

City and Borough of Juneau
Minutes - Assembly Finance Committee Meeting
Wednesday, February 18, 2015, 5:30 p.m.

I. Call to Order

The meeting was called to order at 5:30 PM by Karen Crane, Chair.

II. Roll Call

Committee Members Present: Karen Crane, Merrill Sanford, Mary Becker, Debbie White, Jesse Kiehl, Jerry Nankervis, and Kate Troll

Committee Members Participating Telephonically: Loren Jones

Committee Members Absent: Maria Gladyszewski

III. Introduction of High School Students

Mayor Sanford introduced two visiting High School students, Chloe (12th Grade) and Kathy (9th Grade). He proclaimed them "Honorary Mayors" for the evening and invited them to sit at the dais with the committee members for the duration of the meeting.

IV. Eaglecrest FY15 Budget Update

Presentation participants: Mike Stanley, President, Eaglecrest Board of Directors, Bruce Garrison, VP Eaglecrest Board of Directors, and Matt Lillard, General Manager, Eaglecrest

Mike Stanley provided an update of FY15 operating budget and the difficult snow year. Over the last several years, they had managed to recover from a large negative fund balance and had had a positive fund balance last year. The season pass sales have been at an all-time high in recent year. Much of the success in prior years has been driven by several really good snow years. Normally they are able to be open between 88 and 96 days. However, this year, Mother Nature has done an about face, and Eaglecrest has only been open 30 days. Most of the days they have only been able to operate the Porcupine lift (small lift); there have only been five days when they have been able to open the upper mountain.

Why keep Porcupine open? The mission is to operate a ski area even if it is only a limited opportunity. Recruitment offers opportunity to attract the younger crowd and keeps some amount of staff working and on-hand in the event more snow comes. The staff has been working proactively to do other chores around the mountain – getting an advance start on some of the summer seasonal work. They have rehabilitated a Nordic track setter to set better tracks in the future. They've been painting chairs, and some staff has gone out to the field house to help with repairs. The marketing staff may start working with some of the other recreational facilities with marketing. Looking forward, March is historically one of the best ski months on the mountain, so there may still be hope this season.

The Eaglecrest board is weighing many options given circumstances, if conditions warrant. The Board met in February, and favored keeping Porcupine open, of several other options - though this may cause a deficit of \$90,000. The Board plans to meet again in March.

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Currently a final decision has not been made regarding issuing refunds to pass holders, though the consensus is currently not to issue any refunds. In order to ease the pain for pass holders, Parks & Recreation will give a discount to the swimming pools and Treadwell for current Eaglecrest pass holders.

The annual revenue analysis will be conducted in June / July, 2015 to determine future pricing strategies.

V. Housing First Project Funding Options

Bob Bartholomew began by discussing the documentation provided in the agenda packet, outlining the options to provide \$1.5 million commitment to JHF Project. Further discussion centered on CIP Housing information, the letter from JEDC, and requests from the Assembly members for further clarification to be provided at the next AFC meeting.

Bob Bartholomew recommended formalizing a grant agreement for the \$1.5 million, outlining stipulations including only providing funds, only if the grant is approved. Glory Hole is the lead organization on the project. Karen Crane asked the Glory Hole's representative if they have a full audit at the end of each year. Mariya Lovishchuk, Executive Director Glory Hole stated yes and that Elgee Rehfeld Mertz, LLC is the current auditor for the Glory Hole.

VI. FY15 Major Revenue Update

Bob Bartholomew directed attention to page 10 of the agenda packet, and outlined the major components making up the budget. There will be much higher confidence in the numbers by April 1st. Using fund balance between \$1m - \$2m is sustainable. Using fund balance between \$3m - \$4m is not sustainable. The plan is to provide an update on the last portion of cost savings during the AFC meeting on March 18th.

Jesse Kiehl provided compliments to the Staff and the Managers for the tight management of expenditures.

VII. Senior Citizen Sales Tax Exemption Program Change Implementation Options

Chair Crane recalled that the body had planned to discuss implementation of the options that were voted on at the last AFC meeting on February 11, 2015. In that meeting the body had recommended:

- A. Providing all Juneau Senior Citizen Residents a sales tax exemption on essential items (food, home electricity & heating fuel, water and sewer.)
- B. For Senior Citizens with Household Income Below 250% of the Federal Poverty Level, for Alaska, all Sales would be Exempted from Tax.

The question would be how would the program be managed?

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Bob Bartholomew summarized the action of the AFC meeting on February, 11 2015. He stated that there were six recommendations on changes to tax exemptions that were adopted, but none of them have yet to be officially forwarded on to the Assembly. The decision at the last meeting was to return and discuss the implementation plan for two of the six options.

Discussion focused on page 11 of the agenda packet with the body settling on asking staff to bring the issue back to AFC at the next AFC meeting.

Chair Crane asked if the body was ready to forward to the assembly the three ideas that had been agreed upon that would take effect July 1, 2015.

- 1.) Increase the sales tax cap on sale of single item or single service from \$7,500 to \$12,000; adjusting the amount every two years by the Anchorage CPI.**
- 2.) Remove Senior sales tax exemption eligibility for non-Juneau residents.**
- 3.) Remove Senior sales tax exemption for meals purchased at restaurants / eating establishments.**

There were no objections.

VIII. Next Meeting Date

Wednesday, March 18, 2015

IX. Adjournment

Meeting was adjourned at 6:55 PM