

City and Borough of Juneau
Minutes - Assembly Finance Committee Meeting
Thursday, July 30, 2015, 5:30 p.m.

I. Call to Order

The meeting was called to order at 5:27 PM by Karen Crane, Chair

II. Roll Call

Committee Members Present: Merrill Sanford (arrived at 5:33 PM), Mary Becker, Debbie White, Jesse Kiehl, Maria Gladziszewski, Karen Crane, Kate Troll, Jerry Nankervis and Loren Jones.

Committee Members Absent: None

Staff Present: Kim Kiefer, City Manager; Rob Steedle, Deputy City Manager; Bob Bartholomew, Finance Director, Clinton Singletary, Sales Tax Administrator; Mary Norcross, Controller; Jean Hodges, Assistant Controller; Elisabeth Jensen, Budget Analyst; Mark Miller, Superintendent, Juneau School District; Laurie Sica, Municipal Clerk.

III. Approval of Minutes

The May 6, 2015 minutes were approved as presented.

IV. Funding Options for School District Deferred Maintenance Projects

Bob Bartholomew provided an overview of three funding options.

Ms. Crane asked if JSD needed the entire \$1.3M for this coming year, or if Option 1 were to be selected, would that get JSD through this year and allow the Assembly to deal with the remainder in the upcoming budget process for the coming year.

Kim Kiefer reported (through discussions with JSD), JSD won't need \$1.3M this year. It would be fine to split the funding out over the next several years. Funding of \$1.3M does not include the comprehensive facility plan. CBJ Staff recommended adding the facility plan. For Option 1, \$500k would fund the Deferred Maintenance and \$300k would fund the Comprehensive Facilities Plan.

Loren Jones moved for the Assembly Finance Committee to recommend that the Assembly not put on the Assembly's Agenda or before the voters, the General Obligation Package.

There were no objections.

Loren Jones moved to use 1% CIP sales tax proceeds from the five year period ending June 30, 2013 in the amount not to exceed \$800,000 for both the Juneau School District's Deferred Maintenance and Comprehensive Facilities Plan.

There were no objections.

V. Senior Sales Tax Exemption Changes Phase II Implementation

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Bob Bartholomew provided the recent history of Phase I and Phase II of the changes to the Sales Tax Code. He presented the body with recommendations Staff had prepared in response to a prior request from the body.

Much discussion ensued regarding SNAP and SNAP qualified merchants.

Changing Senior Tax Exemption Qualifying Age From 65 to 70 for New Entrants to Program

Mayor Sanford moved to go down the road of increasing the age limit of seniors from 65 to 66 up through five more years and have staff put it in order with true savings (based on a handout from TERC 12/18/14 Packet).

Roll call votes:

Ayes: Nankervis, White, Becker, Jones and Sanford.

Nays: Kiehl, Gladziszewski, Troll, and Crane.

Absent: None.

And this motion PASSED 5-4.

NOTE: This vote(*) was completely cancelled upon reconsideration(**).

The meeting recessed at 6:28 PM.

The meeting reconvened at 6:36 PM.

Jerry Nankervis moved for immediate reconsideration of the vote that would increase the minimum age for Senior Tax Exemptions from 65 to 70 years old.

Roll call votes:

Ayes: Troll, Kiehl, White, Gladziszewski, Nankervis, Becker, Jones, Crane and Sanford.

Nays: None.

Absent: None.

And this motion PASSED 9-0, with the necessary SUPER MAJORITY for a reconsideration vote.

The meeting recessed at 6:48 PM.

The meeting reconvened at 6:54 PM.

***RECONSIDERATION -**

Changing Senior Tax Exemption Qualifying Age From 65 to 70 for New Entrants to Program

Mayor Sanford moved to go down the road of increasing the age limit of seniors from 65 to 66 up through five more years and have staff put it in order with true savings (based on a handout from TERC 12/18/14 Packet).

Roll call votes:

Ayes: None.

Nays: Gladziszewski, White, Jones, Becker, Troll, Nankervis, Kiehl, Crane and Sanford.

Absent: None.

****And this motion FAILED 0-9.****

NOTE: This vote of reconsideration (**), completely cancelled the initial vote(*).

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Implement Income/Needs Based Program via a Rebate

Maria Gladziszewski moved to implement the income based program via a rebate to be determined once Staff does more research.

Roll call votes:

Ayes: White, Kiehl, Jones, Nankervis, Troll, Gladziszewski and Crane.
Nays: Becker and Sanford.
Absent: None.

And this motion PASSED 7-2.

Implement Essential Purchases via Option 1

Kate Troll moved for purposes of implementing the senior sales tax exemption program relative to food, that the SNAP definition be used and that it be implemented through option 1 (as outlined on page 8 of the packet) where only merchants that are approved to accept SNAP benefits are able to exempt qualifying food items to seniors.

Roll call votes:

Ayes: Kiehl, White, Gladziszewski, Jones, Troll, Crane and Sanford.
Nays: Becker and Nankervis.
Absent: None.

And this motion PASSED 7-2.

VI. 6% Sales Tax Discussion

Bob Bartholomew provided information in response to a request from Mr. Jones during the TERC meetings.

Mr. Jones addressed the reasoning for his informational request and stated that this may or may not be an opportune time to look at the tax structure for all citizens of Juneau.

Loren Jones moved that the AFC request that an ordinance be drafted for Assembly consideration to be put on the October 6, 2015 ballot, that would exempt all citizens of Juneau from sales tax on food and that would increase sales tax from 5% to 6% overall and that the 1% increase be added to the 1% permanent sales tax.

Roll call votes:

Ayes: Troll, Gladziszewski, Jones and Crane.
Nays: Becker, White, Nankervis, Kiehl and Sanford.
Absent: None.

And this motion FAILED 4-5.

VII. Economic Development Funding Plan for JEDC and CBJ

Kim Kiefer said that a draft may be provided at the next AFC or COW meeting.

VIII. Overview of Budget Forecast Model

Bob Bartholomew presented the overview of the Budget Forecast Model and explained the historical and forecasting capabilities. He invited Assembly members to be thinking about

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what scenarios and economic attributes would be important to include in forecast scenarios.

IX. Information Items

A. Update on Senior Sales Tax Exemption Cards Issued

Clinton Singletary provided an update on the recent roll-out. Over 3,600 new cards had been issued so far.

B. Bond Sale Interest Rates

Bob Bartholomew discussed the information on pages 15 – 17 of the meeting packet for three bond sales that took place in June, 2015. The actual results were all within the delegated parameters.

Jesse Kiehl requested more information on Debt Service Savings for the 2005 A School Bond refinancing.

C. Ordinance 2015-33 Amending the Sales Tax Code to Exempt Jewelry from \$12,000 Single Item Sales Exemption

There was no discussion on this item.

X. Next Meeting Date

Wednesday, August 26, 2015 at 5:30 PM

XI. Adjournment

Meeting was adjourned at 8:12 PM