City and Borough of Juneau
Minutes - Assembly Finance Committee Meeting
Wednesday, May 15, 2019, 5:30 PM

I. Call to Order

The meeting was called to order at 5:30 PM by Loren Jones, Chair.

II. Roll Call

Committee Members Present: Alicia Hughes-Skandijs, Wade Bryson, Carole Triem, Mary Becker, Loren Jones, Chair; Maria Gladziszewski, Michelle Bonnet Hale, Rob Edwardson and Mayor Beth Weldon.
Committee Members Participating Telephonically**:** None.
Committee Members Absent: None.

Staff Present: Rorie Watt, City Manager; Mila Cosgrove, Deputy City Manager; Bob Bartholomew, Finance Director; Jeff Rogers, Finance Director; Rob Palmer, City Attorney; Robert Barr, Library Director; Andrea Hirsch, Librarian; Beth McEwen, City Clerk; Sam Muse, Controller; and Elisabeth Jensen, Budget Analyst.

Others Present: Susan Bell, McDowell Group, Reed Stoops, Juneau Community Foundation Board; Saralyn Tabachnick, Executive Director, AWARE.

III. Approval of Minutes

The May 8, 2019 minutes were approved as presented.

IV. Fund Balance – Committee Questions

Bob Bartholomew discussed the information provided on pages 9 - 11 of the meeting packet. He cautioned that it appears we are heading into unsustainable budget situation after projecting out 3 years.

V. Pending Items List – For Final Action

The Assembly members took action on the Pending Items List found in the May 8, 2019 AFC Packet. Bob Bartholomew advised the Assembly members that the general fund would be the default-funding source on adopted incremental spending increases, should another funding source not be identified within the motion.

Wade Bryson, moved to amend the FY20 CIP Resolution 2845(c), by decreasing Areawide Street Sales Tax Priorities by $817,000 to fully fund the AFC's Pending Item List.

Mr. Bryson amended his initial motion to decrease the FY20 CIP Resolution 2845(c) by the total amount of the items on the AFC's Pending Item List approved by the AFC.

Maria Gladziszewski, and Mayor Weldon, OBJECTED.

Roll call votes:
Ayes: Edwardson, Becker, and Bryson.
Nays: Hale, Gladziszewski, Triem, Hughes-Skandijs, Jones, and Mayor Weldon.
Absent: None.
Motion FAILED 3-6.

Mayor Weldon, moved to provide incremental funding to the Juneau School District's Kinder Ready Program in the amount of $300,000.
Without OBJECTION.

Mayor Weldon, moved to provide incremental funding to Travel Juneau in the amount of $120,000; funding provided from the Hotel Tax Fund's Fund Balance.
Loren Jones OBJECTED.

Roll call votes:
Ayes: Bryson, Triem, Becker, and Hale.
Nays: Gladziszewski, Edwardson, Hughes-Skandijs, Jones, and Mayor Weldon.
Absent: None.
Motion FAILED 4-5.

Maria Gladziszewski, moved to provide increased recurring funding to the Youth Activities Board (YAB) in the amount of $17,500.
Loren Jones and Mayor Weldon OBJECTED, noting the YAB Board had not requested an increase.

Roll call votes:
Ayes: Gladziszewski, Bryson, Hughes-Skandijs, and Becker.
Nays: Triem, Hale, Edwardson, Jones, and Mayor Weldon.
Absent: None.
Motion FAILED 4-5.

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Mayor Weldon, moved to provide increased recurring funding to seaaeyc – HEARTS Program in the amount of $89,800.
Without OBJECTION.

Mayor Weldon, moved to provide one-time funding to the Manager for a Review of Child Care in the amount of $60,000; funding provided from the General Fund's Fund Balance.
Without OBJECTION.

Mayor Weldon, moved to provide one-time funding to Juneau Economic Development Council (JEDC) for Child Care Programs in the amount of $150,000; funding provided from the Tobacco Tax Fund's Fund Balance.
Without OBJECTION.

Mayor Weldon, moved to provide one-time increased funding to the Juneau Festival Committee in the amount of $8,700; funding provided from the General Fund's Fund Balance.
Without OBJECTION.

The meeting recessed at 6:24 PM.
The meeting reconvened at 6:34 PM.

Mayor Weldon, moved to provide recurring funding to the Juneau Economic Development Council (JEDC) to administer Juneau Council on Aging (JCOA) in the amount of $10,000; funding provided from the General Fund's Fund Balance.
Ms. Hughes-Skandijs OBJECTED.
MOTION WITHDRAWN.

Mayor Weldon, moved to provide recurring funding to the Juneau Economic Development Council (JEDC) to administer Juneau Council on Aging (JCOA) in the amount of $8,000; funding provided from the General Fund's Fund Balance.
Without OBJECTION.
(Clerk's Note: This motion was AMENDED. See following AMENDING MOTION.)

Maria Gladziszewski, moved to AMEND the previous motion, to provide one-time ~~recurring~~ funding to the Juneau Economic Development Council (JEDC) to administer Juneau Council on Aging (JCOA) in the amount of $8,000; funding provided from the General Fund's Fund Balance.
Without OBJECTION.

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Mayor Weldon, moved to provide one-time incremental funding to the Juneau Council on Aging (JCOA) for the Senior Survey in the amount of $23,809; funding provided from the General Fund's Fund Balance.
Without OBJECTION.

Susan Bell, McDowell Group, spoke in support of $50,000 in funding for Southeast Conference for Alaska Marine Highway System (AMHS) Program Development Work.

Carole Triem, moved to provide one-time incremental funding to the Southeast Conference for Alaska Marine Highway System (AMHS) Program Development Work in the amount of $20,000; funding provided from the General Fund's Fund Balance.
Without OBJECTION.

Mayor Weldon, moved to provide one-time incremental funding to the Juneau Community Foundation (JCF) as part of the Hope Program for the Mental Health Study in the amount of $45,000; funding provided from the Tobacco Tax Fund's Fund Balance.

Ms. Gladziszewski asked for a representative from the Juneau Community Foundation to provide clarification on the difference between the Hope Fund, and SSAB Fund.

Mr. Reed Stoops, Juneau Community Foundation Board, addressed the Assembly, outlining the structure of JCF's funds. He explained that the City's SSAB fund has a broader purpose, with 50 percent of the fund dedicated to resolving substance abuse issues.

Mayor Weldon requested an at-ease.
The meeting recessed at 6:58 PM.
The meeting reconvened at 7:03 PM.

Loren Jones, moved to AMEND the MAIN MOTION, to provide one-time incremental funding to the Juneau Community Foundation (JCF) as part of the <u>Social Services Advisory Board (SSAB)</u> ~~Hope Program~~ for the Mental Health Study in the amount of $45,000; funding provided from the Tobacco Tax Fund's Fund Balance.
Mary Becker OBJECTED.

Mary Becker, moved to AMEND the AMENDED MOTION, to provide one-time incremental funding to the Juneau Community Foundation (JCF) as part of the <u>Social Services Advisory Board (SSAB)</u> ~~Hope Program~~ for the <u>Purpose of the</u> Mental Health Study <u>/ Substance Abuse Study</u> in the amount of $45,000; funding provided from the Tobacco Tax Fund's Fund Balance.
Without OBJECTION.

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Mayor Weldon, moved to provide ongoing incremental funding to the Juneau Community Foundation (JCF) for Glory Hall in FY20, and to the Social Services Advisory Board (SSAB) for FY21 and beyond, in the amount of $150,000; funding provided from the Tobacco Tax Fund's Fund Balance.
Maria Gladziszewski OBJECTED.

Maria Gladziszewski, moved to AMEND the MAIN MOTION to provide ongoing incremental funding to the Juneau Community Foundation (JCF) for Glory Hall in FY20, ~~and to the Social Services Advisory Board (SSAB) for FY21 and beyond,~~ in the amount of $150,000; funding provided from the Tobacco Tax Fund's Fund Balance.
Without OBJECTION.

Saralyn Tabachnick, Executive Director, AWARE, provided an overview of AWARE's request for one-time incremental partial funding of $22,567 for a Healing Totem.

Wade Bryson, moved to provide one-time incremental funding to for partial funding of a Healing Totem in the amount of $22,567; funding provided from the General Fund's Fund Balance.
Without OBJECTION.

Mayor Weldon, moved to provide increased recurring funding to the Alaska Committee in the amount of $100,000; funding provided from the General Fund's Fund Balance.
Without OBJECTION.

Mayor Weldon, moved to allocate $300,000 for Airport LEEDS Capital Improvement Project; funding provided from the Airport Fund's Fund Balance.
Rob Edwardson OBJECTED.

<u>Roll call votes</u>:

Ayes:	Gladziszewski, Triem, Hale, Hughes-Skandijs, Becker, Jones, and Mayor Weldon.
Nays:	Bryson, and Edwardson.
Absent:	None.

Motion PASSED 7-2.

Rorie Watt, City Manager, spoke in support of the final item on the AFC's Pending List, Land for Senior Housing. He said it is always going to be difficult to allocate land for land development, but it may be the only way to successfully move forward. A competitive process will be necessary and this action tonight is only the first step in a complicated process. Mr. Watt state that he is strongly in favor of this.

Mayor Weldon, moved to allocate $1,512,000 for Land for Senior Housing Capital Improvement Project; funding provided from the General Fund Sales Tax Fund's Fund Balance.
Without OBJECTION.

The meeting recessed at 7:35 PM.
The meeting reconvened at 7:47 PM.

Clerk's Note – Change to Order of the Day – New agenda item Added: Homestead Park Restroom Funding from Marine Passenger Fees (MPF)

VI. Homestead Park Restroom Funding from Marine Passenger Fees (MPF)

Bob Bartholomew, Finance Director, outlined a one-page issue paper that was handed out during the meeting, "Homestead Park Restroom funded by MPF". This is a request to reallocate the MPF memo that the AFC had already approved in a recent meeting.

There is an important and immediate need for portable toilets to be placed in Homestead Park (off Douglas Highway), which is used extensively by cruise passengers.

Background: Through coordination with CLIA, it was determined that there was an urgent need at Homestead park for restrooms. The cost of providing this service would be roughly $800 a month or a total of $5,000 for FY20. Included in this cost would be the servicing of the restrooms three times a week with an additional five emergency callouts per month. Additionally, it was determined that the Manager's office would not need the full $30,000 in Marine Passenger Fee (MPF) funding allotted in FY20 regarding shipping mitigation.

Current Status: The Manager recommends that $5,000 of CBJ Marine Passenger Fees be reallocated from the funding for Shipping and Congestion mitigation to Parks and Recreation to provide restroom services to Homestead Park. CLIA did not object to the use of MPF, outside of the port area, for this service.

Rorie Watt, City Manager clarified, that CLIAA recognized that this would be an expenditure outside of the MPF Zone. CLIAA did not "authorize" the expenditure, the Assembly has the ability to "authorize" the expenditure, and CLIAA does not object to the Assembly authorizing this expenditure outside of the Zone.

Maria Gladziszewski, moved to have $5,000 of CBJ Marine Passenger Fees reallocated from the funding for Shipping and Congestion mitigation to Parks and Recreation to provide restroom services to Homestead Park.
Wade Bryson OBJECTED for the purpose of making a statement.
He said that there are no restrooms between City Hall and the State Capitol Building. This area is in the right zone to place restrooms and make them available to the tourists.
Mr. Bryson REMOVED OBJECTION.
Without OBJECTION.

VII. Set Mill Rates – For Final Action

Bob Bartholomew outlined the information provided on pages 13 – 14 of the meeting packet.

Mayor Weldon, moved to adjust the Manager's FY20 Proposed Mill Levy, and set the Rates of Levy as follows:

Operation Mill Rate by Service Area	Millage	
Roaded Service Area	2.45	
Fire Service Area	0.31	
Areawide	~~6.60~~	6.70
Operating Total	~~9.36~~	9.46
Debt Service	1.20	
Total	~~10.56~~	10.66

Mayor Weldon requested to have the 0.1 mill increase to Areawide Service Area Mill rate, be used for either school bond debt (since the State of Alaska's plan for school bond debt reimbursement is currently unknown), or to other capital projects.

Ms. Triem asked how binding the intent of language would be regarding the spending of the money.
Chair Jones said that he wasn't sure that under our rules that the intent would be binding.
Mr. Bartholomew said he hadn't spoken to the City Attorney on how binding this language would be. And advised the body that Finance staff could always tell the Assembly what the amount raised as a result of the increase, but how it the increase be used would be a separate discussion with the Law Department on how it would be used.

Michelle Hale and Wade Bryson OBJECTED.

Michelle Hale, moved to AMEND THE MAIN MOTION, by postponing the decision on Mill Levy until June 11, 2019.
Loren Jones and Mayor Weldon OBECTED to the AMENDMENT.

Roll call votes:

Ayes: Bryson, and Hale.
Nays: Hughes-Skandijs, Becker, Edwardson, Gladziszewski, Triem, Jones, and Mayor Weldon.
Absent: None.
Motion TO AMEND FAILED 2-7.

The meeting recessed at 8:23 PM.
The meeting reconvened at 8:25 PM.

Roll call votes:

Ayes: Triem, Becker, Gladziszewski, Hughes-Skandijs, Jones, and Mayor Weldon.
Nays: Edwardson, Bryson, and Hale.
Absent: None.
MAIN Motion PASSED 6-3.

Clerk's Note – Change to Order of the Day – New agenda item Added: Sleep-Off

VIII. Sleep-Off Center

A one-page Issue Paper titled, "FY20 Budget Comparison – Sleep-Off Center" was distributed to the Assembly members during the meeting.
Bob Bartholomew, Finance Director, outlined the request and stated that the request to amend the Manager's Proposed FY20 Budget would increase the budget for CCFR, and decrease the budget for Bartlett Regional Hospital. The "Sleep-Off" program is currently administered by BRH. The Manager's Office has worked with program folks and determined it would improve program effectiveness if administered by CCFR. The Assembly COW reviewed this issue and directed staff to prepare the budget documents necessary to implement this change.

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Mayor Weldon moved to have the Sleep-Off Center administered by CCFR instead of by BRH, and reallocate the associated funding of Liquor Tax Funds be reallocated from BRH to CCFR in the FY20 Budget.
Wade Bryson and Loren Jones OBJECTED.

<u>Roll call votes</u>:

Ayes:	Becker, Gladziszewski, Hale, Edwardson, Triem, Hughes-Skandijs, and Mayor Weldon.
Nays:	Bryson, and Jones.
Absent:	None.

MAIN Motion PASSED 7-2.

IX. Final FY20 Revised Budget Decisions

Mayor Weldon, moved to refer Resolution 2845(c), AS AMENDED, A Resolution Adopting the City and Borough Capital Improvement Program for Fiscal Years 2020 through 2025, and Establishing the Capital Improvement Project Priorities for Fiscal Year 2020, to the full Assembly for approval.
Without OBJECTION.

Maria Gladziszewski, moved to refer Ordinance 2019-05, An Ordinance Establishing the Rate of Levy for Property Taxes for Calendar Year 2019 Upon the Proposed Budget for Fiscal Year 2020, to the full Assembly for approval.
Without OBJECTION.

Maria Gladziszewski, moved to refer Ordinance 2019-06, AS AMENDED, An Ordinance Appropriating Funds from the Treasury for FY20 City and Borough Operations, to the full Assembly for approval.
Without OBJECTION.

X. Next Meeting Date

Wednesday, June 12, 2019.

XI. Adjournment

Meeting adjourned at 8:39 PM.