THE CITY AND BOROUGH OF JUNEAU, ALASKA
SPECIAL ASSEMBLY MEETING
Meeting Minutes – July 12, 2021

I. CALL TO ORDER:

The Special Assembly Meeting of the City and Borough of Juneau Assembly, held virtually via Zoom webinar, was called to order by Mayor Beth Weldon at 11:00 a.m. Mayor Weldon apologized for calling a Special Assembly meeting for 11:00 a.m. on a Monday morning but said that the grant application deadline is at 1:00 p.m. so there was need to call the Special Meeting for this unique time. She noted that Ms. Triem was traveling and would not be able to join the meeting and that Ms. Hughes-Skandijs may or may not be able to join the meeting.

II. LAND ACKNOWLEDGEMENT

Mayor Weldon acknowledge that the City and Borough of Juneau is on Tlingit land, and wished to honor the indigenous people of this land. For more than ten thousand years, Alaska Native people have been and continue to be integral to the well-being of our community. We are grateful to be in this place, a part of this community, and to honor the culture, traditions, and resilience of the Tlingit people. Gunalchéesh!

III. ROLL CALL

Assemblymembers Present: Mayor Beth Weldon, Loren Jones, Maria Gladziszewski, Wade Bryson, Michelle Hale, Christine Woll, and Greg Smith

Assemblymembers Absent: Alicia Hughes-Skandijs, Carole Triem

Also Present: Deputy City Manager Mila Cosgrove, Deputy City Manager Robert Barr, City Attorney Robert Palmer, Municipal Clerk Beth McEwen, Deputy City Clerk Diane Cathcart, Assistant City Attorney Sherri Layne, Engineering/Public Works Director Katie Koester, Docks and Harbors Board Chair Don Etheridge, Port Director Carl Uchytil, and Port Engineer Eric Schaal

IV. APPROVAL OF AGENDA

The agenda was approved as presented.

V. AGENDA TOPICS

A. Resolution 2958(b) A Resolution of the City and Borough of Juneau in Support of the U.S. Department of Transportation and the Rebuilding American Infrastructure with Sustainably and Equity (RAISE) Grant Program.

This Resolution supports application by CBJ Docks and Harbors for a federal grant from the US Department of Transportation, known as a RAISE grant. If awarded, the grant would provide funding for electrification of cruise ship docks owned by the City and Borough. Total project cost for the required municipal infrastructure (including power transformation) is estimated at approximately $21 million dollars.

Under the federal rules, Juneau would be considered a rural community applicant and as such, no match is required. However, expressing a willingness to provide a local match will enhance the scoring of the application.

The Assembly adopted Resolution 2958 on June 14, 2021. Version (b) of this resolution has been amended to give the Assembly an opportunity to provide a nonbinding dollar amount for match funding.

This topic was discussed by the Assembly Committee of the Whole on June 7, 2021.

The City Manager recommends the Assembly pick a maximum match amount and then adopt this resolution.

Ms. Gladziszewski asked for clarification as to the amount of the grant being requested. Ms. Gladziszewski said that the grant documents she had seen listed the grant amount at approximately $24.9 million dollars. She noted that Ms. Cosgrove just listed the amount at $21 million dollars so she was asking for clarification as to which grant amount was correct.

Ms. Cosgrove clarified that the $21 million was the amount listed in the original resolution. She said that the grant application form had an amount that was closer to $25 million dollars ($24,900,000 and change).

PUBLIC COMMENT:
None.

ASSEMBLY ACTION:
<u>**MOTION**</u> by Ms. Gladziszewski to put the match number in the resolution at 20% of the grant application amount. She said that 20% would be approximately $4.9 million.

In speaking to her motion, Ms. Gladziszewski said that while they understand that rural communities are not required to do any match but that the urban communities are required to do 20% and that is the reason she is proposing the 20% amount in her motion. She said that this is not binding on us now but this is a project that the Assembly has heard time and again from the community that they support. It is a $25 million dollar project that CBJ would be hard pressed to come up with $25 million to do but that $5 million in passenger fees over the course of a few years seems very doable. She said that she hopes they would get 100% but she was willing to put forward 20% as the local match.

Mr. Jones objected. He said that he has some concerns that this a non-binding resolution. Future Assemblies in 2022, 2023, and 2024 may have to come up with whatever match this Assembly puts forward. He said that he finds it difficult to talk about a $4.9 million figure that the Federal government may want to hold future Assemblies to. He said that this Assembly, over the last year, has spent a considerable amount of time to decide how to spend federal money. He said this discussion is coming up at an 11:00a.m. meeting for a grant deadline that is due at 1:00 p.m. He said that he has some significant problems with this. He said that since it is non-binding, they can say any number they want. However, the Assembly and CBJ may be the only people who see this as non-binding. He said that many of the people in this may have to deal with this decision and find out how to fund this whether it would be through a bond package or passenger fee money that they may want to use for other things. He said that this is a significant dollar amount and almost as much or more than they spent for United Human Services, Sealaska Heritage, and the Glory Hall combined. He said that while this Assembly may think of it in terms of passenger fee monies, members of the public may think of it as their tax dollars. He said that by having no comment, people have either not heard about this or are concerned by it and other than the members of JCOS, it is likely most of the public is not aware of this.

Mr. Jones said that he understands that this may be short of votes to pass as there are two members missing. He said that while he may not vote against the resolution, he did want to publicly state his concerns. He said that he has a real problem with obligating future Assemblies with a non-binding resolution that many others may hold as binding.

Ms. Hale pointed out that the resolution that had passed on June 14, 2021 stated that "The Assembly of the City and Borough of Juneau supports providing a local match as required by the grant agency." She said that because they did not include a specific amount in the resolution for the match, no match was included in the grant application. She said that the Assembly was clear on June 14 that a match would be provided. She said that providing an actual number, we are being clearer and the grant application can be amended and submitted by the 1:00p.m. deadline. She said that they are talking about spreading this money over several years and although there are many other needs, including harbor needs, because this is marine passenger fee money, it can be spread over several years and she feels it is critical that an amount be identified so it can be included in the grant application to be able to strengthen that application.

Mr. Bryson noted that the community of Juneau has repeated and overwhelmingly asked for dock electrification so he doesn't have the same concerns as Mr. Jones about not receiving public input since they have heard from the public on multiple occasions in support of this project. He said that there are multiple options for repayment: bond capability, marine passenger fees, and other financial options. This is an excellent return on investment with a 4:1 federal match on CBJ dollars. He said this would generate millions of dollars in the local economy and has many positives for our community with very few draw backs. He said that since it is non-binding, they can go with a different amount if necessary and there are multiple options to finance it. He said that by including a number in the grant application as a match, they increase the likelihood of receiving the grant in the first place.

Mayor Weldon said she wished to object for purposes of asking questions.

Mayor Weldon asked Docks and Harbors staff how competitive we would be with this grant if they did not have a matching grant number or a number less than 20% included.

Mr. Uchytil said that they do know there will be a lot of competition for the $500 million dollars in rural grants under the RAISE program. He said that they are optimistic that because there is an emphasis with the current administration related to climate change and carbon footprint reductions, that they will be competitive. He said they don't know the other applications or the politics involved at the secretary level when awarding RAISE grants. He said that they think it is a strong grant application; it has the highest beneficial cost ratio that D&H has applied for in recent TIGER and BUILD grants. He said that it is hard for them to handicap how competitive it will be but he feels that it is a strong opportunity to be successful.

Mayor Weldon asked if there were any rules about the matching amount, if it could be spread out over the course of a number of years or if they needed to come up with the money all at once.

Port Engineer Eric Schaal answered that there were a couple of points to make about this. He said that term "non-binding" has been brought up a number of times. He said they will need to sign a contract with the Federal Government sometime after November. The process will be that the successful grant applications will be announced in November. The groups within the Federal government that will be administering each of the grants will reach out to the successful grantees and start the award process. That is where the approved match will need to be ready to be signed. He said that if an amount is determined today, he will want to start the process with Mr. Rogers to prepare the match documents for signing after November. Mr. Schaal said that the way the grant works is that it is a reimbursable grant. If they are selected for the $25 million project, they will show the feds that we have the matching amount that we said we did and that we have the funding to cover the construction and we would apply for reimbursement as the project proceeds. They don't give a lump sum, they just reimburse us for their portion of the project.

Mayor Weldon thanked Mr. Schaal for his response. She then asked if they commit to a 20% match, which would be roughly $5 million, how that would affect our marine passenger fees. She said that after two years of no cruise ships, she would guess we are in the hole with respect to those funds and asked Mr. Uchytil if he could speak to that question.

Mr. Uchytil said that he would prefer to have Mr. Roger's answer that question but since he wasn't available, with respect to the enterprise fund balance, Mr. Uchytil said that they will have $1.5 million remaining in that balance. Mr. Uchytil said that Mr. Schaal might be able to explain the timeline of the grant, the project and how the marine passenger fees portion could be spread out over several years.

Mayor Weldon thanked Mr. Uchytil and said that she withdrew her objections.

Mr. Smith said that he is supportive of getting a dollar figure in the grant application. He said they have heard from the public in support of this project and that this would be a pretty competitive project. He said that he shared some of Mr. Jones' concerns that the number they put down would be one they would be held to at a later date. He asked if a lower number would still keep us in the running but just not obligate them at such a high number. He also said that with respect to Mr. Schaal's explanation on the reimbursement process, he asked if they would need to fund a $25 million project with money that they may need up front to get reimbursed.

Mr. Schaal said that with respect to the match amount they set, the Assembly should plan on sticking to that number as he doesn't think the feds would look favorably on them changing the number later on. Whatever the Assembly feels comfortable with today is the number that will go into the grant application and that will be what the federal government will expect us to negotiate with them during the grant award process.

He said that with respect to funding, Mr. Rogers would do a better job explaining it. However, he said that they do have DOT grants from the state in which they receive 50% funding for anodes for instance. He said with those projects, Mr. Rogers' team finds ways to fund those projects through the city and then they are reimbursed for those funds from the state as they do the construction. He said that they would set up the Capital Improvement Project (CIP) for the full $25 million amount and some of that would include the CBJ match amount and some of it would a loan or some other financing mechanism that would then be paid as the reimbursements come in from the feds.

Ms. Gladziszewski said she did discuss some of these issues with Mr. Rogers. He was on a plane getting ready to take off at the time and could only say yes or no so it wasn't an extensive conversation but her understanding from that conversation was as Mr. Schaal just described it.

Ms. Gladziszewski said that secondly, with respect to Mr. Smith's question about a lower number, she also thought of that and it is a gamble. She said that she would want the smallest number that would get them the grant. She said that she doesn't know if that should be 10% or 5% but Juneau is a community with the ability to provide this match with passenger fee and other revenue. She said the citizens have been talking about this for a long time and in support of this but she was skeptical on how to come up with the $25 million to do it. This is the way they can come up with the money needed to do that project and she doesn't want to take the chance and gamble that $3 million or another lower amount might lose the opportunity for us.

Ms. Hale said that she has heard from JCOS members that they have been providing D&H staff with suggestions for changes to the grant application that they believe would strengthen the application, she asked Mr. Schaal if he was able to include any of those changes in the application.

Mayor Weldon noted that this meeting and the topic for discussion is about the matching amount but she asked Mr. Schaal if he could response to Ms. Hale's question.

Mr. Schaal said that they have been working with JCOS to look at editorial changes as well fundamental substantive changes. He said they have the BCA being written by Raincoast Data and the technical side of things from Haight and Associates. He said there has been some friction of opinions on both of those but they feel like they have been able to integrate what they can. He said that there will be some reviewers that won't be satisfied with what is submitted but D&H feels strongly that the skills and abilities of the consultants have maximized the application and that is how they will be submitting it.

Mayor Weldon said that she agrees that the community has weighed in on their support for this project, however, she doesn't know that they would be in support of CBJ spending $5 million towards it and unless someone else suggests a lower number, she would be willing to do so.

Mr. Smith asked if D&H staff might provide feedback if they were to propose a different match amount such as $3.5 million and if the answer is "We just don't know." that would be OK too.

Mr. Uchytil said they simply don't know, this is a new administration with a new grant so they don't know the nuances that will be looked at. Staff does know what is in the NOFO (Notices of Funding Opportunity) and that is what they go by when writing the application. They don't have any idea how the reviewers will look at this. He said their best answer is to put together the best application they can.

Mr. Bryson said that during the discussion, he was also thinking of an alternative number and he was leaning towards something like $3.5 million as suggested by Mr. Smith. He talked about what the other communities might be doing in competing for these funds and he felt more comfortable with the $3.5 million amount that Mr. Smith suggested.

AMENDMENT by Mr. Bryson to establish the grant match to be provided by CBJ at $3.5 million.

He asked if he needed to identify the fund source in that motion or if they could leave it vague at this time.

Mayor Weldon asked Ms. Cosgrove if a funding source needed to be identified at this time. Ms. Cosgrove said that at this time, they could leave it vague but once they do the appropriating ordinance, it will need to be more specific.

Ms. Gladziszewski objected. She said that while she would like a lower amount, she didn't want to lose $20 million dollars for lack of committing an additional $1.5 million.

Ms. Woll agreed with Ms. Gladziszewski that this may jeopardize the chance to raise this much money towards the project so she is supporting the original $5 million.

Mayor Weldon said that she was comfortable with the $3.5 million amount but not the $5 million amount.

Ms. Woll asked clarity on how many votes would be required to pass a motion. Mayor Weldon noted that five votes were needed to pass a motion and that there were two members absent from this meeting.

Roll Call Vote on Amendment to change the match to $3.5 million
Yeas: Woll, Smith, Bryson, Weldon
Nays: Hale, Gladziszewski, Jones
Motion failed: 4 Yeas, 3 Nays

Roll Call Vote on Motion to provide match at $4.9 million
Yeas: Gladziszewski, Woll, Smith, Bryson, Hale
Nays: Jones, Weldon
Motion carried: 5 Yeas, 2 Nays

VI. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

VII. ADJOURNMENT

There being no further business to come before the Assembly, the meeting was adjourned at 11:36 a.m.

Signed: ______________________	Signed: ______________________
Elizabeth J. McEwen	Beth A. Weldon
Municipal Clerk	Mayor