

CITY AND BOROUGH OF JUNEAU
Minutes – Assembly Finance Committee Meeting
Wednesday, March 11, 2020

I. CALL TO ORDER

The meeting was called to order at 5:41 p.m. by Loren Jones, Chair.

II. ROLL CALL

Committee Members Present: Wade Bryson, Maria Gladziszewski, Loren Jones, Chair, Greg Smith, Carole Triem, and Mayor Beth Weldon

Committee Members Participating Telephonically: Alicia Hughes-Skandijs, Rob Edwardson, Michelle Bonnet Hale

Committee Members Absent: None

Staff Present: Rorie Watt, City Manager; Jeff Rogers, Finance Director; Sam Muse, Controller;

Others Present: Sarah Jahn, Administrative Services Director, Juneau School District; Robert Barr, Acting Public Works Director; Carl Uchtyl, Docks & Harbors Port Director; Robert Palmer, Law.

III. APPROVAL OF MINUTES

- a. Wednesday, January 8, 2020 – approved as presented
- b. Wednesday, February 5, 2020 – approved as presented

IV. ITEMS FOR DISCUSSION

- a. Discussion on COVID-19

CBJ City Manager, Rorie Watt, gave a brief update on COVID-19. Currently, there are zero cases of COVID-19 in Alaska. The municipality has declared a Class 2 emergency to allow for rapid acquisition of cleaning supplies and extra cleaning measures have been implemented at all facilities.

Mr. Watt has been in contact with the Governor, the Municipal League, leaders around the state, and the Local Emergency Planning Committee to discuss the current COVID-19 situation, the cruise ship season, and to get updates on both.

- b. FY21 Budget Preview

Jeff Rogers, CBJ Finance Director gave a brief presentation of what to expect in the FY21 Budget. Mr. Rogers explained that the CBJ currently has approximately \$35,000,000 in restricted and unrestricted reserves and cautioned the assembly against a strong

contraction in response to the COVID-19 uncertainty. Mr. Rogers discussed the effect of decreases in tourism on the economy and explained that the budget presents will be 'ignorant of COVID-19'.

Beth Weldon, Mayor, inquired what the options would be for paying back the reserves to the General Fund if we were to use it. According to Mr. Rogers, the principal method for replenishing the fund would be via property and/or sales tax proceeds.

Assembly Member Wade Bryson asked about upcoming bond sales and whether the City should consider delaying the sale at this time. Mr. Rogers answered that with the treasury rate falling; this is actually a good time because when the treasury rates fall, our bond values increase.

c. Marine Passenger Fee Recommendations

Mr. Watt stated the 30-day public comment period has passed and no public comments were received. The assembly discussed items on the list. It will come back before them as part of the full budget presentation.

d. Juneau School District FY20 Budget Supplemental Appropriating Ordinance

Mr. Rogers explained that a supplemental ordinance would be introduced at the next assembly meeting \$1,811,100. This amount includes \$1,231,600 in new state funding which includes funding under the new student count as well as \$16,600 in raffle proceeds from the PFD Education raffle. \$279,500 is for CBJ to fund to the CAP with the new student allocation. The final \$300,000 is a housekeeping measure for funding that was previously appropriated from General Fund but was never actually appropriated to the school district.

Ms. Weldon made a **MOTION** that Ordinance 2019-07(A) be introduced and set for public hearing at the next regular Assembly meeting. The motion **PASSED** with no objection.

Recess at 6:54 pm until 7:08 pm

e. Assembly Pay

Mr. Jones presented a proposal for an ordinance to address Assembly salaries. Discussion centered on the amounts of the proposed increases, which other boards and commissions were eligible for pay incentives, and when the change would take effect. Robert Palmer, City Attorney, came forward to be available to answer member questions.

Maria Gladziszewski made a **MOTION** to amend to add the Hospital Board to the ordinance to be compensated at the same rate as the Planning Commission. The motion **PASSED** with no objection.

Greg Smith made a **MOTION** to postpone discussion on Assembly salary until the Finance Committee meeting on September 2, 2020. Mr. Edwardson objected to the motion saying that since this affects the budget, it during the budget cycle is the time for the discussion.

Roll Call Vote:

- Aye: Mr. Smith
- Nay: Mr. Bryson, Mr. Edwardson, Ms. Hale, Ms. Gladziszewski, Ms. Hughes-Skandijs, Ms. Triem, Mr. Jones, Ms. Weldon.

The motion **FAILED**

V. INFORMATION ITEMS

a. Briefing – Full Cost Allocation

Finance Director, Jeff Rogers described elements of the new full cost allocation to be presented in the FY21/FY22 budget.

b. Significant Sales Tax Audit Finding

Mr. Rogers explained to the Committee that the Sales Tax division discovered a vendor had misfiled its sales tax disclosures and had avoided \$500,000 in sales tax payments. Clinton Singletary and the Sales Tax Division should be commended for their good work.

c. Manufacturing Property Tax Credit

Mr. Rogers presented the Export Manufacturing Property Exemption amounts.

d. AFC Budget Meeting Schedule

April 1 - Special Assembly meeting to introduce the Operating Budget, the School District budget, the Mill Levy and the CIP Resolution.

Prior to the end of the meeting, Mr. Rogers introduced Adrien Speegle, the new CBJ Budget Analyst starting March 23, 2020.

VI. NEXT MEETING DATE

Wednesday, April 1, 2020

VII. ADJOURNMENT

Meeting adjourned at 8:13 p.m.