ASSEMBLY FINANCE COMMITTEE AGENDA

September 06, 2023 at 6:05 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. **August 2, 2023**

D. AGENDA TOPICS

2. **Investment Update**
3. **Hotel Bed Tax Allocation**
4. **New City Hall Presentation**

E. NEXT MEETING DATE

5. **September 27, 2023**

F. 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

August 2, 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 6:08 pm by Chair Woll.

B. ROLL CALL

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

Committee Member Absent: Wáahlaal Gíidaak

Staff Members Present: Rorie Watt, City Manager; Robert Barr, Deputy City Manager; Angie Flick, Finance Director; Adrien Speegle, Budget Manager

C. APPROVAL OF MINUTES

1. June 7, 2023

The June 7, 2023 minutes were approved as presented**.**

D. AGENDA TOPICS

2. Assembly Grant Process

Angie Flick, Finance Director, introduced the memo found on page 5 of the packet, which provides a set of options for the discussion of the Assembly Community Grant process in preparation of the upcoming budget cycle. Ms. Flick stated that the options that are listed are not the only options available to the Committee, however, staff have provided options to facilitate Committee discussion on this topic. She further stressed that staff recommends removing certain grants that are awarded every year to partner organizations from a competitive process to streamline the competitive Community Grant funding determination.

Ms. Flick presented to the Committee the first option of creating a pre-budget process whereby staff would solicit grant applications in the same time frame and manner as the Marine Passenger Fee process, which starts on December 1st. This would allow for a more robust public comment period and provide staff time to include these potential grant awards in the manager's proposed budget.

Ms. Flick presented to the Committee the second option of creating a post-budget process whereby the Committee would determine a set amount of funding available for competitive grants. In this scenario, grant applications would take place after the adoption of the budget and the competitive process would take place starting in July.

Ms. Flick stated that the final option in her memo would be to keep the process as it is.

Ms. Flick answered Committee questions.

Mayor Weldon asked how adopting one of these options would affect the creation of the manager's proposed budget, which currently includes an expected amount the Committee will award for certain Community Grants. Ms. Flick stated that currently, the proposed manager's budget that is presented at the start of the budget cycle includes an amount that will be awarded to specific grantees and that staff uses previous grant award metrics to determine this amount in the proposed budget. If the Committee decides to adopt one of the options presented, then staff would include projected figures for non-competitive grants in the proposed budget and any additional grant funding would take place through a competitive process.

Assemblymember Hale asked what the process would look like if a pre-budget process is adopted, for organizations to need to adapt their funding request. She stated that her concern is that many organizations have in the past changed their funding requests in response to Committee feedback and this has always taken place over the budget cycle process.

Ms. Flick stated that under a pre-budget process, every organization would have the opportunity to alter their funding request and work with the Committee to adjust their request. She further stated that the benefit of having this process take place over a long period is that it allows community organizations to have a longer period to review their request and make alterations.

Assemblymember Bryson stated that he would like to have a way to receive the full list of those applying for competitive grants at the start of the budget cycle and that one challenge he saw in this past year's process was not having the full list to take into consideration. Ms. Flick clarified that adopting a new competitive process for grant applications would enable the Committee to have all grant applications in front of them earlier in the process.

Assemblymember Gladziszewski asked for clarification on determining grant funding amounts in the manager's proposed budget between the current process and if the Committee adopts one of the options presented.

Rorie Watt, City Manager, stated that the process for the staff amount determination would not change greatly, however, it would allow for greater separation of the grant funding that is given year after year to partner organizations and which is given through a truly competitive process.

Assemblymember Jones stated that no matter what process change is adopted by the Committee, it should include a dollar figure of some kind for the total amount that the Committee can award in Community Grants. He further stressed that more concrete rules for awarding Community Grants would help accomplish Committee objectives.

Assemblymember Smith stated that he would also like to see a standardized list of requirements from each organization applying for grants. He further stated that he supports having a process to review grants prior to the budget process and feels that it would help community organizations in making their requests.

Ms. Flick clarified for the Committee that in adopting a new process for grant awards, the members of the Committee can still bring forth requests for funding at any time, however, having a more concrete process will still be beneficial.

Motion: by Assemblymember Gladziszewski to direct staff to explore the option of the pre-budget process taking into consideration the Committee's concerns and comments, and bring back a more fleshed-out process, with consideration of the grantees the Assembly would want to exclude from a competitive process.

Objection: by Assemblymember Hughes-Skandijs for the purpose of stating that she would also like to hear about the option presented of having a post-budget process explored. She further stated that she supports the idea of having a fixed amount of funding for competitive grants and that it would aid in running grant requests against a fixed amount available.

Assemblymember Hughes-Skandijs removed her objection.

Objection: by Assemblymember Smith for the purpose of asking if solicitation for grant requests was made in previous years.

Mr. Watt responded by stating that no solicitation was done and that many grant requests came from community members contacting Committee members directly and no clear path was laid out for this process.

Amendment: by Assemblymember Smith to require applicants to show how their funding requests meet Assembly goals.

Objection: by Mayor Weldon and Chair Woll. Mayor Weldon stated that not all Community Grants that are awarded are specifically related to Assembly goals.

Assemblymember Smith withdrew his Amendment.

Objection to Original Motion: by Assemblymember Hale for the purpose of stating that notices should be sent to grant applicants before the next Committee meeting, notifying them that the grant process could be changing in the future, and providing them an opportunity to submit feedback.

Objection to Original Motion: by Mayor Weldon for the purpose of stating that whatever process change is adopted, it should include a format for all requestors, competitive and non-competitive to be heard by the Committee.

Mayor Weldon and Assemblymember Hale removed their objections.

Motion passed by unanimous consent.

3. Hotel Bed Tax Allocation

Ms. Flick presented the memo found on page 7 of the packet, which lays the groundwork for Committee discussion on the allocation of the 9% hotel-bed tax revenue. The Assembly has a resolution that directs 9% of the initial allocation of the tax revenues towards Tourism Promotion (4%), Centennial Hall Operations (3%), and Centennial Hall Improvements (2%); however, in the FY2024 budget, the Assembly funded these three categories at the level of support needed rather than at the percentages prescribed.

Ms. Flick further reviewed the memo found on page 8 of the packet from Jeff Rogers, previous Finance Director, dated September 7, 2022 which provides several options for discussion of the hotel-bed tax allocation as it relates to short-term rentals and the Affordable Housing Fund. She stated that these options were created to address the Committee's goal of having increased contributions to the Affordable Housing Fund.

Ms. Flick stated that the first option is to maintain the status quo and leave the hotel-bed tax allocation as it is in the current resolution. She reviewed the second option in the memo which is to designate all hotel-bed tax revenue generated from short-term rentals in Juneau to the Affordable Housing Fund. This option would create a direct relationship between the amount of revenue received from short-term rentals and providing funds to address the issue of affordable housing in Juneau.

Ms. Flick reviewed the third option to redesign the historic split for hotel-bed tax revenue in recognition of the impact of short-term rentals. The effect of this would be to allocate a portion of the hotel-bed tax revenue toward the Affordable Housing Fund directly by reducing the allocation percentages to other hotel-bed tax funded organizations.

Ms. Flick reviewed the fourth option listed in the memo of moving away from a formulaic split of the hotel-bed tax revenue completely and for the Committee to provide the City Manager with a set of priorities to allocate this revenue to prior to the budget process.

Assemblymember Jones asked for clarification on when the additional 2% tax, which increased the total hotel-bed tax from 7% to 9%, is set to expire. He further stated that any discussion on reallocation should include an understanding of the 2% that was added. Ms. Flick clarified the additional 2% terms on January 1, 2035, at which point the total hotel-bed tax will change from 9% to 7%.

Assemblymember Smith asked what the historical deviation of the current hotel-bed tax allocation amount is and the stated needs for organizations funded by this tax.

Adrien Speegle, Budget Manager, clarified that in FY21 and FY22, the hotel-bed tax allocations were lower than the percentages in the resolution due to depressed hotel-bed tax revenue resulting from the pandemic. She further stated that in this most recent budget cycle, the funding needs of the organizations funded by hotel-bed tax revenue were not as great as the percentages allocated to them in the current resolution in terms of dollar figures.

In response to Assemblymember Smith's question, Ms. Speegle stated that during December or January, CBJ's Finance Director reviews hotel-bed tax revenue forecasts with Liz Perry, Travel Juneau's Executive Director, as a basis for building Travel Juneau's budget for the upcoming fiscal year. Revenue forecasts may be revised closer to the budget process as CBJ staff obtain updated tax remittance data, sometimes resulting in a higher or lower revenue forecast than was used to build Travel Juneau's budget.

Robert Barr, Deputy City Manager, further responded to Committee questions on hotel-bed tax allocations to Centennial Hall operations, stating that the contract for Juneau Arts & Humanities Council (JAHC) to manage Centennial Hall is funded through a 3% allocation of hotel-bed tax, which has in recent fiscal years exceeded the stated funding needs for its operations.

Mayor Weldon asked whether having a percentage allocation or a dollar figure allocation for organizations funded by hotel-bed tax revenue is more stable and therefore beneficial for the budget challenges of these organizations. Ms. Flick clarified for the Committee that maintaining an expectation of consistent funding amounts is easier on organizations.

Assemblymember Jones stated that because many hotels in Juneau are full during the summer, he is concerned about stagnation in the operational funding for organizations funded by hotel-bed tax revenue, such as Travel Juneau. He further stated that setting a more dynamic allocation method such as putting a minimum percentage allocation with the potential for a maximum for each organization would lead to a more appropriate allocation of organizations.

Assemblymember Gladziszewski stated that the hotel-bed tax allocation resolution should be revisited and would like to see organizations funded by hotel-bed tax revenue prepare annual budgets for review and approval, similar to other operations within the CBJ that are up for approval every year. She further stated that the current resolution for the allocation of hotel-bed tax revenue should be revisited to meet the stated funding needs of organizations more accurately.

Assemblymember Bryson expressed concerns for potential reductions to the funding allocation to organizations that successfully market Juneau as a tourism destination.

Assemblymember Hale stated that it would be beneficial to center the conversation on adapting the hotel-bed tax allocations around actual dollar amounts, and how that compares to the percentages of allocation in the current resolution. She further stated that having this perspective would lead to a better view of the issue.

Motion: by Mayor Weldon to ask Ms. Flick to present options 2, 3, and 4 in the memo with dollar figure estimates to the Committee for further discussion.

Motion passed by unanimous consent.

4. Info Only: FY22 Final Audit Report

Ms. Flick introduced the FY22 Final Audit Report found on pages 9-67 of the packet.

Assemblymember Jones asked what the status is on implementing the plan for corrective action found in the audit report.

Ms. Flick responded by stating that actions are being taken to make the recommended corrections and stated that recent high turnover in the Finance Department led to many delays in the last fiscal year's audit, however, staff is making headway. Ms. Flick further stated that many issues faced in FY2022's financial reporting and audit that resulted in delays are being addressed. Staff are undergoing a series of trainings on the recent change in GASB reporting of leases and the upcoming change in subscription reporting in FY23, to be able to better meet these changes in standards.

Ms. Flick clarified that finance staff are working under hard deadlines to address the corrective action recommended in the FY22 audit report and she expects to have a much smoother creation of financial reports and audit for FY23.

Ms. Flick clarified for the Committee that the contract for audit services with Elgee Rehfeld is to conduct audit reports for the CBJ as well as the Juneau School District and Bartlett Regional Hospital and that the findings for all three entities are rolled into one report.

F. NEXT MEETING DATE

September 6, 2023

G. ADJOURNMENT

The meeting was adjourned at 7:23 pm.

City & Borough of Juneau

September 6, 2023

Insight INVESTMENT

BNY MELLON | INVESTMENT MANAGEMENT

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Insight INVESTMENT

Agenda

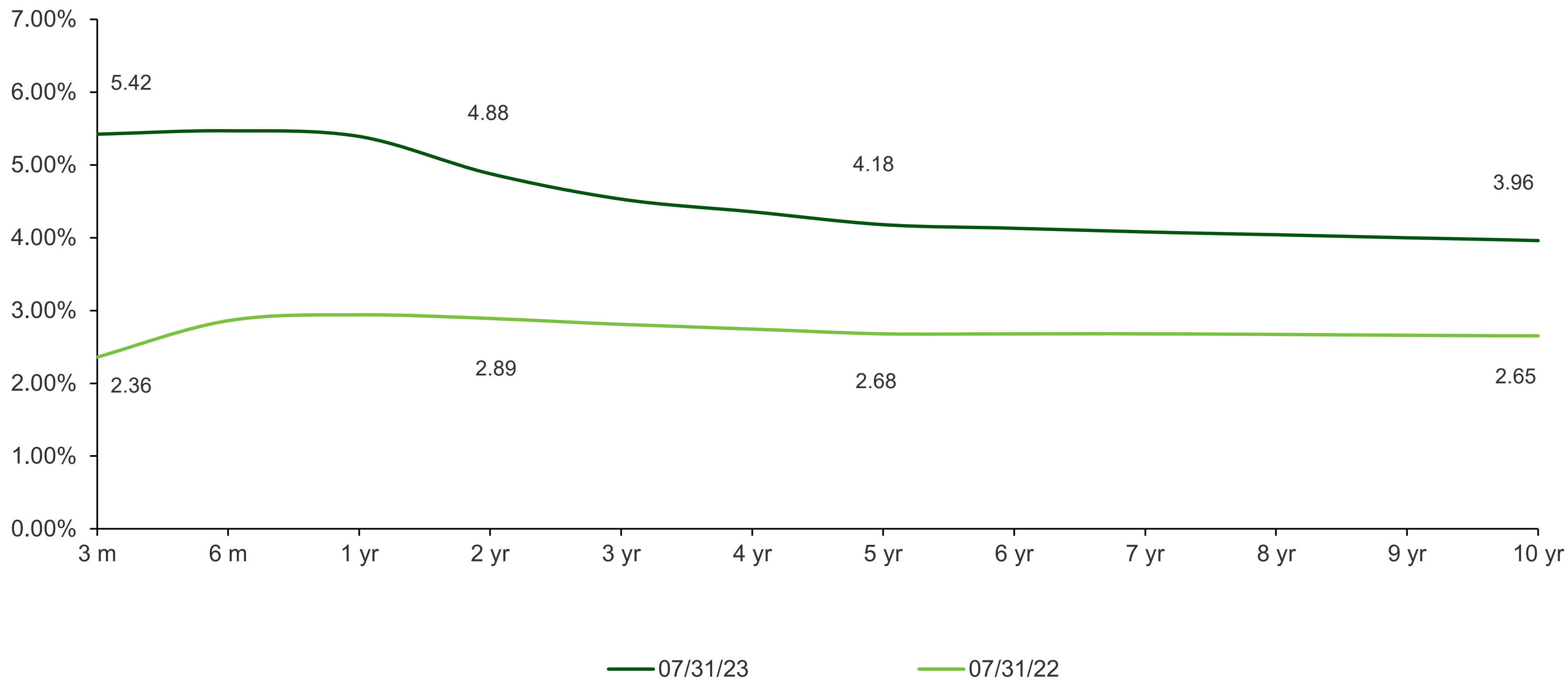
- Market outlook
- Portfolio update
- GASB 40 Holdings
- Appendix

Market outlook

Market environment and strategies

US economic indicators

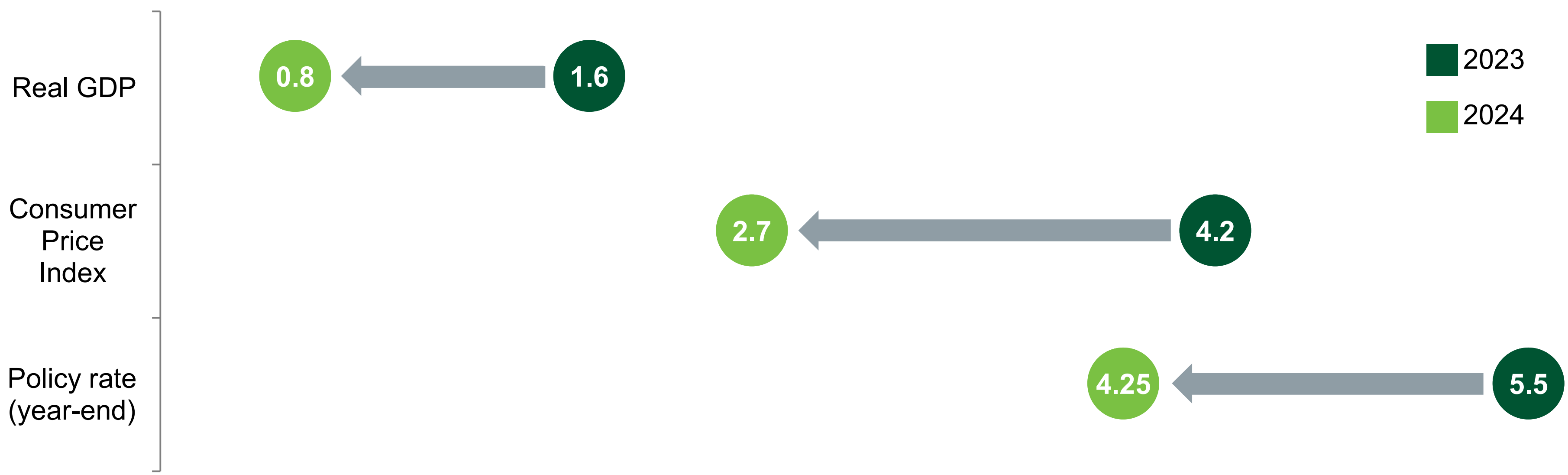
Comparative historical yield curves



Source: Bloomberg LP. July 31, 2023.

Key takeaways

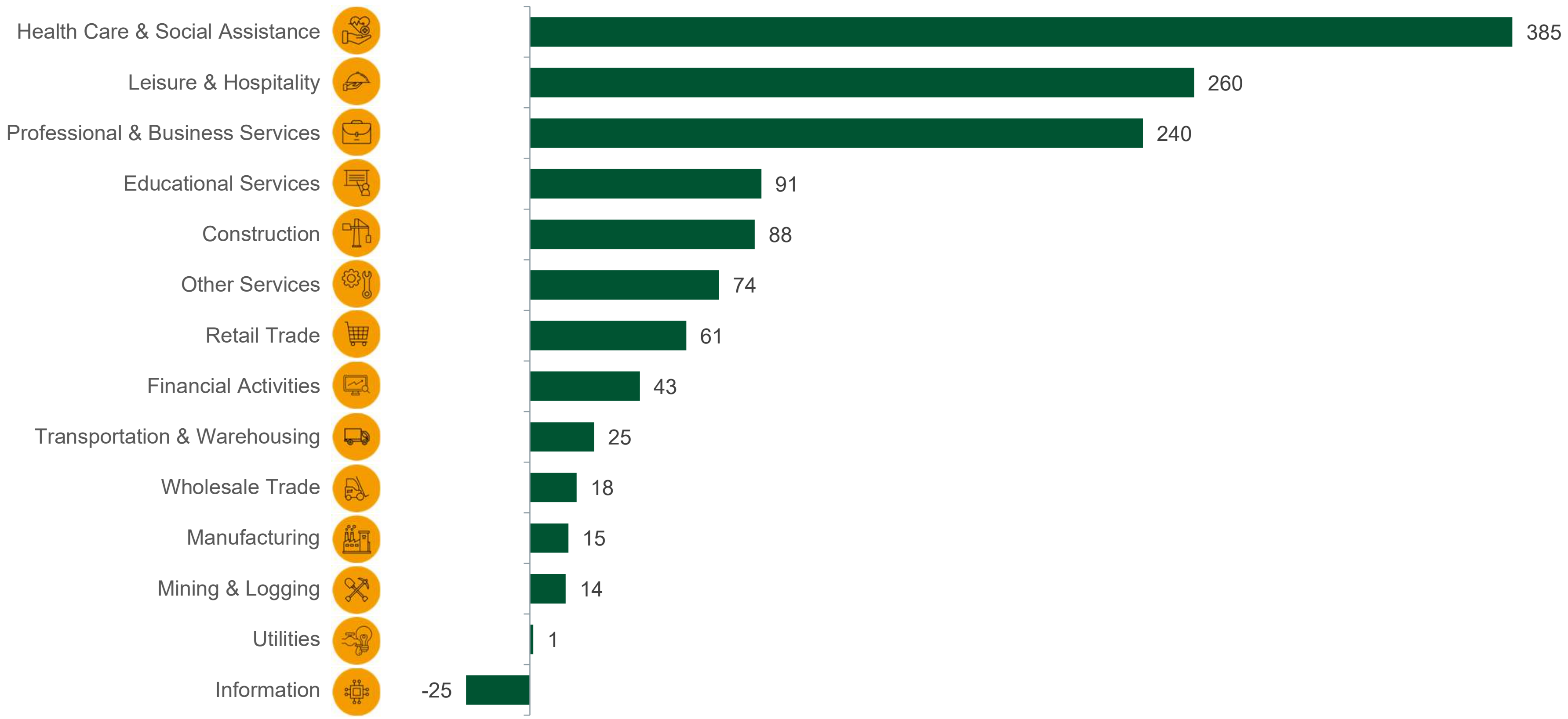
- The US economy is sending mixed signals with momentum diverging across various elements of the economy – manufacturing vs. services, better labor market balance vs. stubborn inflation, etc.
- The persistently sticky inflation will likely force the Fed's hand to hike interest rates by at least another 25 basis points
- We continue to see risks stemming from tighter credit conditions, higher interest rates, and elevated inflation as skewed to the downside



Any projections or forecasts contained herein are based upon certain assumptions considered reasonable. Projections are speculative in nature and some or all of the assumptions underlying the projections may not materialize or vary significantly from the actual results. Accordingly, the projections are only an estimate. Opinions expressed herein are as of the date stated and are subject to change without notice. Insight assumes no responsibility to update such information or to notify a client of any changes.

US labor market powers ahead

Private job creation, year-to-date job gains (thousands)



The US economy has so far defied fears of recession amid stronger-than-expected job growth

Source: Bureau of Labor Statistics, as of July 7, 2023.

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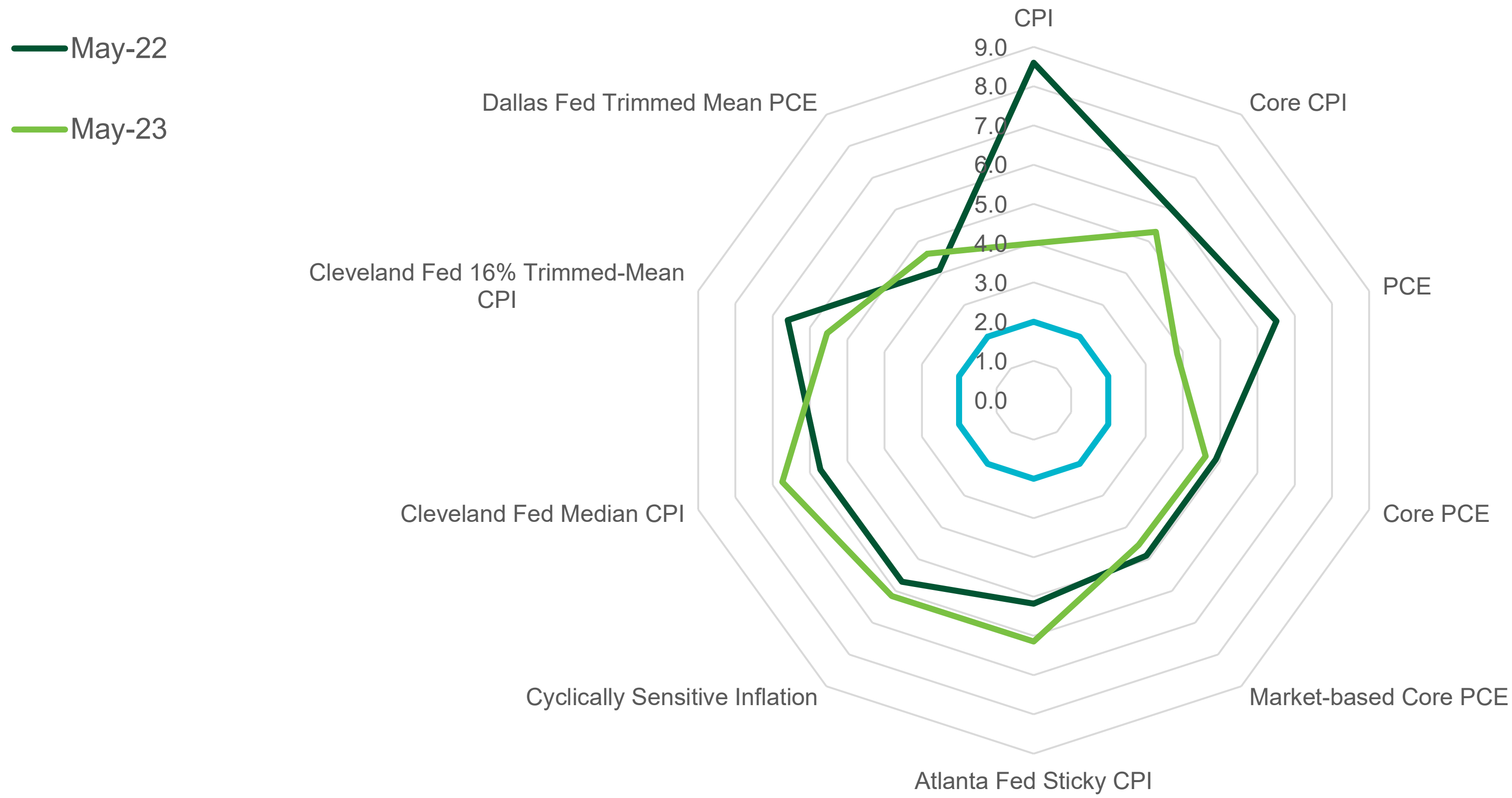
Inflation refuses to go gentle into that good night

Inflation metrics (% year-over-year)



Despite an improvement in headline numbers, various measures of underlying inflation remain elevated

Source: Bureau of Economic Analysis, Bureau of Labor Statistics, Federal Reserve Bank of Cleveland, Federal Reserve Bank of Atlanta, Federal Reserve Bank of Dallas, as of July 3, 2023.

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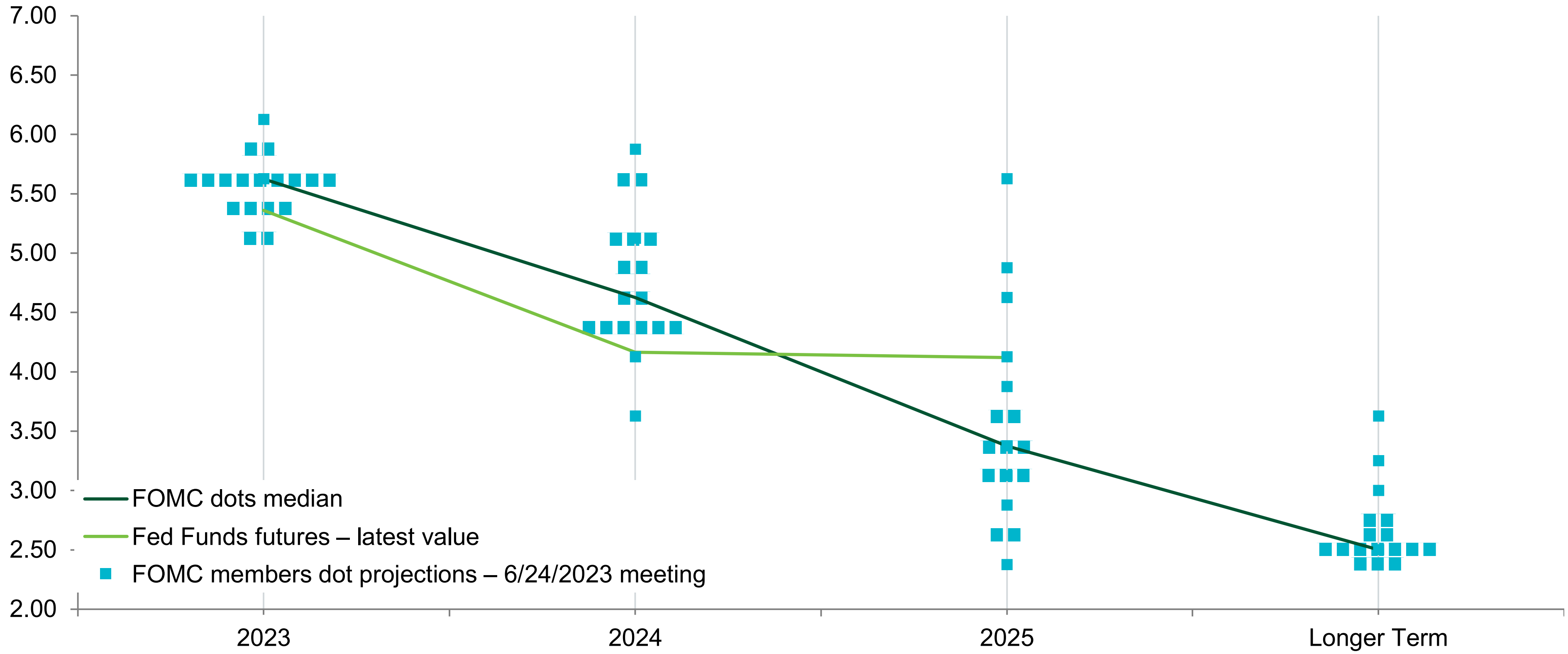
The Fed signals commitment to restoring price stability

Implied Fed Funds target rate, %



With inflation risks skewed to the upside, the Fed policymakers have leaned mostly hawkish and indicated a willingness to keep rates higher for longer

Source: Federal Reserve, Bloomberg as of June 14, 2023.

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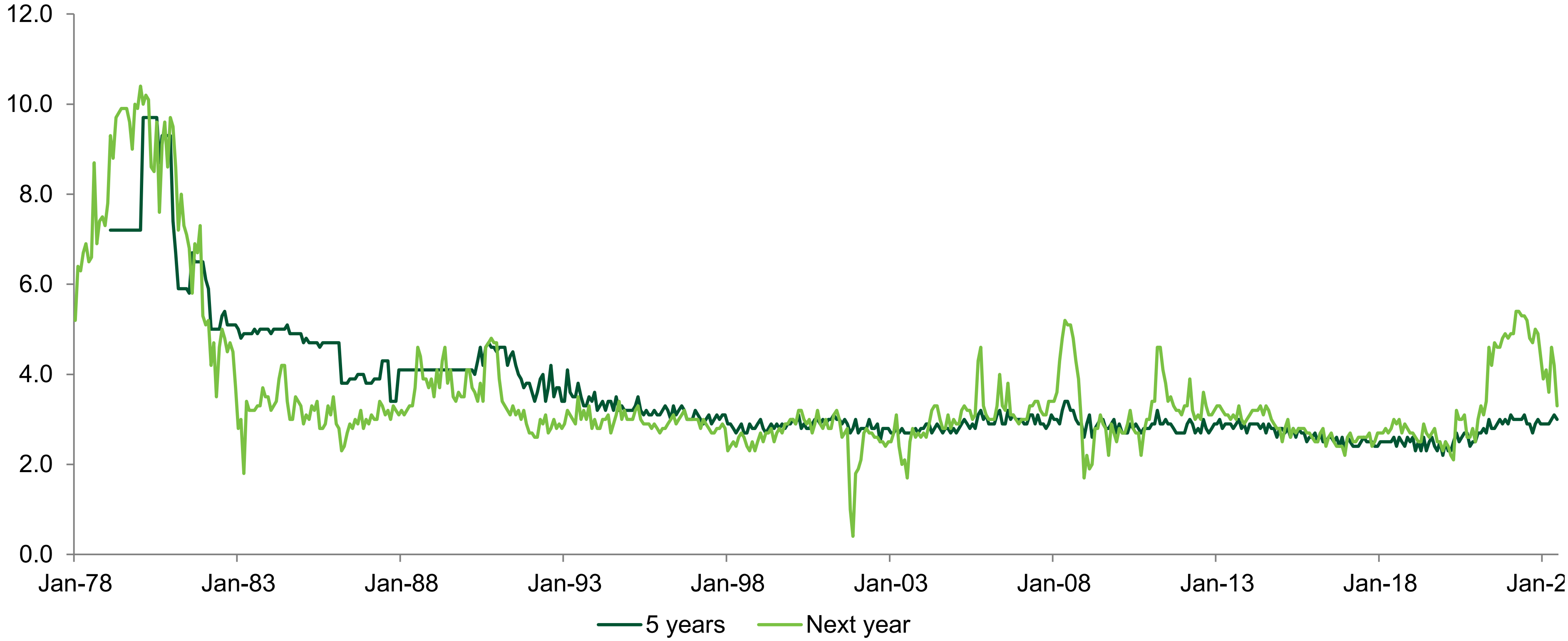
Near-term inflation expectations have moderated

Inflation expectations, %



Even though long-term inflation expectations edged higher from the pre-pandemic level, they remain anchored

Source: University of Michigan, as of June 30, 2023.

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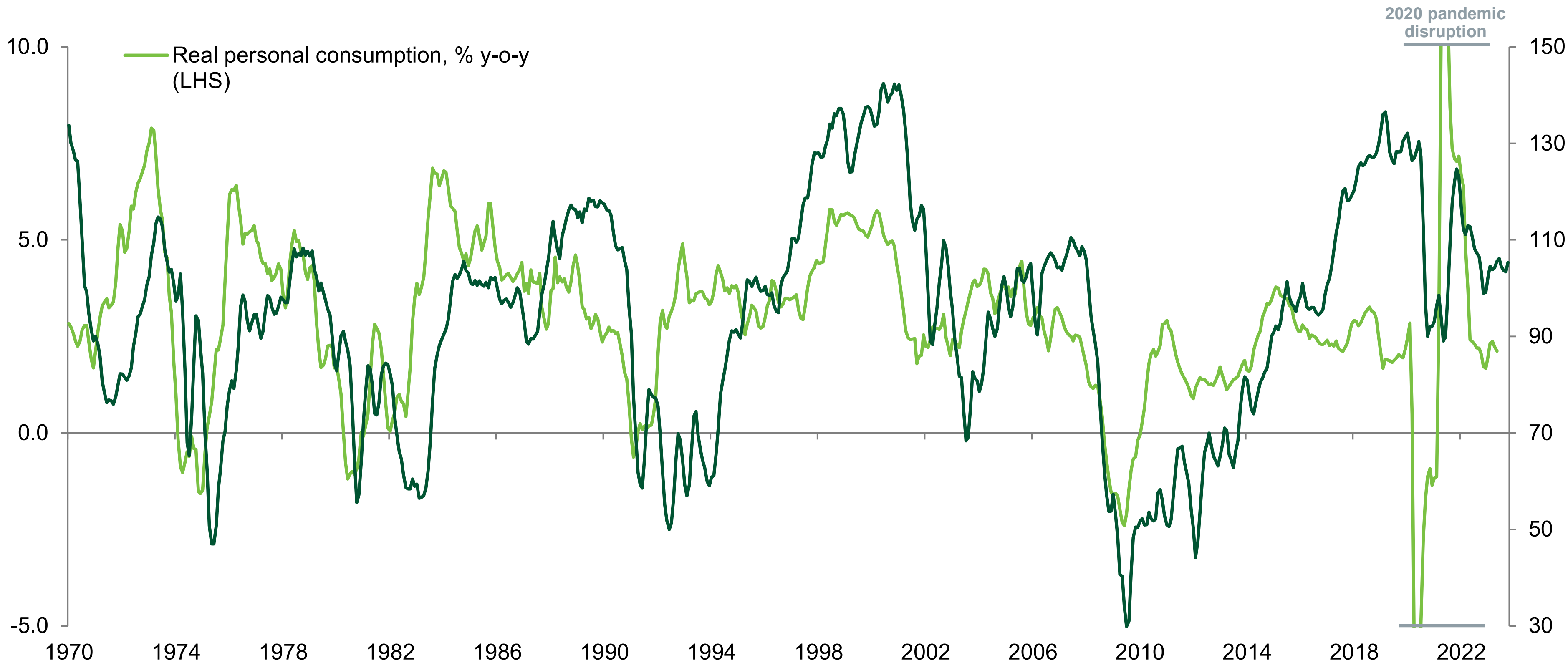
Consumer confidence holds up

Personal consumption expenditures and consumer confidence, 3-month moving average



For the most part, Americans have maintained consumption, despite lingering concerns about the economy

Source: Bureau of Economic Analysis, Conference Board, as of July 5, 2023.

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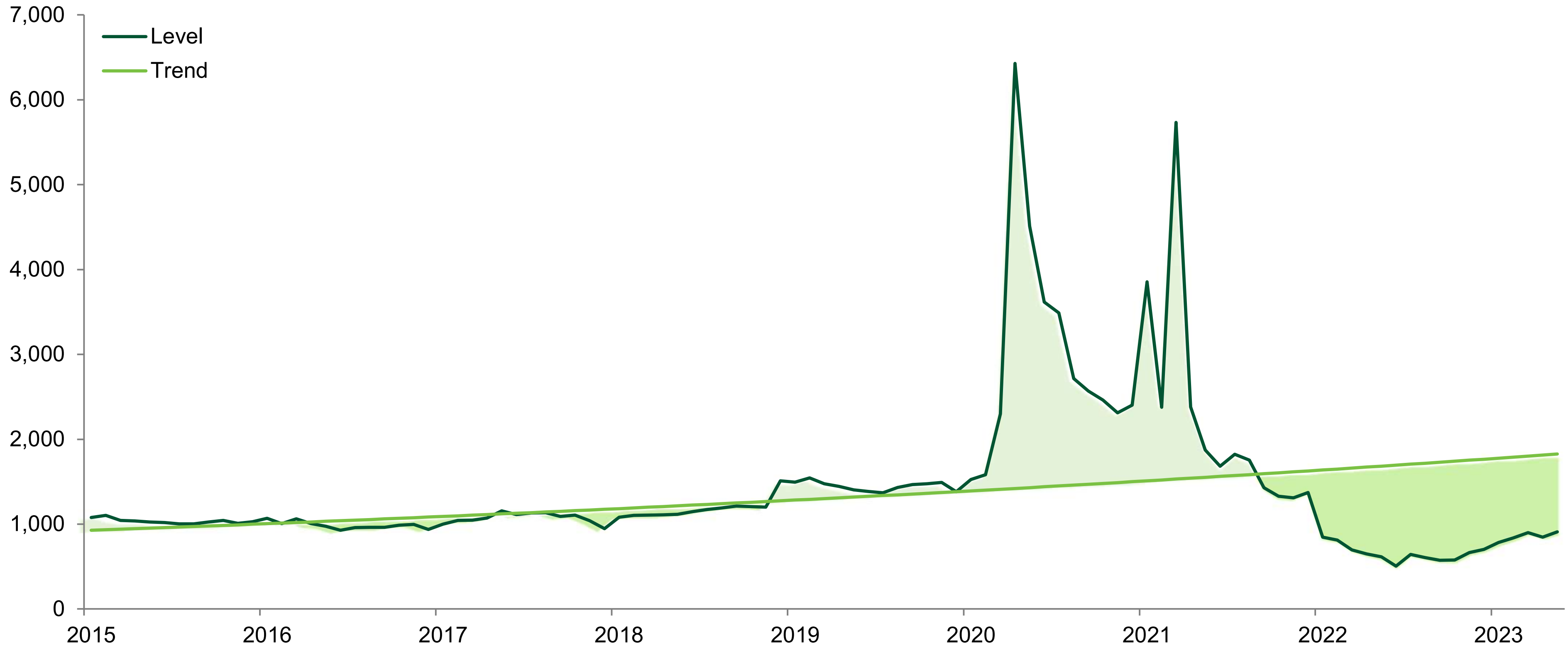
Pandemic-era savings helped cushion the impact of higher prices

Personal saving, $ billion annual rate



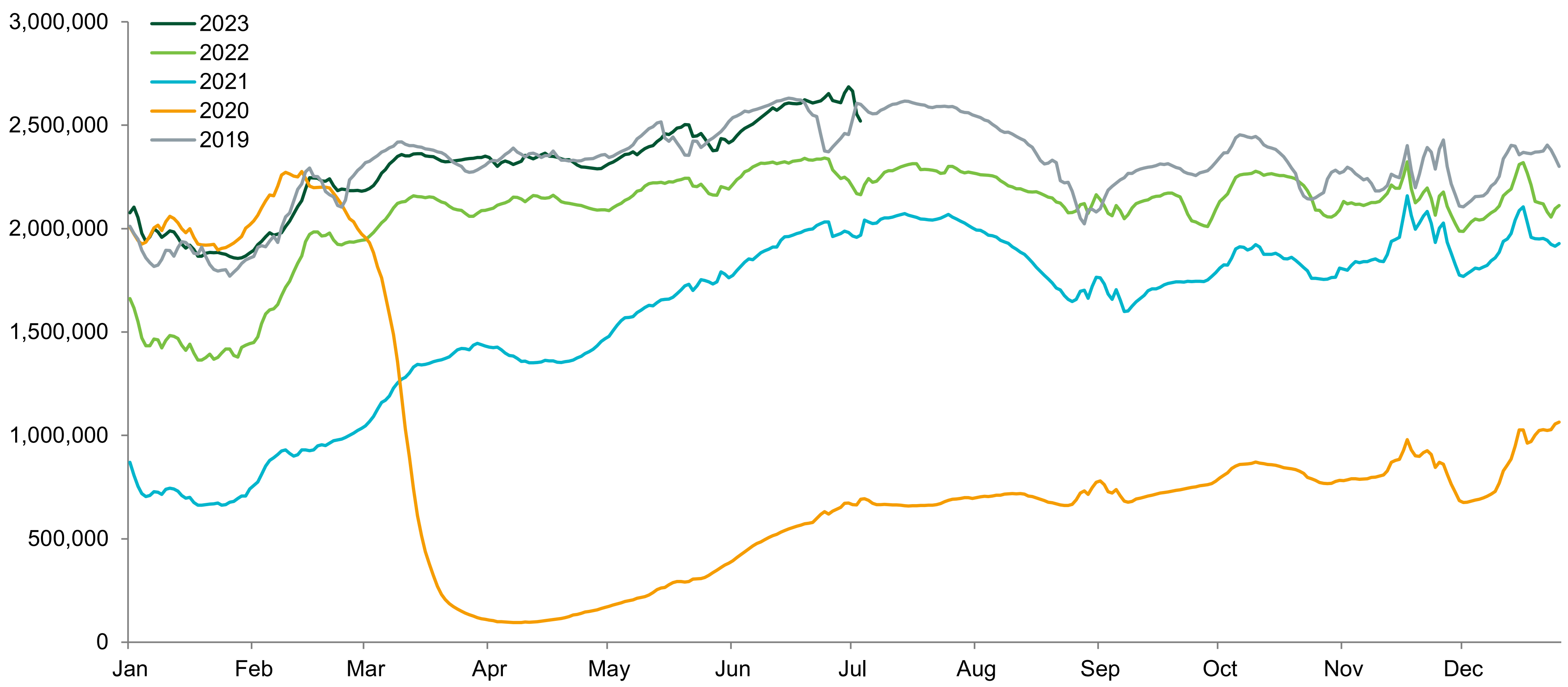
Americans accumulated more than $2 trillion in savings during the pandemic and have used that stash to offset rising prices and maintain consumption

Source: Bureau of Economic Analysis, Insight Investment, as of June 30, 2023.

Insight INVESTMENT

Travel has returned to the pre-pandemic levels

TSA checkpoint travel numbers, passengers, 7-day moving average



Despite concerns about the economy, consumers are still spending on discretionary items, including travel

Source: US Department of Homeland Security, as of July 3, 2023.

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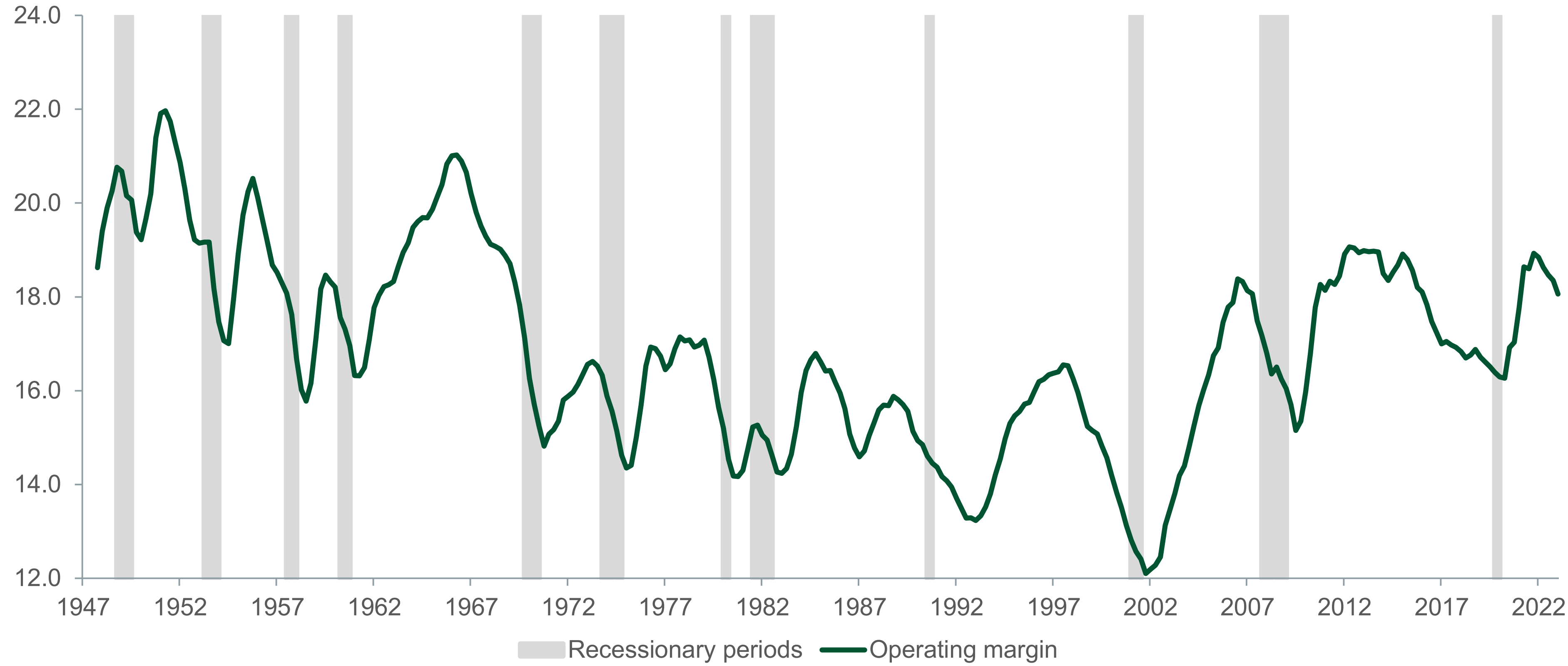
Corporations are facing deteriorating fundamentals

Non-financial corporate operating margin[1], % 4-quarter moving average

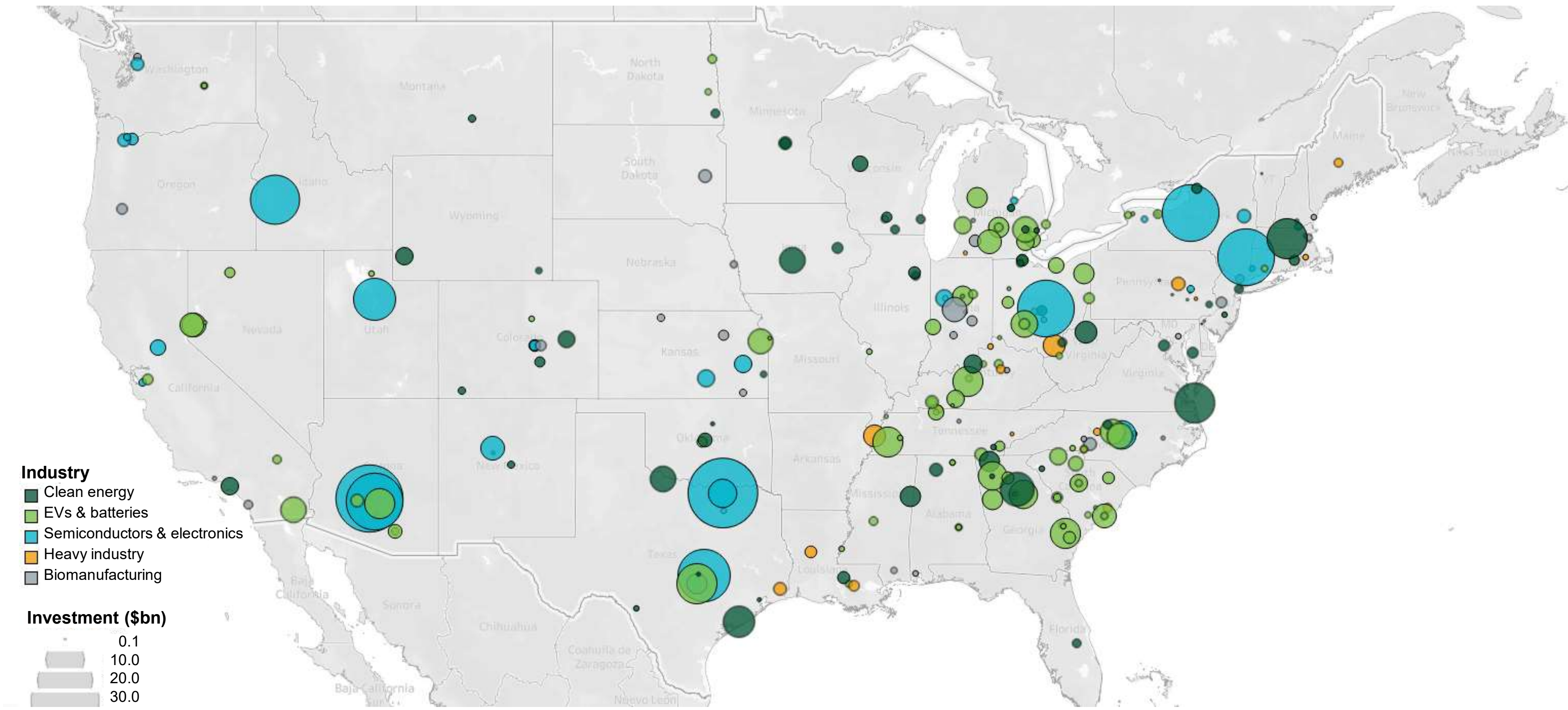


A combination of weaker demand and higher costs likely means lingering margin pressures

Source: Bureau of Economic Analysis, Insight Investment, as of Q4 2022. [1] Calculated as net operating surplus as a % of gross value added.

Could this be a beginning of a new CAPEX Supercycle?

New investment announcements



The new industrial policy has already sparked more than $400 billion in new investments across multiple industries

Source: The White House, as of May 30, 2022.

Portfolio update

Insight INVESTMENT

City & Borough of Juneau

Portfolio summary as of June 30, 2023

Portfolio summary

- Value: $160,738,924
- Benchmark: Bloomberg 1-5 yr gov/credit

Performance

	1 month %	3 months %	Year to date %	1 year %	3 years % p.a.	Since inception % p.a.
Portfolio	-0.38	-0.32	1.58	0.71	-1.34	0.11
Benchmark	-0.62	-0.62	1.19	0.19	-1.57	-0.19
Relative	**0.23**	**0.30**	**0.40**	**0.52**	**0.23**	**0.31**

Source: Insight/Northern Trust/Rimes.
Inception date for performance purposes: October 31, 2019.
Information ratio, tracking error (ex-post), standard deviation and sharpe ratio are calculated over a three year period
Returns are gross of fees.

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Portfolio highlights

Sources of Return

		Market	Positioning	Outlook
Duration/ Curve	• *Nearing end of cycle, timing of cuts uncertain*	• Pricing restrictive monetary policy • Market pricing 50% probability of one more hike	• Reducing underweight to benchmark duration • Treasury curve is significantly inverted	• We think that the Fed is likely done with raising rates as inflation cools • Restrictive policy stance to drive inflation back towards two percent • Curve is likely to stay inverted, although less than recent peaks, until Fed signals cuts
Sector/ Sub-Sector	• *Gov't related is attractive*	• Government agencies have yield spread again versus Treasuries • Bank bonds significantly cheaper	• Added to banking sector given attractive valuation and apparent stability • Opportunistic additions to municipal sector	• Favor government-related and non-cyclical sectors until market pricing considers economic slowdown
Security Selection	• *Systemically important banks offer value*	• Technology, consumer cyclical, and smaller regional banking sectors face fundamental pressure in 2023	• Reducing consumer ABS through paydowns	• Continue adding to US MBS, which offer attractive cash flow and settlement features

As of August 29, 2023

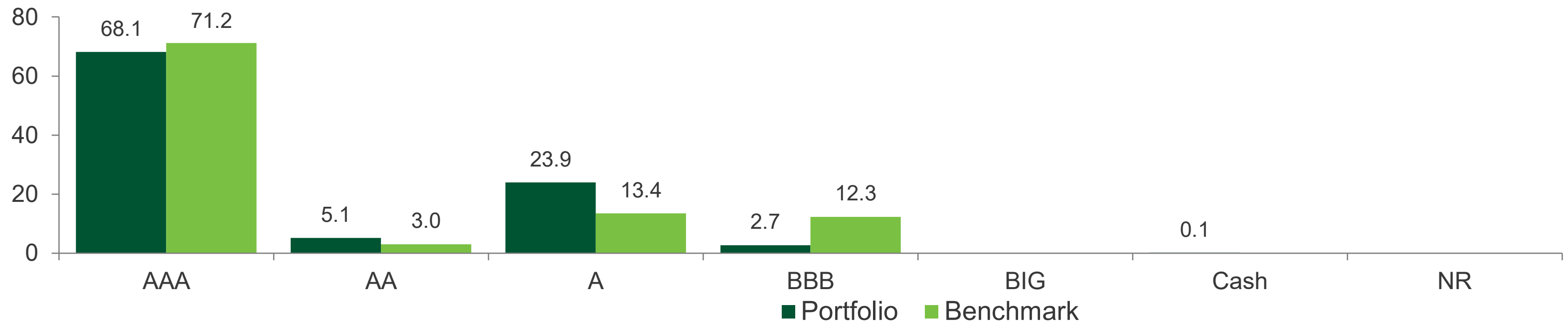
City & Borough of Juneau

Portfolio characteristics as of June 30, 2023

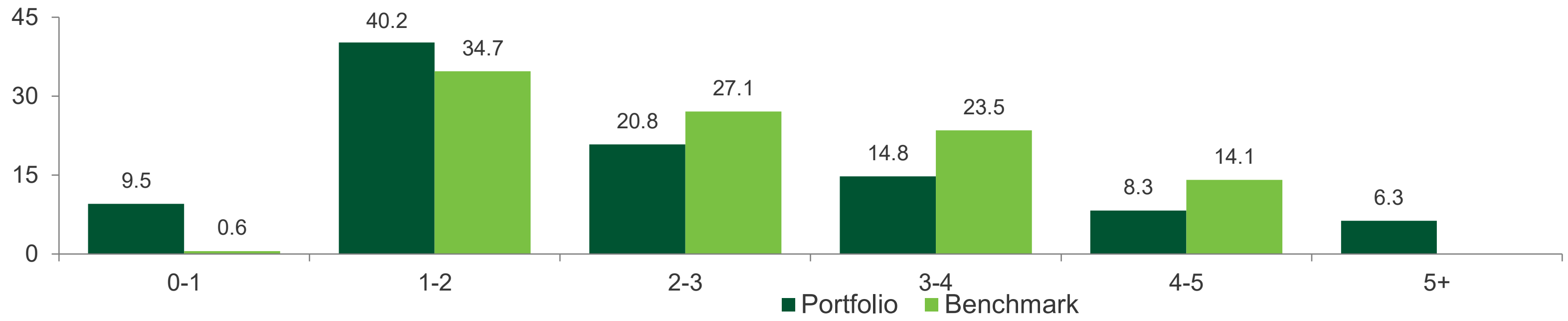
Summary

	Portfolio	Benchmark	Relative
Yield to worst (%)	5.2	5.0	0.3
Effective duration (years)	2.4	2.6	-0.2
Average coupon	2.3	2.5	-0.2
Average life / Maturity	2.8	2.8	0.0
Average rating	AA	AA	

Rating (%)



Duration (%)



Approach used for credit rating: Average. All durations are effective duration.

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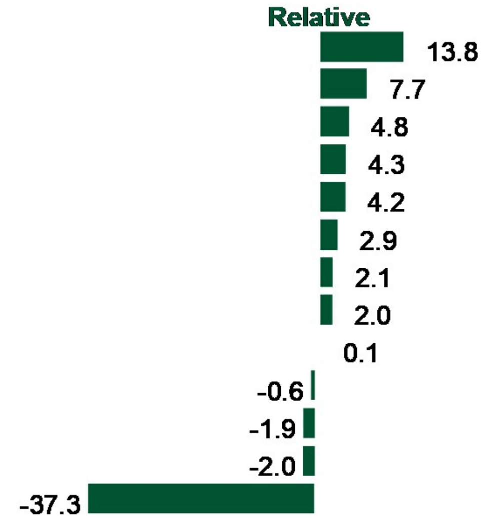
City & Borough of Juneau

Portfolio allocation as of June 30, 2023

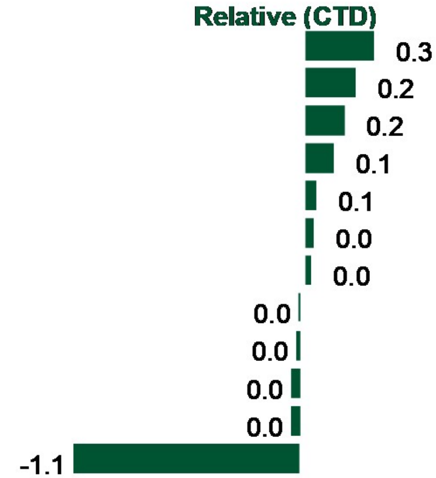
Sector (%)	Market Value	
	Portfolio	Benchmark
Agency	18.0	4.2
MBS Passthrough	7.7	-
CMO	4.8	-
Utility	5.8	1.6
ABS	4.2	-
Financial Institutions	15.1	12.2
CMBS	2.1	-
Local Authority	2.5	0.5
Cash and other	0.1	-
Sovereign	-	0.6
Industrial	11.3	13.3
Supranational	0.8	2.8
Treasury	27.5	64.8
Total	**100.0**	**100.0**



City & Borough of Juneau

Contribution to duration as of June 30, 2023

Sector	Contribution to duration (years)	
	Portfolio	Benchmark
Agency	0.4	0.1
MBS Passthrough	0.2	-
Local Authority	0.2	0.0
CMO	0.1	-
Utility	0.1	0.0
ABS	0.0	-
CMBS	0.0	-
Financial Institutions	0.3	0.3
Sovereign	-	0.0
Industrial	0.3	0.4
Supranational	0.0	0.1
Treasury	0.7	1.7
Total	**2.4**	**2.6**



All durations are effective duration.

City & Borough of Juneau

Performance attribution for six months ending June 30, 2023

Factors	Value Added (bps)
Duration and Yield Curve	10.5
Allocation	12.8
Security Selection	16.3
Total	**39.6**

Key rates	OAD	6 Mo	1 Yr	2 Yr	5 Yr	7 & Over
Portfolio	2.3	0.0	0.2	1.0	0.8	0.3
Benchmark	2.6	0.0	0.2	1.2	1.2	0.0

Commentary

- Interest rates continued to rise versus underweight duration position relative to the benchmark (+)
- Non-treasury allocations performed well to start the year (+)
- Lower quality allocations performed better than higher quality (-)

Sector	Overweight/ underweight	Contribution (bps)
Positive contributors		
Treasury	-36.4	6.3
MBS	5.9	4.6
ABS	4.7	2.7
Corp-Utility	4.1	1.8
CMO	5.3	1.2
Negative contributors		
Cash	-0.2	-0.3
Muni	1.0	-0.6
Corporates - Industrial	-1.8	-1.4
Govt-Related	10.9	-3.2

Issuer	Overweight/ underweight	Contribution (bps)
Positive contributors		
CS-Credit Suisse AG	1.0	3.5
INTNED-ING Groep NV	0.9	2.0
JPM-JPMorgan Chase & Co	0.8	1.2
TVASP-Tennessee Valley Authority	0.6	0.9
LASGOV-Louisiana Loc Govt	0.4	0.9
Negative contributors		
WSTP-WestPac Banking Corp	0.6	-0.5
IBRD-International Bank for Reconstruction	0.0	-0.5
AID-Israel, State of	1.2	-0.6
XOM-Exxon Mobil Corp	1.1	-0.7
FHLB-Federal Home Loan Bank	3.1	-0.8

GASB 40

The following list of holdings is only valid as of June 30, 2023 and should not be relied upon as a complete listing of past investment decisions. Holdings are subject to change without notice, may not represent current or future decisions and should not be construed as investment recommendations.

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of June 30, 2023

Cusip	Description	Coupon	Maturity date	Call date	S&P rating	Moody rating	Par value or shares	Historical cost	% Portfolio hist cost	Market value	% Portfolio mkt value	Effective dur (yrs)
United States Treasury Note/Bond												
912828XT2	USA TREASURY 2%	2.000	05/31/2024		AA+	Aaa	1,890,000.00	2,000,650.48	1.16	1,832,118.75	1.15	0.89
912828YE4	USA TREASURY 1.25%	1.250	08/31/2024		AA+	Aaa	1,975,000.00	2,031,016.38	1.18	1,883,733.39	1.18	1.13
912828YH7	USA TREASURY 1.5%	1.500	09/30/2024		AA+	Aaa	2,835,000.00	2,938,843.95	1.71	2,704,988.66	1.69	1.21
912828YM6	USA TREASURY 1.5%	1.500	10/31/2024		AA+	Aaa	4,375,000.00	4,539,845.01	2.64	4,162,744.16	2.60	1.29
912828YV6	USA TREASURY 1.5%	1.500	11/30/2024		AA+	Aaa	4,450,000.00	4,643,624.79	2.70	4,225,066.38	2.64	1.37
912828YY0	USA TREASURY 1.75%	1.750	12/31/2024		AA+	Aaa	1,650,000.00	1,722,392.58	1.00	1,568,660.15	0.98	1.45
912828J27	USA TREASURY 2%	2.000	02/15/2025		AA+	Aaa	3,075,000.00	3,237,398.44	1.88	2,927,015.63	1.83	1.55
91282CAB7	USA TREASURY 0.25%	0.250	07/31/2025		AA+	Aaa	3,045,000.00	2,896,585.55	1.68	2,770,831.06	1.73	2.02
9128285J5	USA TREASURY 3%	3.000	10/31/2025		AA+	Aaa	2,600,000.00	2,967,869.38	1.73	2,500,671.89	1.56	2.20
91282CAT8	USA TREASURY 0.25%	0.250	10/31/2025		AA+	Aaa	1,250,000.00	1,236,283.48	0.72	1,128,125.00	0.71	2.26
912828P46	USA TREASURY 1.625%	1.625	02/15/2026		AA+	Aaa	1,650,000.00	1,749,608.12	1.02	1,529,085.94	0.96	2.49
9128286L9	USA TREASURY 2.25%	2.250	03/31/2026		AA+	Aaa	2,890,000.00	3,117,145.11	1.81	2,719,422.26	1.70	2.59
912828R36	USA TREASURY 1.625%	1.625	05/15/2026		AA+	Aaa	2,925,000.00	3,058,494.75	1.78	2,698,883.78	1.69	2.73
91282CDG3	USA TREASURY 1.125%	1.125	10/31/2026		AA+	Aaa	1,000,000.00	980,507.81	0.57	899,218.75	0.56	3.18
91282CDQ1	USA TREASURY 1.25%	1.250	12/31/2026		AA+	Aaa	1,500,000.00	1,479,023.44	0.86	1,350,000.00	0.84	3.33
912828V98	USA TREASURY 2.25%	2.250	02/15/2027		AA+	Aaa	1,350,000.00	1,380,748.66	0.80	1,255,341.79	0.78	3.37
91282CEC1	USA TREASURY 1.875%	1.875	02/28/2027		AA+	Aaa	1,950,000.00	1,926,926.45	1.12	1,787,449.21	1.12	3.43
912828ZS2	USA TREASURY 0.5%	0.500	05/31/2027		AA+	Aaa	3,000,000.00	2,683,840.13	1.56	2,593,710.93	1.62	3.77
91282CEM9	USA TREASURY 2.875%	2.875	04/30/2029		AA+	Aaa	2,000,000.00	1,951,492.38	1.13	1,875,468.76	1.17	5.21
91282CFJ5	USA TREASURY 3.125%	3.125	08/31/2029		AA+	Aaa	1,000,000.00	974,847.75	0.57	949,804.69	0.59	5.42
91282CAE1	USA TREASURY 0.625%	0.625	08/15/2030		AA+	Aaa	925,000.00	742,171.67	0.43	736,928.71	0.46	6.72
Issuer total							47,335,000.00	48,259,316.31	28.07	44,099,269.89	27.58	2.35
Fannie Mae Pool												
3140XTAA9	FANNIE MAE FN FP0000	3.000	11/01/2027		AA+	Aaa	195,069.77	202,506.84	0.12	187,130.18	0.12	1.54

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Cusip	Description	Coupon	Maturity date	Call date	S&P rating	Moody rating	Par value or shares	Historical cost	% Portfolio hist cost	Market value	% Portfolio mkt value	Effective dur (yrs)
Fannie Mae Pool												
3138MRMU	FANNIE MAE FN AQ9370	2.000	01/01/2028		AA+	Aaa	933,047.84	932,027.31	0.54	876,272.44	0.55	1.68
3138ELF24	FANNIE MAE FN AL3784	2.000	07/01/2028		AA+	Aaa	933,054.22	931,887.91	0.54	874,712.98	0.55	1.82
3140J5Z44	FANNIE MAE FN BM1662	3.500	04/01/2031		AA+	Aaa	150,612.27	160,166.74	0.09	145,419.59	0.09	1.73
3140X5AD5	FANNIE MAE FN FM1803	3.000	08/01/2031		AA+	Aaa	905,263.14	930,865.12	0.54	862,568.60	0.54	2.26
3140LWDF1	FANNIE MAE FN BT7301	1.500	09/01/2031		AA+	Aaa	1,204,416.99	1,233,774.66	0.72	1,088,261.41	0.68	2.71
3140XEC36	FANNIE MAE FN FM9989	5.000	11/01/2031		AA+	Aaa	1,020,926.85	1,071,813.65	0.62	1,019,858.57	0.64	2.42
3140X5MQ3	FANNIE MAE FN FM2166	2.500	01/01/2033		AA+	Aaa	578,102.93	596,891.28	0.35	537,254.88	0.34	2.35
3140X6XQ9	FANNIE MAE FN FM3386	3.500	07/01/2034		AA+	Aaa	504,868.99	536,502.19	0.31	483,940.40	0.30	1.94
31418EEN6	FANNIE MAE FN MA4640	3.500	06/01/2037		AA+	Aaa	1,089,112.59	1,081,965.29	0.63	1,035,611.80	0.65	4.15
31418EHP8	FANNIE MAE FN MA4737	5.000	08/01/2052		AA+	Aaa	2,237,974.15	2,225,385.55	1.29	2,195,185.79	1.37	4.62
Issuer total							**9,752,449.74**	**9,903,786.54**	**5.76**	**9,306,216.64**	**5.82**	**2.94**
Federal National Mortgage Association												
3135G0X24	FANNIE MAE 1.625%	1.625	01/07/2025		AA+	Aaa	1,194,000.00	1,190,191.14	0.69	1,132,108.97	0.71	1.46
3136G4D75	FANNIE MAE 0.6%	0.600	07/29/2025	07/29/2023	AA+	Aaa	1,750,000.00	1,751,573.25	1.02	1,600,447.54	1.00	1.96
3135G05S8	FANNIE MAE 0.5%	0.500	08/14/2025	08/14/2023	AA+	Aaa	1,500,000.00	1,497,000.00	0.87	1,366,553.51	0.85	2.01
3136G4H71	FANNIE MAE 0.5%	0.500	08/18/2025		AA+	Aaa	1,200,000.00	1,199,040.00	0.70	1,094,858.08	0.68	2.07
3135G05X7	FANNIE MAE 0.375%	0.375	08/25/2025		AA+	Aaa	1,447,000.00	1,440,228.04	0.84	1,316,695.49	0.82	2.08
3135G06L2	FANNIE MAE 0.875%	0.875	12/18/2026	09/18/2023	AA+	Aaa	1,000,000.00	875,400.00	0.51	877,089.57	0.55	3.17
Issuer total							**8,091,000.00**	**7,953,432.43**	**4.63**	**7,387,753.16**	**4.62**	**2.07**
Federal Farm Credit Banks Funding Corp												
3133ELCP7	FEDERAL FARM CREDIT	1.625	12/03/2024		AA+	Aaa	1,500,000.00	1,497,915.00	0.87	1,427,897.55	0.89	1.38
3133EMWH	FEDERAL FARM CREDIT	0.710	04/21/2025		AA+	Aaa	1,575,000.00	1,573,818.75	0.92	1,455,292.08	0.91	1.71
3133ELQ49	FEDERAL FARM CREDIT	0.700	06/30/2025		AA+	Aaa	1,000,000.00	999,200.00	0.58	917,362.51	0.57	1.92
3133EL4D3	FEDERAL FARM CREDIT	0.900	08/19/2027		AA+	Aaa	1,500,000.00	1,498,125.00	0.87	1,304,459.82	0.82	3.73

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Federal Farm Credit Banks Funding Corp												
3133EMPP1	FEDERAL FARM CREDIT	0.840	02/02/2028		AA+	Aaa	1,435,000.00	1,176,542.15	0.68	1,226,307.13	0.77	4.17
3133EL6D1	FEDERAL FARM CREDIT	1.230	09/10/2029		AA+	Aaa	1,250,000.00	1,025,187.50	0.60	1,024,556.73	0.64	5.37
Issuer total							**8,260,000.00**	**7,770,788.40**	**4.52**	**7,355,875.82**	**4.60**	**2.92**
Federal Home Loan Banks												
3130APRF4	FEDERAL HOME LOAN	1.000	11/15/2024	08/15/2023	AA+	Aaa	1,000,000.00	999,800.00	0.58	941,658.58	0.59	1.32
3130A4CH3	FEDERAL HOME LOAN	2.375	03/14/2025		AA+	Aaa	2,000,000.00	2,063,140.00	1.20	1,911,026.70	1.19	1.62
3130AK5E2	FEDERAL HOME LOAN	0.375	09/04/2025		AA+	Aaa	435,000.00	433,695.00	0.25	396,268.49	0.25	2.11
3130AUGJ7	FEDERAL HOME LOAN	5.020	01/26/2026	01/26/2024	AA+	Aaa	800,000.00	801,296.00	0.47	793,325.30	0.50	1.23
3130ALCE2	FEDERAL HOME LOAN	0.920	02/26/2027	08/26/2023	AA+	Aaa	1,250,000.00	1,225,862.50	0.71	1,100,003.35	0.69	3.33
3130ALGL2	FEDERAL HOME LOAN	1.115	02/26/2027	08/26/2023	AA+	Aaa	750,000.00	750,000.00	0.44	664,775.85	0.42	3.33
Issuer total							**6,235,000.00**	**6,273,793.50**	**3.65**	**5,807,058.27**	**3.63**	**2.09**
Federal Home Loan Mortgage Corp												
3137EAEP0	FREDDIE MAC 1.5%	1.500	02/12/2025		AA+	Aaa	1,615,000.00	1,613,756.45	0.94	1,524,518.22	0.95	1.55
3134GVB31	FREDDIE MAC 0.75%	0.750	05/28/2025	08/28/2023	AA+	Aaa	1,000,000.00	1,000,310.00	0.58	922,142.06	0.58	1.81
3137EAEX3	FREDDIE MAC 0.375%	0.375	09/23/2025		AA+	Aaa	1,290,000.00	1,286,117.10	0.75	1,170,502.98	0.73	2.16
Issuer total							**3,905,000.00**	**3,900,183.55**	**2.27**	**3,617,163.26**	**2.26**	**1.82**
Freddie Mac REMICS												
3137F8BJ1	FREDDIE MAC FHR 5058	1.000	10/15/2026		AA+	Aaa	595,099.48	602,143.04	0.35	561,858.35	0.35	1.01
3137ASSN5	FREDDIE MAC FHR 4093 AE	1.750	08/15/2027		AA+	Aaa	822,934.50	815,444.51	0.47	771,948.11	0.48	1.47
3137BYYN4	FREDDIE MAC FHR 4690 EJ	3.000	01/15/2032		AA+	Aaa	796,511.46	818,353.29	0.48	736,720.61	0.46	2.79
3137FTHV2	FREDDIE MAC FHR 4980	1.250	10/25/2034		AA+	Aaa	736,853.93	747,561.36	0.43	633,192.73	0.40	3.78
3137FVEN8	FREDDIE MAC FHR 5000 CB	1.250	01/25/2035		AA+	Aaa	778,905.72	792,384.43	0.46	669,763.19	0.42	3.66

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Freddie Mac REMICS												
3137FVM90	FREDDIE MAC FHR 5007	1.500	10/15/2046		AA+	Aaa	195,689.92	198,197.19	0.12	182,576.88	0.11	2.09
Issuer total							**3,925,995.01**	**3,974,083.82**	**2.31**	**3,556,059.87**	**2.22**	**2.57**
Freddie Mac Multifamily Structured Pass Through Certificates												
3137BWWD	FHLMC MULTIFAMILY	3.002	01/25/2024		AAA	NR	1,379,067.23	1,431,644.18	0.83	1,358,810.53	0.85	0.48
3137F2L38	FHLMC MULTIFAMILY	2.797	12/25/2026		AA+	Aaa	2,178,233.14	2,257,959.86	1.31	2,087,081.27	1.31	1.89
Issuer total							**3,557,300.37**	**3,689,604.04**	**2.15**	**3,445,891.80**	**2.15**	**1.34**
Bank of America Corp												
06051GJH3	BANK OF AMERICA CORP	0.810	10/24/2024	10/24/2023	A-	A1	1,250,000.00	1,253,900.00	0.73	1,229,211.34	0.77	0.32
06051GGZ6	BANK OF AMERICA CORP	3.366	01/23/2026	01/23/2025	A-	A1	1,250,000.00	1,303,450.00	0.76	1,197,640.40	0.75	1.47
06051GHD4	BANK OF AMERICA CORP	3.419	12/20/2028	12/20/2027	A-	A1	1,000,000.00	945,450.00	0.55	917,023.52	0.57	4.02
Issuer total							**3,500,000.00**	**3,502,800.00**	**2.04**	**3,343,875.26**	**2.09**	**1.75**
Morgan Stanley												
61746BDZ6	MORGAN STANLEY 3.875%	3.875	01/27/2026		A-	A1	1,000,000.00	1,134,950.00	0.66	965,309.55	0.60	2.36
6174468Q5	MORGAN STANLEY 2.188%	2.188	04/28/2026	04/28/2025	A-	A1	775,000.00	817,462.25	0.48	727,498.61	0.45	1.74
61744YAP3	MORGAN STANLEY 3.772%	3.772	01/24/2029	01/24/2028	A-	A1	1,250,000.00	1,200,775.00	0.70	1,166,969.29	0.73	4.01
Issuer total							**3,025,000.00**	**3,153,187.25**	**1.83**	**2,859,777.45**	**1.79**	**2.83**
Texas Natural Gas Securitization Finance Corp												
88258MAA3	TEXAS NATURAL GAS	5.102	04/01/2035		NR	Aaa	2,765,000.00	2,765,000.00	1.61	2,775,096.12	1.74	8.54
Issuer total							**2,765,000.00**	**2,765,000.00**	**1.61**	**2,775,096.12**	**1.74**	**8.54**
Fannie Mae REMICS												
3136B9V53	FANNIE MAE FNR 2020-37	1.500	06/25/2035		AA+	Aaa	419,850.34	426,082.50	0.25	366,752.54	0.23	3.64
3136BMJF6	FANNIE MAE FNR 2022-15	2.000	01/25/2039		AA+	Aaa	831,116.61	832,447.68	0.48	731,826.27	0.46	3.25

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Fannie Mae REMICS												
3136A5QR0	FANNIE MAE FNR 2012-33	2.000	05/25/2041		AA+	Aaa	410,676.29	419,274.82	0.24	379,320.37	0.24	2.33
3136B4TY4	FANNIE MAE FNR 2019-29	3.000	11/25/2048		AA+	Aaa	936,750.50	885,887.87	0.52	854,323.48	0.53	3.99
Issuer total							**2,598,393.74**	**2,563,692.87**	**1.49**	**2,332,222.66**	**1.46**	**3.42**
Freddie Mac Pool												
3131XBNE5	FREDDIE MAC FR ZK7589	2.500	12/01/2028		AA+	Aaa	790,975.03	827,557.61	0.48	748,336.12	0.47	1.79
3132DN2F9	FREDDIE MAC FR SD1674	4.500	10/01/2052		AA+	Aaa	1,555,168.23	1,483,970.69	0.86	1,507,425.69	0.94	5.18
Issuer total							**2,346,143.26**	**2,311,528.30**	**1.34**	**2,255,761.81**	**1.41**	**3.97**
American Express Credit Account Master Trust												
02582JJR2	AMERICAN EXPRESS	0.900	11/15/2026		NR	Aaa	2,307,000.00	2,306,639.65	1.34	2,165,483.54	1.35	1.38
Issuer total							**2,307,000.00**	**2,306,639.65**	**1.34**	**2,165,483.54**	**1.35**	**1.38**
Citigroup Inc												
17327CAN3	CITIGROUP INC 2.014%	2.014	01/25/2026	01/25/2025	BBB+	A3	1,500,000.00	1,404,075.00	0.82	1,409,091.06	0.88	1.51
172967NA5	CITIGROUP INC 1.462%	1.462	06/09/2027	06/09/2026	BBB+	A3	700,000.00	684,173.00	0.40	621,656.81	0.39	2.80
Issuer total							**2,200,000.00**	**2,088,248.00**	**1.21**	**2,030,747.87**	**1.27**	**1.93**
JPMorgan Chase & Co												
46647PBT2	JPMORGAN CHASE & CO	1.045	11/19/2026	11/19/2025	A-	A1	1,000,000.00	971,900.00	0.57	895,728.67	0.56	2.29
46647PCJ3	JPMORGAN CHASE & CO	2.069	06/01/2029	06/01/2028	A-	A1	1,250,000.00	1,054,212.50	0.61	1,072,036.68	0.67	4.52
Issuer total							**2,250,000.00**	**2,026,112.50**	**1.18**	**1,967,765.35**	**1.23**	**3.45**
Hashemite Kingdom of Jordan Government AID Bond												
418097AF8	AID-JORDAN 3%	3.000	06/30/2025		AA+	Aaa	2,000,000.00	2,126,480.00	1.24	1,903,440.84	1.19	1.89
Issuer total							**2,000,000.00**	**2,126,480.00**	**1.24**	**1,903,440.84**	**1.19**	**1.89**

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Cusip	Description	Coupon	Maturity date	Call date	S&P rating	Moody rating	Par value or shares	Historical cost	% Portfolio hist cost	Market value	% Portfolio mkt value	Effective dur (yrs)
Exxon Mobil Corp												
30231GBH4	EXXON MOBIL	2.992	03/19/2025	02/19/2025	AA-	Aa2	1,975,000.00	1,975,000.00	1.15	1,902,700.60	1.19	1.60
Issuer total							**1,975,000.00**	**1,975,000.00**	**1.15**	**1,902,700.60**	**1.19**	**1.60**
Credit Suisse AG/New York NY												
22550UAB7	CREDIT SUISSE NEW YORK	5.443	02/02/2024		A	A3	750,000.00	746,422.50	0.43	744,124.15	0.47	0.02
22546QAP2	CREDIT SUISSE NEW YORK	3.625	09/09/2024		A	A3	500,000.00	543,270.00	0.32	481,506.40	0.30	1.13
22550L2G5	CREDIT SUISSE NEW YORK	1.250	08/07/2026		A	A3	750,000.00	730,620.00	0.42	645,658.88	0.40	2.92
Issuer total							**2,000,000.00**	**2,020,312.50**	**1.18**	**1,871,289.43**	**1.17**	**1.37**
Entergy Louisiana LLC												
29365PAR3	ENTERGY LOUISIANA LLC	3.780	04/01/2025	01/01/2025	A	A2	1,900,000.00	2,081,735.00	1.21	1,830,828.01	1.14	1.60
Issuer total							**1,900,000.00**	**2,081,735.00**	**1.21**	**1,830,828.01**	**1.14**	**1.60**
United States International Development Finance Corp												
90376PCN9	INT DEVELOPMENT FIN	0.800	05/15/2029		AA+	Aaa	857,143.15	857,143.15	0.50	753,995.91	0.47	2.76
90376PAD3	INT DEVELOPMENT FIN	1.790	10/15/2029		AA+	Aaa	1,176,667.01	1,176,667.01	0.68	1,050,735.15	0.66	3.00
Issuer total							**2,033,810.16**	**2,033,810.16**	**1.18**	**1,804,731.06**	**1.13**	**2.90**
Government National Mortgage Association												
38382E5P8	GOVERNMENT NATIONAL	1.000	05/20/2035		AA+	Aaa	520,527.10	526,871.04	0.31	465,404.84	0.29	2.42
38382KRB1	GOVERNMENT NATIONAL	0.500	10/20/2050		AA+	Aaa	1,478,219.98	1,283,972.63	0.75	1,289,719.29	0.81	2.55
Issuer total							**1,998,747.08**	**1,810,843.67**	**1.05**	**1,755,124.13**	**1.10**	**2.51**
Florida Power & Light Co												
341081FZ5	FLORIDA POWER & LIGHT	2.850	04/01/2025	03/01/2025	A+	Aa2	347,000.00	346,646.06	0.20	333,303.63	0.21	1.64
341081GN1	FLORIDA POWER & LIGHT	4.400	05/15/2028	03/15/2028	A+	Aa2	1,250,000.00	1,244,975.00	0.72	1,226,515.11	0.77	4.20
Issuer total							**1,597,000.00**	**1,591,621.06**	**0.93**	**1,559,818.74**	**0.98**	**3.64**

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of June 30, 2023

Cusip	Description	Coupon	Maturity date	Call date	S&P rating	Moody rating	Par value or shares	Historical cost	% Portfolio hist cost	Market value	% Portfolio mkt value	Effective dur (yrs)
Goldman Sachs Group Inc/The												
38141GZR8	GOLDMAN SACHS GROUP	3.615	03/15/2028	03/15/2027	BBB+	A2	1,650,000.00	1,587,597.00	0.92	1,548,148.68	0.97	3.34
Issuer total							**1,650,000.00**	**1,587,597.00**	**0.92**	**1,548,148.68**	**0.97**	**3.34**
ING Groep NV												
456837AX1	ING GROEP NV FRN	5.995	04/01/2027	04/01/2026	A-	Baa1	1,500,000.00	1,517,510.52	0.88	1,486,517.36	0.93	0.11
Issuer total							**1,500,000.00**	**1,517,510.52**	**0.88**	**1,486,517.36**	**0.93**	**0.11**
Simon Property Group LP												
828807CR6	SIMON PROPERTY GROUP	3.750	02/01/2024	11/01/2023	A-	A3	250,000.00	267,310.00	0.16	246,850.59	0.15	0.57
828807DG9	SIMON PROPERTY GROUP	2.000	09/13/2024	06/13/2024	A-	A3	785,000.00	805,763.25	0.47	749,039.10	0.47	1.15
828807CV7	SIMON PROPERTY GROUP	3.500	09/01/2025	06/01/2025	A-	A3	500,000.00	548,290.00	0.32	479,031.17	0.30	1.94
Issuer total							**1,535,000.00**	**1,621,363.25**	**0.94**	**1,474,920.86**	**0.92**	**1.32**
Walmart Inc												
931142ES8	WALMART INC 1.5%	1.500	09/22/2028	07/22/2028	AA	Aa2	1,675,000.00	1,673,224.50	0.97	1,454,473.72	0.91	4.83
Issuer total							**1,675,000.00**	**1,673,224.50**	**0.97**	**1,454,473.72**	**0.91**	**4.83**
O'Reilly Automotive Inc												
67103HAG2	O'REILLY AUTOMOTIVE	4.350	06/01/2028	03/01/2028	BBB	Baa1	1,500,000.00	1,494,245.00	0.87	1,452,206.97	0.91	4.21
Issuer total							**1,500,000.00**	**1,494,245.00**	**0.87**	**1,452,206.97**	**0.91**	**4.21**
State Street Corp												
857477BM4	STATE STREET CORP	2.901	03/30/2026	03/30/2025	A	A1	1,500,000.00	1,629,930.00	0.95	1,430,458.83	0.89	1.65
Issuer total							**1,500,000.00**	**1,629,930.00**	**0.95**	**1,430,458.83**	**0.89**	**1.65**
Honda Motor Co Ltd												
438127AA0	HONDA MOTOR CO LTD	2.271	03/10/2025	02/10/2025	A-	A3	1,500,000.00	1,500,000.00	0.87	1,426,468.85	0.89	1.60
Issuer total							**1,500,000.00**	**1,500,000.00**	**0.87**	**1,426,468.85**	**0.89**	**1.60**

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of June 30, 2023

Cusip	Description	Coupon	Maturity date	Call date	S&P rating	Moody rating	Par value or shares	Historical cost	% Portfolio hist cost	Market value	% Portfolio mkt value	Effective dur (yrs)
Oncor Electric Delivery Co LLC												
68233JBM5	ONCOR ELECTRIC	2.750	06/01/2024	05/01/2024	A+	A2	1,385,000.00	1,421,882.55	0.83	1,347,199.24	0.84	0.90
Issuer total							**1,385,000.00**	**1,421,882.55**	**0.83**	**1,347,199.24**	**0.84**	**0.90**
Consumers Energy Co												
210518CW4	CONSUMERS ENERGY CO	3.125	08/31/2024	05/31/2024	A	A1	1,385,000.00	1,450,122.70	0.84	1,338,872.03	0.84	1.12
Issuer total							**1,385,000.00**	**1,450,122.70**	**0.84**	**1,338,872.03**	**0.84**	**1.12**
HSBC Holdings PLC												
404280CM9	HSBC HOLDINGS PLC	1.589	05/24/2027	05/24/2026	A-	A3	1,500,000.00	1,500,000.00	0.87	1,323,840.80	0.83	2.75
Issuer total							**1,500,000.00**	**1,500,000.00**	**0.87**	**1,323,840.80**	**0.83**	**2.75**
International Bank for Reconstruction & Development												
459058JT1	INTL BK RECON & DEVELOP	0.850	02/10/2027	08/10/2023	AAA	Aaa	1,500,000.00	1,307,445.00	0.76	1,318,209.93	0.82	3.35
Issuer total							**1,500,000.00**	**1,307,445.00**	**0.76**	**1,318,209.93**	**0.82**	**3.35**
Louisiana Local Government Environmental Facilities &												
54627RAR1	LOUISIANA ST LOCAL	5.081	06/01/2031		AAA	Aaa	1,249,000.00	1,249,000.00	0.73	1,245,719.50	0.78	6.30
Issuer total							**1,249,000.00**	**1,249,000.00**	**0.73**	**1,245,719.50**	**0.78**	**6.30**
Westpac Banking Corp												
961214FA6	WESTPAC BANKING CORP	3.735	08/26/2025		AA-	Aa3	1,250,000.00	1,254,725.00	0.73	1,211,399.21	0.76	2.00
Issuer total							**1,250,000.00**	**1,254,725.00**	**0.73**	**1,211,399.21**	**0.76**	**2.00**
Deere & Co												
244199BH7	DEERE & COMPANY 2.75%	2.750	04/15/2025	03/15/2025	A	A2	1,250,000.00	1,248,300.00	0.73	1,199,933.24	0.75	1.68
Issuer total							**1,250,000.00**	**1,248,300.00**	**0.73**	**1,199,933.24**	**0.75**	**1.68**

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of June 30, 2023

Cusip	Description	Coupon	Maturity date	Call date	S&P rating	Moody rating	Par value or shares	Historical cost	% Portfolio hist cost	Market value	% Portfolio mkt value	Effective dur (yrs)
BMW Vehicle Lease Trust 2022-1												
05601XAC3	BMW VEHICLE LEASE	1.100	03/25/2025		AAA	NR	1,210,925.48	1,210,744.45	0.70	1,190,218.41	0.74	0.39
Issuer total							**1,210,925.48**	**1,210,744.45**	**0.70**	**1,190,218.41**	**0.74**	**0.39**
Realty Income Corp												
756109BQ6	REALTY INCOME CORP	5.050	01/13/2026	01/13/2024	A-	A3	1,041,000.00	1,036,700.00	0.60	1,031,818.12	0.65	1.15
Issuer total							**1,041,000.00**	**1,036,700.00**	**0.60**	**1,031,818.12**	**0.65**	**1.15**
Lockheed Martin Corp												
539830BV0	LOCKHEED MARTIN CORP	5.100	11/15/2027	10/15/2027	A-	A3	1,000,000.00	998,411.25	0.58	1,016,940.36	0.64	3.79
Issuer total							**1,000,000.00**	**998,411.25**	**0.58**	**1,016,940.36**	**0.64**	**3.79**
Intel Corp												
458140AS9	INTEL CORP 3.7%	3.700	07/29/2025	04/29/2025	A	A2	1,000,000.00	1,051,500.00	0.61	972,505.75	0.61	1.83
Issuer total							**1,000,000.00**	**1,051,500.00**	**0.61**	**972,505.75**	**0.61**	**1.83**
DTE Electric Co												
23338VAB2	DTE ELECTRIC CO 3.65%	3.650	03/15/2024	12/15/2023	A	Aa3	975,000.00	1,034,075.25	0.60	960,277.60	0.60	0.68
Issuer total							**975,000.00**	**1,034,075.25**	**0.60**	**960,277.60**	**0.60**	**0.68**
Apple Inc												
037833DM9	APPLE INC 1.8%	1.800	09/11/2024	08/11/2024	AA+	Aaa	500,000.00	518,870.00	0.30	480,925.94	0.30	1.15
037833CJ7	APPLE INC 3.35%	3.350	02/09/2027	11/09/2026	AA+	Aaa	475,000.00	536,284.50	0.31	456,121.09	0.29	3.19
Issuer total							**975,000.00**	**1,055,154.50**	**0.61**	**937,047.03**	**0.59**	**2.19**
Delmarva Power & Light Co												
247109BS9	DELMARVA PWR & LIGHT	3.500	11/15/2023	08/15/2023	A	A2	925,000.00	973,081.50	0.57	916,847.18	0.57	0.37
Issuer total							**925,000.00**	**973,081.50**	**0.57**	**916,847.18**	**0.57**	**0.37**

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of June 30, 2023

Cusip	Description	Coupon	Maturity date	Call date	S&P rating	Moody rating	Par value or shares	Historical cost	% Portfolio hist cost	Market value	% Portfolio mkt value	Effective dur (yrs)
Citibank NA												
17325FAS7	CITIBANK NA 3.65%	3.650	01/23/2024	12/23/2023	A+	Aa3	925,000.00	969,816.25	0.56	914,324.89	0.57	0.54
Issuer total							**925,000.00**	**969,816.25**	**0.56**	**914,324.89**	**0.57**	**0.54**
Oracle Corp												
68389XBC8	ORACLE CORP 2.95%	2.950	05/15/2025		BBB	Baa2	950,000.00	1,033,343.50	0.60	906,106.11	0.57	1.72
Issuer total							**950,000.00**	**1,033,343.50**	**0.60**	**906,106.11**	**0.57**	**1.72**
Tennessee Valley Authority Principal Strip												
88059FAV3	TVA PRIN STRIP 0%	0.000	11/01/2025		AA+	Aaa	1,000,000.00	963,716.29	0.56	893,948.59	0.56	2.28
Issuer total							**1,000,000.00**	**963,716.29**	**0.56**	**893,948.59**	**0.56**	**2.28**
Truist Financial Corp												
89788MAN2	TRUIST FINANCIAL CORP	6.047	06/08/2027	12/05/2023	A-	A3	805,000.00	805,891.99	0.47	805,334.18	0.50	2.63
Issuer total							**805,000.00**	**805,891.99**	**0.47**	**805,334.18**	**0.50**	**2.63**
Freddie Mac Gold Pool												
3128MFBL1	FREDDIE MAC FG G16143	2.500	04/01/2027		AA+	Aaa	823,779.97	834,109.40	0.49	788,614.66	0.49	1.31
Issuer total							**823,779.97**	**834,109.40**	**0.49**	**788,614.66**	**0.49**	**1.31**
Anheuser-Busch InBev Worldwide Inc												
035240AQ3	ANHEUSER-BUSCH INBEV	4.750	01/23/2029	10/23/2028	A-	A3	750,000.00	757,207.50	0.44	746,742.27	0.47	4.59
Issuer total							**750,000.00**	**757,207.50**	**0.44**	**746,742.27**	**0.47**	**4.59**
AbbVie Inc												
00287YAQ2	ABBVIE INC 3.6%	3.600	05/14/2025		BBB+	Baa1	750,000.00	832,395.00	0.48	725,022.47	0.45	1.68
Issuer total							**750,000.00**	**832,395.00**	**0.48**	**725,022.47**	**0.45**	**1.68**

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of June 30, 2023

Cusip	Description	Coupon	Maturity date	Call date	S&P rating	Moody rating	Par value or shares	Historical cost	% Portfolio hist cost	Market value	% Portfolio mkt value	Effective dur (yrs)
Microsoft Corp												
594918BJ2	MICROSOFT CORP 3.125%	3.125	11/03/2025	08/03/2025	AAA	Aaa	750,000.00	822,442.50	0.48	721,945.39	0.45	2.11
Issuer total							**750,000.00**	**822,442.50**	**0.48**	**721,945.39**	**0.45**	**2.11**
PepsiCo Inc												
713448FL7	PEPSICO INC 3.6%	3.600	02/18/2028	01/18/2028	A+	A1	750,000.00	708,135.00	0.41	721,711.85	0.45	4.09
Issuer total							**750,000.00**	**708,135.00**	**0.41**	**721,711.85**	**0.45**	**4.09**
Duke Energy Florida LLC												
26444HAC5	DUKE ENERGY FLORIDA	3.200	01/15/2027	10/15/2026	A	A1	760,000.00	789,845.20	0.46	719,990.23	0.45	3.14
Issuer total							**760,000.00**	**789,845.20**	**0.46**	**719,990.23**	**0.45**	**3.14**
Verizon Communications Inc												
92343VDY7	VERIZON	4.125	03/16/2027		BBB+	Baa1	725,000.00	805,569.25	0.47	703,933.43	0.44	3.32
Issuer total							**725,000.00**	**805,569.25**	**0.47**	**703,933.43**	**0.44**	**3.32**
Berkshire Hathaway Finance Corp												
084664CZ2	BERKSHIRE HATHAWAY	2.300	03/15/2027	02/15/2027	AA	Aa2	750,000.00	744,075.00	0.43	701,325.18	0.44	3.42
Issuer total							**750,000.00**	**744,075.00**	**0.43**	**701,325.18**	**0.44**	**3.42**
Unilever Capital Corp												
904764AY3	UNILEVER CAPITAL CORP	2.900	05/05/2027	02/05/2027	A+	A1	750,000.00	833,227.50	0.48	700,644.96	0.44	3.47
Issuer total							**750,000.00**	**833,227.50**	**0.48**	**700,644.96**	**0.44**	**3.47**
Toyota Auto Receivables 2021-B Owner Trust												
89190GAC1	TOYOTA AUTO	0.260	11/17/2025		AAA	NR	699,396.57	699,321.26	0.41	676,861.73	0.42	0.51
Issuer total							**699,396.57**	**699,321.26**	**0.41**	**676,861.73**	**0.42**	**0.51**

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of June 30, 2023

Cusip	Description	Coupon	Maturity date	Call date	S&P rating	Moody rating	Par value or shares	Historical cost	% Portfolio hist cost	Market value	% Portfolio mkt value	Effective dur (yrs)
Honda Auto Receivables 2021-2 Owner Trust												
43811JAC1	HONDA AUTO	0.330	08/15/2025		AAA	Aaa	612,228.84	612,204.96	0.36	595,220.57	0.37	0.47
Issuer total							**612,228.84**	**612,204.96**	**0.36**	**595,220.57**	**0.37**	**0.47**
Mercedes-Benz Auto Receivables Trust 2021-1												
58772WAC7	MERCEDES-BENZ AUTO	0.460	06/15/2026		AAA	Aaa	618,491.74	618,410.83	0.36	594,704.73	0.37	0.63
Issuer total							**618,491.74**	**618,410.83**	**0.36**	**594,704.73**	**0.37**	**0.63**
CNH Equipment Trust 2022-A												
12660DAC1	CNH EQUIPMENT TRUST	2.940	07/15/2027		AAA	NR	623,000.00	622,953.96	0.36	594,636.93	0.37	1.57
Issuer total							**623,000.00**	**622,953.96**	**0.36**	**594,636.93**	**0.37**	**1.57**
Public Service Electric and Gas Co												
74456QBD7	PUBLIC SERVICE ELECTRIC	3.750	03/15/2024	12/15/2023	A	A1	599,000.00	638,246.48	0.37	591,948.36	0.37	0.67
Issuer total							**599,000.00**	**638,246.48**	**0.37**	**591,948.36**	**0.37**	**0.67**
Home Depot Inc/The												
437076BK7	HOME DEPOT INC 3.35%	3.350	09/15/2025	06/15/2025	A	A2	590,000.00	646,297.80	0.38	569,299.61	0.36	1.97
Issuer total							**590,000.00**	**646,297.80**	**0.38**	**569,299.61**	**0.36**	**1.97**
Paramount Global												
92556HAA5	PARAMOUNT GLOBAL	4.750	05/15/2025	04/15/2025	BBB-	Baa2	563,000.00	649,899.05	0.38	549,586.68	0.34	1.71
Issuer total							**563,000.00**	**649,899.05**	**0.38**	**549,586.68**	**0.34**	**1.71**
Anheuser-Busch Cos LLC / Anheuser-Busch InBev Worldwide												
03522AAG5	ANHEUSER-BUSCH	3.650	02/01/2026	11/01/2025	A-	A3	500,000.00	562,255.00	0.33	484,283.43	0.30	2.28
Issuer total							**500,000.00**	**562,255.00**	**0.33**	**484,283.43**	**0.30**	**2.28**

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of June 30, 2023

Cusip	Description	Coupon	Maturity date	Call date	S&P rating	Moody rating	Par value or shares	Historical cost	% Portfolio hist cost	Market value	% Portfolio mkt value	Effective dur (yrs)
Caterpillar Financial Services Corp												
14913R2C0	CATERPILLAR FINL	1.450	05/15/2025		A	A2	500,000.00	512,230.00	0.30	466,133.75	0.29	1.80
Issuer total							**500,000.00**	**512,230.00**	**0.30**	**466,133.75**	**0.29**	**1.80**
John Deere Owner Trust 2022												
47787JAC2	JOHN DEERE OWNER	2.320	09/16/2026		NR	Aaa	475,000.00	474,894.93	0.28	457,535.87	0.29	1.09
Issuer total							**475,000.00**	**474,894.93**	**0.28**	**457,535.87**	**0.29**	**1.09**
Colgate-Palmolive Co												
194162AN3	COLGATE-PALMOLIVE CO	3.100	08/15/2027	07/15/2027	AA-	Aa3	389,000.00	388,533.20	0.23	370,229.97	0.23	3.71
Issuer total							**389,000.00**	**388,533.20**	**0.23**	**370,229.97**	**0.23**	**3.71**
Hyundai Auto Receivables Trust 2021-A												
44933LAC7	HYUNDAI AUTO	0.380	09/15/2025		AAA	NR	318,437.37	318,403.87	0.19	310,086.60	0.19	0.44
Issuer total							**318,437.37**	**318,403.87**	**0.19**	**310,086.60**	**0.19**	**0.44**
Cash and Cash Equivalents												
	CASH	0.000					234,550.93	234,550.93	0.00	234,550.93	0.15	0.00
Issuer total							**234,550.93**	**234,550.93**	**0.00**	**234,550.93**	**0.15**	**0.00**
BA Credit Card Trust												
05522RDE5	BANK OF AMERICA CREDIT	3.530	11/15/2027		NR	Aaa	164,000.00	163,989.77	0.10	158,375.54	0.10	1.84
Issuer total							**164,000.00**	**163,989.77**	**0.10**	**158,375.54**	**0.10**	**1.84**
Grand total							170,438,650.26	171,938,978.44	100.00	159,921,074.16	100.00	2.42

Appendix

Insight INVESTMENT

Biographies

Jason Celente, CFA, CTP, Senior Portfolio Manager

Jason joined Insight in 1997 (via predecessor company, Cutwater Asset Management). He is a senior portfolio manager overseeing short duration and customized investment strategies for Insight's public sector group. Prior to this, Jason was an investment accountant for Cutwater's asset-liability portfolios and short-term mutual funds. He has a BS degree from Colgate University and an MBA from the Stern School of Business at New York University. Jason holds Series 7 and 63 licenses from the Financial Industry Regulatory Authority (FINRA), is a CFA charterholder and holds the Certified Treasury Professional (CTP) designation from the Association for Financial Professionals.

David Witthohn, CFA, CIPM, Senior Portfolio Specialist

David joined Insight in 1997 (via predecessor company, Cutwater Asset Management) and has worked in the financial services industry since 1982. David's areas of expertise include portfolio management and statistical performance review. He has extensive years of experience in working with public entities on their investment portfolios and has additional experience in the areas of institutional mutual funds and bank portfolio management. He speaks frequently in the US on public funds asset management and is active in many public finance associations across the US. David holds a BA in Business Economics from the University of Pittsburgh and a Master of Science (MSF) in Finance from the University of Colorado. He is a CFA charterholder and also has the Certification for Investment Performance Measurement™ (CIPM).

Mary Donovan, CFA, Senior Portfolio Manager

Mary joined Insight in 1991 (via predecessor company, Cutwater Asset Management). She is a senior portfolio manager and has worked in the financial services industry since 1989. Mary has responsibilities for the public sector group strategy. Additionally, she monitors the credit markets and economic conditions daily to develop active portfolio management strategies consistent with each client's investment objectives and cash flow needs. Her areas of expertise include US Treasury and high-grade corporate securities and bond swap analytics. Mary is a past president of the Colorado Treasury Management Association. She speaks regularly in the US on public funds asset management and is active in many US public finance associations. She holds a BS degree from the University of Colorado and is a CFA charterholder.

Biographies

Robert Bayston, CFA, Head of US Government and Mortgage Portfolios

Robert joined Insight in September 2021 following the transition of Mellon Investments' fixed income strategies to Insight. He has been in the investment industry since 1991. Robert is the Head of US Government and Mortgage Portfolios for fixed income. He is responsible for managing portfolios which focus on US interest rates and inflation strategies. In addition to his portfolio management responsibilities, Robert manages an investment team with similar mandates and oversees the US agency MBS research effort. Prior to his current role, he held several positions in fixed income research and trading. Robert received a BS from the University of Virginia's McIntire School of Commerce and an MS in Finance from Boston College. He is a CFA charterholder and is a member of the CFA Institute and the CFA Society Boston.

Jenna Rivers, Head of Client Service, North America

Jenna joined Insight in June 2018 as Head of Client Service for the North America region responsible for the oversight of client service support provided to the firm's relationship management function. Prior to joining Insight, Jenna spent eight years at Schroder Investment Management North America Inc., as Head of Client Account Management, responsible for managing the client service team which covered US and Canadian institutional clients. Jenna started her career in financial services in 2007 at AG Morgan Financial as a financial advisor to high net worth individuals. Jenna graduated from Michigan State University with a BA in Finance. She also holds Series 6 and 63 licenses from the Financial Industry Regulatory Authority (FINRA) and is a NEC Canadian Registered Representative.

Natalie Romanenko, Senior Client Service Specialist

Natalie joined Insight's Client Service Team in May 2021 and works directly with the client directors and investment teams to support the delivery of exemplary service to a range of North American clients consisting of pension funds, insurance companies, financial institutions and other corporate investors. Prior to Insight, Natalie was a Vice President, Investor Relations at Golub Capital Management where she established and managed an investor relations function. She has also held a client service role at Newton Investment Management. Natalie started her career in financial services at Morgan Stanley Investment Management, where she spent 15 years, latterly as a Vice President, Client Account Manager. Natalie graduated from Pace University, with a BBA in Accounting.

Important disclosures

Important disclosures

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Targeted returns intend to demonstrate that the strategy is managed in such a manner as to seek to achieve the target return over a normal market cycle based on what Insight has observed in the market, generally, over the course of an investment cycle. In no circumstances should the targeted returns be regarded as a representation, warranty or prediction that the specific deal will reflect any particular performance or that it will achieve or is likely to achieve any particular result or that investors will be able to avoid losses, including total losses of their investment.

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Hotel-Bed Tax Allocation Documents

MEMORANDUM

CITY AND BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY

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

DATE: August 28, 2023

TO: Assembly Finance Committee

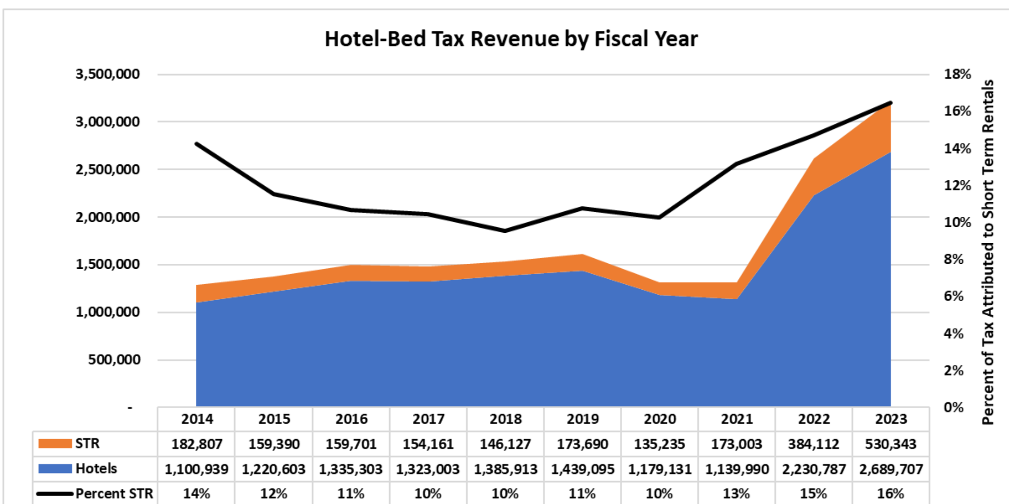
FROM: Angie Flick, Finance Director

SUBJECT: **Hotel-Bed Tax Allocation**

The purpose of this memo is to provide additional information to the Assembly Finance Committee (AFC) in discussion of the 9% hotel-bed tax revenue allocation. Attached to this item you will find prior actions of the AFC regarding the Hotel-Bed Tax allocation; a memo from Jeff Rogers dated 7/7/2022; and a memo from me dated 7/27/2023.

Per direction from the AFC in August, the following actual and budget data has been prepared for the various options presented, first as summary data and then broken down by each option.

A historical look at the Hotel-Bed Tax collections along with the breakout by hotel vs. short-term rental (STR) revenue and the percent of this revenue attributable to STRs.



Summary of Dollar Allocation Based on FY24's Budget Values

	FY24 Budget Totals	Option 1 Status Quo	Option 2 AHF = STR Status Quo Rest	Option 3 New Split: 3+2+2+2	Option 4 Priorities to Manager
Total	3,420,000				
Centennial Hall Improvements (Temp)	760,000	760,000	760,000	760,000	229,200
Short-Term Rental Data Collection	20,000	20,000	20,000	20,000	20,000
Interdepartmental Charges	58,800	58,800	58,800	58,800	58,800
Remainder:	2,581,200				
Tourism Promotion		1,480,600	1,220,914	1,113,733	1,200,000
Centennial Hall Operations		1,100,600	915,686	733,733	670,500
Affordable Housing Fund		-	444,600	733,733	*1,241,500* *
Total		3,420,000	3,420,000	3,420,000	3,420,000

** AHF amount derived from variances from status quo for illustration purposes only.*

In practice, the Hotel-Bed Tax Fund is charged an Administrative Overhead (Interdepartmental Charges), and the Short-Term Rental Data Collection contract is funded here. The details for each option below include a reduction in available resources for those two costs.

Option 1 - Status Quo – allocate the 9% hotel-bed tax revenue to Tourism Promotion (4%), Centennial Hall Operations (3%), and Centennial Hall Improvements (2%) as described in the current resolution.

	FY24 Budget Totals	Status Quo	
Total	3,420,000		
Centennial Hall Improvements (Temp)	760,000	760,000	2%
Short-Term Rental Data Collection	20,000	20,000	
Interdepartmental Charges	58,800	58,800	
Remainder:	2,581,200		
Tourism Promotion		1,480,600	4% less 1/2 other charges
Centennial Hall Operations		1,100,600	3% less 1/2 other charges
Affordable Housing Fund		-	
Total		3,420,000	

Option 2 – Affordable Housing Fund receives the amount of tax attributed to Short Term Rentals. Transfer the amount of hotel-bed taxes received from short-term rentals to the Affordable Housing Fund by applying the historic percentage split only to the taxes received from typical hotels. Taxes received from short-term rentals would instead be transferred directly to the Affordable Housing fund.

	FY24 Budget Totals	AHF = STR Status Quo Rest
Total	3,420,000	
Centennial Hall Improvements (Temp)	760,000	760,000
Short-Term Rental Data Collection	20,000	20,000
Interdepartmental Charges	58,800	58,800
Remainder:	2,581,200	
Tourism Promotion		1,220,914
Centennial Hall Operations		915,686
Affordable Housing Fund		444,600
Total		3,420,000
Hotels	87%	2,975,400
Non-Hotels (STRs)	13%	444,600
	100%	**3,420,000**

Option 3 – Revise Split to Include 2% to Affordable Housing Fund. Redesign the historical percentage split of all hotel-bed tax receipts in recognition of the overall impact of short-term rentals. For example, instead of a 4% + 3% + 2% split, the Assembly could choose a 3% + 2% + 2% split and then direct 2% to the Affordable Housing fund. The percentages are at the discretion of the Assembly.

	FY24 Budget Totals	New Split: 3+2+2+2	
Total	3,420,000		
Centennial Hall Improvements (Temp)	760,000	760,000	2%
Short-Term Rental Data Collection	20,000	20,000	
Interdepartmental Charges	58,800	58,800	
Remainder:	2,581,200		
Tourism Promotion		1,113,733	3% less 1/3 other charges
Centennial Hall Operations		733,733	2% less 1/3 other charges
Affordable Housing Fund		733,733	2% less 1/3 other charges
Total		3,420,000	

<u>Option 4 – Set Priorities Not Percentages.</u> Move away from a formulaic split of the hotel-bed tax and provide the Manager with a set of priorities to include in their recommended budget based on the budgetary needs of tourism promotion, Centennial Hall, and the forecasted revenue. In illustrating this option, the FY24 Budgeted values are included as proxies for the priorities that could be given to the Manager with the remaining balance slotted into the Affordable Housing Fund for the purpose of illustration.. The Assembly can provide any set of direction to the Manager for the use of the remaining funding.

	FY24 Budget Totals	FY24 Budgeted Expenditures	Balance	Priorities to Manager
Total	3,420,000			
Centennial Hall Improvements (Temp)	760,000	229,200	530,800	229,200
Short-Term Rental Data Collection	-	20,000	(20,000)	20,000
Interdepartmental Charges	-	58,800	(58,800)	58,800
Remainder:	2,660,000			
Tourism Promotion	1,520,000	1,200,000	320,000	1,200,000
Centennial Hall Operations	1,140,000	670,500	469,500	670,500
Affordable Housing Fund		-	-	*1,241,500*
Total		**2,178,500**	**1,241,500**	3,420,000

<u>Staff Recommendation</u>

Staff recommends the AFC provide funding priorities to the Manager, and for the Manager to then include the appropriate budget recommendation based on hotel-bed tax revenues and the needs of Centennial Hall, tourism promotion, and other priorities established by the AFC such as Affordable Housing. This scenario provides the greatest flexibility to the Assembly to meet community needs as well as addressing the volatility in the revenue stream. As stated in Mr. Roger's memo, if the Assembly wishes to make a change, it should direct staff to prepare a new resolution modifying the future disposition of hotel bed tax receipts.

MEMORANDUM

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

DATE: July 27, 2023

TO: Assembly Finance Committee

FROM: Angie Flick, Finance Director

SUBJECT: **Hotel-Bed Tax Distribution**

The purpose of this memo is to lay the ground work for the Assembly Finance Committee (AFC) to discuss the allocation of 9% of the hotel-bed tax revenue. Please see the attached memo from Jeff Rogers dated September 7, 2022 in which he discussed the history of the hotel-bed tax and options as it related to short-term rentals and the Affordable Housing fund.

While the AFC has a resolution which directs 9% of the initial allocation of the tax revenues towards Tourism Promotion (4%), Centennial Hall Operations (3%) and Centennial Hall Improvements (2%); in the FY 2024 budget, the Assembly funded these three categories at the level of support needed rather than at the percentages prescribed. Additionally, it has been a strategy of the Assembly and City Manager to increase funding opportunities toward affordable housing to address the Juneau workforce housing shortage.

In the attached memo from Mr. Rogers, he suggested two mechanical ways to change the distribution percentages and approach to shift some funds into the Affordable Housing fund. Another approach is for the AFC to state its priorities of funding with respect to the 9% of the hotel-bed tax revenues and direct the City Manager to include funding for those priorities in the Manager's recommended budget.

For ease of viewing, here are four options for discussion:

1. Status Quo – allocate 9% of the hotel-bed tax revenue to Tourism Promotion (4%), Centennial Hall Operations (3%) and Centennial Hall Improvements (2%) as described in the current resolution.
2. Transfer the amount of hotel-bed taxes received from short-term rentals to the Affordable Housing Fund by applying the historic percentage split only to the taxes received from typical hotels. Taxes received from short-term rentals would instead be transferred directly to the Affordable Housing fund.
3. Redesign the historical percentage split of all hotel-bed tax receipts in recognition of the overall impact of short-term rentals. For example, instead of a 4%/3%/2% split, the Assembly could choose a 3%/2%/2% split and then direct 2% to the Affordable Housing fund.
4. Move away from a formulaic split of the hotel-bed tax, and provide the Manager with priorities to include in their recommended budget based on those priorities and the budgetary needs of tourism promotion, Centennial Hall and the forecasted revenue.

Staff Recommendation

Staff recommends the AFC provide funding priorities to the Manager, and the Manager then include the appropriate budget recommendation based on hotel-bed tax revenues and the needs of Centennial Hall, tourism promotion and other priorities established by the AFC such as Affordable Housing. As stated in Mr. Roger's memo, if the Assembly wishes to make a change, it should direct staff to prepare a new resolution modifying the future disposition of hotel bed tax receipts.

MEMORANDUM

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

DATE: September 7, 2022

TO: Assembly Finance Committee

FROM: Jeff Rogers, Finance Director

SUBJECT: **Reallocation of Short Term Rental Bed Tax to Affordable Housing Fund**

With the rise of short-term rentals over the last decade, there is a perceived impact on the affordability and availability of long-term rentals for Juneau residents. At the same time, those short-term rentals are producing significant hotel-bed tax receipts, approximately $340,000 in FY2022. The Assembly may wish to consider using hotel-bed taxes received from short-term rentals to mitigate the impact of short-term rentals on local housing availability by allocating those receipts to the Affordable Housing Fund.

Mechanically, the Assembly could accomplish this in two ways, either by:

A. Transferring the amount of hotel-bed taxes received from short-term rentals to the Affordable Housing Fund by applying the historic percentage split only to the taxes received from typical hotels. Taxes received from short-term rentals would instead be transferred directly to the Affordable Housing fund.
B. Redesigning the historical percentage split of all hotel-bed tax receipts in recognition of the overall impact of short-term rentals. For example, instead of a 4%/3%/2% split, the Assembly could choose a 3%/2%/2% split and then direct 2% to the Affordable Housing Fund.

Both methods would be subject to the uncertainty of budget forecasting. For the purpose of the calculation below, I have presumed at $2.6 million in hotel-bed tax receipts in FY2024.

				FY2024 Options		
				Option A	Option B	
		FY2022 Actual	FY2023 Budget	STR to AHF	Alt Percentages	
Revenues						
Hotels	87%	$ 2,244,100	$ 1,815,361.90	$ 2,258,300	$ 2,258,300	
Non-Hotels (STRs)	13%	$ 339,500	$ 274,638.10	$ 341,700	$ 341,700	
Total		$ 2,583,600	$ 2,090,000	$ 2,600,000	$ 2,600,000	
Expenditures						*Alt*
Tourism Promotion	4%	$ 555,600	$ 928,900	$ 1,003,700	$ 866,700	*3%*
Centennial Hall Operations	3%	$ 416,700	$ 639,100	$ 752,800	$ 577,800	*2%*
Centennial Hall Imprvmnts	2%	$ 277,700	$ 464,400	$ 501,800	$ 577,800	*2%*
Downtown Business Assoc	n/a	$ -	$ 75,000	$ -	$ -	*n/a*
Interdepartmental Charges	n/a	$ 26,600	$ 37,000	$ 37,000	$ 37,000	*n/a*
Affordable Housing Fund	n/a	$ -	$ -	$ 341,700	$ 577,800	*2%*
Total	9%	$ 1,276,600	$ 2,144,400	$ 2,637,000	$ 2,637,100	

A series of resolutions from the 1980's established Juneau's disposition of hotel bed tax receipts. A 1993 memo from the City Clerk memorializes the current split. If the Assembly wishes to make a change, it should direct staff to prepare a new resolution modifying the future disposition of hotel bed tax receipts. Also, as a result of higher than expected revenue, the Hotel-Bed Tax fund has a balance exceeding $1 million at the end of FY2022. The Assembly could consider transferring these funds to the Affordable Housing Fund in the concept that they potentially represent bed tax receipts from short-term rentals prior to FY2022.

Presented by: Aase and Ho
Introduced: 8/21/80
Drafted by: L.L.D. & E.J.E.

RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 687 (am 8-25-80)

A RESOLUTION DECLARING ASSEMBLY INTENT IN RELATION TO THE USE OF THE PROCEEDS OF A HOTEL-MOTEL ROOM TAX PROPOSED BY ORDINANCE NO. 80-36.

WHEREAS, Ordinance No. 80-36 establishing a hotel-motel room rental tax on an areawide basis has been advanced to public hearing, and

WHEREAS, Ordinance No. 80-36, if passed by the assembly, requires a proposition be submitted to the qualified voters of the city and borough of Juneau on such tax, and

WHEREAS, taxes on hotel and motel transient room rentals are not uncommon in other municipalities, the proceeds of such tax being used to meet expenses of promotional activities, and

WHEREAS, the assembly's basic intent through Ordinance No. 80-36 is to provide funding for the promotion of the city and borough of Juneau and its attractions;

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

That it is the intent of the assembly, should the proposition to the voters called for in Ordinance 80-36 be approved, to use the proceeds of the hotel-motel room rental tax for activities promoting the community and its attractions and providing for the needs of visitors in, but not limited to, the following ways: provide matching funds for state and federal grants which are or may become available; support a convention center; fund activities which advertise the area; support good-will travel; fund publicity to include movies, film clips, slide shows, exhibits, books, brochures, speaker kits, media advertising; and, provide funds for other projects as are deemed to enhance or improve the image of the community.

ADOPTED this 2nd day of September, 1980.

Mayor

Attest:

Clerk

Deputy

Presented by: The Manager
Introduced: 06/04/84
Drafted by: K.C.R.

RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 1036

A RESOLUTION ESTABLISHING ASSEMBLY INTENT TO UTILIZE THE PROCEEDS OF THE PROPOSED TWO PERCENT INCREASE IN THE HOTEL-MOTEL ROOM RENTAL TAX TO PROMOTE TOURISM DEVELOPMENT.

WHEREAS, the assembly supports the development of tourism as a major basic industry in Juneau, and

WHEREAS, the city and borough and the local tourism industry jointly sponsored a workshop in January 1984 to discuss ways to improve the tourism industry through cooperative efforts, and

WHEREAS, one of the recommendations from that workshop was to study the feasibility of developing a convention and visitor organization to coordinate and sponsor joint programs to encourage tourism, and

WHEREAS, an Interim Convention and Visitors Bureau was formed, and

WHEREAS, the Board of Directors of the Interim Juneau Convention and Visitor Bureau has presented to the assembly a plan to develop a Juneau Convention and Visitor Bureau, and

WHEREAS, the assembly has given conceptual approval to the plan, and

WHEREAS, one source of revenue for the Juneau Convention and Visitors Bureau is recommended to be the proceeds of a 2% increase in the existing hotel-motel room rental tax;

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

1. That the assembly supports the development of a Juneau Convention and Visitors Bureau with the overall purpose to coordinate public and private local resources to increase the number of visitors to Juneau.

2. That the assembly recognizes the hotel-motel room rental tax is paid primarily by visitors to Juneau and is an appropriate source of revenue to undertake programs to increase the number of visitors and tourists to Juneau and, thereby, expand the tourism industry and its contribution to the local economy.

3. That it is the intent of the assembly to utilize the proceeds of the proposed two percent increase in the hotel-motel room rental tax

to be submitted to the voters in October 1984 to partially fund the Juneau Convention and Visitors Bureau upon assembly approval of a specific budget, activity program, and reporting system for the bureau relating to the fiscal year of the city and borough.

Adopted this 4th day of June, 1984.

Fran Ulmer
Mayor

Attest:

Peggie Gerrison
Clerk

Presented by: The Manager
Introduced: 07/25/88
Drafted by: B.J.B.

RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 1319

A RESOLUTION ESTABLISHING ASSEMBLY INTENT REGARDING THE USE OF THE PROCEEDS OF THE PROPOSED TWO PERCENT INCREASE IN THE HOTEL-MOTEL ROOM RENTAL TAX.

WHEREAS, the Assembly supports the development and promotion of tourism as a major basic industry in Juneau, and

WHEREAS, Ordinance No. 88-17, adopted on June 6, 1988, proposes a two percent increase (from the current five percent to seven percent) in the hotel-motel room rental tax, and

WHEREAS, the proposed two percent increase in the hotel-motel room rental tax was recommended by the Juneau Convention and Visitors Bureau, and

WHEREAS, the hotel-motel room rental tax serves as an appropriate source of revenue for funding a variety of programs and activities which promote and enhance the image of Juneau and thereby further the development of the tourism and visitor industry in our community, and

WHEREAS, it is intended that the proposed two percent increase in the existing hotel-motel room rental tax will provide an additional source of revenue for tourism-related programs;

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

1. That the Assembly recognizes that the hotel-motel room rental tax is paid primarily by visitors to Juneau and is an appropriate source of revenue to undertake programs which will increase the number of visitors and tourists to Juneau and thereby expand the tourism industry and its contribution to the local economy.

2. That it is the intent of the Assembly to utilize the proceeds of the proposed two percent increase in the hotel-motel room rental tax to be submitted to the voters at the regular municipal election on October 4, 1988, for programs which are directly related to the development and promotion of the tourism industry in Juneau, including but not limited to partial funding of the Juneau Convention and Visitors Bureau upon Assembly approval of a specific budget, activity program, and reporting system for the bureau relating to the fiscal year of the city and borough, and funding of tourism marketing programs.

3. Effective Date. This resolution shall be effective immediately upon adoption.

Adopted this 25th day of July, 1988.

Jamie M. Parsons
Deputy Mayor

Attest:

Patty Ann Polley
Clerk

Laurie Sica

From: Donna Pierce
Sent: Tuesday, May 06, 2003 3:23
To: Borough Assembly
Cc: John Corso; Rod Swope
Subject: FW: Hotel-Motel tax revenues

there seemed to be a bit of confusion last week about assembly review and oversight of the tax dollars that support the JCVB budget. hope this clears that up. if anyone wants more historical information, please let me know.

-----Original Message-----
From: Donna Pierce
Sent: Thursday, May 01, 2003 5:07 PM
To: 'lorene.palmer@traveljuneau.com'
Cc: John Corso
Subject: FW: Hotel-Motel tax revenues

hi lorene. as i said last night, i have a file of the ballot issues and resolutions embodying the intent of the assembly with regard to bed tax. john corso also has the same information. let us know if you want to see anything. taxes, generally speaking, can't be "dedicated" but they are sometimes "earmarked" (john wouldn't approve those as legal terms, but you get the idea). the assembly did that through resolutions and intent language. from our research they haven't amended the resolution since the late 80's. and i have no record of grant agreements made after the one attached.

the point john made to me was that the assembly reauthorizes JCVB's funding every year when it adopts the budget. therefore, even though this hasn't consistently happened over the years, it's appropriate for the assembly to review the tax-related part of the JCVB's budget every year, and besides, it's a great opportunity for you to communicate JCVB's accomplishments.

-----Original Message-----
From: John Corso
Sent: Thursday, May 01, 2003 4:17 PM
To: 'lorene.palmer@traveljuneau.com'
Cc: Donna Pierce
Subject: Hotel-Motel tax revenues

Lorene:

I'm will be out of town until Tuesday, but a quick review of Resolution 1036, attached, indicates that JCVB is a permissible, not a mandatory recipient of hotel-motel tax revenues. Please take a look at the resolution, particularly section 3. The language about "the intent of the Assembly" is our usual way of saying that the Assembly is not bound. I welcome your questions after I return.

-John

MEMORANDUM

CITY/BOROUGH OF JUNEAU
155 South Seward Street, Juneau, Alaska 99801

Date: February 9, 1993

To: Committee on Committees

From: Patty Ann Polley, CMC
Municipal Clerk

Re: JCVB

The Juneau Convention and Visitors Bureau was incorporated as a non profit 501 (c) (6) corporation on March 11, 1985.

Between the 1970's and 1984 a number of different scenarios were tried for visitors information and centers but none were particularly successful. Among the scenarios tried were: (1) there was an organization which received a direct appropriation from the Assembly for visitors information centers, (2) the CBJ took over JCVB for a year but found that was not successful, and (3) the Chamber became involved and received an appropriation for $50,000 for visitors services but there was a conflict between the purposes of the Chamber and visitors information. Finally, the tourism industry came back to the Assembly with an offer to back the bed tax and JCVB would incorporate and manage visitors centers and visitors information. Bob Dindinger provided me with the history of the various efforts to provide tourism information and visitors centers for the CBJ.

The original incorporators of JCVB were: Kevin Ritchie, Bob Jacobsen, Mike Weaver, Frank Pival, Joe Merrill, Bob Dindinger, Millie Shelley, Robert Derse and Vern Schmitt.

On October 2, 1984, the ballot contained a proposition increasing the bed tax from 3% to 5%. The ballot for the CBJ election on October 4, 1988, contained the question to increase the bed tax from 5% to 7%. The 1988 ballot indicated the tax was for "programs which are directly related to the development and promotion of the tourism industry in Juneau, including but not limited to, partial funding of the Juneau Convention and Visitors Bureau, and funding of tourism marketing programs." In both 1984 and 1988, the voters approved the ballot measures.

The JCVB receives 4 cents of the 7 cent bed tax and Parks and Rec for Centennial Hall receives the remaining 3 cents of the bed tax. Parks and Rec in turn contracts with JCVB for the marketing of Centennial Hall.

Presently, Dennis Egan is serving as the Assembly liaison to the JCVB and Jim Dumont is serving as the CBJ staff liaison to JCVB.

Attached are a copy of the incorporation papers, the by laws, and general information relating to JCVB.

PAP:etp

CITY/BOROUGH OF JUNEAU
ALASKA'S CAPITAL C

9/23

GRANT AGREEMENT BETWEEN THE CITY AND BOROUGH OF JUNEAU
AND THE JUNEAU CONVENTION AND VISITORS BUREAU

WHEREAS, the voters of the City and Borough of Juneau approved a two percent increase in the hotel-motel room rental tax, and

WHEREAS, the Assembly adopted Resolution Serial Number 1036 establishing Assembly intent to utilize the proceeds of the two percent increase as follows:

RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 1036

A RESOLUTION ESTABLISHING THE ASSEMBLY INTENT TO UTILIZE THE PROCEEDS OF THE PROPOSED TWO PERCENT INCREASE IN THE HOTEL-MOTEL ROOM RENTAL TAX TO PROMOTE TOURISM DEVELOPMENT.

WHEREAS, the assembly supports the development of tourism as a major basic industry in Juneau, and

WHEREAS, the city and borough and the local tourism industry jointly sponsored a workshop in January 1984 to discuss ways to improve the tourism industry through cooperative efforts, and

WHEREAS, one of the recommendations from that workshop was to study the feasibility of developing a convention and visitor organization to coordinate and sponsor joint programs to encourage tourism,

WHEREAS, an Interim Convention and Visitors Bureau was formed, and

WHEREAS, the Board of Directors of the Interim Juneau Convention and Visitors Bureau has presented to the assembly a plan to develop a Juneau Convention and Visitors Bureau, and

WHEREAS, the assembly has given conceptual approval to the plan, and

WHEREAS, one source of revenue for the Juneau Convention and Visitors Bureau is recommended to be the proceeds of a two percent increase in the existing hotel-motel room rental tax;

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

1. That the assembly supports the development of a Juneau Convention and Visitors Bureau with the overall purpose to coordinate public and private local resources to increase the number of visitors to Juneau.

2. That the assembly recognizes the hotel-motel room rental tax is paid primarily by visitors to Juneau and is an appropriate source of revenue to undertake programs to increase the number of visitors and tourists to Juneau, and thereby, expand the tourism industry and its contribution to the local economy.

3. That it is the intent of the assembly to utilize the proceeds of the proposed two percent increase in the hotel-motel room rental tax to be submitted to the voters in October 1984 to partially fund the Juneau Convention and Visitors Bureau upon assembly approval of a specific budget, activity program, and reporting system for the bureau relating to the fiscal year of the city and borough.

Adopted this 4th day of June, 1984.

WHEREAS, the Assembly in Ordinance 84-22 (ag) appropriated $70,000 to partially fund the Juneau Convention and Visitors Bureau from January 1, 1985, through June 30, 1985, based on a budget submitted by the bureau;

WHEREAS, the Juneau Convention and Visitors Bureau (JCVB) is an incorporated entity with the following mission and goals adopted by the board of directors:

JCVB MISSION

The Juneau Convention and Visitors Bureau is a non-profit organization whose purpose is to coordinate local resources to increase the number of visitors to Juneau.

Supporting Narrative:

The Juneau Convention and Visitors Bureau would represent the City and Borough of Juneau in the solicitation of all types of travelers to our area -- whether they visit for business, pleasure, or both.

It would be the "catalyst" that brings together the interests of city government, trade and civic associations, and individual travel suppliers -- hotels, motels, retaurants, attractions, transportation, and other business in increasing outside visitor traffic to our area.

The Juneau Convention and Visitors Bureau would be the City and Borough of Juneau's liasion between potential visitors in our area and the businesses which will host them when they arrive. It would act as a central informational clearing house, a convention management consultant, and a marketing and promotional agency.

JCVB GOALS

1. TO DEVELOP AND IMPLEMENT AN ORGANIZATION WHICH WILL ACT AS THE COOPERATIVE SOURCE OF CONTACT FOR VISITORS INTERESTED IN COMING TO JUNEAU.

2. TO DEVELOP AND IMPLEMENT AN ONGOING MARKETING AND INFORMATIONAL PROGRAM WHICH WILL SELL THE CAPITAL CITY OF JUNEAU AND ITS ATTRACTIONS TO POTENTIAL VISITORS.

3. TO RESERVE THE NEGATIVE TREND OF TOURISM IN SOUTHEAST ALASKA AND PROMOTE THE POSITIVE GROWTH OF THE NUMBER OF VISITORS COMING TO OUR AREA.

4. TO CONTACT AND PERSUADE CONVENTION GROUPS TO COME TO JUNEAU, THUS REDUCING THE BURDEN OF THE OPERATING DEFICIT OF CENTENNIAL HALL AND INCREASING THE AMOUNT OF REVENUES COMING TO JUNEAU.

5. TO ASSIST IN DEVELOPING AND IMPLEMENTING QUALITY VISITOR'S SERVICES PROGRAMS TO BENEFIT THE VISITOR UPON HIS ARRIVAL TO JUNEAU.

6. TO ASSIST IN DEVELOPING AND IMPLEMENTING ADDITIONAL TRAVEL ITINERARY ALTERNATIVES TO SOUTHEAST ALASKA FOR THE POTENTIAL VISITOR.

GRANT AGREEMENT BETWEEN THE CITY AND BOROUGH OF JUNEAU AND THE JUNEAU CONVENTION AND VISITORS BUREAU

This is an agreement between the City and Borough of Juneau (CBJ) and the Juneau Convention and Visitors Bureau (JCVB) on September 23, 1987.

WHEREAS, the JCVB has submitted to the CBJ Assembly a marketing plan for convention and visitor solicitation, a visitor services operation plan and a budget identifying specific activities of the total plan and

WHEREAS, in order to provide such services, the JCVB requires compensation to implement activities identified in the marketing and operations plan and

WHEREAS, the JCVB has submitted a specific marketing plan for Centennial Hall with identified activities and program expenses for fiscal year 1988;

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES CONTAINED HEREIN, THE PARTIES AGREE AS FOLLOWS:

1. The JCVB shall participate in the CBJ's annual budget process according to a schedule and directions provided by the CBJ Assembly. An annual budget and marketing plan for the upcoming fiscal year will be submitted to all members of the CBJ Assembly and the City Manager prior to the scheduled budget process.

2. The JCVB will submit quarterly financial activity reports 30 days after the close of each quarter (the first quarter beginning with July) to the CBJ Assembly and City Manager.

3. The JCVB shall provide for an annual audit of its finances by a Certified Public Accountant and submit the document to the City Manager.

4. The JCVB shall defend, indemnify, and hold harmless the CBJ from any claim whatsoever arising from the activities of the JCVB, its officers, employees, and directors.

5. The JCVB shall acquire and maintain workers compensation insurance for all of its employees. The JCVB shall also acquire and maintain insurance for automobile liability, general liability, and corporate legal liability in amounts for risks specified by the CBJ Risk Manager.

6. The CBJ and JCVB will work together, in a cooperative effort, to share statistical information for administrative purposes.

7. The financial and other records of the JCVB will be available at all times to the CBJ during normal working hours.

8. As stated in Resolution 1036, the intent of the Assembly is to utilize the proceeds of the 2% hotel-motel room tax to fund the activities of the JCVB. If the JCVB proposes a budget below the revenue from the 2% tax, the excess revenue shall be reserved in a fund for future funding requests by the JCVB.

9. The JCVB shall make every reasonable effort to comply with the m and reach the goals as adopted by its Board of Directors and set out in the recitals hereto.

10. The CBJ Administration shall provide, in full, the grant allocations as appropriated by the CBJ Assembly, to the JCVB at the beginning of each year.

11. The JCVB may occupy and use the Davis Log Cabin and associated office equipment for the purpose of providing the services. JCVB will provide all routine maintenance for said facility including janitorial and individual repairs under $500.00. The CBJ will provide all annual major maintenance to said facility in excess of $500.00.

12. The CBJ agrees to pay the JCVB 40% of the 5% hotel-motel room tax (formerly referred to as "2% of the bed tax"), plus $94,000 for the marketing of Centennial Hall and $64,400 for the administration and operation of the Davis Log Cabin Visitor Information Center.

13. In exchange for this compensation, the JCVB shall implement the planned activities proposed in the Centennial Hall marketing plan, not to exceed the proposed $94,000. The JCVB will provide the City with quarterly reports that include data specific to the Centennial Hall marketing activities found in the attached proposal.

14. In addition, the JCVB will:

(a) Waive JCVB membership fees for Centennial Hall.

(b) Provide complimentary space in the JCVB newsletter for the Centennial Hall Manager's editorial use. Complimentary copies of the quarterly newsletter will be sent to all local media, the members of the Assembly, and Centennial Hall Advisory Committee members.

15. In addition to providing financial resources for the convention marketing activities of Centennial Hall, the CBJ, through its Centennial Hall staff, shall provide for local and statewide advertising that is related to convention solicitation, for the local meeting planner seminar, for printing of the 4-color Centennial Hall brochure with accompanying rates, policies and procedures guide, and for materials commonly distributed to Centennial Hall user groups, such as pads and pens.

16. This agreement terminates June 30, 1988, and is subject to renewal thereafter upon written agreement of both parties.

Dated this __________ day of ________________, 1987.

CITY AND BOROUGH OF JUNEAU, ALASKA

By: ______________________________
Kevin C. Ritchie, City Manager

JUNEAU CONVENTION AND VISITORS BUREAU

By: ______________________________
Kimberley A. Tyner, President

REVISION #1

CONTRACTUAL PROPOSAL

FOR CONVENTION SOLICITATION FOR CENTENNIAL HALL

* PL = Per Lead

1.	Overhead/Administration		$ 26,016
2.	CBJ Required Activity/Progress Reports (Monthly, Quarterly, Annual) and Meetings		4,352
3.	Slide Show		1,500
4.	Advertising		8,500
5.	Stock Supply of Promo Items and Brochures		6,000
6.	Public Relations and Press Kits		1,118
7.	Convention/Meeting Assistance for Centennial Hall <u>only</u> and Materials for delegates		6,160
8.	Site Inspections - (4 Planners)		1,292
9.	Directories, Convention Lists, Memberships		2,960
10.	Developing New Leads:	15 National (Reduce to 10)	4,976/$497 PL
		16 Statewide (Reduce to 8)	3,535/$441 PL
11.	FAM Trip (7 Planners)	(Eliminate Totally)	-0-
12.	Meeting Planner Seminars		
		(1) National	4,464/$112 PL
		(1) Statewide	3,140/$ 78 PL
13.	Convention Bids:	Formal 18% (Reduced to 4)	11,668/$2917 per bid
		Informal (82%)	14,980/$ 428 per bid
14.	Tradeshows:	(35-45 leads) National	5,594/$143 PL
		(5-6 leads) Smaller Regional (Eliminate smaller show)	-0-
TOTAL			$106,255
Less State Grant Appropriation			<u>12,722</u>
			$93,533

NEEDED OPTION: Tradeshow Display Booth $ 1,500 upgrade

5,000 new display

Presented by: COW
Introduced: 07/22/2019
Drafted by: R. Palmer III

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2019-36

An Ordinance Temporarily Increasing the Hotel-Motel Room Tax by Two Percent, from Seven Percent to Nine Percent, for a Fifteen Year Period, and Providing for a Ballot Question Ratifying the Increase.

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

Section 1. Classification. Section 2 of this ordinance, if approved by a majority of qualified voters voting on the question in accordance with Sections 3 and 4, shall be of a general and permanent nature and shall become a part of the City and Borough code. Sections 3 and 4 are noncode sections.

Section 2. Amendment of Section. CBJ 69.07.020 Imposition of hotel-motel room rental tax, is amended to read:

69.07.020 Imposition of hotel-motel room rental tax.

(a) The City and Borough hereby levies a tax on hotel-motel room rentals for transients equal to nine percent of the room rent from January 1, 2020, to December 31, 2034. The tax imposed under this chapter shall automatically return to seven percent on January 1, 2035. The tax shall be applicable to all room rentals for transients unless the rental is specifically exempted from taxation by constitution or other valid law.

. . .

Section 3. Submission to the Voters. The question of whether to temporarily increase the rate of the hotel-motel room tax from seven to nine percent from January 1, 2020, to December 31, 2034, shall be submitted to the qualified voters of the City and Borough at the next regular municipal election. The Municipal Clerk shall prepare the ballot proposition as provided by this ordinance and shall perform all necessary steps in accordance with law to place this proposition before the voters.

Section 4. Proposition. The proposition to be submitted to the voters as required by Section 3 shall read substantially as follows:

Explanation

Juneau currently levies a seven percent tax on hotel-motel room rentals. This ballot proposition, if approved by the voters, would temporarily increase the hotel-motel room rental tax from seven percent to nine percent from January 1, 2020, to December 31, 2034. The two percent increase is projected to raise $440,000 annually.

It is the intent of the Assembly to use this increase in the hotel-motel room rental tax to provide funding for the construction of capital improvements for Centennial Hall. The tax proceeds could also be used to help pay for general obligation debt service related to Centennial Hall.

PROPOSITION NO. ___

Authorization to Temporarily Increase the Hotel-Motel Room Tax from Seven to Nine Percent Effective January 1, 2020, until December 31, 2034.

Shall the City and Borough of Juneau temporarily increase the tax on hotel and motel transient room rentals from seven percent to nine percent for fifteen years?

YES [ ]
NO [ ]

Section 5. Effective Dates.

(a) The amendment of CBJ 69.07.020(a) set forth in Section 2 of this ordinance shall become effective on January 1, 2020, if the proposition required by Sections 3 and 4 of this ordinance is approved by a majority of the qualified voters of the City and Borough voting on the proposition at the next regular municipal election.

(b) Sections 3 and 4 of this ordinance authorizing the submission of the ballot proposition to the qualified voters of the City and Borough shall be effective 30 days after adoption of this ordinance.

Adopted this 19th day of August, 2019.

Beth A. Weldon, Mayor

Attest:

Elizabeth J. McEwen, Municipal Clerk

Should You Vote for a New City Hall?

city hall

Wait, didn't we just vote on this?

Quite a lot has changed, doing nothing is not an option.

What is the best use of your money?

“Advocacy”

Alaska State Statute (AS 15.32.052) requires specific financial authorization from the governing body for CBJ to incur any "expenditure" related to the dissemination of *any information* which may be perceived as influencing the outcome of an election, including CBJ staff time.

We can all agree that CBJ should...

… operate efficiently and effectively,

… be easy to use (pay bills, participate, get info, etc)

… cost as little as possible.

Why New? Why Now?

We are in a failing building and can't bear the thought of wasting your money without an informed vote.

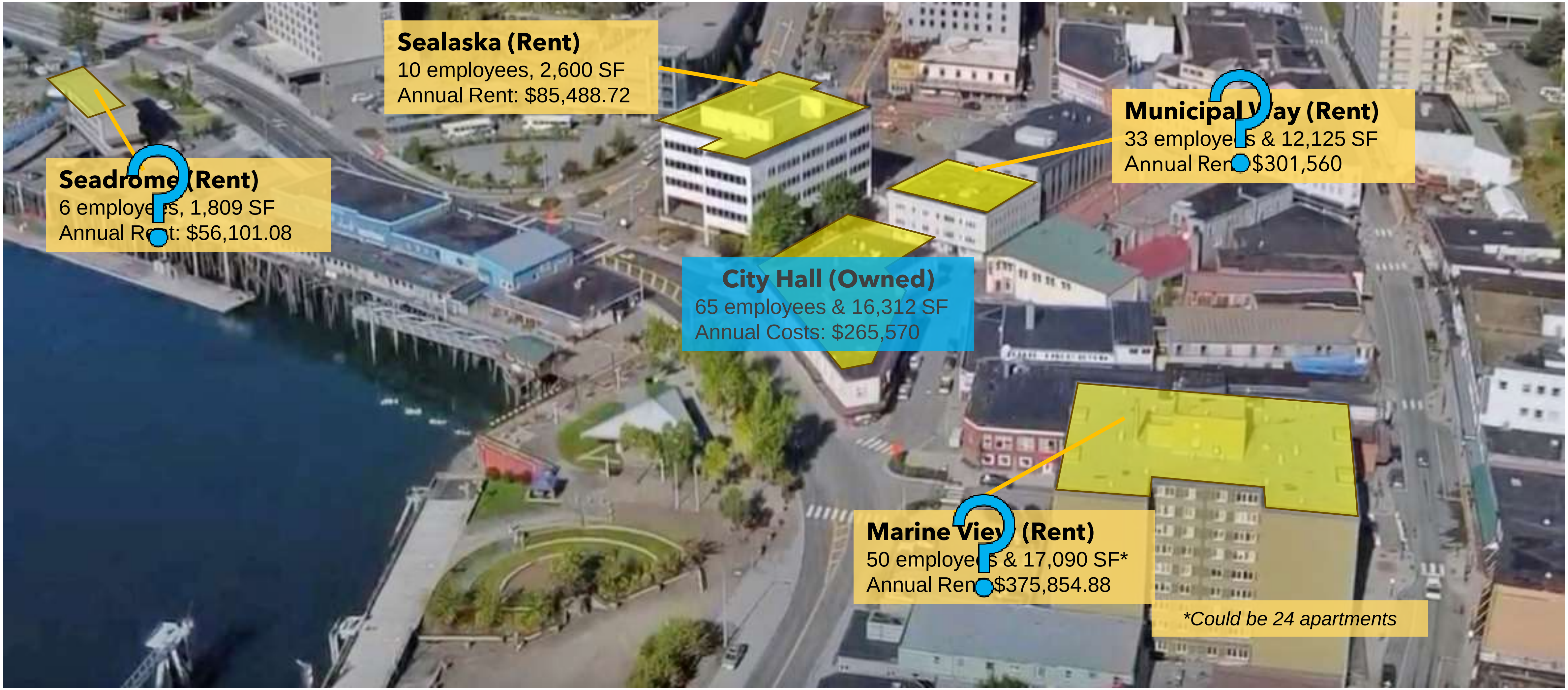
Way more than a coat of paint…

- 70 year-old building, fire station and a jail.
- Plumbing, electrical, roof, HVAC, asbestos, windows, more.

How did it get this bad?

Current Situation:

We own City Hall, rent space in four buildings.   164 employees in 50,000 SF



Current Situation:

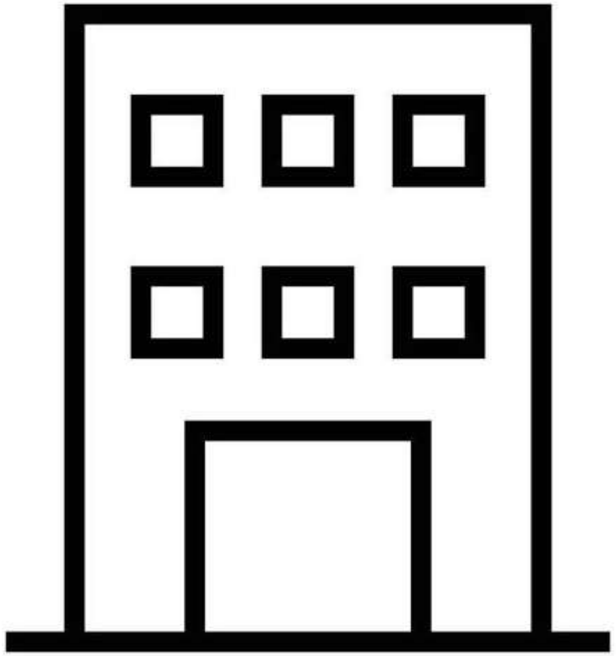
Office Space	**Est. Number of Employees**	**Square Footage**	**2023 Monthly**	**2023 Annual**	***2033 Annual (Est.)***
Sealaska Plaza (leased)	10	2,600	$7,124.06	$85,488.72	*(see note)*
Municipal Way Building (leased)	33	12,125	$25,130.00	$301,560.00	-
Marine View Building (leased)	50	17,090	$31,321.24	$375,854.88	-
Seadrome Building (leased)	6	1,809	$4,675.09	$56,101.08	-
Leased Subtotal	**99**	**33,624**	**$68,250**	**$819,005**	***$1,387,916***
City Hall (155 S Seward Street)	65	16,312	*$22,131**	*$265,570**	*$453,076**
Total	**164**	**49,936**	**$90,381**	**$1,084,570**	***$1,840,992***

Due to uncertainty of existing leases,
2033 assumes 33,624 sq ft at $2.60/sf and a 3.5% annual increase.

**Notes operational costs, all others included in lease amounts.*

Rent, Lease or Buy?

- Need it for a week/month? **Rent...**
- Need longer, but unsure how long? **Lease/Lease to buy...**
- In Business Forever? **OWN.**

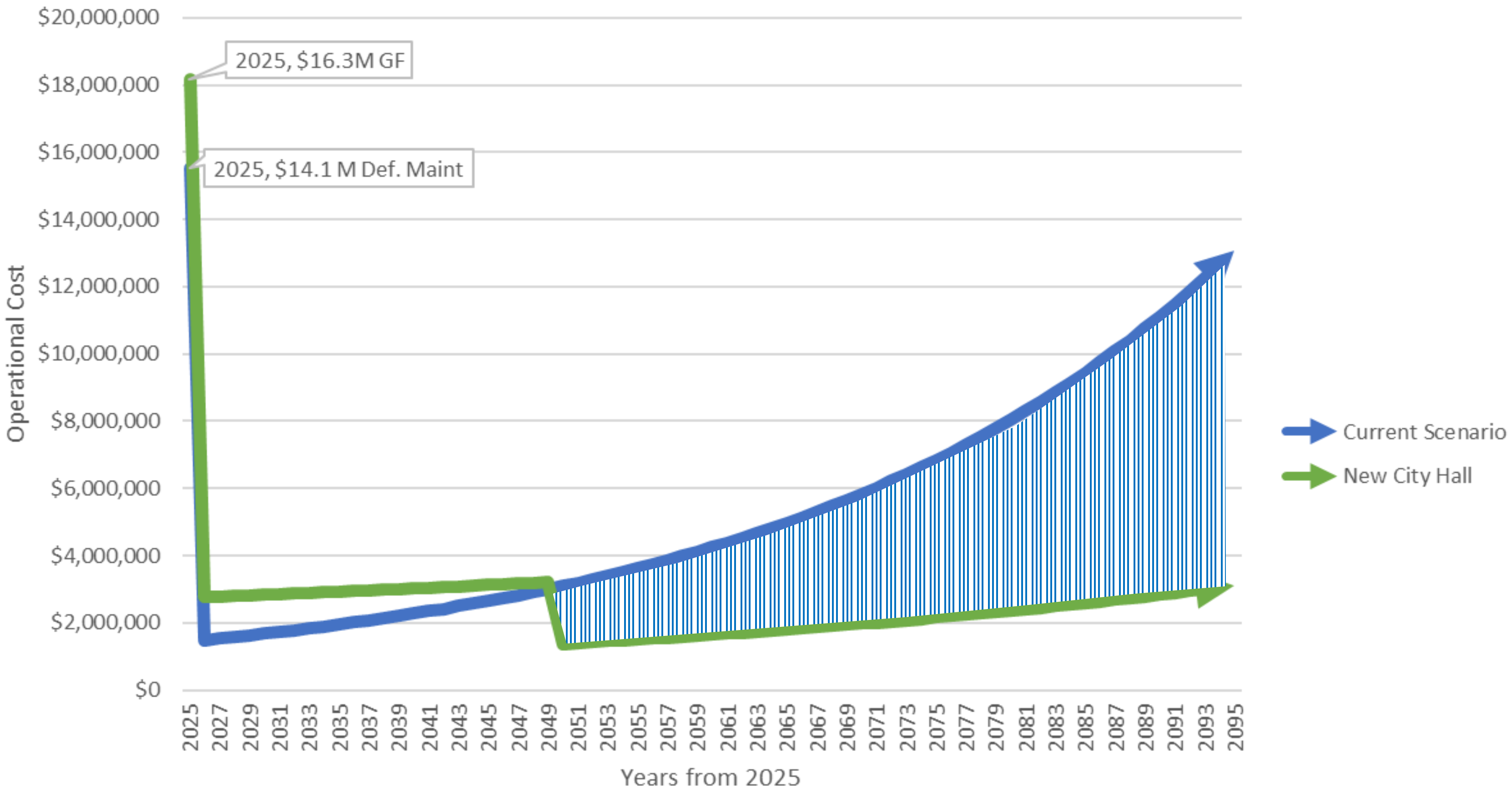


Class B Office Space:
Efficient, Functional, Accessible

Let's talk about a NO Vote.

The Fiscally Responsible Choice:

Cost Comparison – Current vs. New City Hall

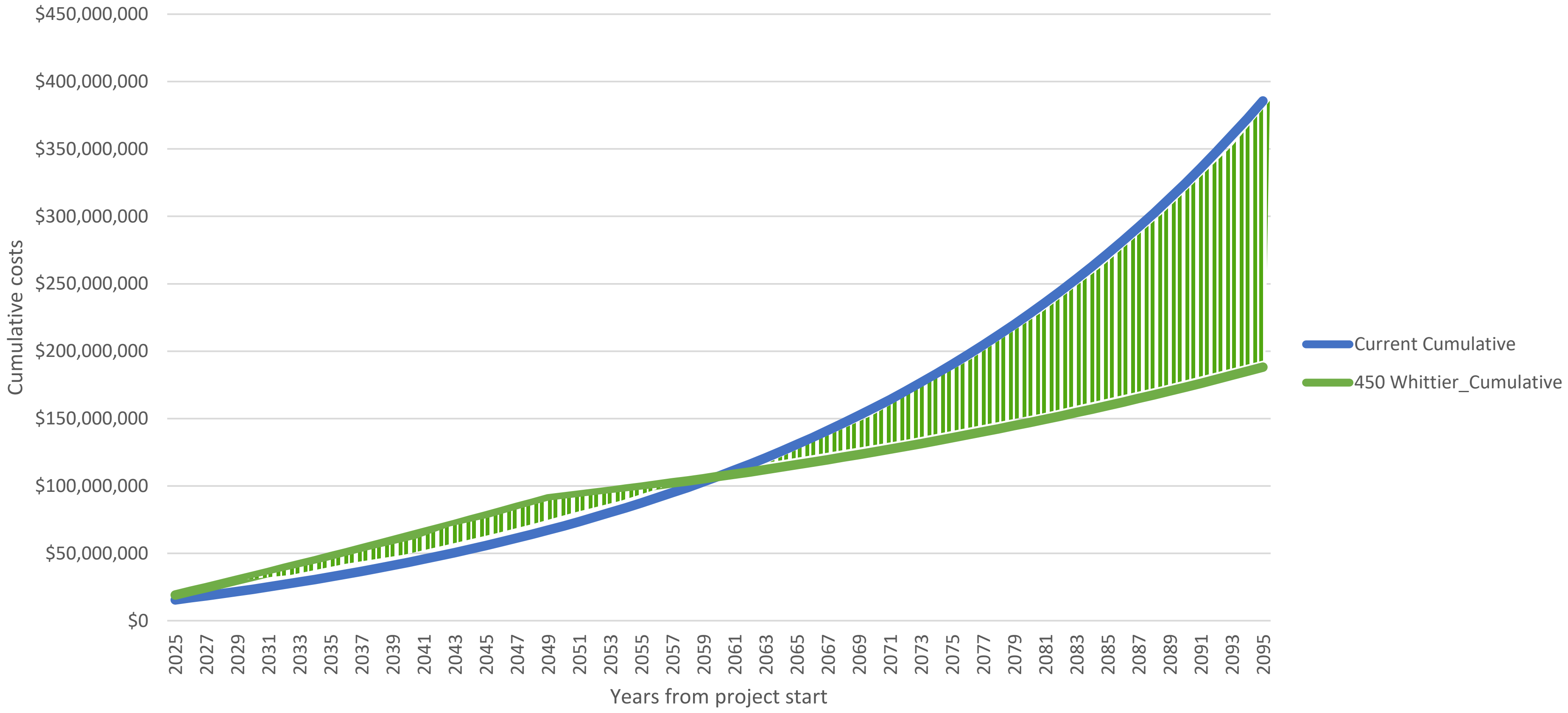


Renovation/Project Funds + Rent/Debt Service Payment + R&R + O&M

*Assumes nearly 50% increase in O&M (maintenance, utilities, etc.) for New City Hall due to larger consolidated building.

Cumulative Cost Comparison

(Rent/Debt Service Payment + R&R + O&M)



**Assumes nearly 50% increase in O&M (maintenance, utilities, etc.) for New City Hall due to larger consolidated building.*

Rental Cost Components:

= Cost of Capital (Profit)
= Utilities
= R&R
= O&M

Ownership Cost Components:

~~= Cost of Debt~~
= Utilities
= R&R
= O&M

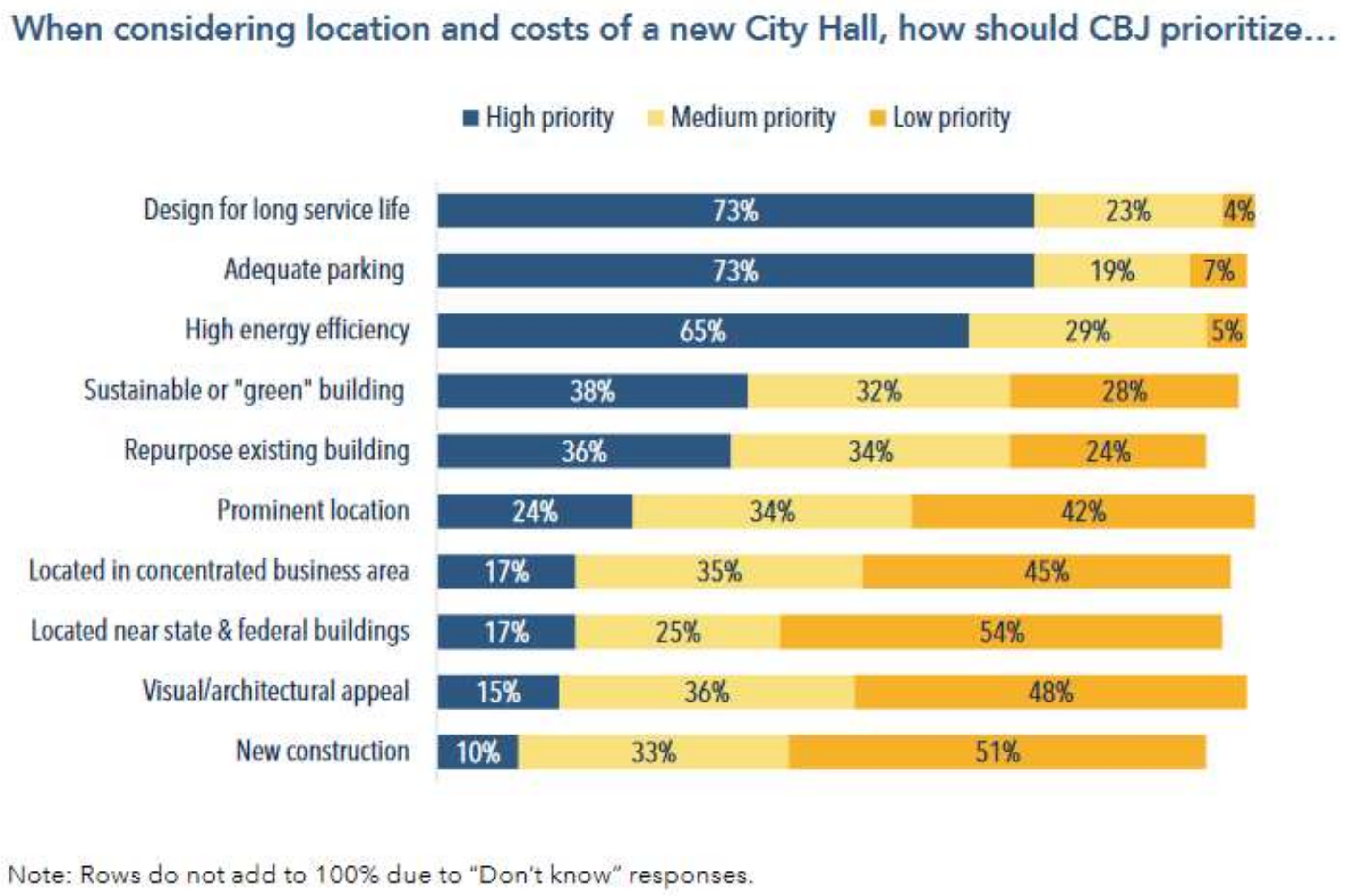
What did public polling support?

Table 9. How supportive are you of CBJ developing a new City Hall versus continuing to rent office space? (%)

	Total n=1,316	Downtown/ Thane n=243	W. Juneau/ Douglas n=298	Valley/ Out The Road n=632	Salmon/ Lemon/ Switzer Ck n=127
Supportive NET	**74**	**79**	**72**	**73**	**78**
Very supportive	39	46	37	37	43
Supportive	35	33	35	36	35
Opposed NET	**18**	**11**	**21**	**18**	**19**
Opposed	8	6	9	9	6
Very opposed	10	5	12	9	13
Don't know	9	11	8	9	2

CBJ New City Hall Survey, Fall 2021. Conducted by McKinley Research Group

Location Selection: Low O&M and Easy Access



CBJ New City Hall Survey, Fall 2021. Conducted by McKinley Research Group

Location Selection Process:

Dozens of sites considered over two years,

Based on community input and professional real estate analysis.

All existing buildings considered either…

- were not available (for lease or purchase)
- lacked needed square footage,
- required significant displacement of State employees, and/or
- required a cost prohibitive renovation.

Sites considered (*non-exhaustive*)**:**

- Walmart Building
- Assembly Building
- JDHS
- Rock Dump
- Marine View
- Former Gastineau Apartments
- Downtown Library
- Goldbelt Building (APFC)
- Diamond Park
- Lemon Creek Gravel Pit
- Bill Ray Center
- Vintage Park
- Renninger Skate Park
- Capital Office Park (Fish & Game Bldg)
- Downtown Transit Center
- Jordan Creek Center
- Mendenhall Mall (with annex)
- Nugget Mall
- Goldstein Building
- NOAA site
- 410 Willoughby
- 400 Willoughby
- Dept of Transportation (Juneau 1, LLC)
- Current City Hall (Renovation)
- 450 Whittier (Selected site)

Long Public Process, Ongoing...

New City Hall Public Meeting Milestones

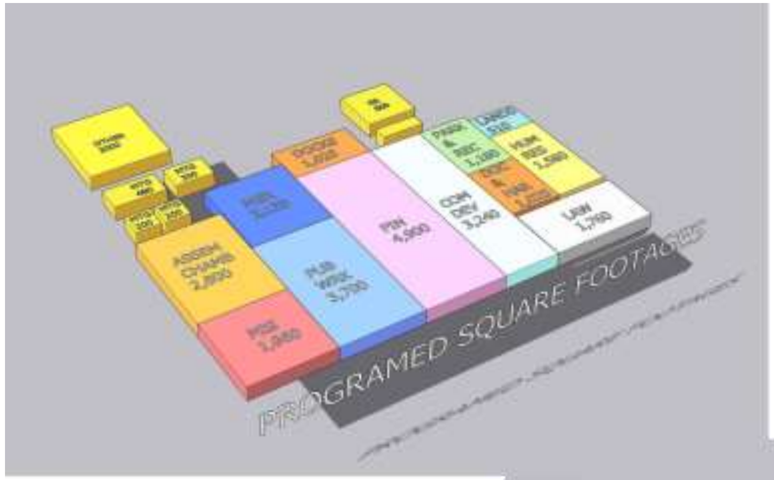
Date	Milestone
Aug. 8, 2021	PWFC approves process
Oct. 15- Nov. 15	Survey: results posted and shared at PWFC
Dec. 20, 2021	PWFC refines sites to 4
Jan. 26. 2022	Public Meeting #1
Feb. 14, 2022	PWFC: refines sites to 2
Feb. 22, 2022	Planning Commission Review
Mar. 7, 2022	PWFC: review economic analysis & select preferred alternative
Mar. 7, 2022	COW: site selection overview
April 11, 2022	COW: select preferred alternative
May 19, 2022	Public meeting #2
June 6, 2022	COW: Conceptual design presented
July, 2022	PWFC & Assembly: Introduce bond ordinance to put bond question on ballot
August, 2022	Assembly approves $35M bond ordinance
October 4, 2022	Municipal Election, ballot proposition re: $35M bond ordinance fails by approx. 200 votes
November 28, 2022	PWFC: New City Hall – What's Next
December 19, 2022	PWFC: Existing City Hall Deferred Maintenance Analysis
May 10, 2023	Assembly Finance Committee, Review of Existing Facilities Analysis
May 17, 2023	Assembly Finance Committee, Review of $10M General Fund for NCH and Existing Site Analysis
June 5, 2023	Assembly Committee of the Whole work session
June 7, 2023	Assembly Finance Committee Discussion of CBJ Bond Capacity and Planning
June 12, 2023	Assembly and Finance Committee: Introduce public information ordinance, bond ordinance
June 26, 2023	Assembly approves public information ordinance
July 10, 2023	Assembly approves bond ordinance
Fall 2023	*CBJ Open House, New City Hall (Date TBD)*
October 3, 2023	*CBJ Municipal Election Day*

city hall

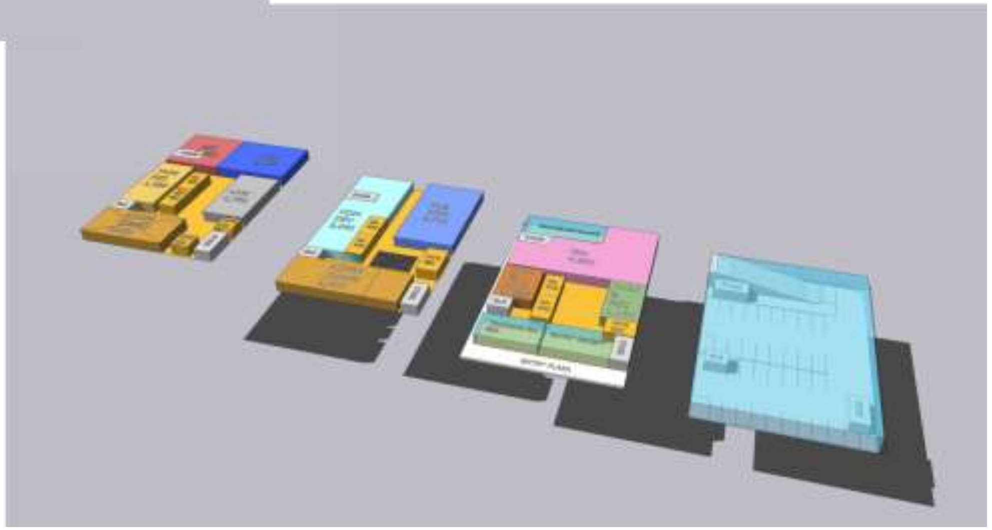
450 Whittier Street

- Cost Effective (CBJ owned property)
- Zoning (LC, GC, MU, and NC)
- Space Needs: 46,200 SF for 164 staff
- ADA Compliance
- Parking and improved area accessibility

The Details: Project Scope



city hall
450 Whittier Street



- 46,200 SQ FT
- 160+ EMPLOYEES
- ASSEMBLY CHAMBERS
- PUBLIC MEETING ROOMS & RESTROOMS
- DEDICATED PUBLIC PARKING
- ENERGY EFFICIENT
- DESIGNED FOR LONG SERVICE LIFE

Parking & Transportation

Public:

- Dedicated ADA-accessible underground parking
- Plus 36 on-street parking spaces
- Three bus stops (13 routes) within 500 ft

Employees:

497 spaces on-site, many options for parking

- CBJ-owned lots
- Downtown Transit Center
- Tidelands
- North State Office Building

*Move would free up 150+ parking permits in Marine Parking Garage

city hall
450 Whittier Street

Project Cost & Budget

Estimated Construction
+ Development Costs: $43.3M

- Includes 5% Escalation
- Design-Build Procurement

Funding Sources:

- CBJ General Funds: $16.3 Million
- Proposed Bond Amount: $27.0 Million

(Est. Value of Current City Hall: $4.4 Million)

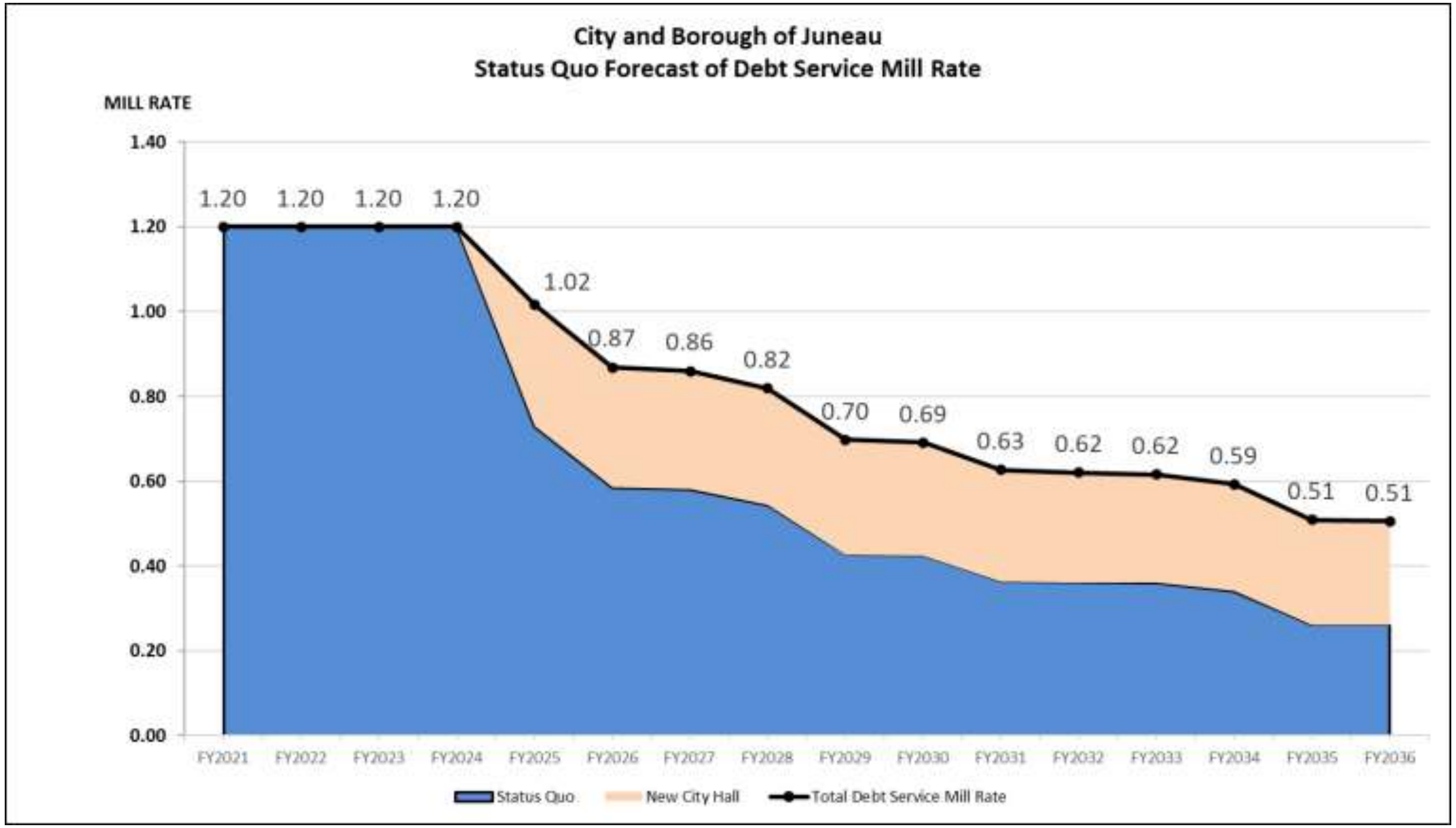
Description	450 Whittier Stre
General Area in Square Feet	46,200
2022 Building Construction Costs	
Estimated construction cost	$18,736,000
General requirements	$2,248,320
Tax, Permits, Bond, Ins.	$655,760
Fee	$1,311,520
Contingency	$2,810,400
Escalation 5% 2 years	$2,576,200
Construction Cost Total	**$28,338,200**
2022 Development Costs	
Owner costs	$2,550,438
Design CA, SI	$3,825,657
Permitting	$283,382
Owner's bidding contingency	$3,117,202
Development cost total	**$9,776,679**
Parking	
Parking Construction, 36 spaces	$2,288,497
Parking Development costs	$868,485
Parking Project Cost total	**$3,156,982**
2022 Project Cost Total	$41,271,861
Escalation 5% 1 year	$2,075,070
2023 Total Project Cost Estimate	$43.3 million

Design + Build Method

Traditional Method

The Details: Debt Service Mill Rate

The proposed bond will not increase property taxes.



Where do your

Property Taxes

go in Juneau?

For each dollar of property tax revenue collected $0.46 is spent on education, $0.42 is spent on city services and $0.12 repays voter-approved debt.

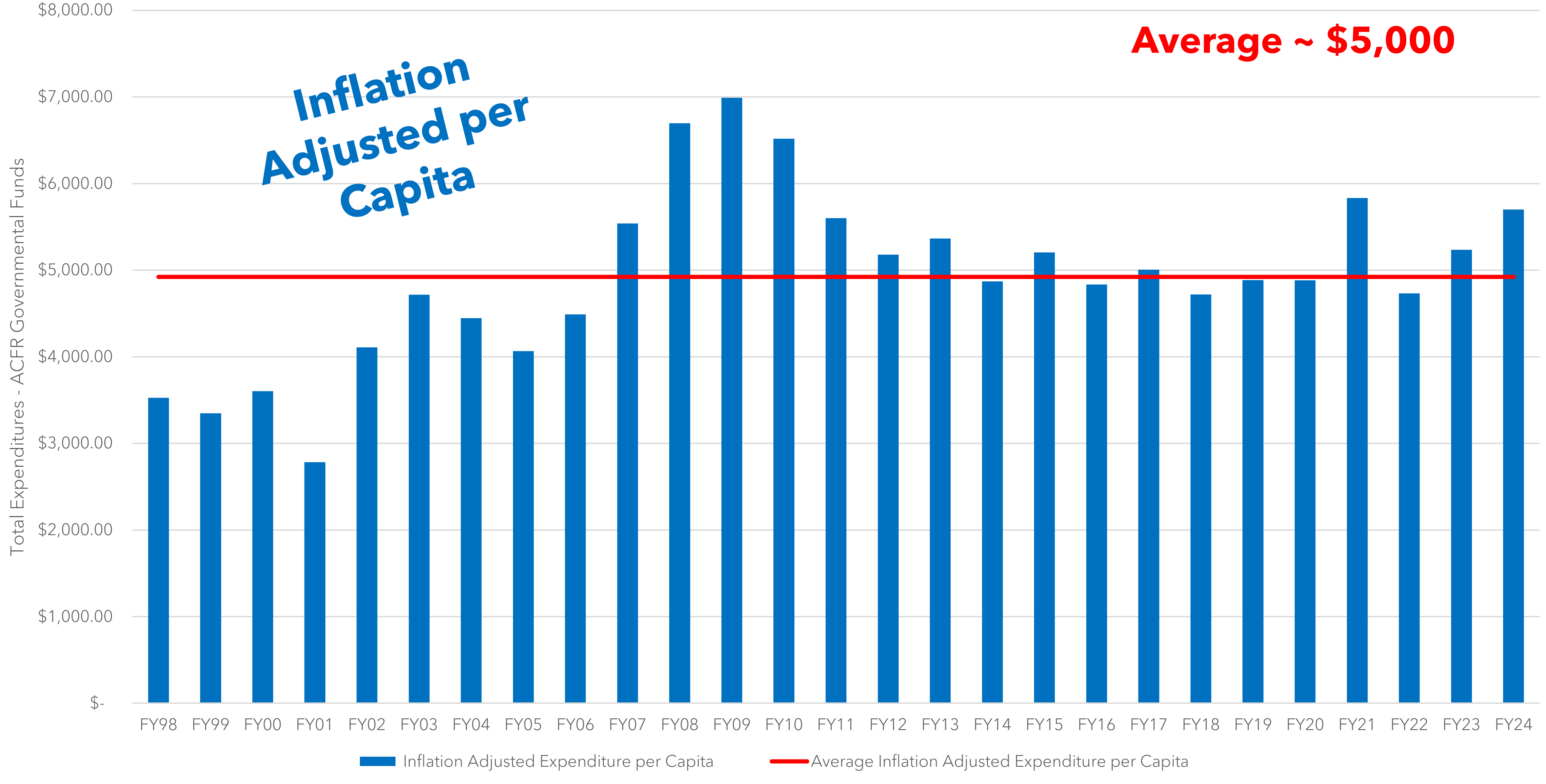
Education
$0.46 ↘

City Services
$0.42 ↘

Voter-Approved Debt
$0.12 ↘

Inflation Adjusted General Government Spending - Per Capita

Indexed to 2023 Dollars



The Details: Ballot Measure 1

PROPOSITION NO. 1

GENERAL OBLIGATION BONDS

$27,000,000

For the purpose of constructing and equipping a new city hall, including below ground parking within the city and borough, shall the City and Borough of Juneau, Alaska, issue and sell its general obligation bonds, maturing within 25 years of their date of issue, in the aggregate principal amount of not to exceed $27,000,000?

Vote Yes on 1

- PAY LESS GET MORE, SAVE MORE
- MOST EFFICIENT OPERATIONAL CHOICE
- EASIEST ACCESS FOR PUBLIC USE
- FREE UP SPACE FOR HOUSING AND COMMERCE

city hall

Find out more!

bit.ly/cbjcityhall

Paid for by City & Borough of Juneau • 155 South Seward St. • Juneau, AK 99801 • Rorie Watt, City Manager