City and Borough of Juneau
Minutes - Assembly Finance Committee Meeting
Thursday, September 8, 2016, 5:30 p.m.

I. Call to Order

The meeting was called to order at 5:30 PM by Jerry Nankervis, Chair.

II. Roll Call

Committee Members Present: Mayor Ken Koelsch, Mary Becker, Jesse Kiehl, Debbie White, Jerry Nankervis, Maria Gladziszewski, Kate Troll, and Jamie Lynn Bursell.
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; Jean Hodges, Acting Controller; and Elisabeth Jensen, Budget Analyst.

Others Present: Dr. Mark Miller, Superintendent, Juneau School District; David Means, Director of Administration, Juneau School District; and Mariya Lovishchuk, Executive Director, Glory Hole.

III. Changes to the Order of the Day

Move item VI. Downtown Business Association – Main Street Funding Request, forward in the agenda to item V., thus proceeding item V. FY18/19 Budget Process Update.
Without objection.

IV. Housing First Update

Mariya Lovishchuk, Executive Director, Glory Hole provided an overview of the funding that the Housing First Project has received to date. The total funding needed for the project is $7,061,811. Currently Housing First is pursuing several grants, and hopes to hear more in the coming days and weeks. The current completion date for the project is Mid-May, 2017.

In response to an inquiry from Loren Jones, Bob Bartholomew stated that the project is currently $1.3m short from their goal, which is $800k in addition to what we had taken out of the available fund balance. For planning purposes, our exposure is another $800k out of the $12m available in fund balance. We should know in two to four months if that money will be needed or not.

V. FY17 Budget Action

A. Options to Balance FY17 Budget

Bob Bartholomew provided a recap of the current FY17 budget situation. There is currently a shortfall of $4.8m for FY17 that needs to be addressed. Management proposes funding options as seen on page 3 of the packet.

The body discussed a number of funding options including ideas to use CAMHU CIP funds, the Reserve Fund, etc.

B. *Juneau School District Fund Balance*

Bob Bartholomew discussed the Juneau School District's Projected Fund Balances as of June 30, 2017, as seen on page 4 of the packet.

Gladziszewski: Do you mean we could legally provide funding to JSD?
Bartholomew:
David Means, Director of Administration, Juneau School District responded to questions from the Committee.
Nankervis: When will the student count numbers be provided from the state?
Means: The end of October, 2016.
Jones: Was the Governor's $200k veto from a formula based on a percentage based on student counts?
Means: The Governor did not change the funding formulas. What the Governor did was change the amount that was available to the schools state-wide. He simply reduced the total amount of money available, and the availability of funds will be prorated by school.
Jones: If in fact we have enough students, is that money available or would a supplemental appropriation be needed?
Jones: So the $1.4 is a guestimate
Kiehl: I disagree. The Governor's veto was full funding minus $600m. So no supplemental is needed. We really need to hit the October student count.
Troll: Mr. Means, will you confirm that you have enough money to make it through until the student counts come in?
Means: Yes, that is correct.

C. *BRH Letter*

Bob Bartholomew briefly turned the Committee's attention to the Resolution of Bartlett Regional Hospital on page 5 of the packet.

Ultimately, Mayor Koelsch reminded the body that during the FY17/18 Budget discussions, that the $696,000 had been set aside in the CBJ Facility Infrastructure Deferred Maintenance CIP, in the event that there was a loss of funding from the State. In fact the budget was hit by the State. The funding wasn't necessarily for maintenance unless we didn't get hit by the State. He went on to say that the body compromised on the 10.66 mil rate, and suggested the $696,00 be used to balance the budget now.

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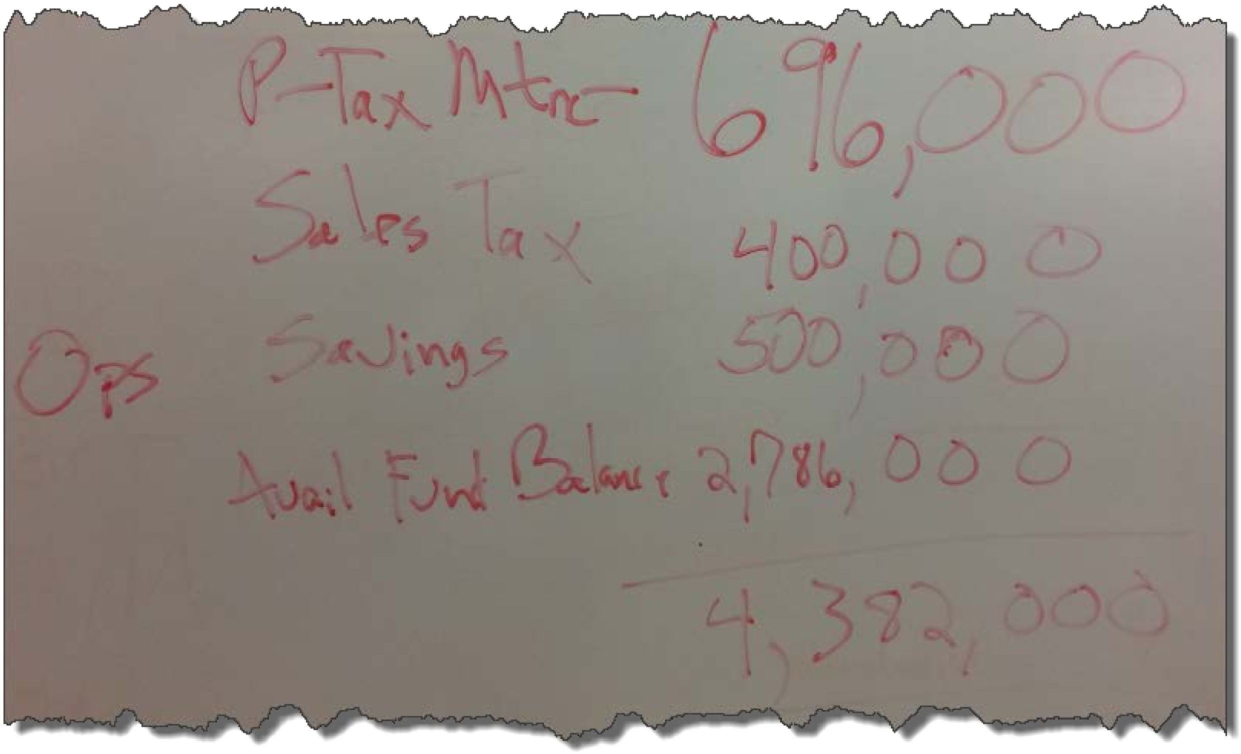

Figure 1. At the request of Mayor Koelsch, City Manager Rorie Watt wrote the AFC's formula for balancing the budget on the white-board for clarification.

Mayor Koelsch, moved to balance the FY17 budget deficit with funding provided as follows:

Property Tax Deferred Maintenance CIP	**$696,000**
Sales Tax	**$400,000**
Operating Savings	**$500,000**
Avalilable Fund Balance	**$2,786,000**
Total	**$4,382,000**

Without objection.

The meeting recessed at 6:41 PM.
The meeting reconvened at 6:50 PM

VI. Downtown Business Association – Main Street Funding Request - $4,500

Bob Bartholomew provided an overview of the potential budget mechanism to provide funding from the Better Capital City budget within the Mayor and Assembly's FY17 Budget.

Loren Jones spoke to his letter found on page 16 of the packet and introduced Jill Ramiel, President, Downtown Business Association to provide further details.

Ms. Ramiel provided further information on the public meeting to be held on November 1, 2016 and addressed questions from the body.

Mr. Nankervis requested that the Assembly be invited to attend the Main Street meetings.

Maria Gladziszewski, moved funding of $4,500 from the FY17 Better Capital City budget, towards the Downtown Business Association (DBA) for the Better Main Street USA program.
Without objection.

VII. FY18/19 Budget Process Update

Bob Bartholomew provided an overview of page 6 of the packet. The current approach is to address less revenues in the future is to make sustainable reductions, as necessary, over the next several years.

Mila Cosgrove, Deputy City Manager, provided a high level overview of the process shown on pages 7 – 14 of the packet. She said that we are looking for a rational process to approach the potential budget reductions and service realignments. Additionally we are looking for something that gives us the ability to gather input from the public on community priorities and to evaluate our existing programs and services against those community priorities. We believe the end product will give us a scalable tool to approach service realignment discussions.

Rorie Watt, City Manager spoke in favor of the Priority Driven Budget Process. He reflected on Governor Walker's visit with the Assembly earlier in the day. Everyone heard Governor Walker. It is not hard to imagine that we are going to be doing fewer things in three to five years. It would be easy to us to squirrel up in our offices and develop our own plans protecting our own pet programs. However, this (PDB) helps all of us to know where our pet programs sit in relation to real priorities (Quartiles 1 – 4).

This is designed to do really two things.
1.) Bring yourselves and the community along
2.) Scalable part. We don't know what the Legislature is going to do.

Independent of this, we need to look at service delivery and determine how we can do things better in every program. However, finding a better way is not going to meet all of the budget needs.

Mayor Koelsch encouraged Assembly members to volunteer to help with the program. Mayor Koelsch, Mr. Nankervis and Ms. White volunteered to participate.

VIII. Information Item – Bond Sale Ordinance 2016-31

Bob Bartholomew provided a high level overview of the Bond Sale Ordinance 2016-31 prepared by Bond Council.

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IX. Information Item – Sales Tax Non-Profit Sales Exemption

Bob Bartholomew provided a brief overview of page 33 of the packet.

X. Information Item – Online Payments & Related Credit Card Fees

Bob Bartholomew spoke to the body about the status of online payments and related credit card fees. We currently accept credit cards and do not collect fees. A phased-in approach has been identified to implement online sales tax, property tax and finally airport and utility billings online. Fees and absorption of fees are being evaluated.

XI. Next Meeting Date

Wednesday, November 9, 2016

XII. Adjournment

Meeting was adjourned at 8:04 PM.