

**ASSEMBLY AGENDA/MANAGER'S REPORT
THE CITY AND BOROUGH OF JUNEAU, ALASKA**

June 3, 2019 7:00 PM

Assembly Chambers
Meeting #2019-23

Submitted By:

Duncan Rorie Watt
City and Borough Manager

I. FLAG SALUTE

II. ROLL CALL

III. SPECIAL ORDER OF BUSINESS

IV. APPROVAL OF MINUTES

- A. February 7, 2019 Draft Special Assembly Meeting #2019-07
- B. February 11, 2019 Draft Regular Assembly Meeting #2019-08

V. MANAGER'S REQUEST FOR AGENDA CHANGES

VI. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

VII. CONSENT AGENDA

- A. Public Requests for Consent Agenda Changes, Other Than Ordinances for Introduction
- B. Assembly Requests for Consent Agenda Changes
- C. Assembly Action
 - 1. Ordinances for Introduction
 - a. **Ordinance 2018-11(AN) An Ordinance Appropriating to the Manager the Sum of \$500,000 as Partial Funding for the Bartlett Regional Hospital Crisis Stabilization Capital Improvement Project; Grant Funding Provided by the Alaska Department of Health and Social Services.**

This ordinance would appropriate \$500,000 from an Alaska Department of Health and Social Services grant to supplement the FY20 CIP for the Bartlett Regional Hospital Crisis Stabilization Project. The additional \$500,000 will increase the funds in this CIP to \$4,000,000. This appropriation will fund the planning and design of the Crisis Stabilization Project.

This appropriation was approved by the Bartlett Regional Hospital Board on November 5, 2018. The Public Works and Facilities Committee forwarded this appropriation for approval by the Assembly on May 20, 2019.

The City Manager recommends this ordinance be introduced and set for public hearing at the next regular Assembly meeting.

b. Ordinance 2019-21 An Ordinance Amending Ordinance Serial No. 2012-44 Regarding the Final Series Of General Obligation Bonds Authorized Thereunder.

This ordinance amends ordinance 2012-44, adopted on December 17, 2012, authorizing the issuance of not to exceed \$25,000,000 of general obligation (GO) bonds. The purpose of the bonds is to fund various voter approved capital projects including the airport terminal. This amendment is necessary to:

1. Amend the definition & form of bond (sections 2 & 6) to include AMT (private activity) bonds in addition to fully tax exempt GO bonds.
2. Update the principal maturity schedule in section 3. The revised schedule allows the issuance of 10 year bonds versus the original plan of 20 year bonds.
3. Amend the tax covenants (section 12) to provide for required public hearing on private activity bonds.

CBJ has already sold, in three separate bond sale transactions, \$19.05 million of 20 year general obligation bonds. The remaining \$5.95 million of authorized bonds are being sold to provide partial funding for the airport north terminal reconstruction project. This ordinance will be discussed at the June 12 Assembly Finance Committee meeting.

The City Manager recommends this ordinance be introduced and set for public hearing at the next regularly scheduled Assembly meeting.

c. Ordinance 2019-22 An Ordinance Providing for the Issuance and Sale of Airport Revenue Bonds in One or More Series in the Aggregate Principal Amount of Not to Exceed \$18,000,000; Providing for the Form and Terms of the Bonds; Providing a Method of Payment Therefor; and Reserving the Right to Issue

Revenue Bonds on a Parity with the Bonds Upon Compliance with Certain Conditions.

This ordinance authorizes the issuance of not to exceed \$18 million of Airport Revenue Bonds. The purpose of the bonds is to partially fund the airport north terminal project. The funding sources to repay the bonds and interest are airport Passenger Facility Charges (PFCs) and Federal Aviation Administration (FAA) Airport Improvement Program grants. The ordinance provides for the issuance of 7 year bonds with no early call provision.

Both governmental purpose (fully tax exempt) and AMT (private activity) bonds will be sold, based on bond counsel guidance. This ordinance will be discussed at the June 12 Assembly Finance Committee meeting.

The City Manager recommends this ordinance be introduced and set for public hearing at the next regularly scheduled Assembly meeting.

- d. **Ordinance 2019-25 An Ordinance Amending the Land Use Maps of the Comprehensive Plan to Change the Land Use Designation of Thunder Mountain Lots 10, 12, and a Fraction of 11 between 8476 and 8479 Thunder Mountain Road from Urban Low Density Residential to Medium Density Residential.**

Ordinances 2019-25 and 2019-26 are the result of a property owner's request to rezone three parcels associated with and located adjacent to the Thunder Mountain Mobile Home Park. A rezone is a legislative tool to manage land use development by categorically identifying what types of land uses are allowed and what types are prohibited. A rezone from D5 to D18 would allow more intensive development, like higher density apartments and mobile home parks.

The Planning Commission, in March, recommended rezoning the three parcels from D5 to D18. CBJ code 49.75.120 requires a rezone to be in substantial conformance with the land use maps of the comprehensive plan. The current maps of the comprehensive designate the three parcels as Urban Low Density Residential, which limits density at 6 units per acre. Because D18 allows densities at 18 units per acre, which is in excess of what the comprehensive plan land use maps currently allow, the Planning Commission, in May, considered and recommended amending the comprehensive plan land use map for lots 8479, 8477, 8476 Thunder Mountain Road from Urban Low Density Residential to Medium Density Residential.

The Medium Density Residential designation is more appropriate than the Urban Low Density Residential designation because the Urban Low Density Residential designation was in originally in error because these

three properties have been jointly used with the adjacent mobile home park.

If the Assembly adopts this ordinance, then Ordinance 2019-26 would be in substantial conformity with the Medium Density Residential designation of the maps of the comprehensive plan.

The Planning Commission recommended the Assembly adopt this ordinance at its regular meeting on May 14, 2019.

The City Manager recommends this ordinance be introduced and set for public hearing at the next regular Assembly meeting.

- e. **Ordinance 2019-26 An Ordinance Amending the Official Zoning Maps of the City and Borough to Rezone Thunder Mountain Lots 10, 12, and a Fraction of 11 between 8476 and 8479 Thunder Mountain Road from D-5 to D-18.**

This ordinance would rezone 8479, 8477, and 8476 Thunder Mountain Road from D5 to D18.

The existing land uses include storage, single family home, water well, office, mobile home, empty former retail building, and an empty former laundromat. The site has historically been associated with the Thunder Mountain mobile home park, which is zoned D18. The applicant seeks to expand that zoning district to include these properties to address existing nonconforming uses and introduce higher density development.

The Planning Commission and Assembly are required to base findings off of the Comprehensive Plan's land use maps. Upon adoption of Ordinance 2019-25, the proposed rezone would conform to the land use maps of the Comprehensive Plan. For example, the Medium Density Residential designation allows for residential development at densities between 5 and 20 units per acre. This ordinance would rezone the three lots to D18, which allows for multifamily residential development up to 18 units per acre.

The Planning Commission recommended the Assembly rezone these three parcels at its regular meeting on March 26, 2019.

The City Manager recommends this ordinance be introduced and set for public hearing at the next regular Assembly meeting.

2. Resolutions

- a. **Resolution 2856 A Resolution Adopting the 2019-2029 Park & Recreation Master Plan, Repealing Resolution 2433, and Repealing Resolution 1824.**

The new master plan would guide the management and development of CBJ parks and facilities over the next 10 years. This is the first comprehensive update to the department's plan in 23 years.

Parks & Recreation staff worked with a committee of nine citizens for over two years to develop this plan. The recommendations in the plan include the results of a community-wide survey conducted by the McDowell Group, as well as comments received at over 35 meetings with the public, stakeholder groups, and neighborhood associations.

The Parks and Recreation Advisory Committee reviewed this plan on January 8, 2019 and recommended that it be adopted by the Assembly. The Planning Commission reviewed this plan on February 19, 2019 and recommended that it be adopted by the Assembly. The Committee of the Whole reviewed this plan on February 25, 2019 and again on May 20, 2019, and recommended that it be adopted by the Assembly.

The City Manager recommends the Assembly adopt this resolution.

- b. **Resolution 2857 A Resolution Authorizing the Manager to Enter into an Amendment to the City and Borough PERS Participation Agreement.**

This resolution would request from the State of Alaska an amendment to the current CBJ PERS Participation Agreement to exclude the job classifications previously associated with Centennial Hall. Additionally, the definition of physicians and casual positions at Bartlett Regional Hospital would be modified. The Bartlett Regional Hospital Board of Directors has supported the changes related to the hospital. There are no additional costs associated with these proposed changes and the changes related to Bartlett Regional Hospital may result in cost savings in the future.

The City Manager recommends the Assembly adopt this resolution.

3. Liquor License

- a. **New Liquor License for Devil's Club Brewing, LLC License #5801**

This liquor license action is before the Assembly to either protest or waive its right to protest the license action.

New Liquor License

License Type: Winery, License #5801

Devil's Club Brewing, LLC d/b/a Devil's Club Brewing Company

Location: 100 N. Franklin St., Juneau

Staff from the Police, Finance, Fire, Public Works (Utilities), and

Community Development departments have reviewed the above license and recommend the Assembly waive its right to protest the application. Copies of the documents associated with this license are in the Assembly's e-packet or available in hard copy upon request to the Clerk's office.

The City Manager recommends the Assembly waive its right to protest the above-listed new liquor license application.

b. Transfer of Liquor License 5231 Capitol Ventures LLC to Alaska Sustainable Seafoods LLC

This liquor license action is before the Assembly to either protest or waive its right to protest the license action.

Transfer of Owner and Location Liquor License

License Type: Restaurant/Eating Place, License #5231

Transfer from: Capitol Ventures LLC d/b/a Neptune

Location: No Premises

Transfer To: Alaska Sustainable Seafoods LLC d/b/a Deckhand Dave's

Location: 127/139 S. Franklin St., Juneau

Staff from the Police, Finance, Fire, Public Works (Utilities), and Community Development departments have reviewed the above license and recommend the Assembly waive its right to protest the application. Copies of the documents associated with this license are in the Assembly's e-packet or available in hard copy upon request to the Clerk's office.

The Deputy City Manager recommends the Assembly waive its right to protest the above-listed liquor license transfer application.

4. Other Items for consent

a. Contract Award - Small Cruise Ship Infrastructure Master Plan

The increased number of small cruise ships have adversely impacted and strained Docks and Harbors' ability to provide suitable dock space to some industry users. CBJ Docks and Harbors solicited proposals for professional services to develop a master plan for addressing and meeting the unmet needs of the small cruise ship market in Juneau. The study would focus on small commercial passenger vessels less than 275 feet in overall length.

PND Engineers was selected through an RFP process to provide professional services for the Small Cruise Ship Infrastructure Master Plan

project. The proposed fee for this work is \$131,103.00. Funding for the work is from FY2019 Marine Passenger Fees as contained in the approved FY19 City Budget.

The Docks and Harbors Board reviewed this fee proposal at its regular meeting on May 30, 2019.

The City Manager recommends this contract award be approved.

5. Transfers

- a. **Transfer T-1019 A Transfer of \$802,095 from Existing Capital Transit Projects, including Airport Revolving Capital Improvement Projects including, 'Capital Transit Bus Shelters' CIP D71-053 & from the 'Transit Technology' CIP D71-086 & from the 'Bus Shelters/Interim Valley Improvements' CIP D71-088 to the 'Valley Transit Center' CIP D71-089.**

This request is to transfer a total of \$802,094.61 of funds from existing Capital Transit projects to the Valley Transit Center project. These CIP funds will be used to purchase the property for the Valley Transit Center and Park and Ride facility. The property purchase will serve as in-kind match for FTA grants for the project. The PWFC recommended approval of this transfer at its February 4, 2019 meeting. This transfer was discussed as part of the Committee of the Whole's Valley Transit Center update on May 20, 2019.

The City Manager recommends this transfer be approved.

VIII PUBLIC HEARING

- A. **Ordinance 2018-11(AL) An Ordinance Appropriating to the Manager the Sum of \$1,535,300 as Partial Supplemental Funding for Various Departments' Fiscal Year 2019 Operating Budgets; Funding Provided by General Fund's Fund Balance, Airport Fund's Fund Balance, Docks Fund's Fund Balance, and Lands Fund's Fund Balance.**

The attached ordinance would appropriate \$1,535,300 for increases in FY19 operations among several CBJ departments.

We are requesting a budget supplemental for five organizations. Of the total request, \$950,000 is for CCFR and paid with general government funds. The other four requests are funded from their own operational revenues or fund balances.

Airport

Airport anticipates exceeding its FY19 Assembly authorized spending authority by \$108,400. Airport staff discussed this at their budget presentation on April 10. Funding will be provided by the Airport Fund's Fund Balance.

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Capital City Fire & Rescue

The Fire Department is anticipating a shortfall of \$950,000 in the FY19 operating budget. This is due to approximately \$250,000 in negotiated IAFF wage and benefits increases and ambulance billing shortfall of approximately \$700,000. The shortfall is a result of: 1) continued decline in billable call volume, 2) over aggressive revenue projections and 3) higher than anticipated bad-debt and contractual write-offs. The anticipated funding for this increase is from General Government Fund.

Docks and Harbors Department

The supplemental request would increase the Docks Enterprise spending authority in FY19 by \$35,000. Funding would be provided by FY19 revenues exceeding budget.

The Docks & Harbors Board approved the supplemental request at its March 20, 2019 regular board meeting. The Port Director staff discussed this at the budget presentation on April 10.

Lands Division

Lands' projected expenditures are anticipated to exceed their revenue collected by \$201,900 in the current fiscal year. This shortfall is due to a decrease in projected revenues from land sales. The timing of the South Lena subdivision of Lot 1 Block B has pushed the sale of the resulting four lots into FY20. They were originally scheduled for disposal in FY19.

The anticipated funding for this increase is Lands Fund's Fund Balance.

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Human Resources and Risk Management Department

The Human Resources and Risk Management Department anticipates exceeding its FY19 Assembly authorized spending authority by \$240,000. This increase is due to higher than budgeted claims experience for health insurance. Funding will be provided by Health Account fund balance.

The City Manager recommends this ordinance be adopted.

- B. Ordinance 2018-11(AM) An Ordinance Appropriating to the Manager the Sum of \$620,700 as Funding for Fleet and Risk Funds; Funding Provided by General Fund's Fund Balance.**

This FY19 supplemental budget ordinance would allocate \$271,200 to add funds to various departments' equipment replacement fund accounts and allocate \$349,500 to the city's self-insured health care account.

Six organizations were requesting FY20 budget increments, totaling \$135,000, to increase contributions to their equipment accounts. The current balance in these

accounts is less than the projected upcoming equipment replacement needs. The requested deposit postpones the need for these increments for two years. Also the projected FY19 draw-down on the self-insured health account is higher than original budget projections. We are requesting \$349,500 go into the health account to help offset the larger than expected draw.

The source of funding for these two requests is the projected \$620,700 reimbursement, from the state Department of Administration, of past PERS Tier IV employer contributions. The funds are being returned for employees who terminated prior to having enough years of service to vest in the employer contributions.

The City Manager recommends this ordinance be adopted.

IX. UNFINISHED BUSINESS

A. Ordinance 2019-05(b) An Ordinance Establishing the Rate of Levy for Property Taxes for Calendar Year 2019 Based Upon the Proposed Budget for Fiscal Year 2020.

This ordinance establishes the mill rates for property taxes for 2019, which funds a significant portion of the City and Borough of Juneau's FY20 operating budget. The Charter requires the assembly to adopt, by ordinance, the tax levies necessary to fund the budget before June 15.

The mill levies presented in this ordinance support the Manager's FY20 Revised Budget as amended by the Assembly Finance Committee (AFC). As part of the budget review process, the AFC reviewed, amended and recommends to the Assembly, the final mill levies.

For FY20 the AFC recommends an increase of 0.10 mills to the Manager's recommended operating mill rate, and supports the Manager's recommendation to decrease the debt service mill rate by 0.10 mills. This results in a total mill levy that remains unchanged from FY19 at 10.66 mills; the components of which are:

	Change from FY19	
<u>Operation Mill Rate by Service Area</u>	<u>Millage</u>	<u>Adopted</u>
Roaded Service Area	2.45	0.15
Fire Service Area	0.31	(0.05)
Areawide	6.70	-
<u>Operating Total</u>	<u>9.46</u>	<u>0.10</u>
<u>Debt Service</u>	<u>1.20</u>	<u>(0.10)</u>

Total**10.66****-**

An opportunity for public comment was provided at a Special Assembly meeting on April 24, 2019. The AFC reviewed the mill rate ordinance at its meetings on April 24 and May 15, 2019, referring the amended ordinance to the full Assembly for adoption.

The City Manager recommends this ordinance, as amended by the Assembly Finance Committee, be adopted.

B. Ordinance 2019-06(b) An Ordinance Appropriating Funds from the Treasury for FY20 City and Borough Operations.

This ordinance appropriates \$379,491,500 in expenditure authority for the City and Borough of Juneau's FY20 operating budget, excluding the School District. It is necessary to appropriate all transfers between funds that support operations, debt service and capital projects as well as the associated expenditures within the funds themselves. These transfers account for \$101,477,400 of the FY20 operating budget. The total appropriated expenditure authorization, net of inter-fund transfers, is \$278,014,100.

This ordinance also recognizes \$373,349,300 of projected revenue and transfers-in and decreases fund balances, across all funds, by \$6,142,200. The revenue and fund balance draw are sufficient to fund the budgeted expenditures.

The original ordinance was introduced at the April 3, 2019, Special Assembly meeting and referred to the Assembly Finance Committee (AFC) for deliberation. The AFC held six meetings/work sessions on the budget. An opportunity for public comment was provided at a Special Assembly meeting on April 24, 2019. The AFC moved the amended budget ordinance back to the full Assembly at its May 15, 2019, meeting. The AFC changes are reflected in the (b) version of the ordinance, where data being updated or deleted is shown by strikeout, and bold font. The Charter requires adoption of the FY20 operating budget by June 15, 2019.

The City Manager recommends this ordinance, as amended by the Assembly Finance Committee, be adopted.

C. Resolution 2845(d) A Resolution Adopting the City and Borough Capital Improvement Program for Fiscal Years 2020 Through 2025, and Establishing the Capital Improvement Project Priorities for Fiscal Year 2020.

This resolution adopts the Capital Improvement Program (CIP) for fiscal years 2020 through 2025, as required by Charter Section 9.4, and lists the capital projects that will be initially appropriated by ordinance in FY20. This resolution authorizes

\$37.7 million for CIPs and \$1.0 million for operating budget activities.

The Public Works and Facilities Committee (PWFC) reviewed the preliminary CIP resolution at its meeting on March 18, 2019, and forwarded the plan to the Assembly.

The CIP resolution was introduced at the Assembly meeting on April 3, 2019, and referred to the Assembly Finance Committee (AFC), where it was reviewed during the AFC meetings of April 3, April 10, May 8, and May 15, 2019. A public hearing, as required by charter, was held at the Special Assembly meeting April 24, 2019.

The AFC approved Resolution 2845(d), as amended and referred it to the full Assembly for adoption.

The City Manager recommends this resolution, as amended by the Assembly Finance Committee, be adopted.

X. NEW BUSINESS

A. Hardship and Senior Citizen/Disabled Veteran Late-Filed Real Property Tax Exemption Applications

The following listed property owners are requesting that the Assembly authorize the Assessor to consider a late-filed appeal of their property assessment: Sepel, Weimer, Cantell, Lopez, and Nelson. The action required by the Assembly is to determine whether or not the late-filed tax assessment appeal will be heard. Evidence on the assessment itself or the merit of the appeal is not relevant. The Assembly should consider each request separately and determine whether or not the property owner was unable to comply with the 30-day filing requirement.

2019 Hardship Exemptions

1) Applicant: Sepel Parcel ID: 4B2601010110

Physical Address: 10901 Mendenhall Loop Road

Legal Description: USS 2392 TR B LT AA LT B

2) Applicant: Weimer Parcel ID: 1C030C160040

Physical Address: 635 W 12th Street

Legal Description: Casey Shattuck BL 216 LT S

2019 Senior Citizen/Disabled Veteran Exemptions

1) Applicant: Cantrell Parcel ID: 5B1601170160

Physical Address: 2211 Muir Street
 Legal Description: Totem Park BL F LT 16

2) Applicant: Lopez Parcel ID: 4B2901270010
 Physical Address: 1104 Slim Williams Way
 Legal Description: Brigadoon Estates I BL C LT 1A

3) Applicant: Nelson Parcel ID: 5B2401440050
 Physical Address: 8288 Garnet Street
 Legal Description: Pleasent Garden BL 2 LT 11

The burden of proof is upon the property owner to show the inability to file a timely appeal. In this context, the word “unable” does not include situations in which a property owner forgot about, or overlooked, the assessment notice, was out of town during the period for filing an appeal, or similar situations. Rather, it covers situations that are beyond the property owner’s control and would prevent a property owner from recognizing what is at stake and dealing with it. Examples of this would include physical or mental disability serious enough to prevent a person from dealing rationally with their private affairs. Disagreeing with the amount of the assessment does not constitute inability to submit a timely appeal, nor does a notice of assessment being sent to a wrong address. The property owner is responsible for keeping a current, correct address on file with the assessor’s office.

If the Assembly decides to accept one or more late-filed appeals, those assessment appeals will be referred to the Assessor for review and action.

The City Manager recommends the Assembly act on each of these applications individually.

XI. STAFF REPORTS

- A. **New City Hall Update**
- B. **Annexation Update**
- C. **Airport North Terminal Project Update**
- D. **333 W. 9th Street Update**

XII. ASSEMBLY REPORTS

- A. Mayor's Report
- B. Committee Reports, Liaison Reports, Assembly Comments and Questions
- C. Presiding Officer Reports

XIIICONTINUATION OF PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

XIV.EXECUTIVE SESSION

XV. ADJOURNMENT

XVISUPPLEMENTAL MATERIALS

ADA accommodations available upon request: Please contact the Clerk's office 72 hours prior to any meeting so arrangements can be made to have a sign language interpreter present or an audiotape containing the Assembly's agenda made available. The Clerk's office telephone number is 586-5278, TDD 586-5351, e-mail: city.clerk@juneau.org