

City and Borough of Juneau

Minutes - Assembly Finance Committee Meeting

Meeting was scheduled to convene at 6:30 p.m., after Special Assembly Meeting beginning at 5:30 p.m.

Wednesday, April 5, 2017, 5:30 p.m.

I. Call to Order

The meeting was called to order at 6:41 PM by Jesse Kiehl, Chair.

II. Roll Call

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

Committee Members Participating Telephonically: Loren Jones.

Committee Members Absent: None.

Staff Present: Rorie Watt, City Manager; Mila Cosgrove, Deputy City Manager; Bob Bartholomew, Finance Director; Rob Steedle, CDD Director; Dallas Hargrave, Human Resources Director; Robert Barr Library Director; Ed Mercer, Deputy Police Chief; Rich Etheridge, Fire Chief; Kirk Duncan, Parks & Rec Director; Scott Ciambor, Chief Housing Officer; Sam Muse, Controller; Jean Hodges, Assistant Controller; Elisabeth Jensen, Budget Analyst.

Others Present: Dr. Mark Miller, Superintendent, Juneau School District; David Means, Administrative Services Director, Juneau School District; Brian Holst, President, Juneau School Board; Steve Whitney, Juneau School Board Member; Josh Keaton, Juneau School Board Member; Sean O'Brien, Juneau School Board Member; Emil Mackey, Juneau School Board Member; Mariya Lovishchuk, Executive Director, Glory Hole; Bruce Denton, Vice President, Housing First Projects Board of Directors; and Craig Moore, Vice President of Planning and Development, Tlingit and Haida Housing Authority.

III. Approval of Minutes

The April 8, 2017 minutes were approved as presented.

IV. Housing First Ordinance 2016-09(AM)

Norton Gregory recused himself from participation on the matter due to his employment with Tlingit Haida Regional Housing Authority.

Bob Bartholomew, Finance Director, provided an overview of Ordinance 2016-09(AM), an FY17 appropriating ordinance to provide \$700,000 of additional grant funding to the Juneau Housing First Collaborative (JHFC) to complete construction of the JHFC Project.

Minutes - Assembly Finance Committee Meeting

Wednesday, April 5, 2017, 6:30 p.m.

He explained that CBJ had previously adopted Ordinance 2015-20(Z) for \$1.8 million in “bridge financing” making it possible for JHFC to secure a \$3 million grant and begin construction. The CBJ encumbered \$500,000, as an estimate of potential increased grant, against fund balance on 6/30/16, allowing the remaining \$1.3 million to lapse. JHFC has no remaining sources of funding they are highly confident are available, and requests the CBJ convert \$1.2 million of the initial bridge financing to a grant. With \$500,000 already provided for in the FY16 budget, a supplemental FY17 ordinance of \$700,000 would be needed to fulfill the \$1.2 million increased grant request.

Mariya Lovishchuk, Executive Director, Glory Hole; Bruce Denton, Vice President, Housing First Projects Board of Directors; and Craig Moore, Vice President of Planning and Development, Tlingit and Haida Regional Housing Authority; addressed the committee with information pertaining to the current request and provided an update on the construction of the new Housing First facility. The contractor has until the end of July to finish construction and the SNHG grant funded work has received a construction extension to be complete by the end of September.

Mayor Koelsch inquired about efforts to garner private contributions.

Maria Lovishchuk and Bob Bartholomew outlined community fund raising efforts by Juneau Community Foundation, successfully drawing in \$140,000 from two large foundations, \$60,000 from community donors, and \$10,000 from Wells Fargo.

**Jerry Nankervis, moved Ordinance 2016-09(AM) to the full Assembly for approval.
Without OBJECTION.**

V. Distribution of FY18 Revised Budget Documents

Materials provided to AFC.

Rorie Watt, City Manager, presented information regarding the FY18 Revised Budget. Mr. Watt emphasized the importance and recognized the hard work of all the CBJ departments in their efforts to create the budget. He went on to recognize the efforts by many staff members for their hard work in the development of the Priority Driven Budget Process as well. He also acknowledged the hard work of the Assembly for the efforts they have and will make in the review of the budget.

VI. FY18 Revised Budget Overview

Handout provided to AFC.

Bob Bartholomew, Finance Director, presented information regarding the FY18 Revised Budget found in the handout.

Minutes - Assembly Finance Committee Meeting

Wednesday, April 5, 2017, 6:30 p.m.

The total funding sources for FY18 Revised budget is \$321 million. Comparing Revised budget to FY17: State support is almost the same, while school foundation funding has decreased \$800,000. School debt reimbursement increased \$1.7 million from the FY17 Governor's veto adjusted level. Overall, revenues are increasing from the initial FY18 projections made last year, but not really by \$1.8m over what is being generated in FY17. Overall FY18 revenues are projected to be down slightly from FY17 actuals.

Total Expenditures for FY18 Revised budget have decreased over FY17 Amended Budget. JSD expenditures reflect an increase of \$1.75 million. Debt Service is expected to decrease by \$2.5 million due to the reduction in outstanding school construction debt. Two \$6 million school bond issues originally sold in 2002 and 2006 were fully paid during FY17. Capital Projects represents preliminary numbers.

Mr. Bartholomew discussed page 5 of the handout, looking at the CBJ departments and support to the school district. He described the focus as being holding the line and reducing the budget slightly, and not trying to anticipate the impact of State decisions that have yet to be made during the current Legislative session.

The current budget does include a \$250,000 contribution to the Community Foundation for University of Alaska Southeast School of Education, and State funding for Transit buses. He stated that Staff is working on developing details for reduction options for \$500k in unallocated reductions. Overall, the CBJ has reduced by \$400k, but if grant funding were not included, the reduction would more accurately total \$900k thus far.

While discussing Major Revenues - Property Tax (page 6 of handout), Mr. Bartholomew stated that it is not expected that assessed values will continue to increase. He described property assessments as a lagging indicator of the market. He attributed declines in Sales tax and Liquor Sales as fall-outs from the economy.

Mr. Bartholomew responded to questions from the Assembly members.

The meeting recessed at 7:47 PM.

The meeting reconvened at 7:56 PM.

VII. School District Budget Presentation

Handout provided.

Mark Miller, Superintendent, Juneau School District; David Means, Finance Director, Juneau School District introduced the Juneau Board members in attendance: Brian Holst, President, Juneau School Board; Steve Whitney, Juneau School Board Member; Josh Keaton,

Minutes - Assembly Finance Committee Meeting

Wednesday, April 5, 2017, 6:30 p.m.

Juneau School Board Member; Sean O'Brien, Juneau School Board Member; and Emil Mackey, Juneau School Board Member.

Dr. Miller and Mr. Means presented the FY18 Juneau School District, passed by the Board of Education at its March 28, 2017 meeting. The current FY18 Budget is anticipated to leave \$1.0 million in fund balance for the future.

Dr. Miller thanked the Assembly for current level of funding to the cap and allowing the district to have the highest paid teachers state-wide.

The School Board has prioritized class size district wide and decreased the size of some classrooms in the high schools, along with increasing more elementary specialists and increased Professional Learning Communities (PLC) time.

Dr. Miller and Mr. Means responded to questions from the committee, and agreed to provide information regarding the following items in the coming days.

Mayor Koelsch requested information about other Alaskan school districts level of contributions towards the cap.

Jesse Kiehl asked for information regarding what other school districts keep as their levels Fund Balances.

Beth Weldon requested information regarding the cost of a number of categories of students, including Elementary, High School, Middle School, and Montessori.

VIII. Marine Passenger Fee Recommendations

Rorie Watt presented the Marine Passenger Fee Recommendations Memo dated April 5, 2017.

Initial questions from the Assembly members focused on JPD Downtown Foot/Bike Patrol, Downtown Ambassadors and Crossing Guard programs.

Discussion will continue during the AFC meeting on April 12, 2017.

IX. Information Items

Mayor Koelsch requested to change the start time of the Special Assembly meeting scheduled for Wednesday, April 26, 2017 from 5:30 PM to 5:00 PM.

X. Next Meeting Date

Wednesday, April 12, 2017

XI. Adjournment

Meeting was adjourned at 8:37 PM