THE CITY AND BOROUGH OF JUNEAU, ALASKA

Regular Assembly Meeting #2019-23
Minutes Monday, June 3, 2019

MEETING NO. 2019-23: The Regular Meeting of the City and Borough of Juneau Assembly held in the Assembly Chambers of the Municipal Building, was called to order at 7:00 p.m. by Mayor Beth Weldon.

I. FLAG SALUTE

II. ROLL CALL

Assemblymembers Present: Mayor Beth Weldon, Mary Becker, Loren Jones, Rob Edwardson, Wade Bryson, Carole Triem, Michelle Hale and Alicia Hughes-Skandijs.

Assembly Absent: Maria Gladziszewski

Staff Present: City Manager Rorie Watt, City Attorney Robert Palmer, Deputy City Manager Mila Cosgrove, Municipal Clerk Beth McEwen, Finance Director Bob Bartholomew, Incoming Finance Director Jeff Rogers, Port Director Carl Uchytil, Housing/Homelessness Coordinator Irene Gallion, Community Development Director Jill Maclean, Code Compliance Officer Nate Watts, CDD Planning Manager Alix Pierce, Parks and Recreation Director George Schaaf, Bartlett Hospital Administrator Chuck Bill, Fire Chief Rich Etheridge

III. SPECIAL ORDER OF BUSINESS

IV. APPROVAL OF MINUTES

MOTION by Ms. Becker to approve the minutes as presented and asked for unanimous consent. Hearing no objection, the minutes were approved.

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

Consent Agenda Item 5. A. Transfer T-1019 had a title error and City Manager Watt requested that it be pulled and postponed until the next regular Assembly meeting. Hearing no objection, that item was removed from the Consent Agenda.

City Manager Watt stated that Mr. Jones has requested to make a motion but in order for that motion to make sense, the agenda topics would need to be heard in a certain order. The new order would be to first take up Public Hearing on Ordinance 2019-05(b) from Unfinished Business regarding the mill rate, secondly receive the staff report regarding the Airport North Terminal Project, and third to hear Resolution 2845(d) regarding the CIP projects and then finally take up Public Hearing on the operating budget Ordinance 2019-06(b). *Hearing no objection, the agenda was changed according to the request of the Manager.*

VI. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

Mr. Kirby Day provided an update on the TBMP program. He also discussed their work with DOT and CBJ on the stanchions being installed on South Franklin, which should be installed within 6 weeks. He said that he attended a neighborhood meeting regarding traffic on Basin Road and the TBMP follow-up steps taken working with the tour operator who rents Jeeps that has had Basin Road on its GPS system.

Ms. Becker asked Mr. Day if he had spoken with the Last Chance Mining Museum and if that would affect their business. Mr. Day said he has reached out to the museum and he said there is a fine balance that exists between neighborhoods and businesses and he doesn't know how the Assembly might wish to ultimately address that but TBMP will continue to monitor the situation and try to mitigate tourism impacts if they can.

Ms. Kim Metcalfe read from a letter that the steering committee of a newly formed group called "Juneau Neighborhoods Affected by Tourism" put together. She provided them with copies of the letter following her testimony. The letter included requests for information and action by CBJ. They held a meeting on May 23 at the downtown library relating to the adverse impacts of cruise ship tourism on Juneau neighborhoods. The meeting was attended by 54+ individuals from different neighborhoods as well as tourism operators and local tourism employees. They discussed impacts from cruise ship tourism on Juneau in the residential areas including traffic, noise, pollution, congestion, whale watching, health and safety, air traffic noise and safety, and overall livability issues. She then enumerated the requests for information and actions that were included in the letter. Ms. Metcalfe's time ran out before she finished with the letter but she said she would have Paula Terrel or Karla Hart finish the requests from the letter during their testimony.

Ms. Karla Hart then continued to read from the letter begun by Ms. Metcalfe. The primary emphasis of this portion of the letter addressed Juneau's carrying capacity for the size and number of ships and the total number of tourists overcrowding the streets. Ms. Hart also responded to Mr. Day's comments about Thane Road and what they have done there. She said that as the Jeeps may be rented as a self-drive excursion, they are sold as a shore excursion on the cruise ships. She then gave examples of how the tours are marketed and sold.

Ms. Paula Terrel read her testimony on the subject of cruise ship tourism and provided background information about all the work that went into addressing tourism issues 20 years ago. In 2001, Ms. Terrel served on the steering committee for the Juneau Tourism Partnership (JTP) which was a group of tour operators and residents that got together over the course of a year, came up with a consensus, presented it to the Assembly and basically nothing happened. There was consensus reached by a group called "Cruise Control" which was an offshoot of the JTP, which came to a consensus on flight seeing noise. They worked hard on it, yet nothing came of that either. She said it was very disappointing. She then talked about the 2002 Juneau Tourism Plan that was adopted reading its vision statement with an emphasis on the quality of life. She said there have been some positive actions since then such as implementing marine passenger fees and retrofitting float planes with quiet technology. She said we have gone backwards and we are still experiencing water and air quality violations. She urged this new Assembly to take the lead in addressing the increasing community concerns, not with another long planning process but with immediate action.

VII.CONSENT AGENDA

A. Public Requests for Consent Agenda Changes, Other Than Ordinances for Introduction

Mr. David Epstein requested that Resolution 2856 be removed from the Consent Agenda and placed under Public Hearing so that public testimony may be taken. *Hearing no objection, Resolution 2856 was removed from the Consent Agenda.*

B. Assembly Requests for Consent Agenda Changes

C. Assembly Action

MOTION, by Mr. Jones, to approve the consent agenda as amended by removing Resolution 2856 and Transfer T-1019. *Hearing no objections, the consent agenda was adopted as amended.*

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 six 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 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. ***(Removed from Consent Agenda per public request.)***

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 Licenses
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 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. *(Removed from Consent Agenda)*

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.

During City Manager recommendations for agenda changes, the Manager requested this transfer be removed from the agenda and postponed to a later meeting. Hearing no objection, that agenda change was approved.

VIII. PUBLIC HEARING

a. Resolution 2856 A Resolution Adopting the 2019-2029 Park & Recreation Master Plan, Repealing Resolution 2433, and Repealing Resolution 1824. *(Removed from Consent Agenda per public request.)*

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.

Public Comment:

Ms. Barbara Berg said that she and a number of neighbors sent a letter to the Assembly with concerns regarding a portion of the Parks and Recreation Master Plan. Their primary concern has to do with plan's proposal for re-designating a portion of land near Bayview subdivision to be eligible for disposal. She noted that the CBJ Comprehensive Plan shows the area as a conservation area. She emphasized the types of wildlife and recreation uses that parkland currently enjoys and that it would be a disservice to the community to make that land available for disposal and development.

Mr. Ron Berg testified that they have lived in that area for the past 18 years and while the area is great for recreation and wildlife, a land transfer for any other use would be unwelcome.

Mr. David Epstein also testified on the proposal in the Parks and Recreation Master Plan which identified the disposal of the Fish Creek Bayview parcel to be in the public interest. Per the plan, potential uses of this property could be for housing or development. Mr. Epstein said that while it makes sense to periodically review lands for acquisition and disposal, some properties should retain their current classification. The Fish Creek Bayview parcel falls in that category. It was identified as parkland long ago and for a good reason. The parcel provides a buffer between the Bayview subdivision and the North Douglas Highway. Equally and more important to that is the role it plays as a wildlife conservation area. Deer and other animals regularly transit the parcel and it is home to toads, bats, and other species. This parcel was identified as wetlands in a 1986 study and while it may be developable, he questions the need to sacrifice this wetland for associated eco-system. He said he didn't think that parcel should be offered up to the affordable housing issue as once it is gone, it is gone and he urged the Assembly to carefully consider this proposal.

Mr. David Audet said he is a resident of Bayview Subdivision. He said that at some point in the past, the city had determined that the property in that area had significant enough value to designate it as parkland. The Parks and Recreation Master Plan, without explanation, proposes to reclassify this area as no longer possessing those values, thus making it available for disposal. He asked what has changed with that land that it has lost its value and who or what process decided that this reclassification is warranted. He spoke to the letter signed by 82 residents, representing 52 homes in Bayview, who still believe that the value of this area is significant enough to keep it in park status. He requested the Assembly amend the language in the Master Plan to remove the Fish Creek area from the lands designated for reclassification. He said he would think that the Parks Department would jealously protect the land it has in its inventory and only look to dispose of those lands after a careful, inclusive, and thorough public process which pays particular attention to the wishes of those residents who would be most affected by such a decision. Even if nothing is planned to be changed at this time, if the language in the plan remains, it would be a very ominous first step.

Ms. Cindy Audet compared this area to what the valley looked like 80 years ago vs. what it is now. If they hadn't designated greenbelts, there wouldn't be any at this time in those neighborhoods. She said that she would like to see that Fish Creek parkland preserved as it is for future generations.

Ms. Margo Waring said she is a frequent visitor to Fish Creek park and to the Fish Creek corridor. Ms. Waring spoke to the public process and stated that she was never sent notice about this proposed change in the Parks and Recreation Master Plan. She also pointed out that the land on the uphill side of the road has already been identified for development and development in that area would further emphasize the need for the parkland to remain parkland. She said that mention in the master plan that the parkland receives low or moderate usage is very wrong and that it is intensively used in both the summer and the winter. She then spoke to the area's conservation and natural resource values such as use by bears, deer, and many birds. She discussed the toad population that they thought had become extinct in the area has been coming back over the past five years. The area impacts Fish Creek itself and development of that area would harm the productivity of Fish Creek. She said this is both a culturally and historically significant area as well. It was a potato growing area used by the indigenous people and the area once supported a clearly thriving settlement and archaeological evidence still exists of that use and changing the designation of that area would be a big mistake.

Ms. Mary Irvine, a resident of Horizon Drive, said she is a berry picker and uses the Fish Creek corridor meadow area to pick lingonberries and other berries. She said she is a former member of the Tourism Working Group so she appreciates the hours and years of work that went into this plan. She said while she appreciates all the hours that volunteers and staff put into this plan, like Ms. Waring, she had not heard anything about this happening. She said that she heard it from a vigilant neighbor. There are many people concerned about the Fish Creek corridor. Not everything lives on the estuary and some wildlife needs a transit corridor and that is the function of the acres in that meadow that is uplifting even now. She went to Fish Creek park and looked at CBJ interpretive signs and shared some of the descriptions found on those CBJ signs to emphasize the importance of the park. She said that one of the signs state that since the 1980s, thousands of 3^{rd}-6^{th} grade students have learned tracking in this park. She urged the Assembly, before adopting the Master Plan, to look at placing into conservation status and removing from reclassifying its current status and to also refer to the Comprehensive Plan which places high value on wildlife corridors.

Mr. Jones asked Ms. Irvine which "little park" portion of property she was referring to since there were two parcels, one which was 13 acres and the other 15 acres. Ms. Irvine responded that she would look at it through the eyes of a bear or deer or other animals and say all of it.

Ms. Kathleen Jorgensen is a North Douglas resident and shared her concerns with respect to the access and the lack of access when an emergency is blocking traffic due to only having one road, one bridge, and one lane going each way. She spoke to all the current housing developments going up and the anticipation of more housing in the future and the need for a second access bridge. She also spoke to the increased traffic due to the year-round use of Eaglecrest as well as other tourism related businesses using Douglas Island. Right now, all it takes is one emergency and the roads are blocked, you can't get off the island. She said she knew that all her neighbors would address the beautiful parkland issues but she wanted to concentrate on the logistical challenges with increasing development on the island.

Assembly Action
Mr. Edwardson asked what the next steps for this item would be if it would be heard at a second meeting. Mayor Weldon clarified that since it is a resolution, it would normally have passed with the consent agenda but it was pulled for public hearing purposes and would generally be adopted in one meeting only.

MOTION by Mr. Jones to approve Resolution 2856.

Objection from Ms. Alicia Hughes-Skandijs for purposes of a question. Ms. Hughes-Skandijs said she has three amendments that might take care of the issues but she has questions for Mr. Schaaf. She said she appreciated the passionate testimony and originally she was going to propose an amendment to remove those areas from the master plan and leave them in their current designation. She said that as she was digging through the plan, it seems that there may be more than the original deletion that she thought was needed. In light of that, she asked for process purposes if it would be better to propose three amendments or ask staff questions first.

Mayor Weldon invited Parks and Recreation Director George Schaaf to come forward to answer questions.

Ms. Hughes-Skandijs asked Mr. Schaaf if the following three portions of the plan would be appropriate for deletion to remove "Fish Creek" as vacant lands and an area for reclassification: Page 38, table 4.8, the corresponding map on page 39, and the first paragraph on page 103.

Mr. Schaaf said he thought that would cover the area of the plan that talks about specific parcel disposals. He said that if he is wrong, he could let them know.

Mr. Bryson asked Mr. Schaaf what process the Parks and Recreation Department went through to determine which lands would be suitable for disposal vs. which natural lands would be suitable for keeping for parks and recreation. He suggested that if Mr. Schaaf felt Ms. Pierce would be able to answer those questions better, maybe they could hear from her. Mr. Schaaf said he was a member of the Master Plan committee but not employed by the Department at the time and did not go through the staff portion of the process.

Ms. Alix Pierce came forward and said that they went through a process where there were a number of criteria for disposal that were laid out in the plan. That process was made in consultation based on some of the public comments they received as well as from the committee. Staff then evaluated with a GIS exercise which lands in our park system fit those criteria and those lands were identified as potential candidates for future disposal.

Mr. Bryson asked if they had visited the land. He said that someone mentioned that only part of the land is suitable for building and it is his understanding that we can't build on wetlands no matter what. He said that if this land was disposed of, it wouldn't be able to be built on. He asked how it fell within the criteria to make the list of land suitable for disposal.

Ms. Pierce said there were some developable areas of the land that were identified as buildable and that the footprint would have been rather small. She said that former Parks and Recreation Director Kirk Duncan, Quinn Tracy and she visited the site as they were going through the mapping exercise to determine whether the information that they gathered through the desktop exercise was accurate. Mr. Edwardson expressed his concerns about public participation and public process for the plan since there are so many persons who have testified that they had not heard about this prior to just recently.

Ms. Pierce explained the public process they undertook with the plan which consisted of a public survey that was done by the McDowell Group which was a phone survey of 500 residents which is statistically valid. They also did an online survey and had a website for online engagement with comment forms and the availability to comment. They held five public meetings which were advertised on the radio, and with posters. She did numerous radio spots as did former Director Duncan. They met with 37 different community organizations that were touched by the Master Plan and they invited every neighborhood association in Juneau to a meeting that only a small handful of neighborhood associations showed up to. They used the list of neighborhood associations that is registered with the Clerk's office. They had their committee of residents which was a subcommittee of the Parks and Recreation Advisory Committee (PRAC) that reviewed it extensively and they also updated PRAC extensively throughout the process.

Mr. Watt said he thought they were looking at a very fine-grained issue within a broad planning document. The purpose of the Master Plan is to help the department orient its resources and that is the guiding purpose of it. With regards to land, land is always difficult and there is not a lot of it and it is finite and precious. Mr. Watt directed the members to the red folder item which clarifies the language of the draft plan on page 101 to speak to the parkland disposal process, specifically the language that states:

"When it has time and inclination, the Assembly may wish to direct the Manager to analyze the inventory of land and make recommendation for potential land disposals to meet housing or development goals. This effort should only be done within the context of all the municipal needs and goals, including those articulated in this plan. This plan is not intended to limit the ability of the CBJ to dispose of land that not necessary for the Park system for development purposes."

He said that is guiding language. If the Assembly wants to look at the inventory, it should be a holistic look at everything that we have and it should be a look at the land that we have for all of our needs. He said that this parcel that received testimony at this meeting is in our Land Management Plan under the retention status of "retain" and action on the Parks and Recreation Master Plan would not change that status.

Mr. Watt said he understands the neighborhood's consternation and if the Assembly wished, they could delete table 4.8 of the plan as Ms. Hughes-Skandijs proposed understanding that any land disposal by the municipality goes through an ordinance process. If recent land disposals are any measure, it usually comes to the Assembly six or ten times if you look at Pederson Hill and Renninger Drive. Land disposals do not happen in one meeting or quickly. There is a balancing act and the one thing he would hope they do at this meeting is to adopt the plan with or without amendments so the department has direction on how to allocate its resources. There is an overwhelming majority of good topics in the plan and it provides notice to everyone that if they do look at the inventory of land, that it would be a holistic look. If the Assembly feels the language pointing out this parcel is too strong at this time, he suggested they just delete that table. Mr. Watt said that when someone testified about the language on page 103 of the draft plan, that version was already changed at the Committee of the Whole and that should probably meet everyone's needs.

Ms. Hale thanked Ms. Pierce on how well written and readable the plan was. She reiterated what Mr. Watt said and said that on the Assembly and on the Lands Committee, they deal with lands all the time and there is a lot of pressure on the city to make land available for housing. She said she sees this search within that context and doesn't believe there was any bad intent with this and there is an extensive process when that occurs.

Additional questions from Assemblymembers were made regarding CBJ's public notice processes. Mr. Palmer explained the public notice requirements for ordinances, resolutions, and for land reclassification and land disposals and legislative matters vs. the notice requirements for public participation as it took place while the plan was being drafted.

Mayor Weldon asked Ms. Hughes-Skandijs if she still wished to make her amendment. Ms. Hughes-Skandijs said that she did but she would also defer to Mr. Watt if her amendments were not correct.

Mr. Watt clarified that the paragraph in the bound version of the draft plan on page 103 was not part of the version of the plan that was forwarded from the Committee of the Whole (COW) and that the language under section "7.8.2 Parkland Disposal" forwarded from the COW for adoption with the plan was as found in the red folder.

AMENDMENT by Ms. Hughes-Skandijs to remove Table 4.8 from page 38 of the draft plan and to amend the map on page 39 to coincide with that change and asked for unanimous consent.

Mr. Bryson objected to the amendment. He said he understands the reasoning behind the citizens' concern about reclassification. He said that reclassification of land is not the same as land disposal. He said that the process for land disposal includes public comment, multiple visits through different city departments including going through the Planning Commission before it even goes to the Assembly for a vote. The Parks and Recreation Department as they were developing this master plan did not just decide to throw land away and they understand the value of this land. Due to meeting certain criteria, it made a list for being available for potential disposal and they are only looking at reclassifying it. It is not saying they are going to dispose of this land just because of this reclassification. He would be OK with an amendment just removing the Fish Creek portion but he thinks it is short sighted to remove all the language in that section.

Mayor Weldon asked if Ms. Hughes-Skandijs would be willing to change her amendment to just limit it to the Fish Creek portion of Table 4.8 and leave the remaining language in there as written and to change the map accordingly. Ms. Hughes-Skandijs said she would be willing to change her amendment accordingly.

Mayor Weldon asked if there was any objection to Ms. Hughes-Skandijs' amendment to remove the first line of Table 4.8 with reference to Fish Creek and to change the map on page 39 accordingly. *Hearing no objection, the amendment passed.*

Mayor Weldon then asked if there were any objections to the adoption of Resolution 2856 with the plan as amended above. *Hearing no objection, Resolution 2856 was adopted.*

Mayor Weldon called for a 10-minute break in the meeting. When returning from the break she asked the Manager to remind them which order the remainder of the agenda would be taken up. Mr. Watt explained that the next step would be to proceed with the Public Hearing agenda items and then the changes he requested at the beginning of the meeting would occur under the Unfinished Business section of the agenda.

VIII. PUBLIC HEARING CONTINUED:

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.

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.

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.

Public Comment:
None

Assembly Action:
MOTION by Mr. Bryson to adopt Ordinance 2018-11(AL) and asked for unanimous consent.
Hearing no objection, the motion carried.

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.

Public Comment:
None

Assembly Action:
MOTION by Ms. Hale to adopt Ordinance 2018-11(AM) and asked for unanimous consent.
Hearing no objection, the motion carried.

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:

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

MOTION by Ms. Hughes-Skandijs to adopt Ordinance 2019-05(b) and asked for unanimous consent. Ms. Becker noted objection for purposes of amendment.

AMENDMENT by Ms. Becker to change the mill levy amount to 10.56. She said she has been hearing from many community members and she feels the city finances are such that we are in a good space and do not need to have the higher tax rate. Ms. Becker said that this is one way the Assembly could keep the cost of living under control in Juneau. Mr. Bryson spoke in favor of the amendment reducing the mill rate to 10.56.

Mr. Jones spoke against the motion to amend. He said they had discussed this at length at the Assembly Finance Committee (AFC). He spoke to the substantial impacts they may be looking at depending on the decisions made at the state regarding the state budget as well as the state's moratorium on the school bond debt reimbursement. Mr. Jones said they discussed the mill levy at length at AFC, and they agreed upon the 10.66 mill levy during those AFC discussions.

Ms. Hale said that she recalled the discussions at the AFC when they decided to keep the mill levy at 10.66. She said there is a lot of budget uncertainty due to the state budget process. She expressed her level of discomfort of keeping the tax rate the same when we are facing a possible $7.1 million school bond debt reimbursement bill depending on what the state decides to do. At this time, nothing has happened yet, and the Assembly has to move on before they can know what will happen with that $7.1 million. She said that if that action does occur, the Assembly will need to take a much stronger action than a .1 mil increase. For now, Ms. Hale said she would support Ms. Becker's amendment with the understanding that if and when they need to take stronger action, they will do so.

Mr. Edwardson said he supports Ms. Becker's amendment and that there is a reason they vote at both meetings (AFC and Assembly). He said he doesn't believe in pre-emptive taxing. He said there is a lot of uncertainty and when they reach that uncertainty, they will need to determine how much to tax at that point. He said that one of the things he considers, which may be unlikely to happen – what if they get everything they asked for, are people going to get a rebate? That is unlikely to happen but he agrees with Ms. Hale that they will have to make a lot of decisions coming up but he would prefer to know what he is responding to than to just guess.

Ms. Hughes-Skandijs spoke against the amendment to lower the mill rate to 10.56. As Mr. Jones mentioned, there is a tremendous amount of uncertainty at the state level that is hanging over their heads and they may potentially be looking at a lot more than 7.1 million. She said the Assembly finds itself with a healthy budget due to the decisions by previous Assemblies and healthy financial culture by city staff and good financial management by staff. She said that it behooves the Assembly to maintain the responsible spirit and be conservative in nature and know that while they don't know the extent of the cost shifts that will be occurring, they can be fairly certain that there will be cost shifts from the state to the city. The Finance Director's last presentation showed that the costs will be increasing in the future and items like sales tax are also affected the longer the uncertainty continues at the state level.

Ms. Triem echoed the sentiments of Mr. Jones and Ms. Hughes-Skandijs. She said that earlier that day, state lawmakers sent a letter to the Municipality of Anchorage about cost shifts that were being passed onto the Municipality that Ms. Triem felt should rightfully be services paid for by the state. She said she is certain that CBJ will be seeing the same thing from this governor. As for fund balance, the message she received through the AFC budget process is that the savings are not sustainable and she feels they need to have a plan to replenish it when it is being spent down.

Ms. Becker said that while she appreciates the negative comments, we have a balanced budget right now and the Assembly has a method to determine the amount needed for the mill levy and that amount came out at 10.56. The additional amount making it 10.66 was to allow for the "just in case" factor which is not going far with the public and she said that being credible with the public is paramount.

When asked for clarification on the specific portion of the ordinance that was being amended so the total came to 10.56 mills. Mr. Jones suggested that amendment change the "Areawide" portion by adjusting it from 6.7 mills to 6.6 mills for an over total of 10.56 mills. Ms. Becker agreed with that clarification.

Roll Call Vote
Yeas: Becker, Bryson, Edwardson, Hale
Nays: Hughes-Skandijs, Jones, Triem, Weldon
Amendment Failed 4:4

Vote on Main Motion
Mayor Weldon said the original motion to adopt Ordinance 2019-05(b) with a mill levy of 10.66 was before the body for consideration. *She asked if there were any objection; hearing none, the motion passed by unanimous consent.*

Mayor Weldon asked Mr. Watt to provide his staff report in accordance with the agenda changes made at the beginning of the meeting.

Staff Report Item C.
Airport North Terminal Project Update
Mr. Watt explained that the packet contained a series of documents relating to this project and the LEED (Leadership in Energy and Environmental Design) requirement in CBJ Code. He noted that the code requires projects over a certain dollar amount ($5,000,000 adjusted over time) required LEED standards unless granted an exception. If the manager, with the consent of the Assembly after consideration of the recommendation of the Juneau Commission on Sustainability (JCOS), determines that it would not be economically feasible, then a project may be exempt. Mr. Watt recommended that they make the Airport North Terminal Project exempt from the LEED requirement. Airport staff has demonstrated enough information to the City Manager that the economic cost of obtaining LEED certification would be proportionately higher than other projects that have obtained the LEED certification and they would be pursuing points in getting that certification that would mostly serve to satisfy a point gaining exercise as opposed to making improvements to the building facility that would result in a more sustainable building. Mr. Watt also recommended that there be substitute measures that the Airport take in acknowledgement of the Assembly adopted goals as articulated in the Juneau Renewable Energy Strategy, primarily relating

to moving towards fossil fuel demand for transportation and continuing to build the North Terminal as a high performing building.

Ms. Hale said that as the liaison to JCOS, she supports the Manager's recommendation but does so with caution that people shouldn't get the impression that the Assembly will just waive LEED requirements without much consideration. She said that the Airport and the Airport Board have worked very hard at this and this exemption does not come lightly.

Mayor Weldon asked if the Airport Board has had a chance to review the Manager's recommendation. Mr. Watt said a draft of his decision was sent to the Airport Board Finance Committee the previous week and they were supportive of the recommendation. Mr. Jones said he also attended that Airport Board Finance Committee meeting and that the committee was supportive of this recommendation.

MOTION by Mr. Jones to adopt the recommendation of the City Manager on exempting the Airport North Terminal Project from the LEED requirements and asked for unanimous consent. *Hearing no objection, the motion carried.*

Due to the Manager's request for agenda changes at the beginning of the meeting, the next item taken up for consideration was Public Hearing Item C. Resolution 2845(d).

Unfinished Business Item 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.

Public Comment:
None

Assembly Action:

MOTION by Ms. Triem to adopt Resolution 2845(d), as amended by the Assembly Finance Committee, and asked for unanimous consent.

Objection by Mr. Jones for purposes of amendment.

AMENDMENT #1 by Mr. Jones to change the fund source for the Airport North Terminal Funding project in the amount of $300,000 from the Airport Fund Balance to Sales Tax Fund Balance in Resolution 2845(d).

Mr. Jones explained his reasons for proposing the amendment. There was a lengthy presentation at the Airport Board Finance Committee from Finance Director Bob Bartholomew relating to the various fund sources and the restrictions placed on some of those fund sources available for this project. Mr. Bartholomew identified what he believed were some pretty significant areas of underfunding of this project. Mr. Jones said that part of that underfunding was taken care of by the Assembly accepting the Manager’s recommendation regarding LEED certification. He said that the other part was a motion from the Airport Finance Committee to the full Airport Board, which will not be meeting until next week, to add an additional $800,000 from their fund balance to this project. Mr. Jones said he felt that it would be best for the Assembly to change the fund source during this meeting to have those funds coming from the Sales Tax Fund Balance. That way, if/when the $800,000 recommendation is forwarded to the Assembly from the Airport Board, it would be a smooth transitional process.

Mr. Jones also explained that the reason for rearranging the order of the agenda was that this amendment would then require a change of fund source amounts on the final budget ordinance if this amendment is adopted. *He asked unanimous consent on this amendment.*

Ms. Hale said that when they first discussed the $300,000 it was going to come from sales tax and the purpose of it would be to meet the LEED requirements. Ms. Hale said that she is uncomfortable just allocating that $300,000 when they have had no discussion of the purpose of that $300,000 other than the explanation that Mr. Jones provided. Ms. Hale said she is uncomfortable with this coming down so late in the budget process and it is shifting the direction of the $300,000 and as such, she is opposed to the amendment.

Mayor Weldon called on staff if they wished to provide any additional information. Mr. Watt said that, while not speaking to the merits of the motion, the Assembly does have multiple paths available. One path would be to pass the CIP resolution as it is. Another path would be amending it as Mr. Jones has proposed. A third path could be deleting the Airport Fund from the CIP, working on it in committee, and then bringing it back for appropriation at a later date. The project is definitely moving forward and needs to get out to bid this fall but there would be approximately one month for committee referral if that would be helpful.

Mayor Weldon asked Mr. Bartholomew to speak to what the $300,000 is going to do. Mr. Bartholomew provided an abbreviated version of the presentation that he gave to the Airport Board Finance Committee. He explained that ultimately, the Airport was left with a $1.1 million shortfall in its fund availability. From that $1.1 million shortfall, the Airport Finance Committee made a motion to use $800,000 from its Airport Fund Balance which would leave them with a $300,000 shortfall. He then went on to explain that the $300,000 came from his work on the project funding, looking at our sales tax balance and what was in there. He identified a subaccount in the Sales Tax Fund that has approximately $350,000 left from the 2012 1% voter approved sales tax. All the projects on that voter approved 1% sales tax have been completed and that is where just a little more revenue had come in than what the voters had approved. When he noticed that, he discussed it with the City Manager and suggested they propose contributing that money to the Airport project since the Airport Terminal was one of the projects that received funding in 2012 so it was in line with what had been in front of the voters. It wasn't specifically the North Terminal but it met the spirit of trying to continue to spend voter approved money for a voter approved intent. He went on to explain the steps it went through during the AFC budget process and its subsequent association with the LEED certification. Mr. Bartholomew said that at this time, there is a $1.1 million need for the project and the Airport is planning on moving forward with $800,000 and as the City Manager noted, there is no time crunch if it doesn't get resolved at this meeting.

Mr. Bartholomew explained that the Assembly Finance Committee will be receiving an update at its meeting on June 12 about the bond ordinances related to that project and they can talk about additional funding if the Assembly decides to remove it from this resolution.

Ms. Triem said she had the same concerns that Ms. Hale had. She was in favor of Mr. Watt's last option to remove it from the CIP resolution and refer it to committee for additional consideration and review. Mr. Edwardson said he agreed with Ms. Triem.

Mayor Weldon asked Mr. Jones if he wanted to keep his amendment. Mr. Jones said he does want to keep the amendment as proposed.

Roll Call Vote on Amendment #1
Yeas: Jones, Becker, Weldon
Nays: Bryson, Edwardson, Hale, Hughes-Skandijs, Triem
Amendment Failed 3:5

Ms. Hale asked if an amendment was needed to remove the Airport North Terminal funding item from the resolution so that it could be discussed at the June 12 AFC meeting so the full discussion of the $1.1 million could take place at the same time. Mr. Bartholomew agreed that if they decided to remove the $300,000 from the current resolution that they could discuss the full $1.1 million shortfall at the June 12 meeting.

Amendment #2
MOTION by Ms. Hale to remove the $300,000 for the Airport North Terminal funding from the CIP Resolution 2845(d) to be discussed at the June 12 Assembly Finance Committee meeting and asked for unanimous consent.

Objection from Mr. Jones who spoke to his objection.

Roll Call Vote on Amendment #2
Yeas: Bryson, Edwardson, Hale, Hughes-Skandijs, Triem, Weldon
Nays: Jones, Becker
Amendment passed 6:2

Mayor Weldon called for any objection on Resolution 2845(d) as amended. Seeing and hearing no objection, Resolution 2845(d) as amended passed by unanimous consent.

Unfinished Business Item 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 and as amended by the adoption of the CIP Resolution 2845(d).

<u>Public Comment:</u>
None

<u>Assembly Action:</u>

<u>MOTION</u> by Mr. Edwardson to adopt Ordinance 2019-06(b) as amended by the Assembly Finance Committee and as amended with the changes made from Resolution 2845(d) and asked for unanimous consent. *Hearing no objection, Ordinance 2019-06(b) as amended was adopted.*

Mayor Weldon recessed the meeting for a break at 9:30p.m. and reconvened the meeting at 9:39 p.m.

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.

<u>2019 Hardship Exemptions</u>

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 5

<u>2019 Senior Citizen/Disabled Veteran Exemptions</u>

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: Pleasant 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.

MOTION by Mr. Jones that the Assembly accept the late filed 2019 Hardship Exemption for Applicant: Sepel, Parcel ID: 4B2601010110 and asked for unanimous consent. *Hearing no objection, the motion passed.*

MOTION by Mr. Jones that the Assembly accept the late filed 2019 Hardship Exemption for Applicant: Weimer Parcel ID:1C030C160040 and asked for unanimous consent. *Hearing no objection, the motion passed.*

MOTION by Mr. Jones that the Assembly accept the late filed 2019 Senior Citizen/Disabled Veteran Exemption for Applicant: Cantrell, Parcel ID: 5B1601170160 and asked for unanimous consent. *Hearing no objection, the motion passed.*

MOTION by Mr. Jones that the Assembly accept the late filed 2019 Senior Citizen/Disabled Veteran Exemption for Applicant: Lopez, Parcel ID: 4B2901270010 and asked for unanimous consent. *Hearing no objection, the motion passed.*

MOTION by Mr. Jones that the Assembly accept the late filed 2019 Senior Citizen/Disabled Veteran Exemption for Applicant: Nelson, Parcel ID: 5B2401440050 and asked for unanimous consent. *Hearing no objection, the motion passed.*

XI. STAFF REPORTS

A. New City Hall Update

Mr. Watt reported that they had several outreach meetings and public communication and the concept of a new City Hall is generally being received warmly. He said that he thinks the public appreciates that they are looking a long run project that would be for the good of municipal government, for the good of city finances, for the good of serving the public more efficiently and directly. He said there has been a fair amount of public discussion about details, primarily location, and a lot of comment about people concerned that we were moving too fast. He said that due to the public's concerns that this is moving too fast, we should take time and it will take more time than between now and the October ballot and if this is an idea that the Assembly and public feels they should move forward on, the October 2020 ballot would be a good target date. Staff could continue to work on answering public questions and developing project details so they have substantial support. His idea is that if it is a good idea, it was a good idea last year, it is a good idea this year, and it is a good idea next and the most important thing is not to rush this and we should take the time needed.

B. Annexation Update

City Attorney Palmer provided an update on the status of the annexation petition. He said that consistent with the last resolution that the Assembly adopted, staff has been working to prepare the petition for annexation and they intend to file the informal petition with the Local Boundary Commission (LBC) within a week. They projected a map on the screen showing the proposed areas to be annexed. He noted that Funter Bay was still excluded and Angoon was a long way away from anything that is planning to be annexed. He stated that the process that will begin in the next week would be to file an informal petition for technical review by the LBC. The LBC would then review it, provide any feedback and at that same time, CBJ staff would publish a webpage that would go live with FAQs on the annexation process and petition and publish a draft copy online. The next steps would then be dependent upon what the LBC says. At some point, there will likely need to be another public hearing on it before it goes up for legislative review but that process is a ways out.

Mayor Weldon noted that the City Manager has also reached out to all the neighboring communities to let them know what is going on. Mayor Weldon asked if any members had questions for staff.

Mr. Bryson asked if staff could provide a summary of the benefits or the necessity of doing the annexation for Juneau. He asked if we would be received additional tax base, if we would receive federal money for having additional lands and/or what the advantage to city would be to annex these lands.

Mr. Palmer said he and the City Manager could each provide information on this. Mr. Palmer said that looking at the big picture, the model borough boundaries that were created approximately 20 years ago were designated and intended for municipalities to extend their boundaries to those areas that have close connections with those communities. Mr. Palmer explained that areas A, B, C, and D on the map are almost near matches to the model borough boundaries. Those are areas that have close connections to Juneau and the overarching goal of the state is for those areas that are unorganized to become part of a borough. One of the goals is to provide more representation for the people who have property in those places or the people who travel or do business in those places. Mr. Palmer said that they believe there are only six permanent residents in those four areas, yet there a significant number of people who have cabins or do hunting or fishing business or seafood type businesses in those areas that have strong connections to Juneau. They are trying to wrap them into Juneau's boundaries to give them representation and a voice. He said they are also trying to provide parity to services we have outside of the roaded area. That will primarily be emergency medical services and then support for schools if there are any school-aged children out there. He said that even to some extent, zoning those places through the Title 49 process such that the remote rural life style could be protected and if anyone wanted to do something bigger or more commercial than what is typically found there, they would have to go through the Planning Commission process. He said there are a whole slew of protections out there and that the City Manager could possibly speak to some others.

Mr. Watt said that he would speak back to the formation of the state and the constitution with the idea in the constitution that provides for maximum local control. What the state envisioned was the boroughization of the entire state. That logic led to the model borough boundaries and when Juneau first formed its borough, it did not go to the full extent of the model borough boundary and as a result, it has been harder. He said that when other boroughs first formed, they went to the big boundaries and that was likely an easier way to go about it. He said the question that CBJ should ask is that given the philosophy of maximum local control, what is the most rational borough boundary for Juneau.

Mr. Watt said that a lot of people have looked at this over the years and we have found ourselves in an unfortunate, reactive mode when Petersburg decided to form their borough, which resulted in somewhat of a squabble between Southeast friends and neighbors. It was ultimately resolved by the formation of their borough and CBJ supported them in the Legislature when they went to get their land allocation. The Assembly, in looking at this in January 2018, decided that we should not react but rather we should proactively finalize our borough boundaries. Mr. Watt pointed out that there are potential economic development opportunities. There are two large mineral resource operations within our borough that we provide a lot of home base support to and we also receive significant property tax from so for all those reasons and those that Mr. Palmer relayed, this is where we are with the boundary proposal. There is still a lot of public process ahead of them that begins with the LBC.

Ms. Hale said that she recalls concerns raised by residents of Funter Bay when this came up. She said with the carve out of Funter Bay, it doesn't quite follow the model borough boundaries. She has heard pros and cons on the Funter Bay argument and she doesn't want to open that can of worms at this point. She said that it stands out and asked if we are at risk of someone else taking Funter Bay at some future time as a result of this.

Mr. Watt said that it would be entirely possible. He said that our neighbors in Hoonah have been talking about the formation of a borough and they have been doing research. He said he doesn't know what their timeline is but anytime we choose a boundary proposal, we are necessarily choosing the boundary proposal for the most adjacent neighbor. It is not unlikely that Hoonah would be following what we are doing in the news and given that we have chosen to not include Funter Bay, that would be a rational part of their planning to be thinking about that. He said he thinks Hoonah has made some progress on their proposal but he doesn't know when they will be coming forward with it.

Mr. Edwardson said he will not rehash the discussions from last year but if you go to the LBC website and read everything that they have on the model borough, the model borough was not intended to be the final word. It was supposed to be representative and a starting point like meander lines and that is why CBJ didn't do that originally. He said that Petersburg didn't automatically get more land grants with increasing their borough and that is why the ended up going to court. When a municipality forms, they get a certain state land grant according to formulas. Petersburg, even with that additional land, didn't hit that formula and that is why they had to go to the Legislature to get more. They got considerably more through the legislative process than they would have gotten through the regular formula process through the state statutes. The other is the unorganized borough. Mr. Edwardson said he thought that Vic Fischer wrote about the unorganized borough and that the unorganized borough was never meant to go away.

Mr. Edwardson said he didn't support this resolution but the Assembly passed it last year. He said this is a new Assembly and he wanted to get out an opposing viewpoint about the borough annexation process.

Ms. Hale thanked Mr. Edwardson for his comments. She noted from her experience as a former regulator how it was often frustrating trying to regulate in the state of Alaska when everywhere else has counties and Alaska doesn't have that structure. As a result, people defer and rely upon the state to do the management and regulation and there is no county, city or community performing those tasks. Ms. Hale said in light of that, she supports the expansion of the borough.

Ms. Triem asked why the corner land by Tracy Arm was being excluded. Mr. Watt said that is water in area A and it is already ours and not being excluded. Mr. Palmer explained that it was a graphical typo.

Mayor Weldon asked for any additional questions or comments from the Assembly. Seeing and hearing none, she moved onto staff report Item D.

C. Airport North Terminal Project (taken up earlier in the meeting)

D. 333 W. 9th Street update

Mr. Palmer explained that the previous owner of this property passed away in 2014 and that the property has been in arrears on property taxes for the past four years. The city foreclosed on that property through the tax foreclosure process. There was a one-year right of redemption and that year has now lapsed and the city has title to that property. In May 2018, the Assembly passed an ordinance stating that there is no public use for the property and that the property should be sold. At that Assembly meeting, and since then, the descendants and now the personal representatives of the prior owner have said that they want to pay the taxes owed as well as the taxes and fees on that property and they have made some payments. As of that morning, there is roughly $11,000 owed on the property, including all the interest and fees.

Mr. Watt explained that just prior to this meeting, he met with two representatives who were the assigns of the prior owner. They provided paperwork to CBJ on Friday, May 31 showing that they were assigned that right by the prior owner. They came to let Mr. Watt know that they intended to pay the taxes and that they had the resources to pay the taxes. He said he was glad to hear that and he let them know that the situation has dragged on a lot longer that the Assembly and staff had hoped when the ordinance was passed last year. He said they would be initiating the process towards sale of the property. He said they discussed what he thought would be the city's timeline to complete that process and the representatives advised him that they would be able to pay those taxes within that period and take care of the situation. He said that he strongly encouraged them to do that and that we would be following up on that. He said he also believes this process has gone on too long and we dropped the ball on it somewhat and that we need to pick it up and move forward. He said that CBJ initiating that process would motivate the assigns in completing the payment of those back taxes.

Mr. Jones said he felt Mr. Watt was leaving some things out. He said when they passed the ordinance last year, they had started the foreclosure process. The year for redemption had passed, therefore that property is CBJ property. He said that if we would have sold it a year ago, some of the proceeds would have gone to pay the back taxes and some of the proceeds would have recovered our expenses and maybe or maybe not we would have owed something to the heirs. The fact that they now might be able to pay the taxes owed, does not give them the right to the property. His understanding is that they would have to purchase the property from CBJ at the value that we set. He said this is still CBJ property and is in terrible shape. It has boarded up windows, a junk car in the yard, it has wood and other stuff. Some of the relatives were living in the yard last year bothering the neighbors and parking an RV and living in it this year. Right now, this is CBJ property and even if they pay the taxes back, it is still CBJ property. He said that it is just when it is sold that the proceeds would be distributed differently. He asked if he is mistaken in thinking that they could not just own the property if they pay the taxes owed.

Mr. Palmer explained that this is one of the odd aspects of Alaska Statutes. There is a right to redeem and that period is one year. He said there is also a right by the record owner or the assigns of the record owner to repurchase the property as Mr. Jones described but that is for a ten-year period. He said that if that property owner or their assigns comes forward and pays the property tax judgment plus four other costs, then they can repurchase the property.

Mr. Jones asked what repurchase the property means. He asked if CBJ does an assessment or real estate appraisal and they have to pay that value or do they pay the value that the assessor valued it at when we started the foreclosure process.

Mr. Palmer read the following as found in part in AS 29.45.470:
…The municipality shall sell the property for the full amount applicable to the property under the judgment and decree plus:

(1) interest not to exceed 15 percent a year from the date of entry of the judgment of foreclosure to the date of repurchase;
(2) delinquent taxes assessed and levied as though it had continued in private ownership;
(3) costs of foreclosure and sale incurred by the municipality; and
(4) costs of maintaining and managing the property incurred by the municipality including insurance, repairs, association dues, and management fees, that exceed amounts received by the municipality for the use of the property.

Mr. Palmer answered a number of questions from Assemblymembers and discussed the finances and state of the property as well as the legal circumstances of the property in greater depth. Mr. Watt acknowledged the concerns raised by Mr. Jones and said that staff did not perform its duties in a timely manner. Mr. Jones expressed his concerns that even if the assigns do pay the amounts owing as noted above that they may not be able or willing to improve the structure from the derelict condition that it is in currently.

XII. ASSEMBLY REPORTS

A. Mayor's Report – Mayor Weldon congratulated all the graduates who graduated over the past weekend. She attended the Memorial Day service at Evergreen Cemetery by the American

Legion. She said Assembly and staff will be traveling quite a bit in the next few months and she will be heading to Scotland on June 15. At the request of the Deputy Mayor, they are moving the Assembly Committee of the Whole (COW) meeting from July 1 to July 8. In looking ahead, to the upcoming year, she asked members to look at December 7 for the Assembly Retreat to see if that works for their calendars. If it doesn't to let her know alternative dates. She reminded city employees that Open Enrollment for insurance deadline is rapidly approaching and to please complete their enrollments.

B. Committee Reports

Ms. Becker provided the following reports:

Lands Committee reported on the recent work of the committee including a request from a couple who wished to purchase land from CBJ so they could subdivide and that request has been forwarded to the Parks and Recreation Department. They have Lena lots and two Renninger lots for sale. The sales brochures are out to the public. July 11 is the last day to submit the bids and August 23 is the closing. She reported that the NFL wanted to film the alumni game so Lands, Parks and Rec and the School District worked together to make that happen.

Docks and Harbors - PND was awarded the contract to conduct the small cruise ship master plan. She said they talked a lot about Amalga Harbor and the public and the residents of that area are not happy about the fish cleaning station and the bear attraction it provides. There have not been any decisions made at this time but they sent the issue to the Operations Committee.

They renewed the lease to the Mayflower Building where Montessori preschool is held.

She reported about the Chamber of Commerce speakers and about the JSD Assembly Joint Project Team and said all members should have a copy of the report from the project team that were placed in each member's inboxes.

Ms. Becker said that she had the honor of going on the Ovation of the Seas for a plaque presentation on behalf of the Mayor.

Mr. Jones reported that the Assembly Finance Committee (AFC) met and most of its work was dealt with tonight. The next meeting is June 12 and there will not be a meeting in July unless significant action needs to be taken by the Assembly based on what the legislature does.

Mr. Jones said he will be gone most of July on Marijuana Control Board business as well as for personal leave. He noted that many of the Assemblymembers will also be gone in July.

He noted that in honor of passing the budget at this meeting that this is the 18th consecutive budget that Ms. Becker has been instrumental in passing. She had 9 years of working on it in her tenure on the School Board and 9 years as an Assemblymember. He said that is amazing staying power and she should be recognized and honored for her commitment.

Mr. Jones reported that the School Board has not met. They meet on June 11 and they also will not be meeting in July. He said that the City Manager has been doing presentations about the proposed City Hall. Mr. Jones noted that Mr. Bartholomew and Mr. Watt were also speakers at the Chamber of Commerce talking about the city budget and the proposal for a new City Hall respectively.

Mr. Edwardson provided the Assembly Human Resources Committee report which met just prior to this meeting. The HRC heard the Utility Advisory Board's (UAB) annual report and in that report was discussion on the recommendation to raise rates 4% for next 5 years. He said the Assembly will be hearing about that in a later committee.
The HRC recommended the below board appointments:
UAB: Byran Farrell and Leon Vance to terms beginning June 1, 2019 and expiring May 31, 2022.
Juneau Commission on Aging (JCOA): Lisa Oberle to a term beginning immediately and expiring December 31, 2020.
Hearing no objections, the appointments were approved by unanimous consent.

Mr. Edwardson proposed the following dates for meetings of the full Assembly sitting as the Human Resources Committee to interview applicants for the following boards:
June 19 – Eaglecrest Board interviews
July 17 – Docks and Harbors and Aquatics Board (tentative)
August 1 – Airport Board; the Airport Board was originally scheduled for June 19 but that has been extended and the interviews will be held on August 1 instead.

Mr. Edwardson said that he attended the Airport board meeting at which they discussed the LEED certification. He was impressed with how much the airport covers in a one hour period.

Ms. Triem reported that she hasn't been able to attend a Travel Juneau meeting for the past few months as she has been traveling when their meetings are held. She said Travel Juneau has been assisting Legislative Affairs with housing during the special session. Travel Juneau has been participating in community meetings, particularly those regarding Centennial Hall which falls in their purview. They were also present at the neighborhood meeting regarding tourism concerns. They posted on the "Epic Trails" Facebook page an episode featuring Juneau hiking which was posted 11 days ago and has about 10,000 views.

Ms. Triem reported that the Aquatics Board met last week and they are wrapping up their work. Most of their members are ending their tenure and there will be a lot of seats to fill when they take it up at the HRC. They are also finishing up their annual report. She gave the following important dates related to the aquatics facilities. This week is the annual closure of the Augustus Brown Pool but the valley pool is open. On June 10 starting at 6 a.m., registration opens for the first session of summer swim lessons. Those swim lessons begin on June 17.

Ms. Triem said that her calendar got wiped when she switched jobs so she can't recall all of the events she's attended. She did however pass along an invitation from the Petersburg Mayor when she was attending the Little Norway Festival. He has invited all the Assembly to attend next year's festival but he can't promise that they won't get in trouble.

Ms. Hughes-Skandijs reported that she attended UAS Community day on Campus and the Mayor let her take her place on handing out the awards to Elementary Art Show winners. She also attended the alumni football game and the Memorial Day observances at Evergreen Cemetery and at the Elizabeth Peratrovich Hall and both ceremonies were very moving. She attended the neighborhood meeting on tourism at the library. She reported that the JCOA is finalizing its survey and they meet next week. She said they did not meet in May but that there has been a flurry of emails.

Ms. Hughes-Skandijs also attended a number of ribbon cuttings for infrastructure week including the new visitor center kiosk and the Douglas Harbor. She gave a shout out to Docks and Harbors staff for their ingenious design and installation of a new waste tank system.

Ms. Hale said she was engaged in quite a few conversations regarding the visible emissions from cruise ships. She commended most of the ships for their clear and visible efforts by many of the cruise lines to curb emissions. She read in the February 11, 2019 minutes that Norweigan Cruise Lines wants to build bridges in Juneau and she could tell NCL how to do that and that would be to burn MGO (marine gas oil) when in harbor which is what the other ships are doing when docked in Juneau. She suggested that a letter from the Mayor to the president of NCL to ask that they clean up their visible emissions.

Additional discussion took place regarding a letter and DEC measurement process. Members asked to see and approve such a letter if one is sent.

Ms. Hale reported that the JCOS continues to work on a number of things and their next meeting is on Wednesday. She reported that the MRV work on Centennial Hall concluded with a meeting on May 30 at which they put up four different possible options that ended up with lots of sticky notes. They will be taking one option and bringing that back as a possibility. It was a design charrette taking the needs identified and saying this is something that could be done. The next meeting is scheduled for June 25 to look at the New JACC and to look at Centennial Hall together and they will then be forwarded to the Assembly Committee of the Whole on July 8.

Mr. Bryson reported that the Planning Commission met on May 14. They received an update from Mr. Palmer about the CBJ lease process where they are trying to remove the Planning Commission from that process. They passed the rezone for Under Thunder that was just voted on at this meeting. They also took up a Vista Drive rezone.

Mr. Bryson said he gave a presentation to the Miners Association on May 17. On May 28, they approved 72 condos across the street from Glacier Cinemas and a 5000 square foot gym for the youth wrestling club.

JEDC met on May 29 at which they discussed a work plan vs. a strategic plan and they were looking for tracking metrics or a dashboard to provide to the Assembly. There are two kinds of maps of downtown: 1) a DBA map and 2) a Travel Juneau map and only one maps is allowed on the cruise ships. He said it is odd that we fund both organizations that now have competing maps and he asked if there was some way to correct that. DBA members pay to get on their map. Travel Juneau just give them out.

He said that on June 9, he has arranged a float trip to check out the Mendenhall River and invited Planning Commissioners, Assembly members, members of the Parks and Recreation Advisory Committee and staff.

Mr. Jones noted that the rezones that Mr. Bryson reported on where just introduced at this meeting and not yet adopted.

XIII. ASSEMBLY COMMENTS AND QUESTIONS

XIV. CONTINUATION OF PUBLIC PARTICIPATION ON NON-AGENDA ITEMS
Mr. Kirby Day encouraged members to send any comments or concerns to TBMP as they come up.

XV. EXECUTIVE SESSION

XVI. ADJOURNMENT

There being no further business to come before the Assembly, the meeting adjourned at 10:46 p.m.

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