ASSEMBLY FINANCE COMMITTEE
THE CITY AND BOROUGH OF JUNEAU, ALASKA
Wednesday, April 15, 2020, 5:00 PM.
Assembly Chambers

I. **CALL TO ORDER**

II. **ROLL CALL**

III. **ITEMS FOR DISCUSSION**

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

IV. **BUDGET PRESENTATIONS**

a. **Hotel-Bed Tax Funding (budget page 46)**

b. **Travel Juneau (budget pages 46 and 66)**

c. **Revised Passenger Fee Recommendations - For Review (budget pages 49-50)**

d. **Childcare**

V. **INFORMATION ITEMS**

a. **Budget Tools**

b. **Resolution 2629 - Restricted Budget Reserve**

c. **AFC Meeting Schedule**

VI. **NEXT MEETING DATE**

a. **Wednesday, April 22, 2020**

VII. **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

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

DATE: April 15, 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

Numbers changed from yesterday are highlighted

Category	Juneau	Statewide
Confirmed cases	23*	293
Travel	1	
Secondary	10	
Community	5	
Under Investigation	5	
Cumulative Tests	532	8,664
% of population tested	1.66%	
BRH Community Tests Pending	35	
DPH PUIs	54	
Hospitalized	1	34 (Cumulative)
Recovered	12	106
Ventilated Patients	0	
Fatalities	0	9

* DHSS dashboard reports 21. DPH reported 2 new cases during the EOC meeting that will show up tomorrow. The source of these cases is unknown at this time.

CBJ operations continue with staff reassigned to EOC functions where appropriate. Minor staff outages due to childcare and medically advised quarantine. Staffing issues are not impairing operations.

BRH Operations continue as normal. They have limited staff out due to illness or quarantine. Staffing issues are not impairing operations.

Supply chain is operational with no significant reported shortages.

Additional detail is available on the CBJ Dashboard which can be found on at: Juneau.org/COVID 19.

EOC Highlights

EOC partway through Operational Period 8 (4/11/2020 – 4/16/2020). We had a unified EOC meeting today.

Health Mandate 14: Still working with state officials on interpreting this mandate.

Lemon Creek Correctional Center: The EOC received additional questions today regarding Lemon Creek Correction Center. To date, there has been limited inmate testing as no inmates have been identified as close contacts to any employee testing positive. Because the inside of the facility has video surveillance, they are able to contact trace very effectively. LCCC has provided and continues to provide instruction to symptomatic staff to get tested and not to come back to work until they have results.

BRH: It is possible that there will be direction given by the Govenor's office to allow non emergent medical procedures to begin again. It is expected that the Governor may release a new health mandate tonight to that regard.

Operational Highlights

Airport Screening: 4 passengers out of 29 arriving went through the voluntary screening process at the airport.

Mobile Screening: over 40 calls came in to the call center, 14 of which were for screening for testing, the remainder were people expressing concerns about Lemon Cree Correctional Facility and the homeless population. There were 11 tests at drive through, 1 at home, and the paramedicine team assisted Public Health with 7 tests at LCCC. To date, sampled 222 for testing.

Vessel Screening: Next ferry arrives on Friday.

Warming Shelter: had 48 individuals overnight.

Mt. Jumbo: Good run of an unsheltered individual who was referred for testing and needed supervised isolation until the test results returned. Process worked well. Test returned negative.

Feeding Task Force: Meal count: 25 Breakfast, 40 lunch

Centennial Hall: Shower units are in process. JAHC will provide trash service for the immediate area.

Mill Campground: Test platforms will be installed by end of the day. Will be opened next week. Hopefully by Monday.

BRH: Sent in paperwork for state approval of 35 alternate care bed at RRC plus 28 additional beds for overflow in med surge. Started reprocessing N95s.

NOTE: We will begin providing additional information on a weekly basis: Monday: School District Update; Wednesday: Volunteer & Community Collaboration Taskforce; Thursday, Unsheltered Counts; Friday, Costs and PPE update.

Volunteer and Community Collaboration Task Force
Status as of: 4.15.20

Volunteer Applications Submitted: 258

Volunteers Referred: 159 (some are doing more than one thing)
- Delivery of Food: 38
- Sewing Masks and PPE: 111
- Screening Incoming Passengers: 18

Agencies Supported with Volunteers: 7

- Meals on Wheels (CCS)
- The Glory Hall
- St. Vincent de Paul
- CBJ
- Southeast Mask Makers
- Southeast PPE Rapid Response
- Salvation Army

Requests for Assistance Submitted: 46

- Delivery of Pre-Paid Items: 6
- Delivery of Donated Food: 6
- Masks: 6
- Questions About Current Mandates: 3
- Questions about how to get screened for COVID: 2
- Questions about rent/utility assistance: 9
- Small business support: 2
- Organizations requesting support: 6
- Other: 6

- We are signing people up for food box delivery with Salvation Army – we have partnered with them to provide volunteers for driving, allowing them to vastly increase capacity.

- We are referring people in need of rental assistance to Alaska Housing Development Corporation and Juneau's new rapid rehousing program operated by Family Promise, and T&H. We are also referring people to Alaska.Gov to file for unemployment.

- We are referring small businesses to the SBA and JEDC.

- We are working with the volunteer mask making groups to get folks signed up for masks if they have no other way to get a mask.

- There is an increasing number of requests for rental and utility assistance. Also, we are starting to get calls about property taxes on commercial properties where the rental income has zeroed out, therefore zeroing out income for the owners who now do not have funds to pay their property taxes.

- We are also spending a lot of time coordinating with partners to determine the best referrals for folks and work together to address community needs. We are partnering closely with the Food Task Force as well.

MEMORANDUM

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

DATE: April 8, 2020

TO: Assembly Finance Committee

FROM: Jeff Rogers, Finance Director

SUBJECT: **FY2021 Hotel Bed Tax & Funded Services**

Introduction

The COVID-19 epidemic has resulted in travel restrictions and shelter-in-place orders that severely impact CBJ's forecast Hotel Bed Tax revenue for FY2021. The Proposed FY2021 Budget forecasts just $810,000 of hotel bed tax revenue.

A series of resolutions from the 1980's established the disposition of Juneau's hotel bed tax receipts. A 1993 memo from the City Clerk memorializes the historic 4%/3% split of the then 7% bed tax, with 4% funding tourism promotion (via the Juneau Convention and Visitors Bureau, now Travel Juneau) and 3% funding the operations of Centennial Hall. That split remained generally unchanged until January 1, 2020 when the community increased the hotel bed tax from 7% to 9% with the intent for the additional 2% to assist in funding future capital improvements to Centennial Hall.

So, considering the current forecast of hotel bed taxes and the historically agreed-upon distribution of those receipts, funding in FY2021 would be distributed as follows. For illustration, the chart includes the amount allocated for these same purposes in FY2020 (current year) and resulting reduction from year-to-year.

Purpose	Organization	%	FY2021	FY2020	Reduction
Tourism Promotion	Travel Juneau	4%	$360,000	$885,000	$525,000
Centennial Hall Operations	CBJ (via JAHC)	3%	$270,000	$664,000	$394,000
Centennial Hall Improvements	CBJ	2%	$180,000	N/A	N/A

Discussion – Centennial Hall Operations

Since July 2018, the Juneau Arts and Humanities Council (JAHC) has managed Centennial Hall under a Management Agreement that states the following purpose: "Centennial Hall is owned by the CBJ… The CBJ and JAHC enter into this management agreement of Centennial Hall in order to increase use and facilitate greater coordination of event scheduling between Centennial Hall and the JAHC and to maximize operational efficiencies. These goals are intended to lead to greater utilization of and a stabilization or reduction in public subsidies to Centennial Hall."

Hotel bed tax allocated for Centennial Hall Operations (3% of 9%) are utilized as follows in FY2020:

CBJ Maintenance and Allocated Costs	$294,900
Centennial Hall Operations (paid to JAHC)	$279,100
Management Fee (paid to JAHC)	$90,000
Total Hotel Bed Tax Fees for CH Ops	$664,000

In addition to the amount funded by hotel bed tax for operations and maintenance, Centennial Hall collects revenue for rentals of space and equipment. From those rental revenues and the funds from hotel bed tax, Centennial Hall must pay all of the operational costs of the facility, including personnel and utilities, but excluding building maintenance (which is paid through the portion reserved for allocable CBJ costs). Centennial Hall has not received any general fund support since 2016.

The Proposed FY2021 Budget funds $250,400 of CBJ costs allocable to Centennial Hall from the 3% hotel bed tax. Since the amount of hotel bed tax anticipated to be available from the 3% portion is just $270,000, this would leave only $19,600 allocated to the JAHC for operations and the management fee. This is neither practical nor realistic, especially in a year when Centennial Hall rental revenues are expected to be depressed. In the event that projected rental fees fall below budgeted revenues, the Management Agreement requires CBJ to make up the shortfall through the Centennial Hall fund balance and Hotel Bed Tax fund balance. This provision may require CBJ to contribute additional funding for Centennial Hall operations in either or both of FY2020 and FY2021.

In short, Centennial Hall is a CBJ facility and a CBJ responsibility. The JAHC is unlikely to continue with management of the facility if it experiences financial losses beyond its control (i.e. events cancelled due to COVID-19). Hence, in order to sustain the JAHC's management of Centennial Hall, CBJ will likely need to absorb any Centennial Hall budgetary shortfalls. Without such additional support, the JAHC would likely exit the agreement, which would return management of Centennial Hall to CBJ, likely at greater total cost.

<u>Discussion – Travel Juneau</u>

CBJ has long maintained a commitment to fund the promotion of tourism with hotel bed taxes. The entire history is too long and complex for this memo, but the focus has generally remained the promotion of Juneau as a tourism destination for conventions, conferences, meetings, and independent travelers. Since the early 1980's, CBJ has accomplished this purpose by granting available hotel bed tax funds to Travel Juneau (formerly the Juneau Convention and Visitors Bureau). CBJ funding is not the sole source of revenue for Travel Juneau, but it is the largest portion of the organization's annual budget. Variously over time CBJ has been a greater or smaller part of Travel Juneau's budget, depending on the amount invested directly by organizational members and the amount of other funds raised.

Without a doubt, a $525,000 reduction in the grant to Travel Juneau from FY2020 to FY2021 will significantly impact the organization's ability to fulfill its intended purpose. Travel Juneau has been apprised of this potential budgetary reduction, and it has been asked to provide the Committee with a memo detailing the potential impact.

<u>Discussion – Centennial Hall Improvements</u>

The community voted to increase the hotel bed tax from 7% to 9% effective January 1, 2020 with the intent that the additional receipts funded planned capital improvements to the facility. Prior to the COVID crisis, it was forecast that this increase would have generated approximately $400,000 per year. The Assembly had expressed its intent to use a Central Treasury Loan to fund improvements to be repaid both by this portion of future hotel bed tax receipts and also anticipated 1% sales tax receipts. The Assembly funded a $200,000 CIP project in FY2020 for design and engineering of the planned improvements.

Going forward, this portion of the hotel bed tax is forecast to generate just $180,000 per year. And the delay of several large events, namely Celebration, calls into question the timing of a renovation effort. The Committee and the Assembly must decide what to do with the planned Centennial Hall renovation. It may be sensible to delay that renovation slightly or indefinitely until more is known about the extent of the local epidemic and the trajectory of the economic recovery. There is no strict legal requirement that CBJ use the 2% of the 9% hotel bed tax for future improvements—this amount could be used to support any CBJ activity, and it may be natural to use this funding to support Centennial Hall operations in the near-term.

<u>Discussion – Downtown Business Association</u>

Since 2018, the Assembly has also granted $75,000 hotel bed tax receipts each year to the Downtown Business Association for the purpose of organizational capacity development. These grant funds were never part of the allocation schema described above. Rather, these grants were made from accumulated fund balance that resulted from actual receipts being higher than forecasts. The Assembly will need to decide if it wishes to continue this grant and what fund source should pay for it.

Conclusion

The Committee may need to consider funding measures beyond the Hotel Bed Tax receipts received in FY2021 for the support of tourism promotion and the Centennial Hall facility. CBJ's relationship to each of these needs is quite different, but both are important parts of Juneau recovery in the aftermath of COVID-19. If general fund support is considered, it may be easiest to transfer an amount of funding from the General Government or Sales Tax funds to the Hotel Bed Tax Fund.

MEMORANDUM

Date: April 8, 2020
To: Assembly Finance Committee
From: Nancy DeCherney, Executive Director

Status of Centennial Hall
Centennial Hall shut its doors on March 16 due to the Covid-19 epidemic. Almost all events are cancelled through August, with a loss of revenue in the neighborhood of $80,000.

Many of the events that cancelled are attempting to rebook in late fall or spring, and we are working hard to squeeze more weekends into the year, or have simply booked them for the same time next year, rolling their deposits forward.

The temporary part time crew is on furlough and applying for unemployment insurance.
The balance of the staff (3 FTE and 2 PTE) is either on furlough or working from home on a part time basis.

As of April 1, the City took over the Hall to serve as a shelter for homeless (Ballrooms 1 & 2) and quarantine space (Ballroom 3), and today the Council has moved its operations entirely out either into locked storage rooms in the building or into container vans.

Budget concerns
Utility bills, specifically the electric bill, are exceedingly high, in the $15,000 t0 $21,000/month range. It is my understanding that the City will assume those costs for the period of time that the facility is being used as a shelter. That said, there are months where the utility costs exceed the rental income, even in very busy month. It had been our plan to revisit the rental fee structure, but this may not be a good time to attempt to raise rates.

Optimistically, the building will resume a semblance of normal operations in the fall. Currently there is about $83,000 in anticipated rental income booked, and as we work to rebook cancelled events, we may gain ground.

The Arts Council manages the Hall on a very slim margin in the best of times. It itself does not have adequate savings to carry on operations with the projected revenue outlined by Jeff Rogers, especially in light of the fact that the City has also called the Juneau Arts and Culture Center into duty as a shelter, leaving it with no base of operations.

We have applied for the Payroll Protection Program, assistance from the Alaska Community Foundation, a Small Business emergency loan, and did submit an application for the emergency fund from the City but we are not eligible because of our staff size. We are looking at funding through the National Endowment for the Arts, National Endowment for the Humanities, and through any other avenue that seems likely, but have no idea if those will pan out, to allow us to resume operations later this year or next spring.

Summary
It has been our pleasure to manage the Hall efficiently and hospitably to help make Juneau a desirable location for meetings, visits, celebrations, and we are pleased to be able to provide shelter to people in this emergency.

I hope that we can find some way to continue to be of service.

TRAVEL JUNEAU

To: **Loren Jones, Chair, Assembly Finance Committee; Rorie Watt, CBJ City Manager; Jeff Rogers, CBJ Finance Director; Beth Weldon, CBJ Mayor**
From: **Liz Perry, President & CEO, Travel Juneau**
Date: **April 8, 2020**

To the Assembly Finance Committee, through the Chair:

Travel Juneau submits this memo outlining our response to the financial effects of COVID-19 on our travel industry partners and our organization.

Financial impact of COVID-19 to-date (cost, revenue, fund balance)

- Cost in meetings: $2M in cancellations for FY20-early FY21. $1.4M in postponements past 2nd quarter FY21 and into FY22
- Cost in partnerships: because most of Travel Juneau partnership businesses are small, sole proprietors, we anticipate that many will not operate after July 2020, reducing our partnership numbers; est a minimum 10% loss
- Associated partner marketing purchases will drop; est a minimum 50% loss
- Ad revenues for visitor guide – 100% loss
- Event revenues – est a minimum 30% loss
- HBT loss – through the Finance Director

Strategy for managing through remainder of the pandemic

- Retooled to "soft marketing" – image driven, "we'll be here when it's time to travel again" messaging
- Creating new post-pandemic campaigns and early fall campaign (for winter) aimed at luxury & upper mid-market independent travelers (fastest to rebound) and meeting planners. Will include video rolled out on all social media platforms. Timing for release depends upon the lifting of quarantine mandates.
- As much as possible, maintain relationships among trade partners, including travel agents, media, tour operators, and meeting planners to aim for postponed rather than canceled vacations, meetings, and events.
- Offer grace periods and other options to partners along with other budget cuts (see below).
- Eliminated 3% match of staff 401(K)
- Staff voluntary pay cuts

How are you going to "make it work"?

Plan B:

- Roll unspent budgeted dollars to FY21
- Draw from savings accounts (earned income) to support FY21 budget
- Reduce staff benefits, including professional development and match on 401(k); maintain health insurance

- Participate only in trade shows contracted for FY20 that will not refund registration
- Offer a fiscal quarter extension to paid partnerships
- Offer quarterly payment option to partners
- Extend paid visitor guide advertising into 2021
- No 2021 print guide; updated PDF on website only
- Maintain the traveljuneau.com website as primary marketing tool, followed by social media platforms
- Maintain key association memberships to have access to research and marketing opportunities

Plan C – all of the above, **plus**

- Reduce staff – 4 FTE, 1PTE - NOTE: there is no support or admin staff currently employed
- Reduce salary of remaining 3 staff
- Eliminate volunteer recruitment, acknowledgements; minimize training
- Eliminate visitor print information, including visitor guide, maps, and informational materials
- Eliminate professional development, regardless of pre-paid registration
- Reduce meeting support & Centennial Hall assistance
- Eliminate premiums and incentives for travel agents, operators, and meetings
- Reduce or eliminate association memberships (some already paid into FY21)
- Eliminate community relations (includes Chamber participation and small sponsorships for events bringing in out-of-town attendees)
- Eliminate mailout of remaining visitor guides through the office
- Reduce or eliminate paid marketing for both Convention Sales and Destination Marketing
- Reduce media and tour operator assistance; eliminate FAMs
- Reduce or eliminate partners education and other programs

What is specifically needed from the Assembly

Travel Juneau respectfully requests a minimum FY21 grant of $625,0000 to maintain a baseline for marketing Juneau to travelers/meeting planners and providing services to partners and in-bound visitors. Destinations International predicts much higher, pent-up demand as the crisis abates (see Image 1). Research also indicates that robust destination marketing also positively influences decisions for relocating – a halo effect (*Forbes* article) – and benefits communities directly (USTravel Key Points).

The $360,000 in suggested grant funding will be undermine Travel Juneau's marketing and erode more than 10 years' of efforts on behalf of the community. Funding at this level confines the organization's efforts to its website and associated database, social media, and reduced paid advertising. Research shows that such a cut eliminates a destination from the minds of both leisure and business travelers, and that recovery of market share and brand recognition requires a market cycle.

Travel Juneau FY21 Budget Scenarios

4/8/2020

Line		Description & Notes	Convention Sales (1)	Dest Mkt (2)	Vis Svc (3)	Partner Svc (4)	Admin (5)	Special Projects & Pass-throughs (6)	FY21 Plan C		PREV PROPOSED FY21	FY20
	REVENUES & INCOME											
4000	**Hotel Bed Tax - CBJ Grant**	**General funding across all classes**					360,000		360,000	700,000		885,000
	Approved increment											0
4001	**Partnership Sales**	Partnership Tiers base - 225 @$400				90,000			90,000	90,000	100,800	96,000
4010												
4025												
4100	**Ad Sales & Media Expense Recovery**											
	Co-Op Ads	From Dest Mkt										5,000
	Travel Planner Ads	From Partner Svc								0	115,000	130,000
	CST Ads on monitor	From Partner Svc				500			500	500	2,000	1,000
	DTN Website Ads	From Partner Svc				6,000			6,000	6,000	60,000	60,000
4200	**Website Add'l Listings**	From Partner Svc				3,500			3,500	3,500		7,500
4250	**Travel Planner Add'l Listings**	From Partner Svc				3,000			3,000	3,000		6,000
4350	**Travel Fair Vendors**					7,500			7,500	7,500		7,500
4400	**Annual Mtg**					350			350	350		350
4450	**Marketing Momentum**	Ticketed event				1,500			1,500	1,500	2,250	2,250
									0			0
4500	**Booth Share**	Show booth partners				3,000			3,000	3,000	3,000	3,000
									0			0
4550	**Mtg Planner Event Vendors**								0			0
	JNU MP events								0			0
	ANC MP events								0			0
									0			0
4600	**Interest**						325		325	325	325	125
4650	**MPFs for Visitor Services**								0	110,000	149,600	148,300
4675	**Label Sales**								0			300
									0			0
4700	**Other revenue & income**								0			0
	Cruise Ship calendars								0	150	200	100
4750	**Pass-through and Special Projects - Class 6**								0			0
	Crossing Guard Program - MPFs	10% Admin fee for pass-through						155,000	155,000	155,000	362,000	325,460
4770	Carry-over	HBT/MPFs	80,000	73,500	40,750	13,300	11,720		219,270	419,770	5,000	20,000
		TJ reserves					200,000		200,000	200,000		
	TOTAL REVENUES		80,000	0	0	115,350	372,045	155,000	849,945	1,500,595	1,754,157	1,697,885
	EXPENSES											
5000	**Personnel Expenses**						292,465		292,465	556,500	589,507	510,972
	Gross											0
	Anniversary Bonus											0
	Company FICA											0
	Company Medicare											0
	Company SUI											0
	Company FUTA											0
	Other payroll tax expense											0
	Workman's Comp											0
	Medical	Yrly increase								0	3,000	2,500
	Wellness											0
	Life Insurance											0
	Retirement											0
6000	**Staff Training & Conferences**											**0**
	ATIA Annual Convention								0	1,500	3,000	0
	DMA West Leadership								0	0	2,500	2,500
	DMA West Ed Summit								0			0

Line		Description & Notes	Convention Sales (1)	Dest Mkt (2)	Vis Svc (3)	Partner Svc (4)	Admin (5)	Special Projects & Pass-throughs (6)	FY21 Plan C	FY 21 Plan B	PREV PROPOSED FY21	FY20
	DMA West Tech Summit								0	0	2,500	0
	Simpleview Summit	CMS							0	1,500	7,000	3,500
	DI Annual Convention								0	0	8,100	5,400
	DI Mem Services Sum								0	0	2,500	2,500
	DI Visitor Services Sum								0	0	3,000	2,500
	Innovation Summit								0	0	300	0
	SE Conference attendance								0	0	350	350
	SATC mtg								0	0	1,000	1,000
	Sales Forum								0	0	2,000	2,000
	CDME via DI								0	0	10,000	10,000
	Toastmasters								0	0	100	1,590
6010	**Staff Incentives**								0	1,000	2,500	2,500
6025	**Mileage**		0	0	0	0	0		0	1,200	2,600	2,600
6030	**Telephone & Internet**		1,800	1,500	5,000	1,500	2,700		12,500	12,500	12,500	12,100
6040	**Technology & Connectivity**											0
	IT	HansenGress contract	2,286	2,286	4,571	2,286	4,571		16,000	16,000	16,000	18,000
	Simpleview CRM	Annual contract	2,250	2,250	6,750	2,250	4,500		18,000	18,000	18,000	18,000
6050	**Equipment - Purchase & Maintenance**		300	300	300	300	300		1,500	1,500	1,500	1,500
6070	**Postage**		100	100	2,000	100	100		2,400	5,000	5,500	5,000
6080	**Supplies**		0	0	0	0	300		300	1,100	2,000	2,000
6090	**Copying/Printing**	All office	100	100	100	100	100		500	1,500	2,200	2,200
6100	**Dues/Partnerships**								0			0
	ATIA			2,500					2,500	5,000	12,100	12,100
	Visit Anchorage		375						375	375	375	375
	AK Chamber of Commerce								0			500
	Visit Seattle	Trade - NC							0			0
	NTA			820					820	820	820	800
	USTA			2,600					2,600	2,600	2,600	2,550
	ABA			605					605	605	605	605
	ATTA			1,000					1,000	1,000	1,000	0
	SATC			5,000					5,000	5,000	5,000	5,000
	Dest Int'l						3,600		3,600	3,600	3,600	3,500
	DMA West						975		975	975	975	880
	Board Room			0			0		0	0	750	750
	ASAE								0			0
	Small Market Mtgs		395						395	395	395	395
6200	**Subscriptions**											0
	STR											2,200
	Meltwater			8,525					8,525	8,525	8,000	8,000
	Shiftboard				1,250				1,250	1,250	2,000	3,000
	Zoom						220		220	220		
	MailChimp & PayPal					2,160			2,160	2,160	2,160	2,160
	BarberStock			6,000					6,000	6,000	6,000	6,000
	Juneau Empire						0		0	190	190	190
	ADN						0		0	140	140	
	Adobe Suite			3,200					3,200	3,200	3,200	3,200
	Canva			200					200	200	200	200
	Zmags			2,640					2,640	2,640	2,640	2,640
	TripAdvisor								0			11,000
6300	**Community Relations**											0
	Chamber Events		0				0		0	800	1,400	1,400
	Maritime Festival								0	0	150	150
	Ads, community sponsorships		0			0			0	750	2,045	2,045
	Communications Plan						0		0	5,000	12,000	22,500
	New Ship Plaques					0			0	250	500	500
6400	**Shows**								0			0
	Sea Trade	Contracted		2,500					2,500	2,500	6,500	5,500
	NTA			0					0			0
	Go West								0			0
	IPW			0					0	0	7,500	5,500

Travel Juneau FY21 Budget Scenarios

4/8/2020

Line		Description & Notes	Convention Sales (1)	Dest Mkt (2)	Vis Svc (3)	Partner Svc (4)	Admin (5)	Special Projects & Pass-throughs (6)	FY21 Plan C	FY 21 Plan B	PREV PROPOSED FY21	FY20
	ITB			0					0	0	6,500	6,500
	Cruise 360			0					0			0
	AAA Travel Show	Contracted		6,500					6,500	6,500	6,500	6,500
	NYTimes Travel Show			0					0			0
	NY Media Day								0			0
	TravMedia			0					0			0
	AK Media Road Show	Contracted		8,800					8,800	8,800	8,800	6,300
	Seattle Boat Show	For Docks & Harbors		1,250					1,250	1,250	1,250	1,250
	Small Market Mtgs	Contracted	7,500						7,500	7,500	7,500	7,500
	Destinations West	Contracted	7,500						7,500	7,500	7,500	7,500
	IPEC								0	0	0	0
	Travel & Adventure	Contracted		3,000					3,000	3,000	22,909	22,909
	ATTA	Contracted		4,000					4,000	4,000		
6430	**FAM - Prospects**											0
	TJ Travel Agent FAM								0	2,000	2,000	0
	TJ Tour Operator FAM								0	2,500	2,500	2,500
	TJ Tour Op Assistance								0			0
	MP Prospect FAM								0	5,000	5,000	5,000
	Australia Tour Op/Travel Agent Mission								0	8,500	8,500	8,500
6450	**Incentives & Premiums**								0			0
	Premiums								0	12,000	12,000	14,500
6475	**Travel Guide Distribution**	Trade shows							0	350	350	250
												0
	CONVENTION SALES/MARKETING											0
6500	**Centennial Hall rebate & mtg support**	Incl A/V support	20,000						20,000	50,000	30,000	25,000
6510	**Meeting Printing**								0			0
	Meeting Planner Guides	PDF only	0						0			1,500
	Welcome signs		0						0	500	500	750
6515	**Conv Sales Site Visits - MPs**	For planners with meetings in Definite status	2,500						2,500	2,500	2,500	3,000
6520	**Bid in Person or mtg promotion**		0						0	4,500	5,500	5,000
6530	**Convention Advertising & Ad Dev**		27,785						27,785	32,785	27,785	15,285
6550	**Meeting Planner Events**		0						0			2,500
6575	**Sales Missions**								0			0
									0			
	DESTINATION MARKETING											
6600	**Travel Writer Expenses/PR**											
	Travel writer exp & media events			5,000					5,000	16,211	13,211	5,000
	PR assistance - Thompson&Co contract			10,000					10,000	10,000	10,000	10,000
	Special Media Events			0					0	3,500	3,500	13,000
	Eaglecrest Promo			2,500					2,500	5,000	5,000	0
6700	**Consumer Shows**								0			
	All shows to 6400											
6710	**Destination Print Advertising**			5,000					5,000	16,500	16,500	20,000
6720	**Destination Digital Advertising**			20,525					20,525	36,500	36,500	32,425
	AK Seaplanes - YXY promos			2,500					2,500	2,500	2,500	2,500
	Leads program - ATIA			0					0	5,000	5,000	0
									0			0
6725	**Destination Photos, Video, & Graphic Design**			4,000					4,000	11,000	8,000	13,480
6730	**Destination Social Media Promotion**			8,500					8,500	13,191	8,500	8,500
6735	**Marketing Coordinator**	See 5000							0	0	0	
6740	**Travel Guide Production & Distribution**			0					0	10,000	90,000	100,000
6750	**Website Hosting & Maintenance**								0			
	Maintenance			56,000					56,000	56,000	56,000	56,000
	Mobile			8,000					8,000	8,000	8,000	8,000
	Domain Name Purchase/Renewal			150					150	150	150	150
												0
	VISITOR SERVICES											0

Travel Juneau FY21 Budget Scenarios

4/8/2020

Line		Description & Notes	Convention Sales (1)	Dest Mkt (2)	Vis Svc (3)	Partner Svc (4)	Admin (5)	Special Projects & Pass-throughs (6)	FY21 Plan C	FY 21 Plan B	PREV PROPOSED FY21	FY20
6810	**AKA Fulfillment (bulk mail)**				10,000				10,000	10,000	15,000	15,000
6815	**Storage**				2,750				2,750	2,750	2,800	2,650
6820	**Volunteer - Training**				2,000				2,000	4,500	5,500	5,000
	New Volunteer Orientation (3)								0			0
	Tours & Attractions								0			0
	Shiftboard Review (2)								0			0
	What's New								0			0
	Walkabout								0			0
6825	**Volunteer Recognition**				2,500				2,500	3,500	4,500	4,500
	Mid-Season Potluck								0	0	0	0
	End of Season Celebration								0			0
	Recognition swag				0				0	1,500	1,500	1,500
6830	**Summer Assistants**				0				0	21,000	21,000	20,000
6840	**Parking - Seasonal**				650				650	650	650	650
									0			0
6845	**Travel Guide Dist - Interior**				2,260				2,260	2,260	2,500	2,500
6850	**Visitor Site Supplies**				250				250	1,000	2,000	3,000
6852	**Copy/Printing - Dept Specific**				1,500				1,500	1,500	2,500	2,500
6855	**DT Walking Map**				0				0	10,000	25,000	25,680
6860	**Visitor Retention**				0				0	0	1,469	0
6865	**Cruise Calendar Prod**				0				0	500	600	600
	PARTNER SERVICES											0
6910	**Travel Fair**											0
	Promotion					2,000			2,000	4,500	6,053	5,000
	Venue					1,200			1,200	1,200	1,200	750
	Services					350			350	350	350	200
6925	**Partnership Education**					0			0	3,000	4,750	2,500
6940	**Election**								0			0
6945	**Annual Meeting & Annual Rpt**					600			600	3,000	4,200	4,200
6950	**New Partner Recruitment**					0			0	250	750	500
6965	**Decals**					0			0	0	475	475
6970	**DTN Contracts**					0			0	0	45,000	45,000
6975	**Dining Guides**					0			0	4,500	4,500	4,500
									0			0
	ADMIN											0
7010	**Rent**		1,875	1,875	3,755	1,875	39,620		49,000	49,000	49,000	49,000
7015	**Property Insurance**		242	242	484	242	240		1,450	1,450	1,450	1,450
7020	**Liability Insurance**		450	450	900	450	450		2,700	2,700	2,700	2,700
7025	**Employee Dishonesty Insurance**						475		475	475	475	475
7030	**Fees & Taxes**						5,800		5,800	5,800	5,800	5,800
7040	**ERISA Bond**		178	358	358	178	178		1,250	1,250	1,250	0
7050	**Board of Directors**						250		250	1,000	2,000	3,500
7070	**Accounting**						8,500		8,500	8,500	8,500	8,200
	AUP								0			0
	Tax prep & assistance								0			0
	Other Accounting								0			0
7080	**DestNEXT - DMO evaluation**											0
7090	Non-Designated Reserve						0					0
												0
												0
												0
8100	**SPECIAL PROJECTS - CLASS 6**											0
	Crossing Guard Program (MPF)											0
	$325,460 - 10% Admin Fee							155,000	155,000	329,728	329,728	292,914
	TOTAL EXPENSES		**75,636**	**190,776**	**47,378**	**15,591**	**365,344**	**155,000**	**849,725**	**1,500,095**	**1,754,157**	**1,634,395**

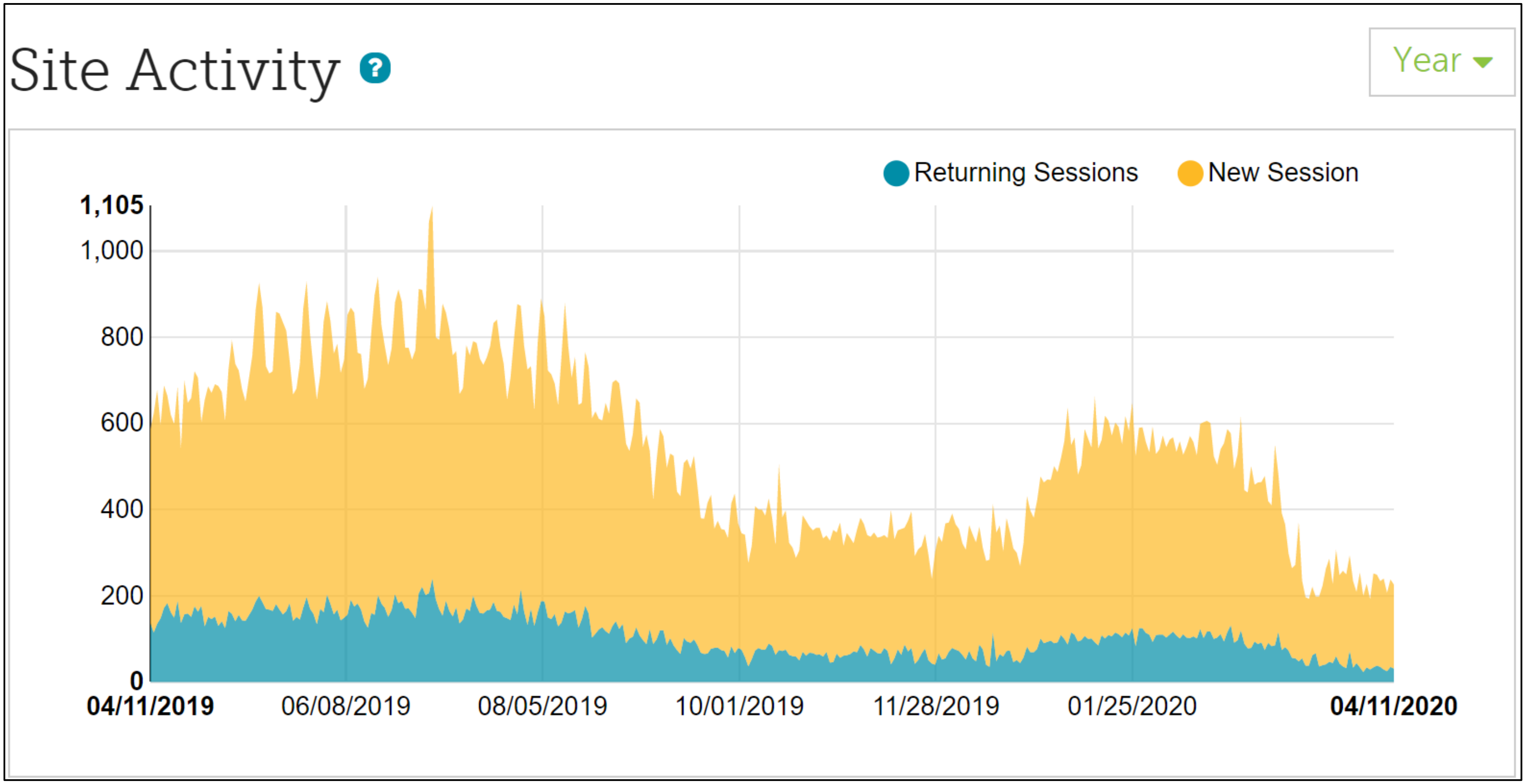
Travel Juneau Convention Cancelations

Lost or Cancelled:

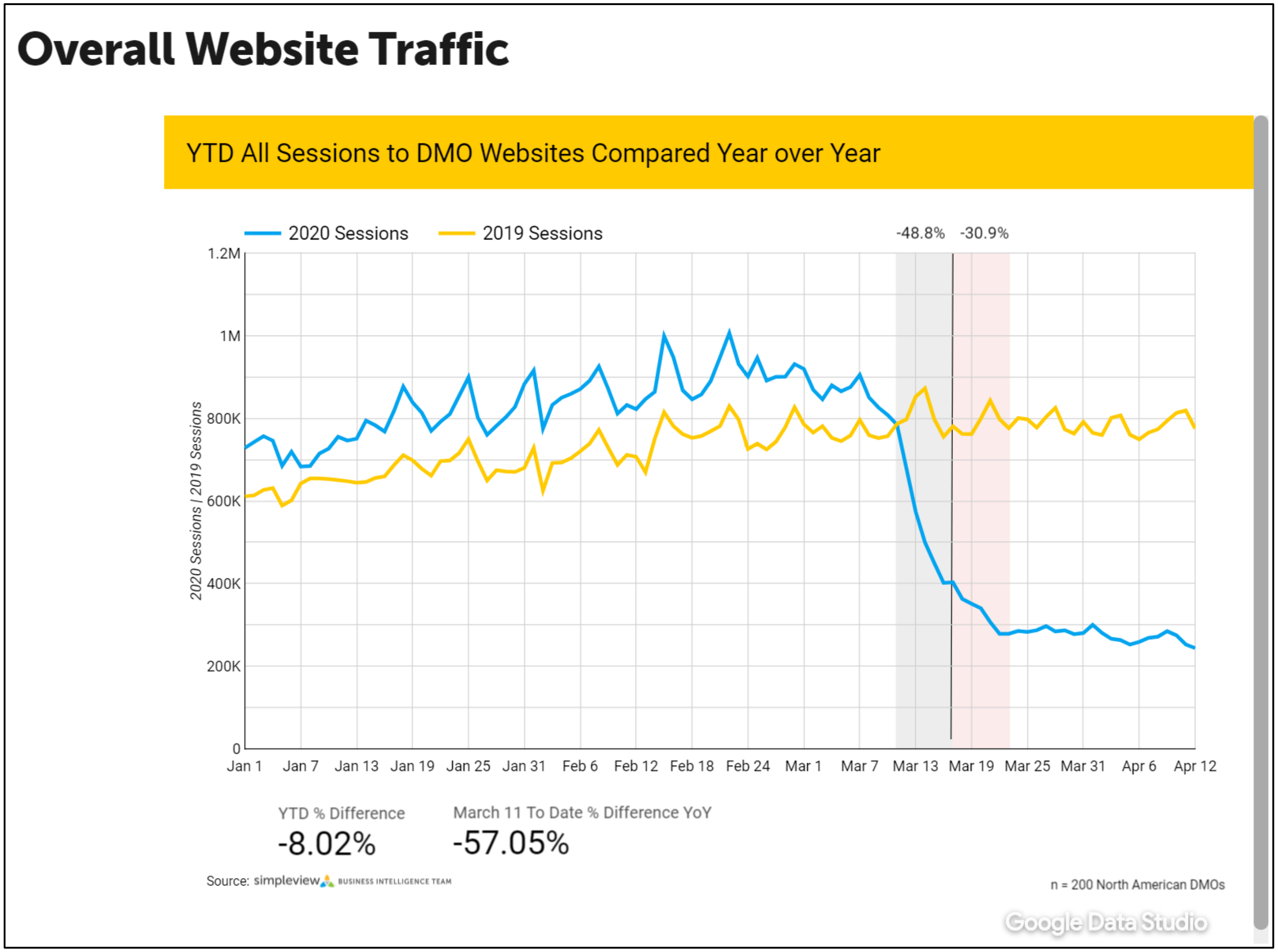
2020 Lead Name	Status	EEI	Requested Rooms	Show Attendees
2020 H R Leaders of Tomorrow Conference	Cancelled	$72,025.00	96	75
2020 AK Republican Party Convention	Cancelled	$351,050.00	500	300
2020 AK Youth Court Conference	Cancelled	$104,630.00	180	125
2020 AK Angel Conference	Cancelled	$46,185.00	65	75
2020 Western Academic Leadership Forum Annual Meeting	Cancelled	$64,575.00	140	60
2020 First Bank Stockholders Meeting	Cancelled	$28,315.00	42	25
2020 AK Library Assoc & Pacific NW Library Assoc Conference	Cancelled	$286,450.00	700	250
2020 Alaska CHARR Convention	Cancelled	$142,070.00	300	130
2021 Western Region Tuskegee National Alumni Assoc. Conference	Cancelled	$66,200.00	117	120
2020 Sealaska Heritage Inst - Celebration	Cancelled	$794,500.00	1,290	1,000
Alaska P.E.O. Women's Clubs State Conference	Cancelled	$33,100.00	40	100
2020 USC BSChE Chem International Reunion	Cancelled	$69,550.00	90	50
2020 Pioneers of AK Grand Igloo Convention	Cancelled	$177,480.00	610	200
2020 Southeast Alaska Garden Conference & Trade Show	Cancelled	$53,610	150	30
Total: 14		**$2,289,740.00**	**4,260**	**2,660**

2021 & 2022 Lead Name - Postponed Events	New Dates	EEI	Requested Rooms	Show Attendees
2021 Sealaska Heritage Institute Celebration	June 2-5, 2021	$794,500.00	1,290	1,000
2021 Pioneers of Alaska Igloo Convention	Sept.22-25, 2021	$177,480.00	610	200
2021 Alaska CHARR	TBD	$142,070.00	300	130
2021 Alaska P.E.O. Women's Clubs State Conference	April 23- 25, 2021	$33,100.00	40	100
2022 Younghearts Marriage Annual Retreat	TBD	$76,150	150	100
2022 Morehouse School of Medicine Annual Faculty Retreat	TBD	$114,580	150	100
2022 Western Region Tuskegee National Alumni Assoc. Conference	TBD	$66,200.00	117	120
Total: 7		**$1,404,080.00**	**2,657**	**1,750**

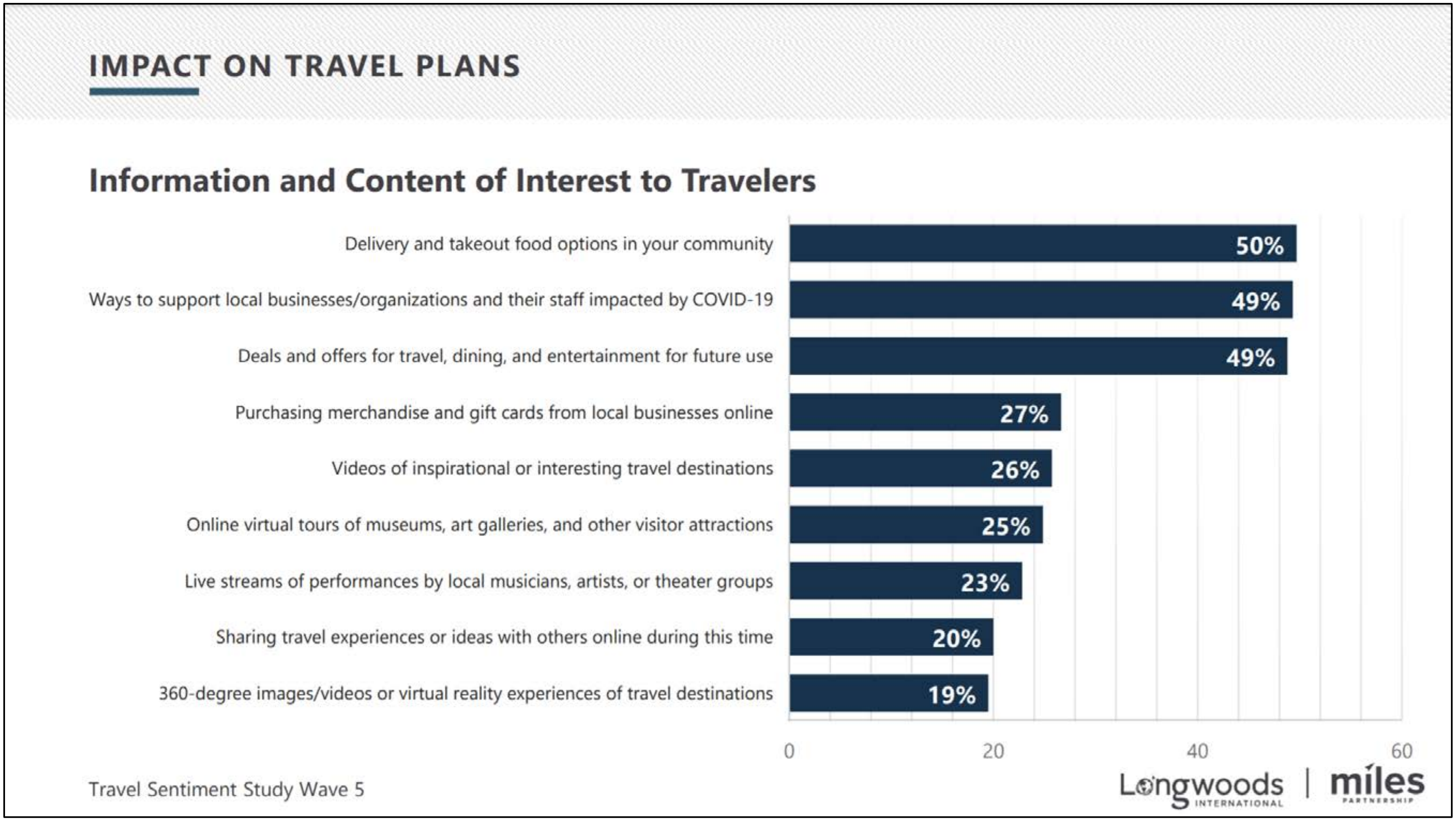
Travel Juneau Web Traffic 4/11/19 – 4/11/20



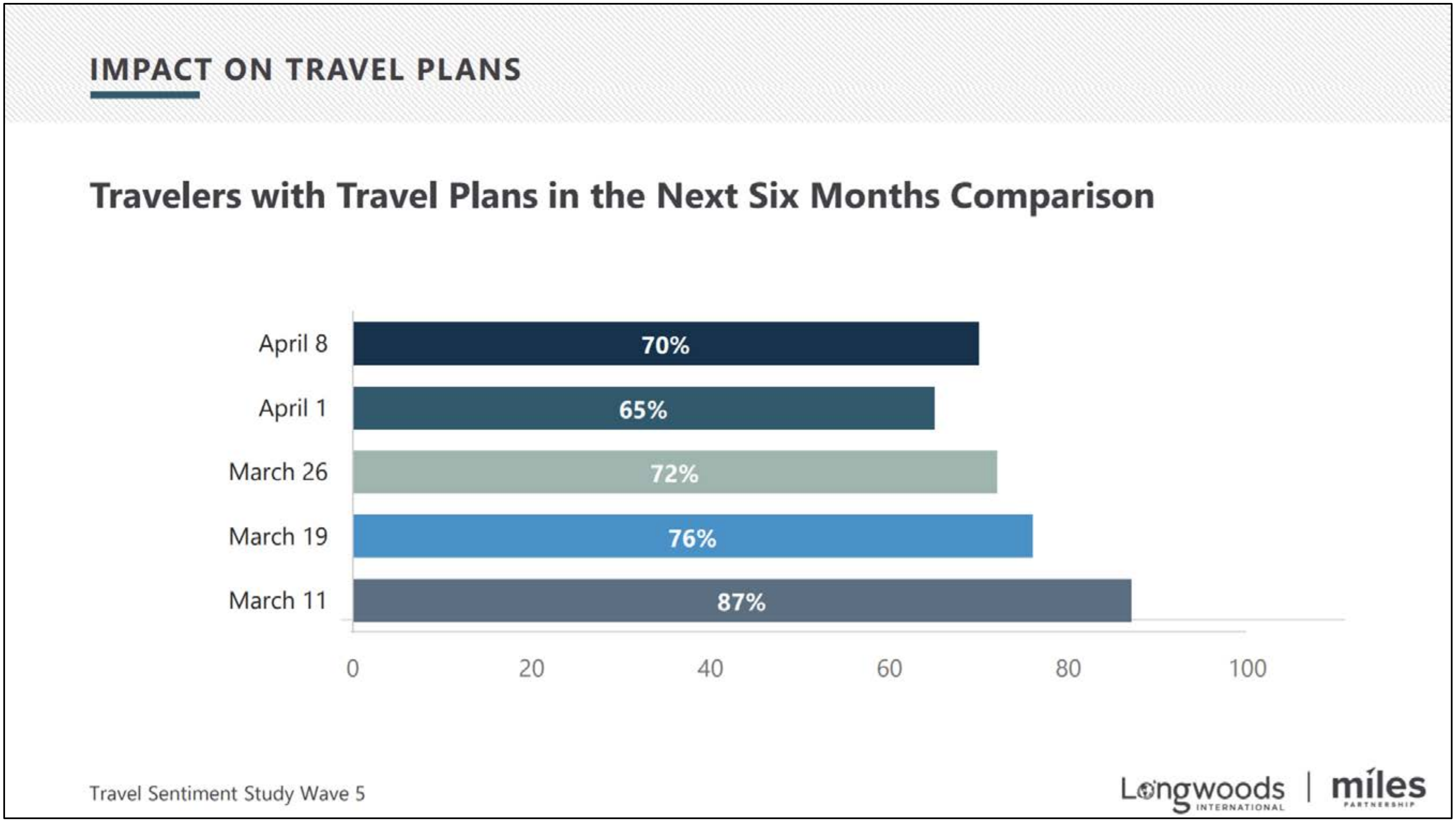
Destination Marketing Organization (DMO) Web Traffic Year over Year



Information and Content of Interest to Travelers



Travelers with Travel Plans in Next Six Months Comparison



U.S. Outlook		
Metric	2020 Forecast	2021 Forecast
Supply	-14.9	+15.6
Demand	-51.2	+81.8
Occupancy	-42.6	+57.3
ADR	-13.9	+3.7
RevPAR	-50.6	+63.1

Mar 19, 2015, 12:29pm EDT

Why Tourism Advertising Is More Powerful Than You Think

Andrew Levine Contributor
CMO Network
I write about marketing places.

I've known Bill Siegel for a long time. He and his firm Longwoods International have been tracking the performance of the advertising campaigns of countries, states and cities for over 25 years. So when he called me up and said, "Can we get together? I've got some really interesting numbers to share with you," I readily agreed.

Bill had a simple question he wanted to answer: ***Is there a halo effect generated by tourism advertising?***

Yes, we can survey consumers and directly see how a state or city's advertising campaign works in influencing perceptions of a destination's tourism product and ultimately in motivating travel. But are there other benefits in boosting the community's overall image with the same audience?

North Dakota is a case in point. For the past decade, the state's *"Legendary"* campaign has been a successful branding statement connecting the state to potential travelers in an emotional and authentic manner. The most recent ROI research shows that North Dakota's U.S. campaign generated over $100 in visitor spending for every dollar spent on advertising.

North Dakota's "Legendary" advertising campaign kicked-off in 2005.

But here's where it gets even more interesting. Are the same viewers more positive to North Dakota as:

- A place to live? ***Yes***, up 41%.
- A place to start a career? ***Yes***, up 100%.
- A place to start a business? ***Yes***, up 75%.
- A place to attend college? ***Yes***, up 87%.
- A place to purchase a second home? ***Yes***, up 113%
- A place to retire? ***Yes***, up 75%.

Tourism advertising helped boost the state's image in unexpected ways.

Longwoods asked the same six questions in assessing the impact of advertising campaigns for a number of other states, including North Carolina, Michigan, Minnesota, Ohio, and Wisconsin. The findings couldn't have been more consistent. In each and every case, effective tourism advertising had the same impact, improving consumer perceptions of each state in accidental yet positive ways. And while tourism marketing has been shown to generate significant economic impact by driving visitation, these results demonstrate the potential long-term benefits for broader economic development.

Edward Thorndike, an early educational psychologist, first coined the term "the halo effect" in a 1920 article titled "A Constant Error in Psychological Ratings." Thorndike asked two commanding officers to evaluate their soldiers in terms of physical qualities (neatness, voice, physique, bearing, and energy) and personal qualities (including dependability, loyalty, responsibility, selflessness, and cooperation). He found that if an officer liked one aspect of the soldier, he tended to have a positive predisposition toward everything about him.

Nearly one hundred years later, the same can now be said of tourism advertising. We've known for a long time that effective tourism advertising campaigns build positive feelings toward a travel experience and inspire travel. But thanks to Bill Siegel and the Longwoods team, we now know that the same campaigns have other benefits that elevate impressions of a destination in an unintended yet positive manner.

Andrew Levine

Follow

I'm passionate about places and how communities work to attract investment, tourists and talent. For 20-plus years, I've served as president/chief creative of cer of... **Read More**

KEY TAKEAWAYS

Today, travel remains a central pillar of the U.S. economy. The industry drives economic growth, creates jobs and generates much needed tax revenue for local communities. And while states' and local governments' budgets for tourism promotion fluctuate from year to year, investment in travel promotion never fails to drive new visitors to destinations and deliver economic benefits to communities across the country.

This report offers five key insights on the impact and benefits of travel promotion:

1. **Travel gives back to local communities.**
   Travel and tourism creates jobs and generates tax revenue for local communities, which in turn, help pay for important public services.

2. **Investment in travel promotion helps destinations compete and thrive.**
   In an increasingly competitive travel market, the destinations that prioritize travel promotion benefit from increased visitation.

3. **Enhanced travel-related offerings help states and destinations attract visitors and businesses.**
   Destinations that are able to provide a range of offerings are not only likely to draw more visitors, but also attract new businesses and skilled workers.

4. **Brand USA boosts tourism to the United States.**
   Since its inception in 2011, Brand USA has played a major role in marketing the U.S. as a destination and helped bring millions of international travelers to U.S. shores. Destinations partnering with Brand USA have the ability to utilize their existing relationships, platforms and marketing programs to increase their visibility and engagement with potential travelers.

5. **Decreases in travel promotion investments have an immediate and long-term negative impact.**
   Time and again, destinations that have reduced their investments in travel promotion have seen a drop in overall visitation and missed out on potential economic benefits.

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

DATE: April 8, 2020

TO: Chair Jones and Assembly Finance Committee

FROM: Rorie Watt, City Manager

RE: Revised Draft Passenger Fee CIPs, Operations and Grant Appropriations

This memo discusses this year's budget and recommendations for the expenditure of passenger derived fees (CBJ $5 Marine Passenger Fee, $3 Port Development Fee and $5 State Commercial Passenger Vessel Fee).

The recommendations are made in accordance with the MOA that was reached with CLIA in March of 2019 and are designed to provide services and solve community issues related to cruise ship tourism. Recall that the MOA and litigation was about the two CBJ fees (MPF and PDF) but not the State fee (CPV).

Significantly, this revised recommendation recognizes the urgency and uncertainty surrounding the COVID-19 pandemic. As with the revenue forecast that accompanies the Proposed FY2021-2022 Budget, this revised recommendation assumes no cruise ships and no passenger fees in the summer of 2020. In the absence of passenger fees to be received this summer, no capital projects are recommended for funding. Additionally, grants to third parties for services rendered to passengers are not recommended.

CBJ has two essential funding requirements for passenger fees, even in the absence of passengers. First is the debt service on the new 16B docks of $2.1 million per year. Second is the maintenance of CBJ operational capacity that allows the community to be able receive passengers in the future. These operational costs include police, emergency services, maintenance, and overhead totaling $2.75 million per year.

Accumulated fund balances and the small amount of passenger fees to be received in FY2020 are sufficient to pay for the required debt service and CBJ operational costs.

	FY21 MPF Proposal		
Municipal Service Provided	**Direct Cost**	**CBJ Overhead***	**Total**
Ambulance/EMS Support	805,200	59,500	**864,700**
Police Support	740,650	54,700	**795,350**
Seawalk, Open Space and Restroom Maintenance	359,800	26,600	**386,400**
Street Cleaning/Repair	208,300	15,400	**223,700**
Docks and Harbors - Port Management	315,000	23,300	**338,300**
Docks and Harbors - Port Customs Office Building Maintenance	133,500	9,900	**143,400**
Total CBJ Cost	**2,562,450**	**189,400**	**2,751,850**

City and Borough of Juneau

Passenger Fees from All Sources

($000 Thousands)

April 8, 2020

	FY17	FY18	FY19	FY20	FY21	FY22
MPF						
Revenue	$ 5,067	$ 5,407	$ 5,991	$ 3,800	$ 1,700	$ 5,600
Unspent MPF returned to Fund	$ 251	$ 30	$ 2,410	$ -	$ -	$ -
Operating Expenditures	$ (3,953)	$ (3,337)	$ (3,189)	$ (3,763)	$ (1,752)	$ (3,687)
Capital Expenditures	$ (1,303)	$ (1,869)	$ (5,385)	$ (631)	$ -	$ (2,500)
Waterfront Seawalk III	-	578	130	-	-	1,000
Statter Harbor Phase III	-	-	450	-	-	1,500
Surplus/Deficit	$ 62	$ 231	$ (173)	$ (594)	$ (52)	$ (587)
MPF Fund Balance	$ 536	$ 767	$ 594	$ -	$ (52)	$ (639)
SMPF						
Revenue	$ 4,622	$ 4,769	$ 5,271	$ 8,415	$ -	$ 5,000
Operating Expenditures	$ -	$ -	$ -	$ (1,661)	$ (1,000)	$ -
Debt Services					$ (1,000)	
Capital Expenditures	$ (4,600)	$ (4,600)	$ (5,000)	$ (4,500)	$ -	$ (5,000)
Statter Harbor Phase III	4,600	4,600		4,500		1,500
Safety Guardrail Along Dock Face	-	-	-	-		1,000
Marine Park Seawalk Infill	-	-	-	-		1,500
S. Franklin Street Pedestrian Safety/Capacity	-	-	-	-		1,000
MP To Taku Uplands	-	-	5,000	-	-	-
Surplus/Deficit	$ 22	$ 169	$ 271	$ 2,254	$ (2,000)	$ -
SMPF Fund Balance	$ 126	$ 295	$ 566	$ 2,820	$ 820	$ 820
PDF						
Revenue	$ 3,015	$ 3,217	$ 3,568	$ 2,300	$ 1,000	$ 3,200
Operating Expenditures	$ (6)	$ (6)	$ (6)	$ (365)	$ (8)	$ (8)
Debt Service	$ (2,093)	$ (2,095)	$ (2,097)	$ (2,095)	$ (1,095)	$ (2,094)
Capital Expenditures	$ -	$ -	$ (3,700)	$ -	$ -	$ (1,500)
Cruise Ship Dock Shore Power	$ -	$ -	$ -	$ -	$ -	$ 1,000
Wastewater CIP	$ -	$ -	$ -	$ -	$ -	$ 500
MP To Taku Uplands	$ -	$ -	$ 3,700	$ -	$ -	$ -
Surplus/Deficit	$ 916	$ 1,116	$ (2,235)	$ (160)	$ (103)	$ (402)
PDF Fund Balance	$ 1,724	$ 2,840	$ 605	$ 445	$ 342	$ (60)
TOTAL PASSENGER FEES						
Revenue	$ 12,704	$ 13,393	$ 14,830	$ 14,515	$ 2,700	$ 13,800
Unspent MPF returned to Fund	$ 251	$ 30	$ 2,410	$ -	$ -	$ -
Operating Expenditures	$ (3,959)	$ (3,343)	$ (3,195)	$ (5,789)	$ (2,760)	$ (3,695)
Debt Service	$ (2,093)	$ (2,095)	$ (2,097)	$ (2,095)	$ (2,095)	$ (2,094)
Capital Expenditures	$ (5,903)	$ (6,469)	$ (14,085)	$ (5,131)	$ -	$ (9,000)
Total Surplus/Deficit	$ 1,000	$ 1,516	$ (2,137)	$ 1,500	$ (2,155)	$ (989)
Total All PF Funds Balance	$ 2,386	$ 3,902	$ 1,765	$ 3,265	$ 1,110	$ 121

Childcare Costing Options

Assembly Finance Committee

April 15, 2020

CITY AND BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY

Assembly Child care Taskforce Recommendations

- Identify what, if any public facilities might be used to provide child care
- *Establish a revolving loan fund for use in start-up and on-going programs - Complete*
- *In FY20 fund existing child care and early education programs - Complete*
- Fund Best Starts model with some structural changes to clearly delineate how the program would prioritize increasing capacity until demand is fulfilled – and direct the Manager to present an implementation plan.

Staff Recommended Solution Parameters

- Address facility costs
- Incentivize Infant/Toddler care over pre K
- Require licensing
- Require full time, year round care
- Require a minimum of Level 2 Learn & Grow
- Must be eligible for State childcare grant (assures low income access)
- Not eligible if receiving direct funding from CBJ or federal block grant funds (e.g. Kinder Ready, Headstart, LEARN)
- Be simple to administer
- Provide a workforce development component to assure there is a trained workforce ready, and available to meet employment needs.

Capacity and Staffing Projections*

- Economic Models were built on the following projections:

	FY21	FY22	FY23	FY24	FY25
Capacity Projections	487	587	687	787	887
Staffing Projections	98.9	123.7	148.4	173.2	197.9

- Capacity: Each year one additional childcare center serving 60 children, one group home serving 12 children, and three home care centers serving 24 children (8 in each home).

- Staffing: In order to meet an increased capacity of 100 children per year, an additional 25 childcare workers per year would be needed to be added to the workforce.

CITY AND BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY

Per Child Stipend

- This option pays out on a per child basis. Financial modeling was completed with the following parameters: $200 per child for Infant and Toddlers. $50 per child for 3 – 5 year olds. An additional $50 per child regardless of age if low income.
- Must meet Learn & Grow Level 2 to qualify. Must transition to Level 3 within 12 months of Level 3 being available.

	FY21	FY22	FY23	FY24	FY25
Per Child Stipend	676,440	856,440	1,036,440	1,216,440	1,396,440
AEYC Admin	8,750	9,000	9,250	9,525	9,800
Total	**765,190**	**970,440**	**1,187,690**	**1,439,665**	**1,694,940**
Cost per child	1,571	1,653	1,729	1,829	1,911

Workforce Development & Stabilization

- Continue current HEARTS program
- Coordinate with AEYC and other organizations to provide training designed to assure an adequate supply of trained workers entering the childcare industry.

	FY21	FY22	FY23	FY24	FY25
HEARTS (New)	0	0	12,000	58,700	108,700
HEARTS (Current)	180,000	180,000	180,000	180,000	180,000
Training Grant	55,000	55,000	55,000	55,000	55,000
Total	**235,000**	**235,000**	**247,000**	**293,700**	**343,700**

Potential Facility Solutions

- Floyd Dryden modulars were considered – upon further investigation the cost to modify for childcare is more expensive than originally thought.
- Staff made the decision to pursue other facility options with the faith community and employers.
- A facility stipend of $25,000 per facility is included in the overall costing proposal.

CITY AND BOROUGH OF JUNEAU ALASKA'S CAPITAL CITY

Total Proposed Costs

Proposed Funding						
	Per Child Stipend	676,440	856,440	1,036,440	1,216,440	1,396,440
	AEYC Admin	8,750	9,000	9,250	9,525	9,800
	HEARTS (New funding)	0	0	12,000	58,700	108,700
	Facility Grant	25,000	50,000	75,000	100,000	125,000
	Training Grant	55,000	55,000	55,000	55,000	55,000
	Total	**765,190**	**970,440**	**1,187,690**	**1,439,665**	**1,694,940**
Existing Funding						
	HEARTS	180,000	180,000	180,000	180,000	180,000
	Kinder Ready	300,000	300,000	300,000	300,000	300,000
	Total	**480,000**	**480,000**	**480,000**	**480,000**	**480,000**
Grand Total		**1,245,190**	**1,450,440**	**1,667,690**	**1,919,665**	**2,174,940**

CITY AND BOROUGH OF JUNEAU ALASKA'S CAPITAL CITY

Next Steps

- Reach out to the faith community to determine interest and parameters for establishing childcare facilities.
- Conduct an RFP for providers interested in operating a new center in identified locations.
- Finalize MOAs with AEYC to manage the HEARTS program, the Per Child Stipend program, and a Workforce Development program.
- Develop metrics for measuring program impacts.

Age	$ amount	FY21 # of children	FY21 Annual Cost	FY22 # of children	FY22 Annual Cost	FY23 # of children	FY23 Annual Cost	FY24 # of children	FY24 Annual Cost	FY25 # of children	FY25 Annual Cost
Infant	200	62	148,800	92	220,800	122	292,800	152	364,800	182	436,800
Toddler	200	119	285,600	149	357,600	179	429,600	209	501,600	239	573,600
Pre K	50	306	183,600	346	207,600	386	231,600	426	255,600	466	279,600
Low Income	50	97.4	58,440	117.4	70,440	137.4	82,440	157.4	94,440	177.4	106,440
Total		**487**	**676,440**	**587**	**856,440**	**687**	**1,036,440**	**787**	**1,216,440**	**887**	**1,396,440**
Per child			1,389		1,459		1,509		1,546		1,574

		FY21	FY22	FY23	FY24	FY25
Proposed Funding						
	Per child	676,440	856,440	1,036,440	1,216,440	1,396,440
	AEYC Admin	8,750	9,000	9,250	9,525	9,800
	HEARTS (New funding)	0	0	12,000	58,700	108,700
	Facility Grant	25,000	50,000	75,000	100,000	125,000
	Training Grant	55,000	55,000	55,000	55,000	55,000
	Total	**765,190**	**970,440**	**1,187,690**	**1,439,665**	**1,694,940**
Existing Funding						
	HEARTS	180,000	180,000	180,000	180,000	180,000
	Kinder Ready	300,000	300,000	300,000	300,000	300,000
	Total	**480,000**	**480,000**	**480,000**	**480,000**	**480,000**
Grand Total		**1,245,190**	**1,450,440**	**1,667,690**	**1,919,665**	**2,174,940**

Staffing Assumptions
10.5 hour day, 5 days per week, 260 days per year
FT childcare is defined at 5 hours or more per day, assumed all kids were FT
How do we account for part time care?

FY21						
Age		#	Monthly		Yearly	Staff to support
Infant		62	200	$	148,800	23.3
Toddler		119	200	$	285,600	29.8
Pre K		306	50	$	183,600	45.9
Low Inc.		97.4	50	$	58,440	
	T	**487**		**$**	**676,440**	**98.9**

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 and Assembly Finance Committee DATE: April 14, 2020

FROM: Rorie Watt, City Manager

RE: Macro Budget Balancing Tool

Attached is a high level budget balancing tool that will hopefully help the Assembly work the budget process major decisions. As you have been advised, we have an estimated revenue shortfall of $34.5M over the next 30 months. This estimate may be optimistic or conservative, we claim no special expertise in predicting the future.

This tool is intended for the Assembly to do budget planning which will greatly inform the FY21 municipal budget. From a revenue perspective, the last two quarters of FY20 are dismal and that problem must impact the FY21 budget. Every month farther into the future, our ability to forecast accurately is diminished. By June 15th, the Assembly must set the property tax mil levy and must pass the municipal budget. This tool, however crude, is designed to help the bigger picture thinking. In general, the Assembly will not have much time to focus on costs or revenues less than in the range of about $0.5M.

Property Tax Increase: Nobody likes raising property taxes, but it is the Assembly's major revenue raising tool. I have recommended that the Assembly begin the budget process with a 1 mil increase; that is a large increase. Typical Assemblies strive to hold the line on tax increases. 1 mil for one year generates about $5.5M in revenue.

Restricted Budget Reserve ($16.55M balance-$3M Business loans = $13.55M Available): Prior Assemblies directed savings for exactly this kind of time. By Assembly Resolution, the RBR can be used if there is a repayment plan. I think that using $11M is not unreasonable in the short run. Using more than that should be considered in the context of "how much worse" could this get and how could we react in the event of further downturn. Note that the amount available is reduced by the business loan program until repayment of those loans is made.

General Fund ($18.23 Balance): This is the aggregate of unspent budget authority, accumulated over the years (good job CBJ employees!) and revenue collections above forecasts. Maintaining a minimum balance of $5-7M is prudent and maintaining a reserve for the Assembly to fund one time projects or feather in programmatic cost increases has been a traditional practice. My recommendation is to first use the RBR because the severe impact to the economy from COVID19 is the type of problem that caused the CBJ to create this reserve.

CIPs: Annually, the Assembly has appropriated 1% + $1 to $1.5M (total of $11M this year) of our sales tax for streets and facility maintenance. An additional 1% of sales tax has been appropriated for special projects. Both of these sales taxes have been approved by voters with intent language. The CIP is an important economic engine for the private sector; many architects, engineers, contractors and skilled tradespeople rely on the CIP for employment. The Assembly is free to re-appropriate sales tax funds as necessary, there is no legal restriction to use of the funds.

School Debt: The Governor vetoed 100% of the State's share of bonded school debt and his staff has advised that he intends to replace it with funding from the federal CARES act. Legal and process issues remain unresolved. The amount of funding for school debt has high variance.

FEMA Eligible Costs (and reimbursement):
Given that we cannot predict the size of a COVID19 outbreak or the length of an outbreak, we have very low precision on these estimates.

Economic Recovery/Decline: As the budget process unfolds, this line may be used to adjust revenue projections.

Summary:
In closing, this is a tool to look at the big picture, while the Assembly works on the FY21 budget and while it works on adjustments to the budget as a result of revenue losses in the FY20 budget. I encourage you to think through various approaches as you balance the competing interests of taxation, service and expenditure of savings all while forecasting an uncertain world.

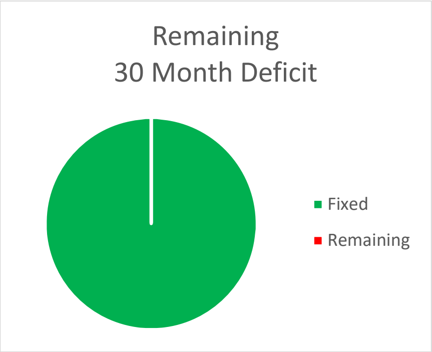
Macro CBJ Budget Balancing Concept Tool

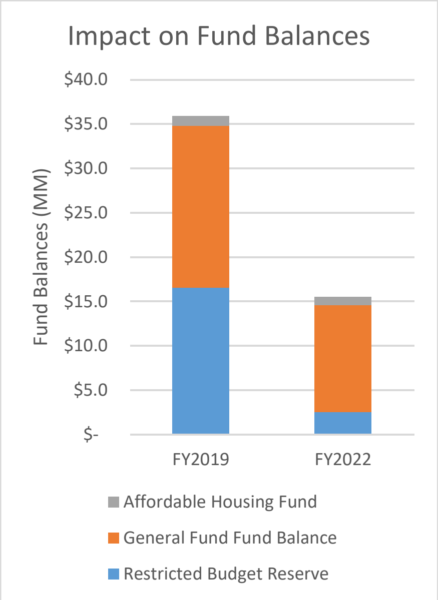
Adjust the Numbers Highighted Yellow

Fund Balances:	FY2019	FY2022
Restricted Budget Reserve	$ 16.6	$ 2.6
General Fund Fund Balance	$ 18.2	$ 12.0
Affordable Housing Fund	$ 1.1	$ 0.9
Total:	**$ 35.9**	**$ 15.5**

Projected 30 Month Budget Deficit (M): **$34.5**

Changes to Revenue		Mill Change	
Property Tax Increase FY21	$ 5.5	1.00	(positive number equals mill rate increase from 10.66)
Property Tax Increase FY22	$ 5.5	1.00	(positive number equals mill rate increase from 10.66)
Draw from Restricted Budget Reserve	$ 11.0		(positive number equals use of reserve)
Draw from Unrestricted Fund Balance	$ 6.2		(positive number equals use of fund balance)
Lost User Fees and Charges for Service			(negative number equals lost revenues)
CARES Act Thru SOA	$ -		(positive number equals funds received)
School Debt Reimbursement			(pos number = reimb more than 50%; neg number = reimb less than 50%)
FEMA COVID19 Reimbursement:	$ 1.0		(positive number equals funds received)
Changes to Expenditures			
GF Reduction to CBJ Operations	$ 1.4	$ 0.7	per year (positive number equals cost reduction)
GF Reduction to Assembly Grants	$ -	$ -	per year (positive number equals cost reduction)
New CBJ Programs or Grants	$ (1.7)	$ (0.9)	per year (negative number equals cost increase)
Deappropriation of Prior GF CIPs	$ 0.5		(positive number equals reduction to current projects)
Reduction in FY21 GF CIPs	$ 3.5		(positive number equals reduction to future projects)
Reduction in FY22 GF CIPs	$ 3.0		(positive number equals reduction to future projects)
Reduction of Augustus Brown Pool CIP	$ 3.3		(positive number equals reduction to project)
Reduction of Centennial Hall CIP	$ 1.0		(positive number equals reduction to project)
Added Priority CIP Projects	$ (1.5)		(negative number equals new funding for projects)
Transfers to other funds (HBT, JNU, etc)			(negative number equals transfers to other funds)
Small Business Loan Program	$ (3.0)		(negative number equals appropriation already made)
Rental Assistance Grants	$ (0.2)		(negative number equals grants for rental assistance)
COVID19 FEMA Eligible Costs Incurred	$ (1.0)		(negative number equals costs incurred for COVID)
Economic Rebound/Decline Adjustment:			(positive = improved outlook, negative = diminished outlook)
Deficit after Adjustments:	$ -		**You balanced the deficit!**





DRAFT MANAGER'S 30 MONTH BUDGET PLAN

Macro CBJ Budget Balancing Concept Tool

Adjust the Numbers Highlighted Yellow

Fund Balances:	FY2019	FY2022
Restricted Budget Reserve	$ 16.6	$ 13.6
General Fund Fund Balance	$ 18.2	$ 18.2
Affordable Housing Fund	$ 1.1	$ 1.1
Total:	**$ 35.9**	**$ 32.9**

Projected 30 Month Budget Deficit (M):	**$34.5**		
Changes to Revenue		Mill Change	
Property Tax Increase FY21	$ -		(positive number equals mill rate increase from 10.66)
Property Tax Increase FY22	$ -		(positive number equals mill rate increase from 10.66)
Draw from Restricted Budget Reserve		(positive number equals use of reserve)	
Draw from Unrestricted Fund Balance		(positive number equals use of fund balance)	
Lost User Fees and Charges for Service		(negative number equals lost revenues)	
CARES Act Thru SOA	$ -	(positive number equals funds received)	
School Debt Reimbursement		(pos number = reimb more than 50%; neg number = reimb less than 50%)	
FEMA COVID19 Reimbursement:		(positive number equals funds received)	
Changes to Expenditures			
GF Reduction to CBJ Operations	$ -		per year (positive number equals cost reduction)
GF Reduction to Assembly Grants	$ -	$ -	per year (positive number equals cost reduction)
New CBJ Programs or Grants	$ -		per year (negative number equals cost increase)
Deappropriation of Prior GF CIPs		(positive number equals reduction to current projects)	
Reduction in FY21 GF CIPs		(positive number equals reduction to future projects)	
Reduction in FY22 GF CIPs		(positive number equals reduction to future projects)	
Reduction of Augustus Brown Pool CIP		(positive number equals reduction to project)	
Reduction of Centennial Hall CIP		(positive number equals reduction to project)	
Added Priority CIP Projects		(negative number equals new funding for projects)	
Transfers to other funds (HBT, JNU, etc)		(negative number equals transfers to other funds)	
Small Business Loan Program	$ (3.0)	(negative number equals appropriation already made)	
Rental Assistance Grants		(negative number equals grants for rental assistance)	
COVID19 FEMA Eligible Costs Incurred		(negative number equals costs incurred for COVID)	
Economic Rebound/Decline Adjustment:		(positive = improved outlook, negative = diminished outlook)	
Deficit after Adjustments:	$ 34.5	**Additional reductions, revenue, or fund balance needed**	

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 and Assembly Finance Committee DATE: April 14, 2020

FROM: Rorie Watt, City Manager

RE: Augustus Brown Pool – Recommendation to Delay Renovation

As part of the budget process, I recommend delaying the renovations to the August Brown Pool.

As a result of COVID19, ABP is currently closed and is likely to be required to be closed by Governor's Health Mandate at least through the end of the school year. The pool is highly appreciated by the public and they have shown significant willingness to support the facility. The pool was schedule to undergo major renovation beginning this summer, funding is from the voter approved 1% sales tax extension that was passed in the municipal election of 2017.

Due to the economic and social uncertainty around COVID19, I recommend the following:

1. Delay the renovation project.
2. Maintain ABP in good working order, moth ball status.
3. Re-allocate $3.3M of CIP funding to the budget problem.
4. Revisit this situation in +/- 6 months.

This recommendation is based on the idea of de-linking the need to solve the budget problem from any long term decisions about the pool. Essentially, I am advising to hit the ABP "pause" button for now. In six months, I hope that our ability to forecast the economy and our ability to afford public services will become more clear.

One last note, we should also be cautious about potential changes to building codes as a result of COVID19. It is not inconceivable that changes to air handling or pool operation could be an outcome of the pandemic.

August Brown Pool Decision Matrix

Facility Decision:

	Operating Cost in FY21	Operating Cost in FY22	Capital Cost	
Begin renovation project.	$12K/mo.	$743,100	$4M	Note: Reliable operation, maintenance and revenues.
Closed, never open again	$2,000/mo.	$3,000/mo.	~$1M	Note: Some ongoing security and eventually demolition costs.
Closed, open when Health Mandates lifted, operate with unpredicted shut downs until end of life 2-5 years.	$62K/Month, Net of Revenue	Increasing as systems age and fail	~$1M	Note: Maintenance costs increased, revenues decreased due to increasingly failing physical plant.
Closed, keep closed for +/- six months, minimal maintenance, re-evaluate economic conditions.	$12K/Mo	Undecided	Undecided	Note: Use Capital Funds to help solve budget problem, defer long term decision for +/- 6 months

Presented by: The Manager
Introduced: 10/08/2012
Drafted by: J.W. Hartle

RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2629

A Resolution Establishing Guidelines for the Amount, Use, and Replenishment of the City and Borough Budget Reserve.

WHEREAS, in 1990, a Mayor's Fiscal Task Force was created to establish a framework for City and Borough management of any significant loss in State revenue; and

WHEREAS, the Mayor's Task Force determined that a budget reserve is appropriate and necessary to ensure adequate resources in the event of an emergency or significant unanticipated reduction in revenues; and

WHEREAS, the 1990 task force recommended that a budget reserve of at least $10 million be maintained; and

WHEREAS, in 2011, a Mayor's Task Force was created to make recommendation on the following three issues:

- Whether the budget reserve should be maintained;
- At what amount the reserve should be maintained; and
- Under what circumstances should the reserve be accessed.

WHEREAS, the 2011 Task Force held public meetings on this issue and reported to the Assembly with a draft resolution and transmittal letter; and

WHEREAS, the Assembly has reviewed the work of the Task Force and reached the following conclusions.

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

Section 1. It is the intent of the Assembly that the amount of the CBJ budget reserve be adjusted on an annual basis based on general governmental revenues from the most recently-audited annual financial statements, using the Government Finance

Officers Association's recommended reserve target of not less than two months (16.7%) of annual operating revenues.

Section 2. It is further the intent of the Assembly that use of the budget reserve be limited to the following circumstances:

- To provide for temporary funding of unforeseen needs of an emergency or nonrecurring nature; or
- To permit orderly budget reductions and/or tax adjustments, for a period not to exceed two fiscal years, when funding sources are lost or substantially reduced.

Section 3. It is further the intent of the Assembly that approval by the Assembly shall be required prior to any use of the reserve.

Section 4. It is further the intent of the Assembly that, in the event the budget reserve falls below the target as determined under Section 1, a plan for replenishment be developed by the City Manager and presented to the Assembly that allows for orderly budget reductions and/or tax adjustments.

Section 5. It is further the intent of the Assembly that reserve replenishment take priority over tax reductions, and accordingly that the Assembly not reduce the mill rate or other tax rates when reserves are below target.

Section 6. Effective Date. This resolution shall be effective immediately upon adoption.

Adopted this 8th day of October, 2012.

Bruce Botelho, Mayor

Attest:

Laurie J. Sica, Clerk

City and Borough of Juneau
Assembly Finance Committee (AFC)

FY21/22 Proposed Budget Calendar and Key Dates – as of 4/6/2020

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 #5 – 5:00pm

A. Marine Passenger Fee Recommendations – For Action
B. Capital Improvements Projects Program Budget/Plan – For Action
C. Youth Activities Board (YAB) Presentation (Tom Rutecki / Dave Pusich)
D. Requested Budget Increments
E. Pending Items List

MAY 2020

6th AFC Meeting #6 – 5:00pm

A. Requested Budget Increments
B. Pending Items List
C. FY20 Supplemental Review

13th AFC Meeting #7 – 5:00pm

A. Fund Balance – Committee Questions
B. Pending Items List – 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

18th Regular Assembly Meeting – Monday – 7pm

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

20th BREAK – No meeting unless needed for critical items.

27th BREAK – No meeting unless needed for critical items.

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

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)**