate livestock depopulation incurred by producers due to supply chain disruptions?

Yes, to the extent these efforts are deemed necessary for public health reasons or as a form of economic support as a result of the COVID-19 health emergency.

Would providing a consumer grant program to prevent eviction and assist in preventing homelessness be considered an eligible expense?

Yes, assuming that the recipient considers the grants to be a necessary expense incurred due to the COVID-19 public health emergency and the grants meet the other requirements for the use of Fund payments under section 601(d) of the Social Security Act outlined in the Guidance. As a general matter, providing assistance to recipients to enable them to meet property tax requirements would not be an eligible use of funds, but exceptions may be made in the case of assistance designed to prevent foreclosures.

May recipients create a "payroll support program" for public employees?

Use of payments from the Fund to cover payroll or benefits expenses of public employees are limited to those employees whose work duties are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

May recipients use Fund payments to cover employment and training programs for employees that have been furloughed due to the public health emergency?

Yes, this would be an eligible expense if the government determined that the costs of such employment and training programs would be necessary due to the public health emergency.

May recipients use Fund payments to provide emergency financial assistance to individuals and families directly impacted by a loss of income due to the COVID-19 public health emergency?

Yes, if a government determines such assistance to be a necessary expenditure. Such assistance could include, for example, a program to assist individuals with payment of overdue rent or mortgage payments to avoid eviction or foreclosure or unforeseen financial costs for funerals and other emergency individual needs. Such assistance should be structured in a manner to ensure as much as possible, within the realm of what is administratively feasible, that such assistance is necessary.

The Guidance provides that eligible expenditures may include expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures. What is meant by a "small business," and is the Guidance intended to refer only to expenditures to cover administrative expenses of such a grant program?

Governments have discretion to determine what payments are necessary. A program that is aimed at assisting small businesses with the costs of business interruption caused by required closures should be tailored to assist those businesses in need of such assistance. The amount of a grant to a small business to reimburse the costs of business interruption caused by required closures would also be an eligible expenditure under section 601(d) of the Social Security Act, as outlined in the Guidance.

The Guidance provides that expenses associated with the provision of economic support in connection with the public health emergency, such as expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures, would constitute eligible expenditures of Fund payments. Would such expenditures be eligible in the absence of a stay-at-home order?

Fund payments may be used for economic support in the absence of a stay-at-home order if such expenditures are determined by the government to be necessary. This may include, for example, a grant program to benefit small businesses that close voluntarily to promote social distancing measures or that are affected by decreased customer demand as a result of the COVID-19 public health emergency.

May Fund payments be used to assist impacted property owners with the payment of their property taxes?

Fund payments may not be used for government revenue replacement, including the provision of assistance to meet tax obligations.

May Fund payments be used to replace foregone utility fees? If not, can Fund payments be used as a direct subsidy payment to all utility account holders?

Fund payments may not be used for government revenue replacement, including the replacement of unpaid utility fees. Fund payments may be used for subsidy payments to electricity account holders to the extent that the subsidy payments are deemed by the recipient to be necessary expenditures incurred due to the COVID-19 public health emergency and meet the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, if determined to be a necessary expenditure, a government could provide grants to individuals facing economic hardship to allow them to pay their utility fees and thereby continue to receive essential services.

Could Fund payments be used for capital improvement projects that broadly provide potential economic development in a community?

In general, no. If capital improvement projects are not necessary expenditures incurred due to the COVID-19 public health emergency, then Fund payments may not be used for such projects.

However, Fund payments may be used for the expenses of, for example, establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity or improve mitigation measures, including related construction costs.

The Guidance includes workforce bonuses as an example of ineligible expenses but provides that hazard pay would be eligible if otherwise determined to be a necessary expense. Is there a specific definition of "hazard pay"?

Hazard pay means additional pay for performing hazardous duty or work involving physical hardship, in each case that is related to COVID-19.

The Guidance provides that ineligible expenditures include "[p]ayroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency." Is this intended to relate only to public employees?

Yes. This particular nonexclusive example of an ineligible expenditure relates to public employees. A recipient would not be permitted to pay for payroll or benefit expenses of private employees and any financial assistance (such as grants or short-term loans) to private employers are not subject to the restriction that the private employers' employees must be substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

May counties pre-pay with CARES Act funds for expenses such as a one or two-year facility lease, such as to house staff hired in response to COVID-19?

A government should not make prepayments on contracts using payments from the Fund to the extent that doing so would not be consistent with its ordinary course policies and procedures.

Questions Related to Administration of Fund Payments

Do governments have to return unspent funds to Treasury?

Yes. Section 601(f)(2) of the Social Security Act, as added by section 5001(a) of the CARES Act, provides for recoupment by the Department of the Treasury of amounts received from the Fund that have not been used in a manner consistent with section 601(d) of the Social Security Act. If a government has not used funds it has received to cover costs that were incurred by December 30, 2020, as required by the statute, those funds must be returned to the Department of the Treasury.

What records must be kept by governments receiving payment?
A government should keep records sufficient to demonstrate that the amount of Fund payments to the government has been used in accordance with section 601(d) of the Social Security Act

May recipients deposit Fund payments into interest bearing accounts?

Yes, provided that if recipients separately invest amounts received from the Fund, they must use the interest earned or other proceeds of these investments only to cover expenditures incurred in accordance with section 601(d) of the Social Security Act and the Guidance on eligible expenses. If a government deposits Fund payments in a government's general account, it may use those funds to meet immediate cash management needs provided that the full amount of the payment is used to cover necessary expenditures. Fund payments are not subject to the Cash Management Improvement Act of 1990, as amended.

May governments retain assets purchased with payments from the Fund?

Yes, if the purchase of the asset was consistent with the limitations on the eligible use of funds provided by section 601(d) of the Social Security Act.

What rules apply to the proceeds of disposition or sale of assets acquired using payments from the Fund?

If such assets are disposed of prior to December 30, 2020, the proceeds would be subject to the restrictions on the eligible use of payments from the Fund provided by section 601(d) of the Social Security Act.

MEMORANDUM

DATE: May 12, 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: **Staff Recommendations: Collections Activity During COVID-19**

This memo responds to the Assembly Finance Committees request for a staff recommendation on collections activities during the COVID-19 pandemic.

Regarding collection of past due accounts for **Sales Tax**, staff recommends that the Committee take no action. Staff will proceed with status quo collection efforts. Sales Tax is a “trust tax” in which sellers are required collect taxes due from buyers and then remit those taxes collected to the Borough. Failure to remit taxes collected is tantamount to theft. When businesses have collected taxes and they have temporarily cash-flowed their business operations with those taxes, they have the ability to enter into a Confession of Judgment (COJ) that allows them to remit the collected taxes on a reasonable future schedule.

Regarding actions for unpaid **Property Tax**, staff recommends that the Committee take no action. Staff will proceed with the status quo process, which is largely dictated by state law. The process for foreclosure, eviction, and property sale is more than two years long—a period long enough to mitigate any near-term financial challenges a property owner may experience as a result of the COVID-19 pandemic.

Regarding collection of past due **Utility Accounts**, a separate detailed recommendation is being provided to the Committee by the Director of Engineering and Public Works.

Regarding collection of **Miscellaneous Billings** (land/space leases, gravel purchases, etc), staff recommends the Committee take no action. This category of billings is diverse, but staff will continue with status quo efforts to collect past-due accounts. Staff has limited authority to work with individuals/businesses on a case-by-case basis.

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

MEMORANDUM

DATE: **May 12, 2020**

TO: **Chair Jones and City and Borough of Juneau Finance Committee**

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

THROUGH: **Jeff Rogers, Finance Director**

SUBJECT: **Recommendations for Utility Billing Forbearance**

At the May 6, 2020 Finance Committee meeting, the Committee requested additional information and recommendations for the forbearance of utility bill payments.

Background:
The economic hardships brought on by the COVID-19 pandemic prompted municipalities across the nation to suspend late fees and utility shut offs. CBJ instituted a policy that suppressed finance charges and suspended utility shutoffs through May 25th. Messaging encouraged customers to contact CBJ to establish a payment plan, but there was no requirement to do so (as of May 5, 2020 only 4 customers had contacted CBJ claiming COVID-19 related hardship). In the meantime, SB 241 prohibited utilities from charging late fees or terminating service for residential customers who were experiencing hardship due to COVID-19 until November 15.[i] The Regulatory Commission of Alaska published a sample form for documenting hardship. Staff proposes using a version of this form (adapted from Anchorage). The advantage is that by submitting the form, the customer establishes contact with collections and can begin discussing a payment plan. The form would be sent to customers in their 60 day delinquent notices and information on the available forbearance plan will be included on the door hanger used to notify of impending water shut-off at 90-days. The process from missing one bill to shut off takes approximately 109 days.

What do the numbers say?

The number of delinquent accounts is up significantly from this time last year. It is hard to tell if this is because of hardship, or because customers are aware that late fees will not be assessed. In 2019, collections averaged $2,000 a month in late charges – with non-payment increasing, we can expect this figure to increase for 2020.

Current Delinquent Accounts	Accounts 60 Days Delinquent	Accounts 90 Days Delinquent
19-Mar	268	35
19-Apr	252	31
20-Mar	259	39
20-Apr	346	119 (118 residential / 1 commercial)

What does a payment plan look like when this is all over?
CBJ Collections will create a payment plan process unique to the COVID-19 incident. Staff will strive to meet the repayment needs of individual customers over the shortest period of time possible. The following table outlines a sample payment plan using the residential flat charge.

		Payment Plan Period				
Residential Flat Account Monthly Charge	9 Months of Charges (March 2020 - November 2020)	6 month	9 month	12 month	18 month	24 months
$142.40	$1,281.60	$213.60	$142.40	$106.80	$71.20	$53.40
	Total Due (Includes Current Monthly Charges)	**$356.00**	**$284.80**	**$249.20**	**$213.60**	**$195.80**

What about commercial customers?
Currently only one commercial customer is 90 days in arrears. SB 241 does not require the same latitude be given to commercial customers. However because the type of commercial customer can vary widely, staff proposes that commercial customers be required to fill out a similar COVID-19 related affidavit and be considered by the Utility on a case by case basis.

Recommendation:
Finance Committee endorse staff recommendation to require both residential and commercial utility customers to fill out a COVID-19 hardship deferral form and set up a payment plan to continue to receive no fines or penalties for non-payment of utility bill. Commercial customers will be considered on a case by case basis. This policy would be in effect until November 15, 2020, per SB 241.

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[i] There is some question as to whether or not SB 241 applies to utilities not regulated by the Regulatory Commission of Alaska (RCA) – such as municipally owned utilities. However, it is reasonable to follow the guidance of SB 241, as recommended in this memo.

MEMORANDUM

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

DATE: January 29, 2020

TO: George Schaaf, Parks and Recreation Director

FROM: Jeff Rogers, Finance Director

SUBJECT: **Jensen Olson Arboretum Endowment Distribution for FY2021**

In accordance with the Jenson Olson Arboretum Endowment Investment and Spending Policy, the Finance Department will propose to distribute funds from the Jensen Olson Arboretum Endowment in FY2021 according to the following calculation:

	Balance
FY2015	$2,360,981
FY2016	$2,337,013
FY2017	$2,447,398
FY2018	$2,509,315
FY2019	$2,604,992
5-year Average	$2,451,940
4% of 5-year Average	$98,077
FY21 Distribution	$98,100

Per the policy, the fund is designed to target a 7% total return, of which 3% accounts for inflation proofing, resulting in a sustainable 4% distribution.

Enc: Jenson Olson Arboretum Endowment Investment and Spending Policy

Cc: Lindsey Foster, Administrative Officer II, Department of Parks and Recreation
Jensen Olson Arboretum Advisory Board

Ordinance 2019-06(AB)

Manager's Report

An Ordinance Transferring $200,000 of Temporary 1% Sales Tax from the Debt Service Fund, to the Manager for the Purpose of Funding the Accounting Systems Upgrade Capital Improvement Project.

These funds were initially authorized by the full Assembly on June 3, 2019 through the FY20 CIP Resolution 2845(e) for accounting system upgrades. The original appropriation was made to the Debt Service Fund, as management believed the project would be financed via a lease arrangement. Subsequently, management decided not to pursue a lease as there was adequate cash on hand to finance the project without one. As such, this ordinance would transfer the original appropriation of $200,000 from the Debt Service Fund to the Accounting Systems Upgrade Capital Improvement Project (M15-004).

Presented by: The Manager
Introduced: April 27, 2020
Drafted by: Finance

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2019-06(AB)

An Ordinance Transferring $200,000 of Temporary 1% Sales Tax from the Debt Service Fund, to the Manager for the Purpose of Funding the Accounting Systems Upgrade Capital Improvement Project.

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. Transfer of Appropriation. The appropriation to the Manager for the Debt Service Fund is reduced by $200,000, to be transferred to the Manager as outlined in Section 3.

Section 3. Appropriation. There is appropriated to the Manager the sum of $200,000 for the purpose of funding the Accounting Systems Upgrade Capital Improvement Project M15-004.

Section 4. Source of Funds.

1% Temporary Sales Tax Revenue	**$200,000**

Section 5. Effective Date. This ordinance shall become effective upon adoption.

Adopted this_________ day of _________, 2020.

____
Beth A. Weldon, Mayor

Attest:

____
Elizabeth J. McEwen, Municipal Clerk

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

Recommendations for Economic Stabilization and Recovery

Introduction

In two months, Juneau's business community sustained significant losses due to the impacts of CV-19. Multiple sectors have been affected by reduced revenues, increased operating costs, and uncertainty. Effects will continue into the fall and winter months. There is an urgent and immediate need for government assistance to help support the foundational base of local businesses, continuity of employment, and future tax revenues.

Businesses bring in 100% of sales tax revenue to the CBJ and approximately 40% percent of its property taxes. Additional support is needed to help prevent widespread business failures and compounding impacts on households reliant on services and employment.

The CARES Act allows state and local governments to use funding for grants to address business interruption, to maintain essential services, and support additional measures such as social distancing requirements. It also allows for payments to individuals directly impacted by a loss of income and to maintain essential services and housing.

The Task Force was advised the economic hardship will become severe within a year due to CV19, due to the loss of tax and other revenues, and the City will have very limited funds for grant or financial support to individuals or businesses. However, with the coming CARES Funding through the State of Alaska, and existing significant CBJ fund balance reserves, rapid funding for grants to individuals and businesses are needed and practical. The list of ideas below is intended to provide stop gap measures for business stabilization.

The Federal CARES Act is very specific that the dates incurred for the use of the funds are between March 1 and December 31, 2020. Use of CBJ reserves, for business assistance has no time restriction. For discussion purposes, the ideas below are focused around the support provided by the CARES Act. Funding provided for business relief should be commensurate with the overall impact businesses have on the core budget for CBJ. We will incorporate feedback from the CBJ Finance Committee and provide recommendations on initial funding limits for each program.

Other ideas continue to be considered by the Task Force. These include modifications to the CBJ loan program and ideas to assist businesses operationally. Those ideas will be brought to the Assembly in the near future. However, the recommendations listed below rose to the top for the Task Force for CARES act funding. The intent of the recommendations is to provide the groundwork for consideration by the Assembly, and the will of the Assembly for funding these initiatives to help local businesses in a timely manner through CARES Act Funding. The Task Force is ready to move forward on further refinement and implementation as directed by the Assembly.

Business Sustainability Grants
Business will be provided grants up to the equivalent of four months of rent, lease and long-term debt costs, and costs for physical retrofitting their businesses due to Covid-19 safety measures.

Program:
1. Business must have at least 50% local ownership as of 2/15/20.
2. Rent, lease or loan measurement period is May 2020 through August 2020.
3. Minimum decrease in sales is 20% YoY in order to participate.
4. Percentage decrease in YoY sales is documented by the monthly or quarterly sales tax return results, or financial information acceptable to the City Manager.
5. Grant is equal to total of expected lease or loan payments during the measurement period for the business lease(s) or mortgage(s) associated with the sales tax filer.
6. Businesses will be reimbursed for any documented costs of physical retrofitting their businesses due to Covid-19 safety measures.
7. Documentation provided is existing lease or bank statements combined with payment documentation at the conclusion of the measurement period.
8. Advances of two months of costs identified above may be made prior to the completion of the measurement period with appropriate documentation provided to the City Manager. Business must be able to demonstrate financial harm due to financial sector, or currently available sales information.
9. Funding source is CARES Relief Fund.

Commercial Water and Sewer Utility Payor Relief
Businesses are given a discount on their utility bills equal to the percentage decline in year-over-year (YoY) sales as reported on sales tax return

Program:
1. Business is a commercial utility payor, or a tenant who makes utility payments to a landlord on an allocated basis
2. Business must have at least 50% local ownership as of 2/15/20.
3. Percentage decrease in YoY sales is documented by the monthly or quarterly sales tax return results, or financial information acceptable to the City Manager, in equal percentage decrease in utility bill in comparing 2020 to 2019. For tenants who make utility payments to landlords, tenants will be reimbursed for their utility cost by CBJ making a direct payment to the tenant.
4. Minimum decrease in sales is 20% YoY in order to participate.
5. Program runs from May 2020 through April 2021 (or earlier depending on expiration of CARES funding).
6. Funding source is CARES Relief Fund.

Example:
- Utility customer is a business with local ownership and has $1,000 per month utility bill and has a sales tax account with the CBJ. Sales as determined on a monthly (or quarterly) basis were $10,000 in April 2019 (or quarter ended June 30, 2019). Sales were $4,000 in April 2020.
- Customer receives a 60% reduction/rebate (equal to decline in sales tax YOY) or $600 on April 2020 (or June Quarter End) utility bill.

Option: Incorporate AEL&P, Fuel Oil and Refuse
- CBJ passes COVID funding on to AEL&P based on above parameters.

- AEL&P able to participate as long as CBJ makes determination amount and payment for customer account. Other utility payments will also be reimbursed to commercial businesses based on paid amounts reported to the CBJ by the businesses.
- Same calculation as water and sewer utility payments above.

Local Citizen Support -- "Support Local and Save"

Currently done in Camas, Wa - https://www.cityofcamas.us/ourcommunity/support-local-save and Newberg, Oregon.

Citizens are given a discount on their utility bills equal to amount spent at local businesses, excluding spending for essentials such as groceries and utilities. The focus is to encourage **discretionary** spending locally.
Program:

- Customers make purchases from local businesses excluding grocery and utilities).
- Customers save their receipts that show the business name, date, and amount of purchase.
- When they have a total of $50 in receipts (this could be one receipt or multiple), they are eligible to receive a $25 credit on their utility bill.
- Customers mail or email their receipts to CBJ.
- All receipts must be accompanied by the customer's full name or the name on the utility account, address, contact phone or email, and account number.
- All customers will receive a $50 utility credit.
- In addition, customers may submit a total of $300 in receipts for a total savings of $150.
- "Support Local & Save" will begin on June 1, 2020 and run through August 31, 2020, with review for extension as needed.
- Funding is CAREs Relief Fund.

Option: Incorporate AEL&P

- CBJ passes COVID funding on to AEL&P based on above parameters.
- AEL&P able to participate as long as CBJ makes determination amount and payment for customer account.
- Same provisions as above.
- Customers may submit a total of $300 in receipts for a total savings of $150.

Establish COVID-19 testing in Juneau

Pursue COVID-19 Juneau-based testing capabilities to reduce the economic and social impacts resulting from quarantine requirements and delayed results. Juneau is an economic, governmental, medical, and transportation hub in our state and region. Providing this service will benefit community residents and businesses, regional employers with a transient workforce, legislators, visitors, and neighboring communities.

CBJ ASSEMBLY FISCAL SUSTAINABILITY
PROGRAM PRIORITY RANKING RESULTS

Assembly member priorities have been averaged into an aggregated ranking. Ranking is from highest priority to lowest priority, meaning that #1 ranking corresponds with highest priority program and the #80 ranking corresponds with the lowest priority program. The level of agreement is noted, which is calculated based based on the standard deviation of the individual rankings. High level of agreement corresponds to a low standard deviaion, while a low level of agreement corresponds to a high standard deviation.

Category #	Prime Program	Sub Program	Category	Rank	Agreement	Assembly Review Notes	FTEs	GF Cost
D - 30	ZGYC - Supplemental Youth Programs	None	Discretionary	61	Medium		3.30	$ 179,500
D - 9	Downtown Library	None	Discretionary	62	High		2.70	$ 283,558
D - 10	Valley Library	None	Discretionary	63	High		3.60	$ 332,284
D - 24	Centennial Hall	None	Discretionary	64	Medium	Funding from Bed Tax.	0.00	$ 664,000
D - 29	Treadwell Ice Arena	None	Discretionary	65	Medium		6.32	$ 278,600
D - 28	Parks Maintenance & Repair	None	Discretionary	66	Medium		7.42	$ 717,400
D - 8	Douglas Library	None	Discretionary	66	High	Add a Douglas Museum Component	1.10	$ 98,260
D - 21	P&R - Areawide Rec - General Ops	Adult Recreation	Discretionary	68	Medium		0.77	$ 19,300
D - 18	Augustus Brown Pool	None	Discretionary	69	Medium	Close.	9.81	$ 905,900
D - 15	Assembly's Other Grants	None	Discretionary	70	Medium	Scale down. TBMP is solid. Review other Grants.	0.00	$ 417,800
D - 26	Parks and Landscape Management	None	Discretionary	71	Medium		3.26	$ 456,000
D - 13	Assembly's Economic/Tourism Grants	None	Discretionary	72	Low		0.00	$ 301,500
D - 11	Museum Services & Public Education	None	Discretionary	73	Medium		3.75	$ 342,500
E - 17	P&R - Downtown Parking	None	Essential	73	Medium	Need single authority (P&R, Harbors, Police).	0.31	$ 100,000
C - 8	CIP Support - Eaglecrest	None	CIP Support	75	High	Scale down. High for snow making equipment. ; $1M subsidy.	0.00	$ 280,000
D - 4	Ski Area Operations	None	Discretionary	76	High	Invest to make profitable.	35.60	$ 725,000
D - 25	Eagle Valley Center	None	Discretionary	77	Medium	Full Cost Recovery.; Sell and/or lease.	0.38	$
D - 20	Arboretum	None	Discretionary	78	Medium	Rentals Increase revenue opportunities. Reversion clause.	1.68	$ 112,300
D - 27	Landscape Maintenance	None	Discretionary	79	High	Contract to a private business.	6.34	$ 414,400
D - 22	Mt Jumbo Gym	None	Discretionary	80	High	$750K Upkeep. Remodel to accommodate childcare and community needs.	0.32	$ 4,900
						TOTAL for 4th Quartile Priorities	**86.66**	**$ 6,633,202**

City and Borough of Juneau
City & Borough Manager's Office
155 South Seward Street
Juneau, Alaska 99801
Telephone: 586-5240| Facsimile: 586-5385

TO: Chair Jones & Assembly Finance Committee DATE: May 12, 2020

FROM: Rorie Watt, City Manager

RE: Potential CIP Reductions

In the budget balancing that we do over the next month, I have proposed a reduction in capital spending as a major tool that can be used at the Assembly's discretion. Traditionally, and in accordance with voter supported language, the Assembly has appropriated sales taxes in the following manner:

Between $1M and $1.5M of the 1% General Sales Tax ($1.5M)
1% of the Area Wide sales Tax ($9.6M in FY21)
The 1% Temporary Sales Tax ($8.7M in FY21, excludes forward funding of Centennial Hall)

Total sales taxes proposed to be spent on CIPs this year is $19.8M. In the macro budget tool from the AFC packet on 5/6, I proposed the following approach over the FY21-22 fiscal years:

Reduction of $7.1M in CIPs (primarily street, utility and drainage projects)
Anticipated that the Assembly would want to add back in $1.5M for school roofs
Reduction in FY21 (deferring long-term decisions) of $4.3M to Augustus Brown Pool and Centennial Hall

This proposal would result in a reduction of $9.9M in spending, or an average reduction of 25% of CIP spending in each of the next two years. On April 27, the Public Works and Facilities Committee supported criteria for reductions in the FY21 CIP (if reductions are implemented). Those criteria are to prioritize local employment, preserve infrastructure, and leverage outside funding. If the Assembly requests a reduction in CIP spending, we can provide an updated CIP plan, OR the Assembly can choose which projects for which it wishes to reduce funding OR the Assembly can request a higher or lower percentage program reduction.

Sub Recommendation on Eaglecrest:

As a part of our economic recovery strategy, I support the Eaglecrest Manager's proposal (AFC meeting on 4/8) to build trails and labor intensive ski area improvements as a way of providing employment for people who would have worked in tourism while providing for greater recreational facilities. I suggest the Assembly consider an add-back of $150,000 for the expanded Mountain Biking and Hiking trail work.

FREQUENTLY ASKED QUESTIONS
Augustus Brown Pool

1. How much funding was allocated and when was it approved by voters?
Voters approved the temporary 1% sales tax for another five years on October 1, 2019. This ballot proposition included a recommendation to allocate $5 million for renovation of the Augustus Brown Pool: *"$5 million will fund repairs to various structural, plumbing, mechanical, and operational components of the Augustus Brown Pool, allowing continued long-term use of the facility."*

2. How would the funds be used?
Funds would be used to repair and replace aquatics systems, mechanical systems, and structural components. Examples include:

- Repair roof
- Decommission underground oil storage tank and replace with a new above-ground tank
- Replace domestic water and sewer lines; replace plumbing fixtures and renovate bathrooms to meet ADA requirements
- Repair corrosion and plaster damage in pool tank
- Repair corrosion and concrete damage along pool gutter
- Renovate sauna
- Replace all lighting with LED fixtures
- Repair exterior sidewalks and entry

3. Describe the level of immediacy on proposed pool renovations?
Repairing the roof is the most critical component of the project. It is now several years past the end of its useful life and is compromised. Similarly, the underground oil storage tank has reached the end of its useful life and is potentially compromised. Replacement will avoid environmental issues associated with potential failure of the fuel storage system.

Other components of the project are aimed at extending the facility's life another 25 years. The pool can continue to function until this work is completed, but maintenance costs and system failures are likely to increase.

4. **Is a major renovation more efficient than episodic repairs?**
Yes. The scope of the work is too invasive to perform as standalone projects. It may be possible to perform the improvements to the pool tank and the boiler room as standalone projects, but the other improvements proposed to the locker rooms, ventilation systems, etc. are likely too interconnected to efficiently perform independently. Breaking the work into separate projects would incur redundant costs associated with bidding and mobilization, so a larger, major renovation is definitely a more cost-effective means of executing the scope of work. If the project is delayed and/or divided into smaller pieces, costs will rise due to inflation and project execution inefficiencies. Creating multiple shutdowns for each project will also be more disruptive to operations, requiring the facility to be offline for a longer period of time overall.

5. **What are other funding options for pool renovations? How likely are they? When would they be available?**
The special sales tax is scheduled to be placed on the ballot during the municipal election in October 2022. In the past, the Assembly has asked voters whether they want to extend the 1% sales tax for another five years, proposing to use these revenues to fund a variety of capital improvement projects. From time to time, the Assembly has also placed bond proposals on the municipal ballot, which could happen at any election. The State of Alaska has also provided grants for capital projects in the past, but this is not likely for the foreseeable future. A General Obligation bond for $5M (if approved by the voters on a municipal ballot) would cost about $320K/year for 20 years and would result in an increase of about 0.064 mils of property taxation.

6. **What do we know (if anything) about changes in health standards at aquatic facilities?**
Public health mandates issued by the State of Alaska do not provide any guidance specifically related to aquatic facilities. The City & Borough of Juneau participates in weekly meetings with the National Recreation & Parks Association Aquatics Section and the CDC to stay current on the latest recommendations. At this time, the CDC is deferring to state guidance in determining when and how aquatic facilities may operate.

7. **In the decision matrix, what does it mean that the pool has a two- to five-year service life? What happens if there are no renovations?**
The pool is aged and many systems need replacement because they are generally beyond their useful life. These systems will slowly and increasingly fail, perhaps unpredictably. There are three general areas of the facility where failure could lead to further facility damage: (1) Roof leaks could lead to structural damage; (2) the oil tank could leak, resulting in soil contamination; and (3) a leak in the domestic plumbing system could lead to extended closure of portions of the locker rooms (repairs would be inefficient outside a larger project).

8. If less than the full amount of capital funding is available for repairs, what is the general priority of repairs? (Keep in mind you lose efficiency when phasing which is reflected in approximately a 5% cost increase in the table below)

Work Description	Project Cost	Cumulative Cost
1. Replace Upper Roof	$420,000	$420,000
2. Replace Fuel Tank	$160,000	$580,000
3. Renovate Mechanical & Electrical Rooms	$900,000	$1,480,000
4. Renovate Locker Rooms, Office, and Lobby	$2,800,000	$4,280,000
5. Renovate Natatorium and Pool Basins	$1,150,000	$5,430,000
6. Replace Metal Roof and Paint Siding	$1,050,000	$6,480,000
7. Site Improvements – Entry & Water Service	$120,000	$6,600,000

9. What does it mean to put the pool into "warm storage"?

The term "warm storage" means keeping the pool available for use and continuing preventative maintenance of all building and aquatic systems. This is estimated to cost about $12,000 per month, which would be paid from the General Fund. If this strategy was taken, the pool could be re-opened at any time that operational funding was provided. If the pool was closed for an extended period and employees were terminated, it could take several months to recruit and train staff.

<u>More Information</u>

City & Borough of Juneau
Parks & Recreation Department
(907) 586-5226
parkrec@juneau.org

City and Borough of Juneau
City & Borough Manager's Office
155 South Seward Street
Juneau, Alaska 99801
Telephone: 586-5240| Facsimile: 586-5385

TO: Chair Jones & Assembly Finance Committee DATE: May 12, 2020

FROM: Rorie Watt, City Manager

RE: Potential Budget Reductions

The Assembly is in a very difficult spot with the municipal budget. In a normal year, the Assembly gives high level direction at its retreat in December, the Manager and staff develop a detailed budget based on that direction in January-February and the Assembly Committees begin work on the CIP in February and other financial back ground work and then introduces the Manager's budget in early April.

Due to the tremendous uncertainty around the COVID19 pandemic and the timing of our Charter requirements, on April 1 of this year I abruptly advised that the Assembly should start the budget with the assumption of a 1 mil property tax increase and imbedded that proposal into the Manager's budget. The Assembly must adopt its own budget by June 15, or the Manager's budget will become the municipal budget.

The Assembly has four big levers to use to manage the budget: the property tax rate (mil levy), the use of savings, reduction in CIP spending and reductions in services. None of those decisions are easy, the Manager' budget recommend a blend of the first three levers. In the "macro budget tool" that was introduced later in April, I offered an undesignated reduction of $700K in general fund spending as the fourth lever. In the early days of ramping up the EOC and providing public information for COVID19, I simply did not have time to focus on the budget. A spreadsheet with reduction options in excess of $2M for this FY (including both General Fund and other fund sources) will be provided at the meeting.

I do not represent that these potential reductions are sustainable, nor that they could result in the same level of municipal service that has been historically enjoyed by CBJ citizens. As a matter of expediency and to blunt harm to current employees, some of the reductions are from unfilled positions. Some of the reductions are in anticipation of a lack of private and public development activity. I offer them up simply because the Assembly may need this level of budget reduction in the context of its willingness to use more or less of the three other budget levers.

The Assembly has also asked for other information under the topic of wage reductions. Those ideas cannot be easily layered on top of these possible reductions. Reducing staff and reducing hours of the work force would create many problems in the workforce – staff would be unable to reasonably complete required activities. Different budget reduction strategies are more and less applicable for different parts of the organization.

I would caution that Assemblies are typically interested in change/improvement of processes and services and are frustrated when practices become "stale." These reductions will result in less ability for the organization to work with the Assembly on these change/improvement processes. The Assembly must necessarily lower its expectations on the volume of work that it will be able to do.

If the Assembly wishes to further reduce municipal spending, then I advise it should embrace the priority driven budget process that we have reviewed several times over the last several years. The Assembly most recently undertook this exercise in the fall. Many services can be scaled down (examples could include library/museum/rink/pool hours, and street maintenance staffing).

Permitting Activity Since Going Digital March 23 - April 30 Comparisons			
Permit Type	**3 yr Avg.**	**2019**	**2020**
Building Permit Applications	111	111	93
Building Permit Issuance	99	105	82
Land Use Permit Applications	31	30	18
UTL Permit	28	13	11
New Dwelling Unit Applications	15	23	2
Permit Application Valuations	$5.98 M	$7.67 M	$2.59 M
Permit Revenue - April Only	$77,195	$86,498	$20,364

Good News

We are able to process permits completely digitally and keep the sector of the economy moving as it comes in. We are on a completely paperless intake and issuance system and could move to a paperless CO system when needed.

Bad News

Permit valuation drives permit revenue and it is clearly down. April is normally our big kick-off month of the building season. While permit numbers aren't drastically down, the value of those permits are. Revenue is down 76.5% from last year for the month of April.

City and Borough of Juneau
City & Borough Manager's Office
155 South Seward Street
Juneau, Alaska 99801
Telephone: 586-5240| Facsimile: 586-5385

DATE: May 13, 2020

TO: Loren Jones, Chair, Assembly Committee of the Whole

FROM: Mila Cosgrove, Deputy City Manager

RE: Personnel Services Cost Reduction Strategies

Background:

In response to the anticipated budget deficit for the remainder of FY20 as well as FY21 & FY22, the Assembly has asked for information about potential across the board personnel services cost reductions. The intent of this memo is to provide information regarding potential cost savings for each strategy as well as an overview of workforce and organization impact.

Overall CBJ expends $45 million per fiscal year on personnel service costs for general fund operations (see Attachment A). This is a combination of wages and wage related employee costs. Costs for Health Insurance are static for employees and not adjusted under the strategies considered in this memo.

For the purposes of this memo, potential savings will be reported only for the GF portion of the workforce. Additional savings would accrue to enterprise departments and other special funds. Any wage adjustments applied would not apply to BRH, JSD or Eaglecrest all of which are on separate pay plans.

Bargaining Obligations:

Over 60% of the benefited workforce is covered by collective bargaining agreements. This limits what options CBJ can take without union concurrence. Because of the nature of the personnel services reduction strategies, it is likely that any proposed changes to wage amounts would need to be negotiated and the unions would likely need to ballot their membership.

Unilateral action, even under these adverse economic conditions, exposes the organization to legal risk.

There are some personnel service reduction strategies that remain under the sole authority of management. These include reduction in force and hours of operation. We have full authority to reduce the workforce through layoff due to lack of work or shortage of funds. We also have full authority to adjust the workweek. Please note, there may still be a need to bargain over employee impact if we reduce the workweek.

Further, the Assembly retains the unilateral right to adjust the wages and working conditions of non-represented employees through adjustments to the Personnel Rules. CBJ has a well-established history of treating represented and non-represented employees similarly for the purposes of wages and benefits. CBJ has many employees that perform similar work across the organization. For our classified workforce, the triggering factor of whether or not an employee is represented is not based on work assigned but on the department and/or division assignment. As an example, an Administrative Assistant in the Parks & Recreation, Recreation Division is not represented, but the Administrative Assistant in the Parks & Recreation, Building Maintenance Division is in the union.

Personnel Services Cost Reduction Strategies:

<u>Withhold or reschedule planned 1% wage increase - $450,000</u>

PROS: The wage increase is not yet in effect so employees will not experience it as a reduction in wages.

CONS: There are many job classifications where wages are already a potential adverse recruitment factor (Sworn Officers, Paramedics, Analyst/Programmers, Accountants, Engineers/Architects, Management level staff). Failure to keep pace with wages may make recruitment in those areas more difficult.

Considerations: This item requires negotiation with impacted bargaining units.

<u>Reduce current wages across the board - $2,250,000 for a 5% reduction</u>

Each 1% reduction is equal to $450,000 – can be scaled at different increments.

PROS: Provides a large reduction in personnel service costs.

CONS: There are many job classifications where wages are already a potential adverse recruitment factor (Sworn Officers, Paramedics, Analyst/Programmers, Accountants, Engineers/Architects, Management level staff). Failure to keep pace with wages may make recruitment in those areas more difficult.

Reduction of established wages would result in significant morale issues and would likely result in employees seeking other employment with more competitive wages.

Considerations: This is a negotiable term.

<u>Impose employee furloughs - $85,000 per day</u>

Implementing a furlough is possible, but it is complex to determine the actual cost savings. As an example, it makes no sense to implement a furlough if in doing so, you have to cover an employee's furloughed shift with another employee. For that reason, there are a number of job classes where furlough cannot be applied: Sworn Officers, Dispatchers, and Firefighters who all work 24/7 environments requiring specific levels of coverage. Transit Operators cannot be furloughed unless the buses are taken off line or their shifts would need to be covered by another employee. For similar reasons, part time limited staff cannot be included in furlough estimates because they are not scheduled unless the facility where they are assigned is open. For all of these reasons, for the purposes of determining a cost associated with furloughs, an assumption is made that 50% of the workforce is not furlough eligible. 50% of general fund wages is $22,000,000. A 1% reduction in the personnel services costs for the furlough possible workforce would equal 2.6 days. A day of furlough is roughly equivalent to $85,000.

Implementing furlough is relatively easy to accomplish, but may have unintended consequences. As an example, the CBJ personnel services budget is built on the assumption that an employee will take all of the leave that they accrue each year. If employees take less leave than they accrue, the personnel services cost for that position will be over budget. If they take more leave than they accrue, there is a position savings. A broad scale impact such as furlough may impact employees' willingness to take leave which could impact the overall budget effectiveness of the furlough initiative.

PROS: Spreads personnel service cost reductions across the organization without eliminating any particular program.

Potentially avoids layoffs

May be able to make an employee whole through the use of accrued leave.

CONS: Employees cannot be equally furloughed which may result in morale issues across the organization.

This is an across the board hours reduction which will impact service to the public.

Furlough days will strain work areas that may also be holding positions vacant for the purposes of budget savings.

There is a one to one hours reduction for the hourly workforce. Salaried workers may see a reduction in pay but not a reduction in work.

Considerations:

This item requires negotiation with impacted bargaining units. The union has rejected furlough terms in the past.

If the Assembly directs the manager to implement furloughs, a dollar target should be given with latitude to the manager in how best to implement to limit unintended consequences.

Reduce the established workweek – $589,000 per year for a one hour reduction in the work week)$11,330 per hour of reduction per week).

Currently, full time employees work either a 37.5 hour work week or a 40 hour work week. The Assembly could direct the manager to reduce overall hours of operation for CBJ. This would have a corresponding reduction in public service across all areas. Similar to the furlough provisions discussed above, such a reduction would apply to about 50% of CBJ operations.

Each hour is equivalent to approximately 2.6% of wages for a workweek.

PROS: Spreads personnel service cost reductions across the organization without eliminating any particular program.

Potentially avoids layoffs

May be able to make an employee whole through the use of accrued leave.

CONS: Employee workweeks cannot be equally reduced which may result in morale issues across the organization.

This is an across the board hours reduction which will impact service to the public.

A reduction in hours will strain work areas that may also be holding positions vacant for the purposes of budget savings.

Salaried workers may see a reduction in pay but not a reduction in work.

Considerations:

Management reserves the right to define the workweek. It would require a change in the Personnel Rules to set the minimum work week below 37.5 hours per week.

There may be bargaining implications over the impact.

Attachment "A"

SUMMARY OF Wages & Wage Related Costs BY DEPARTMENT

	FY21 Proposed Budget		
	Salary/OT	**PERS/Federal**	**Sum**
General Governmental Funds:			
Mayor and Assembly	78,800	26,310	**105,110**
Administration:			
City Manager	1,099,700	287,850	**1,387,550**
City Clerk	210,600	57,855	**268,455**
Management Information Systems	1,327,700	390,507	**1,718,207**
Capital City Fire/Rescue	5,640,800	1,557,411	**7,198,211**
Capital Transit	2,880,200	899,859	**3,780,059**
Community Development	1,786,000	542,868	**2,328,868**
General Engineering	153,900	45,771	**199,671**
Finance	3,241,400	1,022,922	**4,264,322**
Human Resources	366,700	107,901	**474,601**
Law	1,069,900	300,732	**1,370,632**
Libraries	1,608,500	527,877	**2,136,377**
Parks and Recreation:		-	**-**
Parks and Landscape	1,188,000	360,753	**1,548,753**
Recreation	2,383,400	716,091	**3,099,491**
Centennial Hall (Visitor Services)	-	-	**-**
Police	9,338,300	2,624,622	**11,962,922**
Streets	1,646,400	541,386	**2,187,786**
Total	**34,020,300**	**10,010,715**	**44,031,015**

City and Borough of Juneau
Assembly Finance Committee (AFC)
FY21/22 Proposed Budget Calendar and Key Dates – as of 5/11/2020
Wednesdays at 5:00pm, unless otherwise stated
All meetings will include an update on COVID-19 as necessary

APRIL 2020

1st **Special Assembly Meeting – 5:30pm –Followed by Assembly Finance Committee**
Special Assembly Meeting to Introduce FY21/22 Proposed budget, immediately Followed by Assembly Finance Committee meeting, Chambers

A. Introduction of the General Operating CBJ Budget Ordinance 2020-09
B. Introduction of the General Operating School District Budget Ordinance 2020-10
C. Introduction of the Mill Levy Ordinance 2020-08
D. Introduction of the CIP Resolution 2877

1st **AFC Meeting #1 – 5:30pm - Immediately following Special Assembly Meeting**

A. Distribution of the Operating Budget, Capital Budget and Capital Improvement 6-Year Plan
B. FY21/22 Proposed Budget Overview
C. School District Budget Presentation
D. Docks & Harbors (Carl Uchytil, Port Director)

8th **AFC Meeting #2 – 5:00pm**

A. FY21/22 Proposed Budget Overview (cont.)
B. Eaglecrest Ski Area (Dave Scanlan, Eaglecrest General Manager)
C. Capital Improvements Projects Program Budget/Plan

15th **AFC Meeting #3 – 5:00pm**

A. Hotel-Bed Tax Funding
B. Travel Juneau (Liz Perry, President/CEO)
C. Revised Passenger Fee Recommendations – For Review
D. Childcare

22nd **Special Assembly Meeting - 5:00pm - Followed by Assembly Finance Committee**
Within 30 days after receipt of the (school) budget, the assembly shall determine the amount to be made available from local sources for school purposes, and shall furnish the School board with a statement (motion) of the amount to be made available for FY21 School District operations. (Charter Section 13.6 (b))

Public hearings on the following (must be completed by May 1, per Charter Section 9.6)

A. General Operating CBJ Budget Ordinance 2020-09
B. General Operating School District Budget Ordinance 2020-10
C. Capital Improvement Program (CIP) Resolution 2877
D. Mill Levy Ordinance 2020-08

22nd **AFC Meeting #4 (Immediately following Special Assembly Meeting)**

A. Juneau International Airport (Patty Wahto, Airport Manager)
B. Bartlett Regional Hospital Presentation (Kevin Benson, CFO)
C. Debt Service Presentation
D. Proposed Mill Rate Presentation
E. School District - Funding “Outside the cap” – For Action
F. School Operating Budget – For Action

29th AFC Meeting - Cancelled

MAY 2020

6th AFC Meeting #5 – 5:00pm

A. School District Funding Ordinance 2020-10 – For Final Action
B. Ordinance 2020-23 for Electronic Procurement
C. Collection of Past Due Accounts
D. Ordinances 2020-19 and 2020-21 for Bond Refundings
E. Update on Assessment Appeals
F. Update on FY2020-Q3 Sales Tax Returns
G. Update on CARES Act Funding
H. Revised Macro Budget Tool
I. FY2021 Budget Pending Items List

13th AFC Meeting #6 – 5:00pm

A. Staff Recommendation on Collection of Delinquent Accounts – For Action
B. FY2021 Budget Pending Items List – For Action
C. Ordinance 2019-06(AB) Transfer for Accounting System Upgrade – For Action
D. Economic Stabilization Task Force Recommendations
E. Review of 4th Quartile Budget Priorities
F. Capital Improvement Plan Reductions
G. Operational Service Reductions

18th Regular Assembly Meeting – Monday – 7pm

A. Adoption of the School District's General Operating Budget Ordinance 2020-10

By May 31st, the assembly must determine the amount to be made available from local sources for school purposes (Charter Section 13.6 (b))

20th AFC Meeting #7 – 5:00pm

A. TBD – Continued discussion of all pending budget items

27th AFC Meeting #8 – 5:00pm

A. Pending Items List – For Final Action
B. Capital Improvements Projects Program Budget/Plan – For Final Action
C. Set Mill Rates – For Final Action
D. Final FY21/22 Proposed Budget Decisions –
   a. CIP Resolution 2877
   b. Mill Levy Ordinance 2020-08
   c. General CBJ Operating Ordinance 2020-09

JUNE 2020

3rd AFC Meeting

A. TBD

8th Regular Assembly Meeting – Monday – 7pm

A. Adoption of the General Operating CBJ Budget Ordinance 2020-09
B. Adoption of the CIP Resolution 2877
C. Adoption of the Mill Levy Ordinance 2020-08

10th BREAK – No meeting unless needed for critical items.

The Charter requires that the following budget actions be made by June 15th: • **Appropriating Ordinances Adopting a Budget (Charter Section 9.7 (a))** • **Mill Levy Ordinance (Charter Section 9.7 (b))** • **CIP by Resolution (Charter Section 9.8)**

CITY/BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY

OFFICE OF THE MAYOR
Telephone: (907) 586-5240; Facsimile: (907) 586-5385
Beth.Weldon@juneau.org

May 14, 2020

Governor Michael J. Dunleavy
PO Box 110001
Juneau, AK 99811

Dear Governor Dunleavy:

Thank you for your leadership during the coronavirus emergency. Juneau citizens continue to express sincere appreciation for the comprehensive regular updates from you, Commissioner Crum, and Dr. Zink. As you consider lifting restrictions on interstate travel, the Assembly of the City and Borough of Juneau wishes to work with you to implement actions that are protective of public health while also advancing economic activity in Juneau, Southeast, and the State.

As you are aware, virus spread in Juneau has been low. Juneau citizens have effectively flattened the curve and continue to comply with the intents of your Health Mandates and CBJ's Hunker Down Ordinance.

While Juneauites have moved cautiously with you to a gradual "re-opening" in your Reopen Alaska Responsibly Plan Phases I and II, the community and the Assembly remain concerned about the prospect of lifting interstate travel restrictions. In part because Juneau, along with other towns in Southeast, have limited entry through airport, ferry, and private boat, the virus spread will likely be through increased travel into our community this summer. As you consider lifting interstate travel restrictions, we ask that you closely link the lifting of the 14-day quarantine restrictions with enhanced testing capabilities. As you know, "travel" cases are a major source of coronavirus infections into Alaska and your team has done a tremendous job of keeping those inputs to a minimum.

As the capital and a regional hub, Juneau plays host to many traveling workers, including the legislators and their staff, the miners and support staff at Kensington and Greens Creek mines, the fishing fleet and the fish processing workers at Excursion Inlet and in Juneau at Taku Fisheries and Alaska Glacier Seafoods. In normal years, we also welcome many independent tourists and the highest number of cruise ship passengers of any community in Alaska.

Juneau is also very aware of our role as a regional medical center for smaller towns that do not have healthcare facilities adequate in the event of a breakout of COVID19. We ask you to consider the needs of those communities in the context of modifications to the health mandates.

We believe that working with your administration we can make Juneau a testing center for these industries that can allow Alaskans to get back to work and to advance the economic interests of the State while looking out for public health. With excellent air service to the towns and villages of Southeast, we are well poised to provide same day testing in the region and possibly assist in testing for the rest of the state. We would like to partner with your administration in pursuit of this goal.

Sincerely,

Beth A. Weldon
Mayor

City and Borough of Juneau
City & Borough Manager's Office
155 South Seward Street
Juneau, Alaska 99801
Telephone: 586-5240| Facsimile: 586-5385

DATE: May 13, 2020

TO: CBJ Assembly

FROM: Mila Cosgrove, Incident Commander

RE: City & Borough of Juneau COVID-19 Response – Emergency Operations Center Update

Situational Update – Incident Level 2 - Operational Period 12 (5/07/2020 – 5/14/2020).

Disease Transmission/Contact Tracing:
There were no new cases identified today. DPH is currently following 7 individuals as Persons Under Investigation.

Testing:
PCR testing capacity and supplies remain good for current levels of testing, we continue to be tight on rapid testing kits which can be locally processed. The EOC continues to explore options for increasing the ability for local testing. Testing of people who are currently experiencing homelessness is tentatively scheduled for May 19 & 20. We will stand up Centennial Hall during that process to house individuals who report that they are symptomatic when screened.

Testing turnaround is improving. AK Air has new flight timing that allows tests to go to Anchorage. In most cases, tests are coming back within 48 hours.

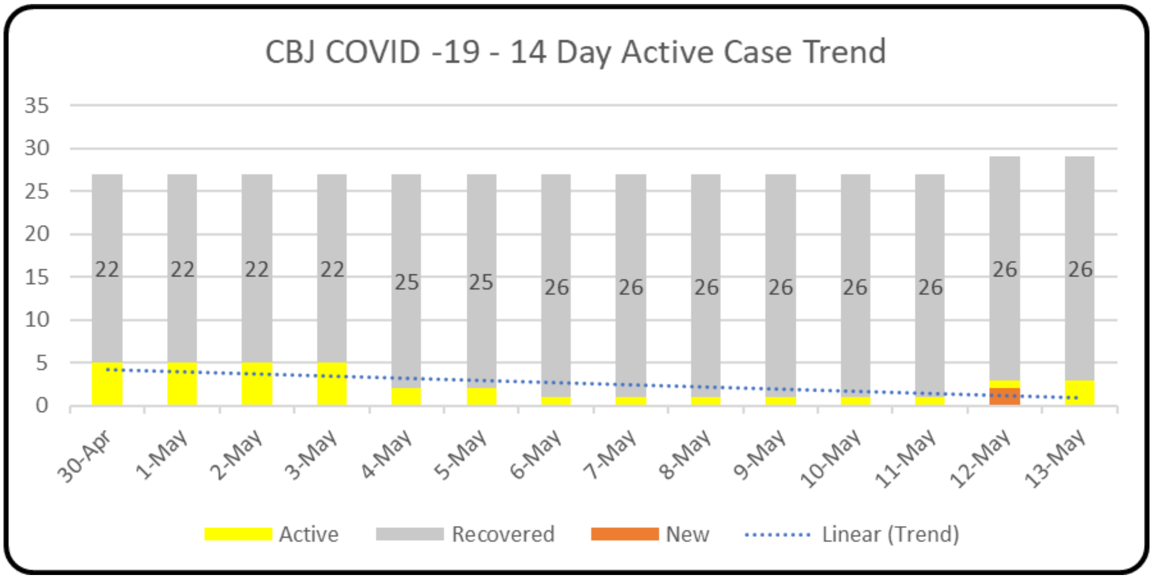
Hospital Response:
BRH reports adequate supply of PPE and no concerns related to workforce availability.

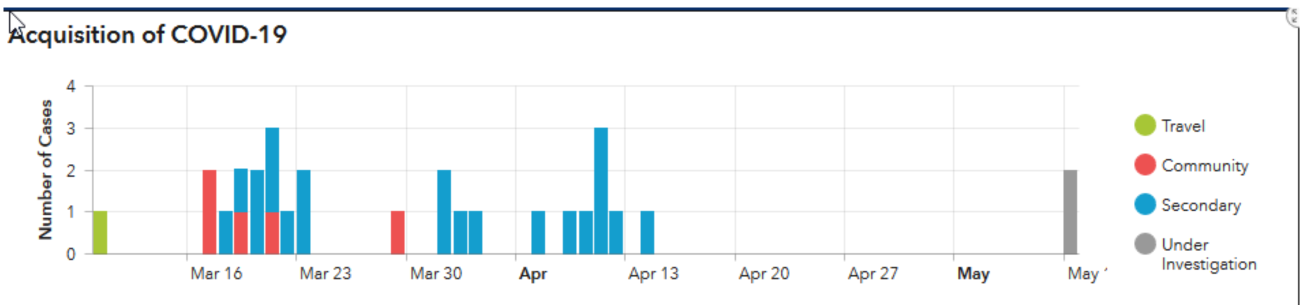
Issues of Note:
DPH is offering their services to consult with businesses who want to reopen safely.

Numbers changed from yesterday are highlighted.

Category	**Juneau**		**Statewide**
Total Confirmed cases	29		383
Recovered	26		338
Cumulative Tests & % of population tested	1,439	4.50%	30,649
Average # of tests per day over the last 7 days	32.86	Down	
Positive tests over the last 7 days (# and % of positive)	2	0.87%	
DPH PUIs	7	down	
Hospitalized COVID +	0		38 (Cumulative)
Ventilated Patients	0		
Fatalities	0		10

May 13, 2020
Assembly EOC Update
CBJ COVID-19 Response





Positive cases are back dated by the Division of Public Health during their contact tracing phase to the day of onset of COVID-19 symptoms.

CBJ & DHSS Dashboards which can be found at: www.Juneau.org/COVID-19

Operational Highlights

Airport Screening: 99 passengers Monday.

Mobile Screening:

27 calls came into the hotline, 20 referred for testing, 21 appointments scheduled.

There were 16 tests at drive through, 9 of which were for medical related appointments. Three were taken at home. To date, sampled 452 for testing. 3 welfare checks were completed via phone.

Mt. Jumbo: No clients

BRH: Implementing visitor and employee screening. Systems have been established to coordinate release plans with LCCC for individuals who are released pending tests results.

Wednesday Focus: Volunteer & Community Taskforce

Volunteer Applications Submitted to Date: 290

Volunteers Referred: 238 (some volunteers have been referred to more than one activity)

- Delivery of Food: 52
- Sewing Masks and PPE: 124
- Screening Incoming Passengers: 18
- Other: 61
  - ROCK Juneau note writing initiative
  - Alaskan Brewery hand sanitizer distribution

  288 volunteers were also invited to participate in the Thank You card writing activity for Hospital Workers Week

Agencies Supported with Volunteers: 11

- Meals on Wheals (CCS)
- The Glory Hall
- St. Vincent de Paul
- CBJ
- Southeast Mask Makers
- Southeast PPE Rapid Response
- Salvation Army
- ROCK Juneau
- Alaskan Brewing
- Bartlett Regional Hospital
- Southeast Food Bank

Requests for Assistance Submitted: 100 (Please note that many people have more than one request).

- Delivery of Pre-Paid Items: 11
- Delivery of Donated Food: 25
- Masks or other protective equipment: 40
- Questions About Current Mandates: 5
- Questions about how to get screened for COVID: 5
- Questions about rent/utility assistance: 44
- Small business support: 6
- Public Health Assistance with Re-opening: 3
- Organizations requesting support: 11
- Other: 68

Weekly Highlights
Over the past week the hand sanitizer distribution in partnership with Alaskan Brewing wrapped up. 903 residents stopped by to refill containers and 128 gallons worth of sanitizer was used.

As time goes on we are receiving less volunteer applications and more requests for assistance. Early this week we began collaborating with Public Health provide supports to businesses looking to reopen while honoring the existing state mandates.

Volunteers delivered hundreds of cards to BRH in support of Hospital Workers Week.

Requests for utility assistance seem to be increasing.

Possible Budget Reductions - Assembly Finance Committee 5/13/2020

	Department	Division	Description	Fund Source	FY21		Impact to Services
1	Community Development	Planning	Planner I	GF	98,000		Position is currently vacant. There will be a reduction in public service in terms of turn around times for short term planning. This can likely be absorbed by an anticipated reduction in activity due to reduced economic activity.
2	Community Development	Building Inspection	Plan Reviewer	GF	115,000		With a reduction in commercial building activity, plan review can be spread amongst the building inspection staff. Strict adherance to the building code will be reduced.
3	Fire	Admin	Deputy Fire Marshall	GF	132,000		Position is currently Vacant. At the expected retirement of the prior incumbent, the intent was to repurpose this PCN to add a position to the command staff structure as recommended by the FITCH study. This would delay that move until funding was reestablished. With reduction in commercial building activity, work load has decreased.
4	Finance	Sales Tax	Accounting Tech I	GF	75,000		Position is currently vacant. Work has been reorganized and some duties have shifted to the Treasury Division. Change would be to hold position vacant for now. Sales tax supporting activities (question answering, process improvemnts, compliance) may suffer somewhat until equilibrium is reached.
5	Finance	Purchasing		GF	79,000		Re-organzation in workforce would be part of strategy to move to electronic bidding. There would be a delay in procurement services to the organization.
6	Law		Litigation Support Spec	GF	80,000		Position is currently vacant. Work has been reorganized and current staff is able to handle the workload. Leave position but do not fund for FY21.

7	Parks & Rec	Aquatics	Temporary Closure of ABP	GF	$600,000 to $743100		Maintain in "warm storage" status for fiscal year, either waiting for fiscal clarity or for the facility to be under rennovation.
8	Parks & Rec	Parks & Landscope	Admin Officer I	GF	134,000		Position is currently vacant. Department would be forced to manage available budget, make changes in work duties.
	Additional GF Reductions						
9	CDD	Planning	Comp Plan	GF	150,000		The Comprehensive Plan is proposed to be funded over two fiscal years and is an intensive community and Assembly process. It could be delayed.
10	All	All	Organization wide reduction in Travel/Training	GF	275,000		Work force will not develop their skills, be exposed to new trends, learn from other communities with deletion of travel/training.
	TOTAL Listed GF Reductions				**1,738,000**		
	Non GF Positions						
11	Administration	Lands & Resources	Deputy Lands Manager	Lands	134,500		Position is vacant, can leave unfunded for FY 21. The Assembly will get less ability to work on land issues, land leases and disposals will take longer.
12	Eng & PW	Admin	Deputy Director	CIP and Utilities	145,000		Position is unfilled. Limits the ability of the Department to respond to change, navigate difficult issues with the public and the Assembly and pursue innovation.
13	Eng & PW	Engineering	Architect PM	CIP	112,200		Assuming a reduction in CIP spending, the increase of a project manager may not be necessary.
	TOTAL Listed Non-GF Reductions				**$391,700**		
			Grand Total:		**$2,129,700**		

Adrien Speegle

From:	Steve Behnke <steven.r.behnke@gmail.com>
Sent:	Tuesday, May 12, 2020 10:44 PM
To:	Beth Weldon; Maria Gladziszewski; Michelle Hale; Loren Jones; Carole Triem; Rob Edwardson; Alicia Hughes-Skandijs; Wade Bryson; Gregory Smith; Rorie Watt
Cc:	Adrien Speegle
Subject:	Update: Alaska Heat Smart progress and finances
Attachments:	AHS Progress 3-18-20(3).pdf

To: CBJ Finance Committee
From: Steve Behnke, Chair, Alaska Heat Smart

The Assembly granted Alaska Heat Smart $147,000 in late 2019 to provide advisory services for heat pump installations in Juneau homes. We will spend $60,000 of that by June 30, leaving $87,000.

In mid March, Alaska Heat Smart requested full year FY21 funding of $200,000 and provided a progress report (attached).

Despite a delayed start-up during the holidays and a significant slowdown due to the Covid 19 emergency our heat pump advisory service has made solid progress, providing information to about 200 people, directly advising 64 homeowners, and completing in-home assessments for 44 homes. We switched from in-home assessments in mid-March to phone and online assistance, while experimenting with virtual home visits.

Our lower-than-expected FY20 expenditures were due to a combination of slow start-up, employee scheduling problems, and delays due to the Covid 19 slowdown. A strong volunteer effort, with more than 400 hours of active assistance helped get the project off to a strong start while reducing costs.

Energy efficiency provides major economic benefits to Juneau. Heat pumps can reduce the cost of living, create jobs, and keep money circulating in the community, while reducing climate impacts. A heat pump retrofit saves about 42% ($940) annually compared to an average Juneau home heating bill of $2400. A typical Juneau household can save the equivalent of most of a PFD by shifting to a heat pump, and pay it off in 8 years — while saving 10,000 lbs of CO_2/year — the amount emitted annually by the average US car.

Alaska Heat Smart's collaborative approach, involving businesses, non-profits, and the CBJ, has attracted federal Department of Energy funding of $600,000 for a partnering research project over the next three years. This will include developing incentives for conversions of rental properties to heat pumps.

Communities around the country, including Fairbanks, are planning to use residential energy efficiency improvements as Covid 19 economic recovery measures. Alaska Heat Smart can make a significant contribution to assisting Juneau residents in saving on their heating bills while meeting other community goals.