

City and Borough of Juneau
Minutes - Assembly Finance Committee Meeting
Wednesday, March 13, 2019, 5:30 p.m.

I. Call to Order

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

II. Roll Call

Committee Members Present: Loren Jones, Rob Edwardson, Carole Triem, Alicia Hughes-Skandijs, Wade Bryson, and Maria Gladziszewski, and Mayor Beth Weldon.

Committee Members Participating Telephonically: Michelle Bonnet Hale.

Committee Members Absent: Mary Becker.

Staff Present: Rorie Watt, City Manager; Mila Cosgrove, Deputy City Manager; Bob Bartholomew, Finance Director; Rob Palmer, City Attorney; Carl Uchytel, Port Director; Robert Barr, Libraries Director; Sam Muse, Controller; and Elisabeth Jensen, Budget Analyst.

III. Approval of Minutes

The February 6, 2019, minutes were approved as presented.

IV. Manufacturing Property Tax Credit

Bob Bartholomew, Finance Director, presented the annual information (pages 5 – 8 of the meeting packet) and recommended the body forward the item to the full Assembly for approval.

Mr. Bartholomew responded to questions from the Assembly members.

Mayor Weldon, moved to forward the annual Business Property Tax Manufacturing Exemptions to the Assembly for approval.

Without OBJECTION.

V. FY20 Manager Budget Preview

Clerk's Note: Materials were not provided in the packet or as hand-outs during the meeting for this topic.

Bob Bartholomew, Finance Director, previewed the FY20 Revised Budget to be provided to the Assembly in early April 2019.

The Revised FY20 numbers, both revenue and expenditures numbers are up around \$2 million. Expenditures are up for FY19 emergency services program increases approved after the budgets were approved and revenues are primarily due to updated sales tax revenue

Minutes - Assembly Finance Committee Meeting

Wednesday, March 13, 2019, 5:30 p.m.

projections. Management is going to try and identify \$500.0K in reductions in the coming ten days.

Expected FY20 Increments include:

\$1.0 increase in Personnel Services

New position in MIS

New position in JPD

Increases in Contractual Services including paint striping for streets, increases for the animal shelter and warming shelter.

Currently the biggest caveat are unknowns resulting from the Governor's proposed budget. We may be able to make some adjustments as more is known, but any large impacts will most likely need to be addressed after the CBJ FY20 Revised Budget is adopted. At this point we don't have all of the information in from the Enterprise Funds who are still working on finalizing their revisions.

The good news is that our revenue stream grew in FY19, allowing us to fund increases including funding of \$1.8 million (\$1.2GG funding) for Housing 1st.

FY19 ending Fund Balance is projected to be about \$17.0M.

Revenues – The plan is to include full FY20 federal Payment In Lieu of Taxes (PILT) funding in the budget. Secure Rural Schools will be included at \$500.0K (\$150,000 less than original amount), though it is uncertain if Federal approval of this program will occur.

There was an unexpected change to revenue in the FY19 budget resulting in approximately \$750.0K less revenue than anticipated. The biggest decrease related to Ambulance fees. There is the possibility that a new program, GEMT (Ground Emergency Medical Transportation) that has been successful in other States will offer another avenue for collecting Ambulance fees. The Municipality of Anchorage has included GEMT in their budgeted revenues for the first time. The CBJ plans to include approximately \$250.0K in GEMT revenue in the FY20 budget.

Expenditures – The goal is to convert Waste Management (WM) from an Enterprise Fund to a General Governmental program. It would be counterproductive to expect WM to pay for itself – because people may simply choose not to participate in the program. Currently the plan would be to include \$300.0K as a draw on General Government as part of the transition in FY20. However, there is a chance that we may not end up doing this if the Assembly decides otherwise in the Fall of FY20.

Mr. Bartholomew and Mr. Watt responded to questions from the Assembly members.

Minutes - Assembly Finance Committee Meeting

Wednesday, March 13, 2019, 5:30 p.m.

VI. Priority Driven Budget Discussion

Mila Cosgrove, Deputy Manager, provided a high-level overview of pages 9 – 11 of the meeting packet. She pointed out that this section of the packet was a tool the CBJ has successfully used in the past, and may need to use again in the future. She noted that the document was presented to the AFC on January 11, 2017 (thus the date at the top of page 9 remained the same.)

The Priority Driven Budget Process is a process used to engage the public in a conversation about what we value. It allows a rational financial conversation, in a non-financial way, to prioritize programs and services before the need to reduce costs arises – which might instead result in an emotional conversation.

This type of program is a best practice in community finance.

Ms. Cosgrove and Mr. Bartholomew responded to questions from the Assembly members.

VII. Info Only – Lease Finance of MS Govern Enterprise System Upgrade

Mr. Bartholomew, discussed the informational plan for the Master Lease found on page 12 of the meeting packet. He relayed that Bond Counsel prefers to have official Assembly action on this issue to move forward. The plan will be to bring an appropriating ordinance before the Assembly for introduction and then for public hearing.

There were no questions from the Assembly members.

VIII. Info Only – AFC Budget Meeting Schedule

Chair Jones discussed the draft schedule found on pages 13 – 14 of the meeting packet. He reminded the body that this is the second year of the 2-year cycle – and status quo to a point. As a result, many programs are not listed on the meeting schedule. However, Assembly member may suggest additions to the Chair. He advised Assembly members to submit their questions sooner than later.

There is currently no plan to have the AFC meet on May 1, 2019. The last budget meeting is scheduled for Wednesday, May 15, 2019.

IX. Next Meeting Date

Wednesday, April 3, 2019 – Immediately following the Special Assembly Meeting to introduce the FY20 Revised Budget.

X. Adjournment

The meeting was adjourned at 6:36 PM.