City and Borough of Juneau
Minutes - Assembly Finance Committee Meeting
Wednesday, September 13, 2017, 5:30 p.m.

I. Call to Order

The meeting was called to order at 5:30 PM by Jesse Kiehl, Chair.

II. Roll Call

Committee Members Present: Jesse Kiehl, Chair; Norton Gregory, Mary Becker, Jerry Nankervis and Debbie White.
Committee Members Participating Telephonically**:** Loren Jones, Beth Weldon and Maria Gladziszewski.
Committee Members Absent: Mayor Ken Koelsch.

Staff Present: Rorie Watt, City Manager; Mila Cosgrove, Deputy City Manager; Bob Bartholomew, Finance Director; Rob Steedle, CDD Director; Carl Uchytil, Port Director; Laurie Sica, Municipal Clerk; Dallas Hargrave, Human Resources, Director; Chief Ed Mercer, Chief of Police; Jessica Paskowski, Administrative Officer, Juneau Police Department; Sam Muse, Controller; and Elisabeth Jensen, Budget Analyst.

Others Present: Lauren MacVay, President/CEO – True North Federal Credit Union; Sioux Douglas, President, Senior Citizen Support Services Inc. (SCSSI); Marshal Kendziorek, Finance Chair, Senior Citizen Support Services Inc. (SCSSI) Board; Ted Johnson, President, Marathon Development Inc.; Betsy Fischer, Gastineau Humane Society (GHS) Board of Directors; and Karen Wood, Interim Enforcement Officer, GHS.

III. Approval of Minutes

The July 13, 2017 minutes were approved as corrected.
The August 9, 2017 minutes were approved as presented.

IV. Riverview Senior Assisted Living Evaluation Committee Update

Introductions were provided by the members of the two groups presenting information on the Riverview Senior Assisted Living Update to the Assembly members.
Evaluation Committee Representatives: Bob Bartholomew, Finance Director; and Lauren MacVay, Member of the Evaluation Committee.
SCSSI Representatives: Ted Johnson, President, Marathon Development Inc.; Marshal Kendziorek, SCSSI; and Sioux Douglas, President, SCSSI.

Bob Bartholomew described the three documents provided on pages 12 – 35 of the meeting packet:

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1. Recommendation from the Evaluation Committee Senior on the Assisted Living Project (pgs. 12 – 13)
2. Evaluation Committee's Review and Analysis for the Proposed Project, Riverview Senior Community Assisted Living Development (pgs. 14 – 20)
3. SCSSI's Responses to Evaluation Committee's Key Issues (pgs. 21 – 35)

Clerk's Note: Loren Jones reminded the body that he sat in on almost all of the Evaluation Committee's meetings for the seven months that they met.

Mr. Bartholomew and Ms. MacVay presented information on the establishment of the Evaluation Committee, along with their evaluation of the project and their findings. Essentially, the Evaluation Committee supports the concept that the CBJ should provide financial support for a community project, as proposed by SCSSI, only with conditions and recommended risk mitigation. The objective would be to mitigate the risks to the CBJ as presented on pages 12 – 13 of the meeting packet.

Ms. Douglas, Mr. Johnson and Mr. Kendziorek presented details and answered questions regarding the project.

Assembly member, Maria Gladziszewski signed off from the meeting as a telephonic participant at 6:44 PM in order to board a flight.

The meeting recessed at 6:44 PM.
The meeting reconvened at 6:52 PM.

Jerry Nankervis opined that it would behoove the SCSSI to work on developing SCSSI's Governance role, operator and asset management fee payment schedules, securing a third party operator, developing a plan to secure alternate conventional financing as soon as possible releasing the CBJ of its financial obligation (Reference Item D., pages 12-13 of the meeting packet); and refine costs.

Jerry Nankervis, moved to direct staff to provide the AFC with some revenue bonding options, and associated risks, with the understanding that SCSSI continue their work on items D & E (pages 12 -13 of packet), unless the Bond Bank determines the project is not bondable.
Without OBJECTION.

Jerry Nankervis, motioned for permission to meet with Bob Bartholomew to discuss using Sales Tax (Senior Sales Tax Revision) differently, and present the findings to the AFC. Discussion ensued.
Motion WITHDRAWN.

Jesse Kiehl helped Jerry Nankervis, rephrase the original motion. Jerry Nankervis, moved to direct staff to bring forward recommendations on a CBJ cash contribution to the Senior Assisted Living project and giving the go ahead for Assembly members to talk to Finance staff about their ideas on the topic.
Without OBJECTION.

The meeting recessed at 7:57 PM.
The meeting reconvened at 8:04 PM.

V. Animal Licensing & Impound Fees

Mila Cosgrove, Deputy City Manager, introduced Betsy Fischer, Gastineau Humane Society (GHS) Board of Directors; and Karen Wood, Interim Enforcement Officer, GHS.

Ms. Cosgrove presented information found on pages 36 – 41 of the meeting packet.

Debbie White, moved for approval of the draft resolution and to forward it to the full Assembly for introduction at the next regularly scheduled Assembly meeting.
Without OBJECTION.

VI. Discuss Proposal for Assistance on CBJ Evaluating Potential Purchase of Alaska Electric Light & Power

Debbie White recused herself from participation on the matter due to a perceived conflict of interest –previously receiving compensation for representing Keith Comstock and Duff Mitchell in a real estate transaction as part of her business; and stepped down from the dais.

Rorie Watt, City Manager presented pages 42 – 45 of the meeting packet, in response to a request on August 21, 2017 from the Assembly for staff to bring back an issue paper that would provide high level pro's and con's regarding possible municipal involvement in ownership of our local electrical utility. As this request outside staff's typical expertise, Mr. Bartholomew reached out to PFM, CBJ's financial advisor on a variety of financial issues.

To ensure that the scope of work is in line with the Assembly's request, pages 42 – 45 of the packet included PFM's letter and potential scope of work description.

Discussion ensued.

Mary Becker requested information on a historic resolution pertaining to right of first refusal on the purchase of AEL&P. Mr. Watt promised to do research and return any findings.

Beth Weldon, moved to put the issue to rest and not pursue it any further.

<u>Roll call votes</u>:
Ayes: Weldon.
Nays: Becker, Gregory, Nankervis and Kiehl.
Absent: Jones, Gladziszewski and Mayor Koelsch.
Abstains: Debbie White abstained for reasons of perceived conflict of interest.
Motion FAILED 1-4, with 1 abstaining.

**Clerk's Note: At 8:30 PM, Mary Becker moved for reconsideration at the next meeting AND at the same time, Loren Jones contacted Chair Kiehl via text message stating that Mr. Jones was experiencing technical issues via the teleconference line. Mr. Jones was able to hear the meeting, but unable to have his vote heard, unmute his phone or disconnect from the call to reconnect.*

Due to the technical issue with the teleconference, the Chair requested a recess and to allow the Clerk to attempt to reboot the teleconference connection.

The meeting recessed at 8:31 PM.
The meeting reconvened at 8:32 PM.

Clerk's Note: At 8:32 PM, Mr. Jones and Ms. Weldon were successfully reconnected to the meeting via teleconference.

Chair Kiehl asked for Unanimous consent to re-call the roll on Ms. Weldon's motion. Without OBJECTION.

Re-call of Roll: Ms. Weldon's earlier motion to put the issue to rest and not pursue it any further.*

<u>Roll call votes</u>:
Ayes: Weldon.
Nays: Gregory, Nankervis, Jones, Becker, and Kiehl.

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Absent: Gladziszewski and Mayor Koelsch.
Abstains: Debbie White abstained for reasons of conflict of interest.
Motion FAILED 1-5, with 1 abstaining.

Jesse Kiehl moved to strike the following language (found in the last sub-bullet of the scope of work on page 43 of the AFC packet): "Operational issues without AEL&P employees."
Without OBJECTION.

Mary Becker WITHDREW the motion for reconsideration.

VII. FY17 Supplemental Ordinance – 2016-09(AS) An Ordinance Appropriating to the Manager the Sum of $3,206,100 as Partial Funding for Various Departments' Fiscal Year 2017 Operating Budgets; Funding Provided by the General Fund's Fund Balance and Other Funds' Fund Balances.

Debbie White returned to the dais.

Bob Bartholomew outlined the Manager's report and Ordinance 2016-09(AS) on pages 46 – 48 of the meeting packet.

Jerry Nankervis moved for approval of Ordinance 2016-09(AS) and to forward it to the full Assembly for introduction at the next regularly scheduled Assembly meeting.
Without OBJECTION.

VIII. FY17 Supplemental Ordinance – 2016-09(AV) An Ordinance De-appropriating the Sum of $180,000 of the Parks and Recreation Program's Fiscal Year 2017 Operating Budget; Such Funds to be Returned to the General Fund's Fund Balance.
Bob Bartholomew discussed the Issue Paper and Ordinance 2016-09(AV) on pages 49 – 50 of the meeting packet.

Debbie White moved for approval of Ordinance 2016-09(AV) and to forward it to the full Assembly for introduction at the next regularly scheduled Assembly meeting.
Without OBJECTION.

IX. Information Item – State of Alaska Financial Presentation
Rorie Watt, City Manager presented

X. Next Meeting Date

Wednesday, November 8, 2017

XI. Adjournment

Meeting was adjourned at 8:51 PM