



ASSEMBLY FINANCE COMMITTEE AGENDA

November 01, 2023 at 6:00 PM

Assembly Chambers/Zoom Webinar

<https://juneau.zoom.us/j/93917915176> or 1-253-215-8782 Webinar ID: 939 1791 5176

A. CALL TO ORDER

B. ROLL CALL

C. APPROVAL OF MINUTES

1. September 6, 2023

D. AGENDA TOPICS

2. JEDC/COVID Small Business Loans Update

3. Update to Purchasing Code - Ordinance 2022-60

4. FY2023 Q4 Sales Tax Update

E. NEXT MEETING DATE

5. November 29, 2023

F. SUPPLEMENTAL MATERIALS

6. Assembly Grant Process

G. ADJOURNMENT

ADA accommodations available upon request: Please contact the Clerk's office 36 hours prior to any meeting so arrangements can be made for closed captioning or sign language interpreter services depending on the meeting format. The Clerk's office telephone number is 586-5278, TDD 586-5351, e-mail: city.clerk@juneau.org.

ASSEMBLY FINANCE COMMITTEE MINUTES

September 6, 2023, at 6:00 PM

Assembly Chambers/Zoom Webinar



<https://juneau.zoom.us/j/93917915176> or 1-253-215-8782 Webinar ID: 939 1791 5176

A. CALL TO ORDER

The meeting was called to order at 6:06 pm by Chair Woll.

B. ROLL CALL

Committee Members Present: Chair Christine Woll; Mayor Beth Weldon; Maria Gladziszewski; Michelle Hale; Greg Smith; Loren Jones; Alicia Hughes-Skandijs; Wade Bryson

Committee Member Present Virtually: Wáahlaal Gíidaak

Staff Members Present: Rorie Watt, Outgoing City Manager; Katie Koester, Incoming City Manager; Robert Barr, Deputy City Manager; Angie Flick, Finance Director; Beth McEwen, City Clerk

Others Present: David Witthohn, Senior Portfolio Manager at Insight Investments

C. APPROVAL OF MINUTES

1. August 2, 2023

The August 2, 2023 minutes were approved as presented.

D. AGENDA TOPICS

2. Investment Update

Angie Flick, Finance Director, introduced David Witthohn, Senior Portfolio Manager at Insight Investment, the City and Borough of Juneau's investment manager.

Mr. Witthohn discussed the current state of the economy and stated that overall, the economy is doing well. Insight is projecting inflation to slow from the current 4% to a rate of 2.7% in the coming year as a result of high Federal Reserve interest rates. Mr. Witthohn reviewed the inflation metrics and expectations found on pages 15-17 of the packet, stating that although inflation is still high, it has every sign of being reduced to the Federal Reserve's goal of 2% by the end of 2025.

Mr. Witthohn reviewed CBJ's Portfolio Summary found on pages 24-29 of the packet, stating that the portfolio is doing well and exceeding all established benchmarks.

Mr. Witthohn answered Committee questions.

Ms. Flick stated that CBJ has for many years participated in the Alaska Municipal League Investment Pool (AMLIP). AMLIP opened a Series II Portfolio investment option in June 2023 that CBJ is participating in. She clarified that the purpose of this additional portfolio is to offer a mid-term investment option for the CBJ and that it carries a higher rate of return than the AMLIP Series I Portfolio.

Ms. Flick answered Committee questions and clarified that the accounts that the CBJ maintains with AMLIP operate differently from the investment accounts Mr. Witthohn presented earlier. She further stated that the AMLIP Series I & II accounts operate similarly to a savings account, in which there is an APY return that provides a return on the funds in the account, however, these accounts allow those funds to be used for day-to-day CBJ operational needs.

3. Hotel Bed Tax Allocation

Ms. Flick introduced packet page 49, which contains a list of documents included in the packet pertaining to the historical changes to Hotel-Bed Tax allocation.

Ms. Flick introduced the memo found on page 50 which contains a graph depicting historic Hotel-Bed Tax revenues by type of rental and provides a table that illustrates the funding allocation breakdown for each of the options listed in the memo.

Assemblymember Hale asked for details of Hotel-Bed Tax revenue across the previous fiscal years and what factors resulted in the increased revenue. Ms. Flick clarified for the committee that the increase in Hotel-Bed Tax revenue is due in part to a rapid rise in hotel and short-term rental (STR) rates in previous years as well as the temporary 2% Hotel-Bed Tax increase adopted on January 1st, 2020 to support capital improvements to Centennial Hall. She further clarified that Hotel-Bed Tax revenue has increased from \$1.6 million in 2019 to \$3.2 million in 2023.

Ms. Flick reviewed the first option contained in the memo which is to leave the current allocation as it is, which will result in no allocation to the Affordable Housing Fund (AHF) in the percentage split.

Ms. Flick reviewed the second option contained in the memo which examines separating the Hotel-Bed Tax revenue received from STR and allocating it directly to the AHF. She further stated that the remaining revenue would be allocated at the historic percentage split.

Ms. Flick reviewed the third option contained in the memo which examines redesigning the historic percentage split of all Hotel-Bed Tax revenue in recognition of the impact of STR. The effect of this option is to allocate a specific percentage of total Hotel-Bed Tax revenue to the AHF and reduce the percentage split of revenue being allocated to tourism promotion and Centennial Hall operations. Ms. Flick clarified that the percentage for splits contained in the memo is not limited to the figures in the memo but is to be set at the discretion of the Assembly.

Ms. Flick reviewed the fourth option contained in the memo which examines a move away from a fixed formulaic split of Hotel-Bed Tax revenue and instead relies upon the Assembly to provide the Manager with a set of priorities each year to include in their recommended budget. Ms. Flick stated that the priorities given to the Manager are flexible and provide the benefit of being adaptable to year-over-year needs of Centennial Hall operations, tourism promotion, and AHF projects.

Ms. Flick answered Committee questions.

Assemblymember Smith asked for clarity on how the temporary 2% Hotel-Bed Tax increase is being used and if the percentage split put toward Centennial Hall for operations is enough to cover normal maintenance costs.

Kaite Koester, Incoming City Manager, stated that Centennial Hall improvements are ongoing with future improvement projects in development and are being funded primarily with the 2% temporary increase to

pay off the general obligation bond debt service obligation. She further stated that the total cost estimate for improvements has been reassessed to be significantly higher than originally projected and work is being done to reevaluate project scope and planning.

Motion: by Mayor Weldon to move Option 3 from the memo to the full Assembly. She further stated that having a fixed percentage split enables a more consistent set of funding priorities than the other options presented by Ms. Flick.

Assemblymember Hughes-Skandijs asked for clarity on the allocation reduction of the temporary 2% Hotel-Bed Tax towards Centennial Hall improvements listed in Option 4.

Ms. Flick stated that Option 4 includes only the allocation needed to serve the debt service for bonds issued for Centennial Hall improvements.

Assemblymember Bryson expressed support for Option 2, stating that it provides stability to Centennial Hall operations and tourism promotion in addition to providing specific funding to the AHF directly from Hotel-Bed Tax revenue generated from STR. He further stated that allocating funding to address community housing needs from the revenue generated from STRs in Juneau makes sense.

Assemblymember Gladziszewski stated whatever option is decided by the Committee, it should ensure that the 2% temporary funding is designated to Centennial Hall for its improvement.

Assemblymember Hale expressed support for Option 4 stating that it allows for stability and flexibility in where the Hotel-Bed Tax revenue is allocated. She further stated that Option 4 provides the advantage of allowing future assemblies to continue to reassess the funding sources and needs of Hotel-Bed Tax-funded organizations such as Travel Juneau.

Chair Woll expressed support for Option 3, stating that stability is needed for the organizations being funded by the Hotel-Bed Tax. She further stated that Option 3 allows for this stability and she supports leaving funding structures in place for future assemblies.

Assemblymember Hughes-Skandijs expressed support for Option 4 and expressed support for establishing a similar budget and funding allocation process for Hotel-Bed Tax funded organizations that other CBJ organizations work through.

Amendment: by Assemblymember Gladziszewski to maintain fixed funding allocation of the temporary 2% increase to Hotel-Bed Tax funding to Centennial Hall improvements and direct the City Manager to include the remaining funds into its proposed budget.

Objection: by Mayor Weldon for the purpose of stating that the amendment result is the same as a motion for adopting Option 4.

Roll Call Vote on Amendment

Ayes: Gladziszewski, Wáahlaal Gíidaak, Hughes-Skandijs Hale, Smith, Jones

Nayes: Bryson, Mayor Weldon, Chair Woll

Amendment passed. Six (6) Ayes, Four (4) Nayes.

Objection: to amended motion by Mayor Weldon for the same reason as her previous objection.

Objection: by Chair Woll for the purpose of stating that she would like to see a more structured method for the allocation of Hotel-Bed Tax revenue.

Roll Call Vote on Amended Motion

Ayes: Wáahlaal Gíidaak, Jones, Smith, Bryson, Hale, Hughes-Skandijs, Gladziszewski

Nayes: Mayor Weldon, Chair Woll

Motion Passed. Seven Ayes (7), Two Nayes (2).

Committee recessed at 7:25 pm.

Committee reconvened at 7:33 pm.

4. New City Hall Presentation

Rorie Watt, Outgoing City Manager, introduced the presentation beginning on page 70 of the packet which provides information on the City Hall Bond proposition that is up for public vote.

Mr. Watt reviewed the efforts that are being put into advocating for a new City Hall solution to the public and stated that the current situation is not operating efficiently, effectively, or as cost-effective as possible. Mr. Watt further stated the CBJ community deserves the most cost-effective arrangement that allows for the easiest access to CBJ services for the public and this is not the case at present.

Mr. Watt clarified that the current City Hall facility is rapidly aging and has not contained the required office space to house CBJ staff since 1984, at which time the CBJ began needing to rent additional office space.

Mr. Watt further addressed community concerns in the allocation of CBJ funds in advocating for a bond issuance to fund a City Hall solution. He reviewed page 72 of the packet containing the Alaska State Statue requiring the CBJ to issue a detailed financial authorization for any advocacy work done by the CBJ and that the authorization issued largely appropriates funds already in the CBJ budget for staff time.

Mr. Watt expounded on the reasons a City Hall solution is needed and outlined the current office space situation found on pages 75-76 of the packet. Currently, the CBJ owns City Hall which carries an annual maintenance cost of \$265,570 in 2023. In addition, the CBJ must maintain four lease agreements to meet office space needs with an annual cost of \$819,000 in 2023. The CBJ will pay \$1.08 million in 2023, a figure that is projected to rise to \$1.84 million by 2033.

Mr. Watt reviewed the cost comparison for continuing the status quo vs. a new City Hall found on pages 79-80, stating that the cost of a new City Hall facility would pay for itself year after year to meet the needs of our community. Mr. Watt stressed that it is wise to consider the needs of the community and consider how to operate city services in the long term, and funding the ownership of a new City Hall facility will enable the meeting of those needs and be as cost-effective as possible.

Mr. Watt reviewed the details and project scope for the planned potential new City Hall facility found on pages 86-89 of the packet. Mr. Watt clarified that the planned bond issuance will not raise the mill rate or create additional tax burdens on the CBJ residents.

Mr. Watt introduced a video presentation created to summarize the new City Hall project, the reasons a new City Hall option is desired, and the goals of the project that will be posted on social media and the city's webpage.

Mayor Weldon expressed support for the project and stressed that a new City Hall facility is not only for the CBJ staff that work in less than ideal rented spaces but for the public that often have to go to many different facilities to meet their needs.

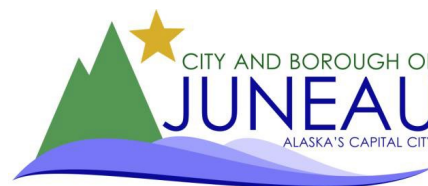
F. NEXT MEETING DATE

November 1, 2023

G. ADJOURNMENT

The meeting was adjourned at 8:00 pm.

MEMORANDUM



DATE: October 24, 2023
TO: Assembly Finance Committee
FROM: Angie Flick, Finance Director

105 Municipal Way
 Juneau, AK 99801
 Phone: (907) 586-5215

SUBJECT: JEDC COVID-19 Emergency Loan Program Update and Non-Responsive Borrowers

The purpose of this memo is to provide an informational update on the Juneau Economic Development Council (JEDC) COVID-19 Emergency Loan program as authorized by CBJ Resolution 2888.

Purpose

CBJ Resolution 2888 states: "The purpose of the loans administered by JEDC is to provide small businesses with working capital to bridge the time before federal or state monies are available. The absence of State or Federal assistance does not absolve the business owner for the responsibility to repay the loan."

The Assembly provided \$3.0million in loan capital which supplied much needed support during the unprecedented years of COVID. Given Juneau's strong business culture, it is not surprising that most of the small businesses have repaid their debts as expected. Overall, the recovery of loan funds continues to be better than anticipated at this program's inception. There were 173 loans originally approved, 148 have been paid in full accounting for \$2,738,000 of the original capital.

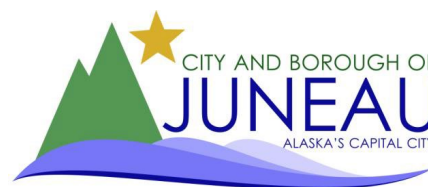
The program is in the loan servicing phase and JEDC continues their collection efforts, including sending invoices and following up with all borrowers via phone and email. All twenty-six (25) remaining loans are past their maturity dates, and five (5) of the borrowers are making regular, scheduled payments.

There are five (5) loans that CBJ will taking from JEDC for the purposes of collection efforts. These five borrowers have been unresponsive to JEDC's collection efforts. As of June 28, 2023, these five (5) loans account for \$98,462.77 in outstanding principle, compared to the total outstanding principle \$211,524.74 for the entire program, roughly 47%.

CBJ Finance, Law and JEDC agree that CBJ has more collection tools available at its disposal for this program than does JEDC. Law has refined a Memorandum of Understanding that will be used to relieve JEDC of these five (5) loans and allow CBJ to assume the loans directly and begin collection efforts.

It is important to emphasize the importance of this loan program and the positive impact it had for so many small businesses. That 3% have been unresponsive in repaying their debt and another 12% are slow paying should not diminish the good work that was accomplished through this program.

MEMORANDUM



DATE: October 25, 2023

TO: Assembly Finance Committee

FROM: Angie Flick, Finance Director

105 Municipal Way
Juneau, AK 99801
Phone: (907) 586-5215
Fax: (907) 586-0358

SUBJECT: Purchasing Code – Summary of Proposed Code Amendments

The purpose of this memo is to summarize the proposed amendments to the purchasing code discussed at the November 2, 2022 AFC meeting. Please see the attached memo from Jeff Rogers in which he discussed the purchasing code and various threshold changes. The amendments presented aim to clarify some of the language in the code and increase efficiency in city purchasing while maintaining competition for city services and contracts. Per the direction given in November, this ordinance is presented for your review and action.

Below is a summary of the changes proposed:

Section 2: Refers to CBJ Code 53.50.010 and adds the definition of *Formal Competitive Sealed Bid*, *Informal Public Solicitation*, and *Written Quotation/ Written Proposal*. Changes the definition of *Public Notice* to remove a requirement to publish via a local newspaper, and instead requires publication via the CBJ website, with newspaper and trade journals as optional methods of notice.

Section 3: Refers to CBJ Code 53.50.050:

Contracts

b.1 – adjust the purchasing method for contracts between \$5,000 and \$25,000 to three quotations without the formal competitive sealed bid process.

b.2 – add that for contracts greater than \$25,000 and not more than \$50,000 to be made in the open market through an informal public solicitation with three quotes.

b.3 – add the requirement for a public notice for contracts estimated to be more than \$50,000.

Professional Services

c.1 – adjust the purchasing method for contracts between \$5,000 and \$25,000 to three proposals without the formal competitive sealed bid process.

c.2 – creates consistency with b.2 above - contracts greater than \$25,000 and not more than \$50,000 to be made in the open market through an informal public solicitation with three proposals.

c.3 – clarifies the competitive sealed nature of procurements over \$50,000 in keeping with 53.50.060

Section 4: Refers to CBJ Code 53.50.060

d – clarifies public opening of bids rather than requiring the opening be in person.

e.1 – Increases threshold for Assembly approval of Capital Improvement Project bid awards from \$1,000,000 to \$1,500,000; and for contracts for operational bid awards from \$100,000 to \$1,000,000.

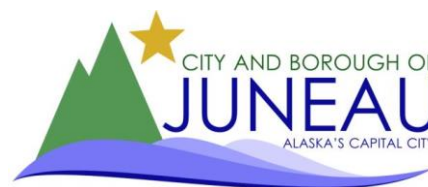
Section 5: Refers to CBJ Code 53.50.090

a – Requires competitive proposals for professional services unless those professional services meet the terms of a specific purchasing exemption.

j – Narrows the purchasing exemption for information technology hardware and software to enterprise software systems only.

q - Adds a purchasing exemption for situations wherein the Manager determines non-competitive purchasing to be a written Best Interest Finding.

MEMORANDUM



DATE: November 2, 2022

TO: Assembly Finance Committee

FROM: Jeff Rogers, Finance Director

SUBJECT: Adjustment to Purchasing Threshold

105 Municipal Way
Juneau, AK 99801
Phone: (907) 586-5215
Fax: (907) 586-0358

From time-to-time, it behooves CBJ to review purchasing thresholds to ensure that these thresholds strike the right balance between administrative burden and best value purchasing through public competition. CBJ 53.50 defines how most CBJ agencies are required to conduct purchases. Although there some nuanced differences between bids and proposals, purchasing is generally conducted as follows:

Under \$5,000	Reasonable and practical procedures
\$5,000 to \$50,000	Informal public solicitation of bids/proposals
\$50,000+	Formal sealed bid/proposal

There is significant variation among other government purchasers in Alaska. The State of Alaska's thresholds are higher, while the municipalities somewhat herd together.

	Juneau	Kenai Borough	State of Alaska	Anchorage Muni	Fairbanks North Star Borough	City of Fairbanks	City of Ketchikan
Reasonable/Practical Procedures	Under \$5,000	Under \$5,000	Under \$10,000			Under \$1,000	
Verbal Quotes			\$10,000 to \$50,000	Under \$50,000	Under \$40,000	\$1,000 to \$5,000	Under \$10,000
Written Quotes		\$5,000 to \$40,000	\$50,000 to \$100,000			\$5,000 to \$25,000	\$10,000 to \$50,000
Informal Public Solicitation	\$5,000 to \$50,000						
Formal sealed bid	\$50,000+	\$40,000+	\$100,00+	\$50,000+	\$40,000+	\$25,000	\$50,000+

One conspicuous difference is that CBJ's code does not allow for any purchasing over \$5,000 using verbal or written quotes without a public solicitation. For all purchases over \$5,000, CBJ buyers must conduct an informal public solicitation for goods or services. Most CBJ agencies find the requirement of public solicitation to be an administrative burden that increases overhead cost for purchasing without realizing significant cost savings.

I am proposing to add a new threshold category to the purchasing code that would allow for three written quotes as the allowable purchasing method between \$5,000 and \$25,000. This change would bring CBJ more in line with our peers in the state, and it would diminish the administrative burden of smaller purchases.

Under \$5,000	Reasonable and practical procedures
\$5,000 to \$25,000	Three written quotes (without public solicitation)
\$25,000 to \$50,000	Informal public solicitation of bids/proposals
\$50,000+	Formal sealed bid/proposal

If the Assembly Finance Committee is supportive of this concept, I request that it direct staff to draft an ordinance that would allow three written quotes to be the allowable purchasing method for all purchases between \$5,000 and \$25,000. Such an ordinance would be introduced and brought back to the Assembly Finance Committee for further review.

Presented by: The Manager
Presented:
Drafted by: Nicole Lynch

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2022-60

An Ordinance Amending the Purchasing Code Regarding Public Notice, Price Thresholds, Contracting Process, Contract Requirements, and Approval Process.

WHEREAS, the City and Borough of Juneau purchases significant amounts of goods and services for the benefit of the residents of the City and Borough; and

WHEREAS, the City and Borough of Juneau expends substantial monetary resources on the purchase of goods and services, and it is in the best interest of the community that there be reasonable public notice and reasonable time for potential suppliers of goods and services to consider requests for proposals and prepare proposals for submission; and

WHEREAS, businesses seeking to sell goods and services to the City and Borough of Juneau benefit from clarity, fairness, and transparency in the procurement process; and

WHEREAS, the City and Borough of Juneau seeks to provide clear, fair, and easily understandable policies and procedures regarding the purchasing of goods and services for the public good; and

WHEREAS, the Assembly Finance Committee on November 2, 2022, recommended the Assembly adjust the purchasing thresholds to allow written quotes for contracts between \$5,000.00 to \$25,000.00 and informal public solicitations for contracts between \$25,000.00 to \$50,000.00; and

WHEREAS, the City and Borough of Juneau seeks to reasonably inform the public of opportunities to bid or propose sale of goods and services while balancing the time and expense involved in publicizing these opportunities.

BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

Section 1. Classification. This ordinance is of a general and permanent nature and shall become a part of the City and Borough of Juneau Municipal Code.

Section 2. Amendment of CBJC 53.50.010. CBJC 53.50.010 Definitions, is amended to read:

53.50.020 Definitions.

The following words, terms and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:
...

Formal competitive sealed bid means a bid or proposal that must be submitted through the sealed online process and in conformance with a prescribed format to be opened publicly at a specified date and time. The formal competitive sealed bid tool is a procurement method used to solicit competitive sealed bid responses, sometimes called formal bids, when price is the basis for award.

Informal public solicitation means a competitive bid, price quotation, or proposal for supplies or services that is conveyed via letter, fax, email, or other manner that does not require a formal sealed bid or proposal, public opening, or other formalities. The informal public solicitation tool

is generally relegated to requirements that may be considered low value or fall under a stipulated price/cost threshold.

...

Public notice, as used in this chapter, means notice posted on the City and Borough of Juneau online procurement site and, ~~when practicable, in a local newspaper advertisement.~~ Public notice may also include:

- (1) Publication in a newspaper, trade journal, online notification service, or other publication calculated to reach prospective bidders or proposers; and
- (2) Notices posted on public bulletin boards or in public places within or near the area where the work or services are to be performed or the supplies furnished.

...

Written quotation and written proposal mean an informal purchasing process where procurement staff solicit documented pricing information from multiple sources.

Section 3. Amendment of CBJC 53.50.050. CBJC 53.50.050 Contract amounts, is amended to read:

53.50.050 Contract amounts.

Unless otherwise prohibited by this Code:

(a) All contracts for an amount estimated to be \$5,000.00 or less shall be made on the open market with such competition as is reasonable and practical in the circumstances.

(b) All goods and services, other than professional services, shall be ~~awarded~~ purchased as follows:

- (1) Contracts in an amount estimated to be greater than \$5,000.00 but not more than \$25,000.00 ~~50,000.00~~ shall be made, ~~when feasible and when in the best interest of the City and Borough~~ when practicable, in the open market by written quotation, without observing the procedure prescribed for the award of formal competitive sealed bid purchases. Such open market contracts, whenever practicable, shall be based on at least three ~~competitive~~ quotations, gathered by staff, and shall be awarded to the lowest qualified bidder. The basis for determining the lowest qualified bidder shall be the same as that used in formal competitive sealed bid purchases, including any preferences established by law.
 - (2) Contracts in an amount estimated to be greater than \$25,000.00 but not more than \$50,000.00 shall be made, when practicable, in the open market by informal public solicitation without observing the procedure prescribed for the award of formal competitive sealed bid purchases. After public notice and whenever practicable, such informal public solicitation shall be based on at least three quotations and shall be awarded to the lowest qualified bidder. The basis for determining the lowest qualified bidder shall be the same as that used in formal competitive sealed bid purchases, including any preferences established by law. Reserved.
 - (3) Contracts in an amount estimated to be more than \$50,000.00 shall be by formal competitive sealed bid after public notice.
- (c) All professional services shall be purchased as follows:
- (1) Contracts in an amount estimated to be greater than \$5,000.00 but not more than \$25,000.00 shall be made when practicable ~~feasible and when in the best interest of~~

~~the City and Borough~~ in the open market by written proposal, without observing the procedure prescribed for the award of formal competitive sealed bid purchases. Such open market contracts, whenever practicable, shall be based on at least three ~~competitive~~ proposals and shall be awarded to the responsive and responsible offeror whose proposal is determined to be the most advantageous to the City and Borough. The method for determining the most advantageous proposal shall be set forth in the request for proposals, shall be based upon a numerical point score, and shall, unless contrary to applicable state or federal statute, regulation, or grant requirements, provide that five percent of the total points possible for each proposal and shall be awarded if and only if the proposal is submitted by a Juneau proposer.

(2) Contracts in an amount estimated to be more than \$25,000.00 but not more than \$50,000.00 shall be by written proposal and follow the informal public solicitation process. ~~After public notice, contracts and~~ shall be awarded to the responsive and responsible offeror whose proposal is determined to be the most advantageous to the City and Borough. The method for determining the most advantageous proposal shall be set forth in the request for proposals, shall be based upon a numerical point score, and shall, unless contrary to applicable state or federal statute, regulation, or grant requirements, provide that five percent of the total points possible for each proposal and shall be awarded if and only if the proposal is submitted by a Juneau proposer.

(3) Contracts in an amount estimated to be more than \$50,000.00 shall be by formal competitive sealed proposal after public notice and shall be awarded to the responsive and responsible offeror whose proposal is determined to be the most

advantageous to the City and Borough. The process shall be as described in 53.50.060. The method for determining the most advantageous proposal shall be set forth in the request for proposals, shall be based upon a numerical point score, and shall, unless contrary to applicable state or federal statute, regulation, or grant requirements, provide that five percent of the total points possible for each proposal and shall be awarded if and only if the proposal is submitted by a Juneau proposer.

Section 4. Amendment of CBJC 53.50.060. CBJC 53.50.060 Competitive sealed bid procedure, is amended to read:

53.50.060 - Competitive sealed bid procedure.

...

(d) *Opening of bids.* All bids shall be submitted to the purchasing agent at the place and time specified in the public notice inviting bids. Bids shall be opened by the purchasing agent, ~~in~~ public ~~publicly~~, at the time and place designated in the notice inviting bids. Bids received after the specified time shall not be accepted.

...

(e) *Award.* A contract or purchase for which competitive bids are required shall be awarded by the manager to the lowest qualified bidder taking into consideration conformity with the specifications, terms of delivery, and other conditions imposed in the call for bids, except that:

- (1) For bids in excess of \$1,000,000.00 ~~\$100,000.00~~ for contracts, and \$1,500,000.00 ~~\$1,000,000.00~~ for public improvement contracts, the award shall not be made until after assembly approval; and

...

Section 5. Amendment of CBJC 53.50.090. CBJC 53.50.090 Exceptions to competitive sealed bidding and submission of quotations, is amended to read:

53.50.090 Exceptions to competitive sealed bidding and submission of quotations.

The restrictions and provisions of this chapter shall not apply:

(a) To contracts involving the obtaining of professional or specialized services such as those rendered by architects, attorneys, engineers, and others requiring advanced training and the exercise of independent judgment and discretion. ~~Except as authorized in writing by the purchasing officer, such services shall be obtained by competitive proposal; such services shall be obtained by competitive proposal except as authorized in writing by the purchasing officer;~~

...

(j) To ~~electronic data processing software and hardware and software systems, and related information technology hardware, that are intrinsic to cross-departmental CBJ business operations;~~

...

(g) To the purchase of any goods or services upon a written finding by the Manager that competitive purchasing would not be practicable based on cost, timing, and other relevant criteria.

Section 6. Effective Date. This ordinance shall be effective 30 days after its adoption.

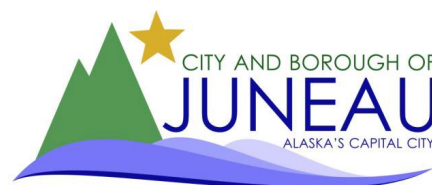
Adopted this _____ day of _____, 2023.

Beth A. Weldon, Mayor

Attest:

Elizabeth J. McEwen, Municipal Clerk

MEMORANDUM



DATE: October 26, 2023

TO: Assembly Finance Committee

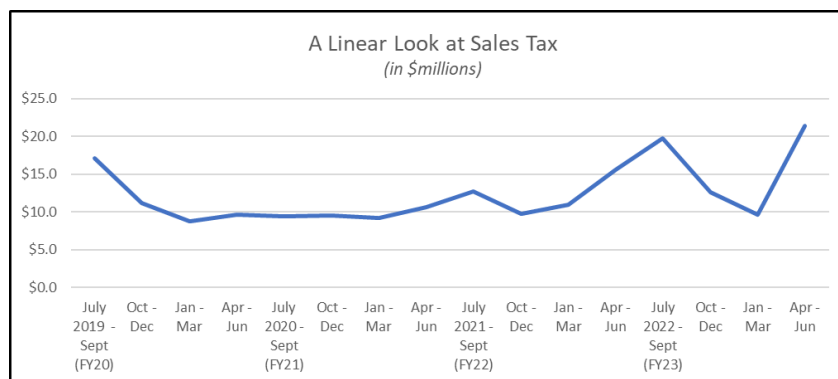
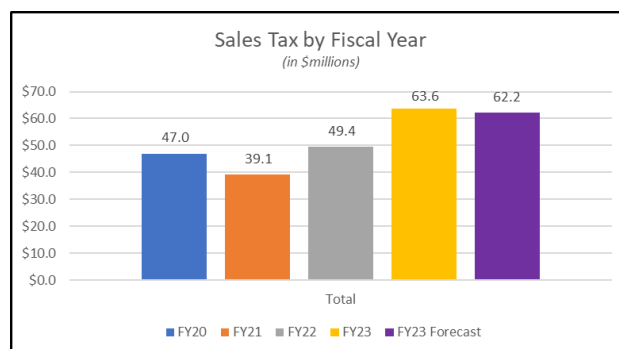
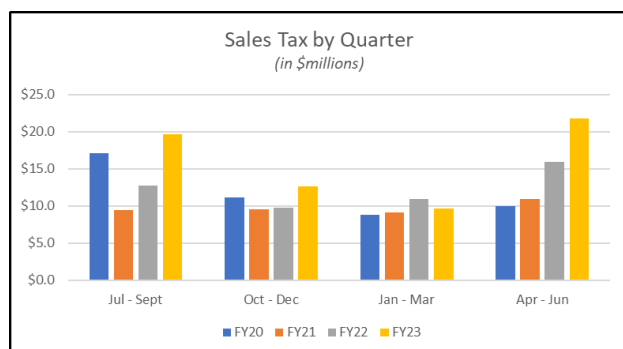
FROM: Angie Flick, Finance Director

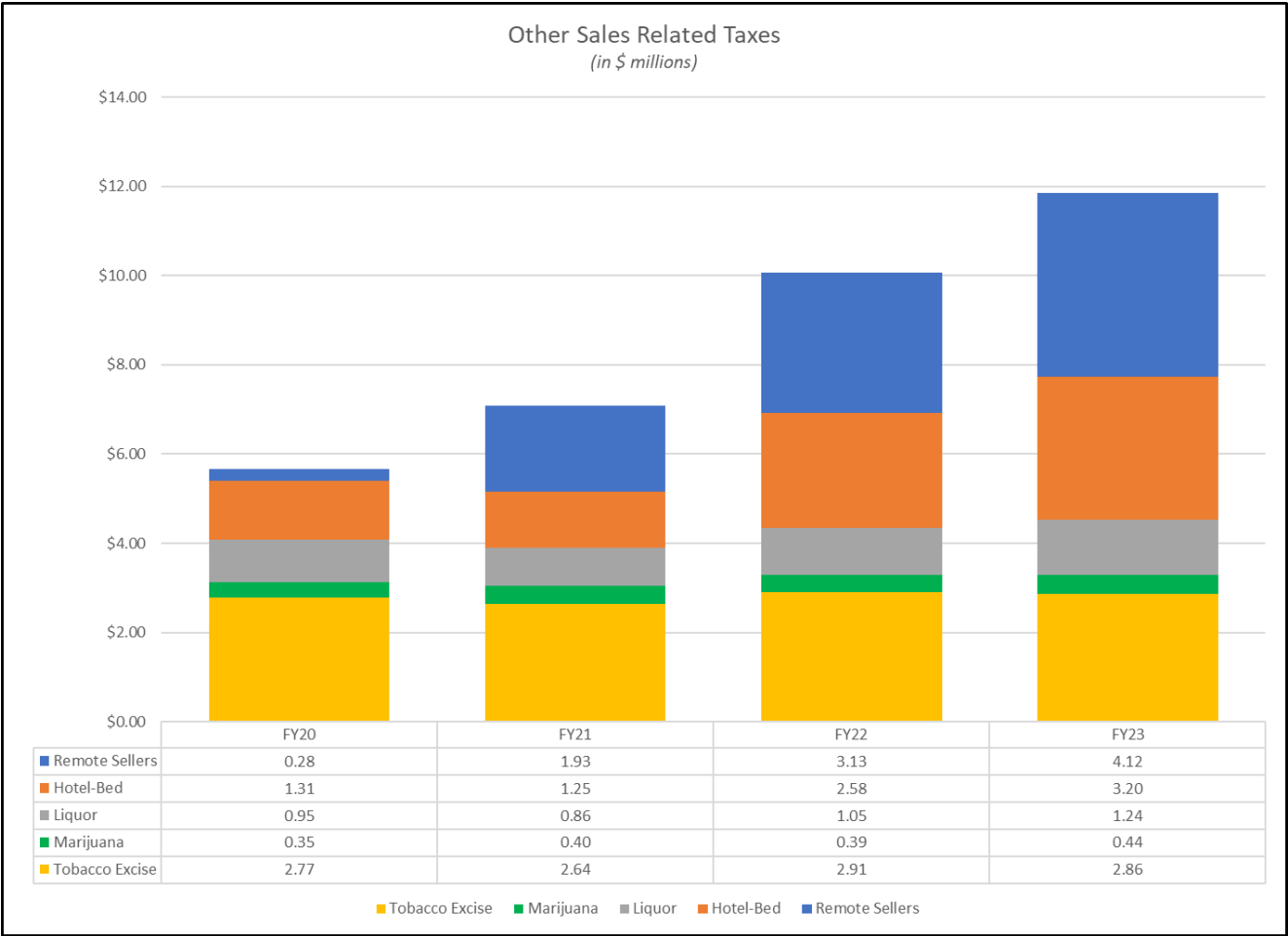
105 Municipal Way
Juneau, AK 99801
Phone: (907) 586-5215

SUBJECT: Sales Tax Update through FY 23 Year End

After the January – March 2023 reporting period, Jeff Rogers reported to the Assembly Finance Committee that sales tax collections had fallen short of the forecast. Noted as ‘soft’; there was some concern that the annual projection for sales tax revenue was too high by as much as \$1M.

The sales tax collections for sales occurring July 2022 through June 2023 are complete. The FY 2023 forecast of sales tax revenue was \$62.2 million and actual revenue was \$63.6 million. These figures exclude the remote sellers sales tax collections. Below are a few graphical representations of the variety of sales-related tax revenue through the end of FY 2023.





Assembly Grants

Assembly Finance Committee Discussion
November 1, 2023

Recap of Prior Conversation

- FY24 budget process had some challenges and frustrations
- After that process and before we dive into the next cycle is the time to reflect and determine if a change in process is desired.
- Three options were presented in August 2023 to stimulate conversation and ideas:
 - Option 1 – look at a pre-budget process that looks like the Marine Passenger Fee process
 - Option 2 – determine an amount to be spent on community grants but take applications and make awards after the budget cycle.
 - Option 3 – don't make any process changes from previous years
- Themes from the discussion:
 - Desire for a consolidated list of requests when making decisions
 - Concerns about dealing with changes in amounts during the budget cycle
- Specific request – notify current grant organizations that the AFC is having this conversation.
 - Those that applied in FY24 were notified that the Finance Department was working with AFC to look at this process and asked for comments or ideas.
 - Travel Juneau and Heat Smart have responded and are in your packet.

Grant Recipients *

Consistent Grantee – Ongoing Awards

(Non-Competitive Grantees)

- Better Capital City (KTOO & Alaska Committee)
- Childcare - Association for the Education of Young Children (AEYC)
- Douglas Fourth of July
- Juneau Economic Development Council
- Juneau Festival Committee
- Parents for a Safe Graduation

Partner Agencies –

Conduit Granting Organizations

- Juneau Arts and Humanities Council
- Juneau Community Foundation

* Broken out by staff

Grant Recipients *

FY24 One-Time Funding Requests

- Gavel Alaska (equipment)
- Heat Smart*
- Housing First
- Juneau Nordic Ski Club
- Juneau Rock Dump Climbing Gym
- Sealaska Heritage (STEAM FABLAB)

** Heat Smart has been funded over the last several years. Added in FY24 as a one-time grant.*

Marine Passenger Fee Process Funding Requests

- Alaska Juneau (AJ) Dock, LLC
- Downtown Business Association*
- Franklin Dock Enterprises, LLC
- Tourism Best Management Practices
- Travel Juneau**

** DBA's support from CBJ is via a combination of Marine Passenger Fee and General Fund sources.*

*** Travel Juneau's support from CBJ is via a combination of Marine Passenger Fee and Hotel-Bed Tax sources.*

Other organizations that have received grant funding (representative listing)

- AWARE
- Juneau Alliance for Mental Health (JCF)
- Medical respite
- Senior Housing
- The Glory Hall
- UAS Teacher Excellence
- United Human Services of SE Alaska

** Broken out by staff*

What is 'Status Quo'

Marine Passenger Fee Grants

Defined process resulting in grantees and amounts being included in the Manager's Proposed Budget.

- Advertised open period for applications
- Public comment time provided (online)
- Assembly receives full packet of all applications and comments

Ongoing Grants

Manager includes most recurring, static requests in their Proposed Budget.

- Significant increases or one-time funding asks are presented to the AFC (along with recurring request)
- JAHC, JEDC, JCF and Travel Juneau present to AFC on program status and budget request during budget cycle

Other Grants

Other requests that come to the Assembly

- There is no public announcement of an opportunity to seek funding from the city
- There is no deadline for making requests
- Some requestors make a presentation to the AFC

Option 1 (From August 2, 2023 meeting)

Marine Passenger Fee Grants - NO CHANGE

Defined process resulting in grantees and amounts being included in the Manager's Recommended Budget.

- Advertised open period for applications
- Public comment time provided (online)
- Assembly receives full packet of all applications and comments

Ongoing Grants

CHANGE - Manager is directed to review and include requests from Ongoing and Partner Agencies within their Recommended Budget.

- JAHC, JEDC, JCF and Travel Juneau present to AFC on program status outside of budget cycle

Other Grants – CHANGE to mimic MPF Process

Defined process resulting in grantees and amounts being included in the Manager's Recommended Budget.

- Advertised open period for applications
- Public comment time provided (online)
- Assembly receives full packet of all applications and comments

Option 1 – Other Grants

Timeline:

- Dec 1 – Manager opens Community Grant application period.
- Dec 31 – Grant applications are due.
- Jan 1-15 – Manager works with applicants to resolve questions, complete applications.
- Jan 15 – Feb 15 – Grant requests are available for public comment online
- Feb AFC Meeting – Manager presents draft recommendations to AFC
- April – Manager includes grantees and amounts in Manager's Proposed Budget for upcoming Fiscal Year (1 year).
Assembly Finance Committee provided package with all applications.

Option 1 – Grant Application

Application will include the following:

- Organization's Name, brief description of their purpose
- Request – summary of request – what will the funding accomplish
- Requested Amount and Category: Operational support vs One-time (project or capital) funding
- Other sources of support for this request – source/how much available
- How does this request meet a community need and/or align with the Assembly's priorities and goals?
- Explain the status of the project. Explain or forecast the readiness to spend these funds if awarded.
 - Is this an initial idea, but will need a couple of years to come to fruition and be ready to spend the grant award?
 - Is this a grant match, that requires a commitment of funding now even though expenditures may be in the future?
 - Is the project ready to launch or the equipment ready to be purchased immediately?

Depending on the requests received:

- grant applications may be directed to other Assembly supported grant outlets (JAHC and JCF) if more appropriate based on the type of request.
- requests may be further categorized in major funding vs. minor funding requests by dollar amount

Staff will work with applicants to help ensure clarity and completeness of the application.

Option 1 – Application Review

Application Review:

- Requests will be vetted against Assembly priorities, the Legislative priority list and the CIP/1% Sales Tax priorities.
- Consideration will be given with respect to the organization's ability to obtain other sources of support, consequences of not funding and community needs.
- Public comments will be reviewed and considered.
- Requests will also be included or excluded based on the direction given the Manager with respect to the overall budget process during the retreat and the availability of funds.

The Assembly Finance Committee will be provided with a packet (similar to the Marine Passenger Fee package) which outlines all applications received, additional information collected, public comments, and adjudication notes.

Option 1 – Summary

Marine Passenger Fee Grants - NO CHANGE

Defined process resulting in grantees and amounts being included in the Manager's Proposed Budget.

- Advertised open period for applications
- Public comment time provided (online)
- Assembly receives full packet of all applications and comments

Ongoing Grants

CHANGE - Manager is directed to review and include requests from Ongoing and Partner Agencies within their Recommended Budget.

- JAHC, JEDC, JCF and Travel Juneau present to AFC on program status outside of budget cycle

Other Grants – CHANGE to mimic MPF Process

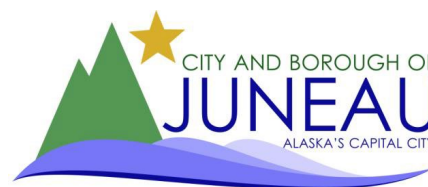
Defined process resulting in grantees and amounts being included in the Manager's Proposed Budget.

- Advertised open period for applications
- Public comment time provided (online)
- Assembly receives full packet of all applications and comments

Discussion

Section F, Item 6.

MEMORANDUM



DATE: July 27, 2023

TO: Assembly Finance Committee

FROM: Angie Flick, Finance Director

SUBJECT: Assembly Grants (Community Grants) Process

105 Municipal Way
Juneau, AK 99801
Phone: (907) 586-5215

The purpose of this memo is to provide a set of options for discussion to the Assembly Finance Committee (AFC) regarding the process for reviewing and awarding Assembly Grants, also known as Community Grants, for the upcoming budget cycle. There are many options and variations available to the AFC for managing the granting process. This memo speaks to three options: A pre-budget process similar to the Marine Passenger Fee model, a post-budget process, and the status quo.

The Assembly has awarded grants annually to fund various programs and projects which benefit the community in a large range of amounts for both one-time and ongoing operations. Throughout this memo and discussion, there are a few terms and groups that I would like to define.

Partner Agencies – these are organizations that are regularly awarded grants for their ongoing operations; and some act as a conduit granting agency on the Assembly’s behalf.

Non-Competitive Grantees – some organizations are regular annual recipients of grants because they are performing a function on behalf of CBJ.

Operating funding – the normal ongoing expenditures for an organization to function: staff, rent, utilities, basic supplies.

One-time funding– funds that are utilized for a unique project or purchase that does not recur and has an end date. Examples might include: the purchase of a piece of land or equipment; a one-time study or event.

Option 1: Pre-Budget Process

In this scenario, staff would solicit grant applications in the same general time frame and manner as the Marine Passenger Fee process. December 1st would start the grant solicitation period. A list of projects/grants would be compiled and available for public comment no later than January 15th. The comment period would close February 15th. The City Manager’s recommendations will be available no later than March 1st and included in the Manager’s recommended budget. The Manager will provide the AFC with all applications and comments.

Through the application process, grantees will indicate the nature of the funding request (funding of operations or one-time funding), what other funding sources they are pursuing and how their request meets a community need. Grant applications will be evaluated against Assembly Goals, the Legislative Priority List, the CIP and 1% Sales Tax Schedule. Grant applications that are more suited to the Assembly’s conduit granting agencies (JEDC, JAHG, JCF) will be directed to make application through those agencies. Of note, JAHG’s grant deadline is mid-April and JCF’s is the first week in March; providing applicants sufficient time to meet those deadlines.

In this scenario, the Assembly would likely decide to exclude certain partner agencies and non-competitive grantees from this process and request the Manager include the appropriate grant funding in the Manager’s recommended budget. The Assembly should decide which organizations are in these categories. However, in looking over past grant recipients, the following organizations would likely be categorized as Partner Agencies

and Non-Competitive Grantees:

- Juneau Arts and Humanities Council (JAHC) – Partner Agency
- Juneau Economic Development Council (JEDC) – Partner Agency
- Travel Juneau – Partner Agency
- Juneau Community Foundation (JCF) – Partner Agency
- Southeast Alaska Association for the Education of Young Children (AEYC) / Childcare – Partner Agency
- Juneau Festival Committee – Non-Competitive Grantee
- Douglas Fourth of July – Non-Competitive Grantee
- Parents for Safe Graduation – Non-Competitive Grantee
- Better Capital City (KTOO and Alaska Committee) – Non-Competitive Grantee

Partner agencies can be scheduled to present an update on their organization at any time throughout the year, rather than utilizing budget development AFC meetings for that purpose. The vetting process for the other grant applicants is done prior to the budget work of the AFC, so that grant applicants will not need to present at AFC meetings during April and May.

Option 2: Post-Budget Process

In this scenario, the Assembly Finance Committee would determine an amount of funding for competitive grants to be solicited, reviewed, and awarded starting in July. The funding amount would be determined through the normal budgeting process and appropriated with the budget approval. Either staff or a granting committee (as determined by the AFC) would then solicit grant applications in July and make awards up to the funding approved by the Assembly. If desired, a complete packet of applications and minutes can be provided to the AFC after the grant awards are complete.

Similar to Option 1, the Assembly would likely decide to exclude certain partner agencies and non-competitive grantees from this process and request the manager include the appropriate grant funding in the manager’s recommended budget. Partner agencies can be scheduled to present an update on their organization throughout the year to the AFC.

Option 3: Status Quo

The Assembly Finance Committee may desire to follow the same process as in previous years. In this scenario, grant requests can filter to the AFC through a variety of channels, or the AFC can solicit grant requests with a deadline for submission. In conjunction with the AFC Chair, staff will schedule grant applicants for presentation to the AFC over the course of one to two meetings. The AFC can then make recommendations for inclusion in the budget.

In this scenario, partner agencies will be included in the presentation schedule. Non-competitive grantees will be included in the manager’s recommended budget.

Staff Recommendation

Assemblymembers always have the privilege of bringing ideas and projects to the Assembly through various committees for consideration of support. Staff recommends the AFC select Option 1, a process modeled after the Marine Passenger Fee project process for soliciting, reviewing, and recommending funding for Assembly Grants. This process provides for public notice of the opportunity, public comment and evaluation of the request against stated Assembly priorities. The AFC will receive information on all grant applications. The pre-budget process provides greater flexibility in addressing large, one-time requests from organizations. These can be accommodated in the other options; however, knowing about them early increases the flexibility in addressing the needs.

Alaska Heat Smart

Stevie Leeann Gawryluk, Budget Analyst I
Ms. Angie Flick, Director
CBJ Finance Department

September 7, 2023

RE: AHS comments on community grant process

Dear Stevie and Angie,

Thank you for the opportunity to provide feedback to the Assembly Finance Committee on possible changes to the CBJ community grant review and award process. The Alaska Heat Smart (AHS) finance subcommittee reviewed the three options offered and has the following comments.

Option 1: Pre-Budget Process

AHS joins the city staff in supporting option 1, although we would like to offer some caveats to our support. Option 1, a process modeled after the Marine Passenger Fee project, differs from the status quo in that not only is the timing of the process different, but the nature of the review is substantially different.

Moving the grant solicitation to December runs into the busy and vacation-laden holiday period. Perhaps the solicitation could be started earlier, November 15th, to give applicants at least 45 days to develop a grant request.

Option 1 appears to shift some of the burden of grant request review to the public and city staff and away from a direct review by the Assembly. This public review and comment process for grant requests found in option 1 should include the opportunity for additional input from the organizations submitting grant requests. In the past, AHS has used the grant presentation process as an educational opportunity, during which AHS staff and board have learned of both Assembly interests and concerns. Our presentations have allowed AHS to explain in more detail the specifics of our organizational needs that may not be addressed elsewhere and which may not be readily available to the public.

Community “needs” are articulated in plans and resolutions adopted by the Assembly. The Assembly also establishes specific annual goals. The grant request process should seek information from applicants on how their project and/or program addresses community needs. Some type of documentation of a community need is recommended, whether from a survey or articulated in an Assembly-approved plan or report. Also, the applicant should address how their request serves one or more of the Assembly’s goals or other CBJ priorities articulated in resolutions, ordinances, or funding.

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Robin Gilcrist
Gretchen Keiser
Margo Waring
Alan Wilson

Executive Director

Andy Romanoff

P.O. Box 20912
Juneau, AK 99802

akheatsmart.org

Alaska Heat Smart

The grant process should request information that identifies how the applicant's project/program provides:

- economic or social benefits to Juneau as a whole or to particular members of our community
- job creation/workforce development
- will leverage other sources of funding

Lastly, the process should incorporate the opportunity for organizations to request matching funding. It should recognize that the timing of federal grant proposals and CBJ grant funding may not coincide – for example some recent federal grants have only provided a few months' notice from funding opportunity announcement to application deadline. There should be an opportunity to amend requests, or to ask for out-of-cycle funding to address major opportunities for federal funding.

Grantee Organizational Categories

Determination of organizational categorization should be further clarified. The CBJ definition of one-time funding is clear and stands apart from other categories. AHS has no issues with the definition of one-time funding defined as 'funds that are utilized for a unique project or purchase that do not recur and have an end date'.

Each category of grantee may seek operational funding as a portion of their annual budgets and may fall into this general category if their funding needs are ongoing and do not fall under the definitions of one-time, partner, or non-competitive.

The difference between partner agencies and non-competitive grantees is not immediately clear. Some partner agencies may act as granting conduits, while others may not. Partner agencies appear to perform beneficial functions to the city where non-competitive grantees may as well, although non-competitive grantees appear to focus on recurring events.

Alaska Heat Smart as Partner Agency

After careful consideration of grantee organization categories, the AHS board of directors believes that Alaska Heat Smart most closely fits as a 'partner agency'.

AHS was explicitly created to help the CBJ meet its climate and renewable energy goals and implement its plans, including the Juneau Renewable Energy Strategy (JRES), adopted by the Assembly in 2018. The Juneau Commission on Sustainability (JCOS), which is advisory to the Assembly, played a key role in convening the parties which came together to form AHS, with the explicit purpose of assisting the CBJ in implementing the JRES.

CBJ has supported the AHS mission and funded its operations since AHS's founding in late 2019. Discussions with CBJ staff and with the Assembly have explicitly

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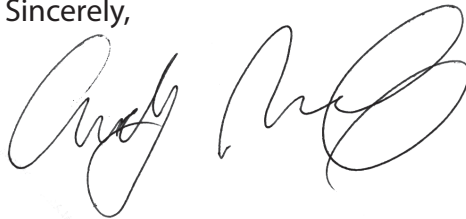
Alaska Heat Smart

recognized that AHS support for energy efficiency and heat pump is the single most cost effective way for the CBJ to meet its carbon reduction goals, while also reducing its dependence on fossil fuels, lowering the cost of housing by improving home heating conditions for hundreds of families, reducing energy burdens for Juneau's lower income population, and growing local contractor workforces through economic stimulation. Additionally, CBJ investments in AHS leverages substantial private and federal capital, nearly \$2.5M to date.

AHS works closely with several partners i.e., the US Department of Energy, the National Renewable Energy Laboratory, AEL&P, and Tlingit Haida Regional Housing Authority. Data from nearly 800 home energy assessments helps to inform both the city regarding carbon output of home heating and cooling and helps AELP better understand grid impacts of both oil to heat pump conversions and electric resistance to heat pump conversions.

Again, thank you for the opportunity to provide input on this important community process.

Sincerely,

A handwritten signature in black ink, appearing to read 'Andy Romanoff', is written over a faint circular stamp.

Andy Romanoff
Alaska Heat Smart
Executive Director

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akheatsmart.org

Adrien Speegle

From: Liz Perry <liz.perry@traveljuneau.com>
Sent: Wednesday, August 23, 2023 1:58 PM
To: Stevie Gawryluk
Subject: Re: CBJ Assembly Grant Application Process Feedback Request

Stevie,

Thanks for the opportunity to weigh in on the CBJ grant application process and timing.

Travel Juneau’s requests to the Assembly/Finance Committee fall into the Hotel Bed Tax and Marine Passenger Fee buckets. We have a few suggestions:

- 1) All organizations seeking grant funding from CBJ, regardless of funding source, should be required to submit a full budget with their applications so that the AFC can see how the funds will be allocated and expended inside the organizational budget. Travel Juneau has always been required to do this but other organizations have not, to the point that their requests have been funded after providing an annual highlights document or a memo requesting funding. This is unfair.
- 2) All organizations seeking/receiving CBJ grant funding should be required to state and report on metrics/analytics via a Memorandum of Agreement.
- 3) As our annual MPF request is currently submitted earlier than the current budget consideration process, we’re fine with continuing that timing. Further, we would be supportive of a process that speeds up overall approval of CBJ grant applications. However, a requirement to apply for our annual grant of Hotel Bed Tax much earlier than early April (current timing) but having approval remain late in the budget process (late May or June, as has been the case for the last couple of years) puts significant additional development and planning stress on our organization and board. If we must submit our applications in December, we would expect approvals by early April so we can make and keep marketing commitments for the upcoming fiscal.
- 4) Travel Juneau and its board requests that the AFC consider a reallocation of HBT that is codified in ordinance. This enables us to have consistent funding, in turn allowing us to plan at least couple of years in advance. To have a Finance Department-approved grant amount reduced substantially at the end of the budget process requires us to renege on verbal commitments with vendors; further, it affects staff and tarnishes our reputation. In the next few business days, Travel Juneau will provide to the Finance Director reallocation scenarios that we feel will benefit both CBJ and our organization.

Thank you again for the opportunity to respond and for your consideration.

Liz



Liz Perry / President & CEO



On Mon, Aug 14, 2023 at 5:03 PM Stevie Gawryluk <Stevie.Gawryluk@juneau.gov> wrote:

Good afternoon,

We are reaching out today because you were involved in the Assembly Community Grant process for the FY 2024. The Assembly Finance Committee (AFC) has directed the Finance Department to work on an alternate Assembly Grant process for the next budget cycle.

Open communication, clear deadlines and information requirements, alignment with Assembly goals and community needs, as well as an equitable and transparent awarding process are among the priorities of a new process. We are currently considering grant models in use by CBJ for other funding sources for ideas. However, it is important to the AFC and Finance to solicit any feedback you may have about the process and improvements that can be implemented.

We would like to solidify our process concept around Labor Day so that we can get our developed ideas back to you for any feedback before the September 27th AFC meeting when we hope to bring back a full plan for the AFC's consideration.

Please reply to this email with any questions, comments, and ideas regarding the process. If the AFC is in favor of an alternative process, the intention is to implement it as we approach the upcoming FY 2025 budget cycle.

Thank you for your input!

Stevie Leeann Gawryluk | Budget Analyst I

[she/her](#)

Finance Department | City & Borough of Juneau, AK

Location: 105 Municipal Way | 2nd Floor Controller's Office

On the Traditional Land of the Tlingit People

