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

July 23, 2018 7:00 PM

City Hall, Assembly Chambers
Regular Meeting 2018-22

Submitted By:

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Duncan Rorie Watt
City and Borough Manager

I. FLAG SALUTE

II. ROLL CALL

III. SPECIAL ORDER OF BUSINESS

A. **Recognition: Capital Cup Winners**

IV. APPROVAL OF MINUTES

A. **June 25, 2018 Regular Assembly Meeting 2018-18**
B. **June 27, 2018 Special Assembly Meeting 2018-19**
C. **July 11, 2018 Special Assembly Meeting 2018-20**

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 2017-06(AV) An Ordinance Appropriating to the Manager the Sum of $9,387 as Partial Funding for the Industrial Boulevard Capital Improvement Project; Funding Provided by the State of Alaska Department of Transportation.**

The State of Alaska, Department of Transportation (ADOT) has refunded $9,387.37 to the City & Borough of Juneau (CBJ) for matching funds attributed to the ADOT reconstruction of Riverside Drive. The CIP was included in the CBJ's FY13 CIP program, and eventually closed out in FY16.

The refunded amount was originally made available with sales tax funding, and will now be added to the Industrial Boulevard CIP.

This item will be heard by the Public Works and Facilities Committee at its regular meeting on August 6, 2018.

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

b. **Ordinance 2018-11(D) An Ordinance Appropriating to the Manager the Sum of up to $29,492 as Funding for Multiple Training Events for the Juneau Police Department; Grant Funding Provided by the United States Department of Justice, Office of Justice Programs, FY17 Edward Byrne Memorial Justice Assistance Grant (JAG) Program.**

The Juneau Police Department has been awarded up to $29,492 in grant funding for various training opportunities.

The JPD leadership team has identified the following training opportunities to be funded with this grant, including: property and evidence management, information technology, computer forensics, emergency communications professionals, and creating a healthy police agency.

No local match is required for this grant.

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

c. **Ordinance 2018-11(E) An Ordinance Appropriating to the Manager the Sum of $2,245,538 as Funding for various Capital Improvement Projects at the Juneau International Airport; Funding Provided by Passenger Facility Charge Fees.**

This ordinance would appropriate $2,245,538 to various Airport capital improvement projects (CIPs). These funds will reimburse amounts that were forward-funded from the Airport Fund Balance and Airport revolving CIP accounts, and will also provide new match for grants.

Funding is provided by FY18 & FY19 Passenger Facility Charge (PFC9)

collections, for the following CIPs:

Conduct Master Plan Study	$ 61,227
Rehabilitate Taxiways A & E (Design and Construction)	$1,125,000
Rehabilitate Airport Access Road	$ 64,610
Construct NE and NW Apron	$ 228,251
Rehabilitate ARFF Building	$ 50,000
Construct Snow Removal Equipment Building (SREB)	$ 72,750
Construct Sand and Chemical Building	$ 643,700

Total approved collections for PFC9 are over nine-million dollars, and anticipated to take 8 years. They will be appropriated year-to-year; this is the first.

At its July 10, 2018, meeting, the Airport Board approved this action.

This item will be heard by the Public Works and Facilities Committee at its regular meeting on August 6, 2018.

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

d. **Ordinance 2018-11(F) An Ordinance Appropriating to the Manager the Sum of $1,972,000 as Funding for the Juneau International Airport Gate 2 Passenger Boarding Bridge Capital Improvement Project; Funding Provided by the Federal Aviation Administration and Sales Tax Revenue.**

This ordinance would appropriate $1,972,000 to the Airport Gate 2 Passenger Boarding Bridge capital improvement project. Funding is provided as follows:

Federal Aviation Administration (FAA) grant:	$1,801,875
Sales Tax Revenue:	$ 170,125

The FAA funds 93.75% of the project with local match provided by Juneau International Airport from sales tax revenue, which also includes $50,000 contingency funds.

The Airport Board approved this action at its March 13, 2018, meeting. The Assembly approved forward funding this project in the amount of

$1,801,875 via Ordinance 2017-06(AJ) at its meeting on April 4, 2018. If the Assembly adopts Ordinance 2018-11(F), the forward funding of $1,801,875 will be refunded to the Airport Fund's fund balance.

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

e. **Ordinance 2018-11(G) An Ordinance Appropriating to the Manager the Sum of $350,000 as Supplemental Funding for Capital City Fire & Rescue; Funding Provided by General Fund's Fund Balance.**

This supplemental appropriation of $350,000 provides funding to support an immediate need to add additional staffing to Capital City Fire & Rescue (CCFR) operations. The additional staffing is being added for the purpose of providing expanded EMS service and fire response readiness.

This ordinance will appropriate the funds needed to pay for the additional personnel costs within CCFR. The funds will come from the General Fund's fund balance.

This issue was discussed with the Committee of the Whole (COW) at its July 11, 2018, meeting. The COW directed staff to prepare an appropriating ordinance and move it to the full Assembly for introduction and public hearing.

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

f. **Ordinance 2018-28 An Ordinance Amending the Land Use Code Relating to Mining.**

This ordinance would amend the City and Borough's Land Use Code as directed by the City and Borough of Juneau Mining Committee. As instructed by the Committee, Title 49.65 was rewritten and reorganized to improve clarity, without removing any substantive provisions.

The Planning Commission considered the ordinance at its meeting on June 26, 2018, recommending it be forwarded to the Assembly with one substantive change: to require the release of the financial warranty relating to mining exploration to occur within six months. That change is shown by strikethroughs and italics.

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

g. **Ordinance 2018-38 An Ordinance Amending the Sales Tax Code Relating to Transportation Network Companies.**

Alaska Statute 29.35.148(b) was recently amended by SB14, signed by

the governor in June, to allow municipalities the ability to require transportation network companies (TNCs) to collect and pay the municipal sales tax on behalf of transportation network company drivers.

This ordinance would amend the CBJ sales tax code to implement the changes authorized by SB 14.

This issue was presented to the Assembly Finance Committee at its February 7, 2018, meeting, and the draft ordinance presented to the Committee at its June 13, 2018, meeting.

TNC company representatives recently contacted the CBJ with suggestions to improve the tax administration requirement.

The City Manager recommends this ordinance be introduced and set for public hearing at the September 17, 2018, regular Assembly meeting.

h. **Ordinance 2018-39 An Ordinance Increasing the Hotel-Motel Room Tax by Two Percent and Providing for a Ballot Question Ratifying the Increase.**

This ordinance would place the question of increasing the hotel-motel room rental tax from seven to nine percent on the ballot at the next regular municipal election. In accordance with a request proposed by the Assembly Finance Committee at its meeting on June 13, 2018, the increase would be permanent, with an effective date of January 1, 2019.

The hotel-motel room rental tax was last increased in 1988. The increased rate authorized by this ordinance would initially generate an estimated $440,000 per year in additional revenue. It is the intent of the Assembly to use this increase in the hotel-motel room rental tax to provide partial funding for the construction of capital improvements for the Juneau Arts & Culture Center and as funding for improvements to Centennial Hall, visitor information, marketing services, and other tourism and visitor services and facilities. Additionally, if approved by the voters, proceeds could be used to help pay for debt service relating to the new JACC or Centennial Hall.

The City Manager recommends this ordinance be introduced and set for public hearing at the next regular Assembly meeting, and referred to the Finance Committee meeting for discussion on July 25, 2018.

i. **Ordinance 2018-40 An Ordinance Authorizing the Issuance of General Obligation Bonds in the Principal Amount of Not to Exceed $12,000,000 to Finance Capital Improvements to the Facilities of the City and Borough, and Submitting a Proposition to the Voters at the**

Election to Be Held Therein on October 2, 2018.

This ordinance authorizes placing on the October 2, 2018 general election ballot the question of issuing $12 million in fifteen-year general obligation bonds for the purpose of funding a variety of capital projects. The identified projects include:

· Renovations to Centennial Hall, including upgrading the HVAC system and expanding the lobby area;

· Construction and equipping of a portion of a new arts and culture center; and

· Construction of an enclosed and heated corridor between Centennial Hall and the new arts and culture center.

The temporary 1% sales tax approved by voters during the October 2017 general election will pay for $4.5 million of the debt service. Beginning in FY20 to pay off the remaining $7.5 million of debt and interest would require .15 mills in property taxes for debt service payments for 15 years. This amount of debt service would require an annual property tax levy of approximately $15 (.15 mills) per $100,000 of assessed value or approximately $59 for an average single family home (estimated 2018 value $393,000 per CBJ Assessor). The annual payment funded by property taxes would be about $719,000.

The Assembly Finance Committee will discuss this ordinance at its July 25, 2018, meeting.

The City Manager recommends this ordinance be introduced and set for public hearing at the next regular Assembly meeting and sent to the Finance Committee for further discussion.

j. **Ordinance 2018-42 An Ordinance Authorizing the Manager to Sell City and Borough of Juneau Property, Located at 9290 Hurlock Avenue, to Alaska Legacy Partners.**

This ordinance would authorize the Manager to sell the 9290 Hurlock Avenue property to Alaska Legacy Partners for $350,000 for the development of a senior assisted living housing project.

After a lengthy committee process, on April 16, 2018, the Assembly Committee of the Whole chose the Alaska Legacy Partners (ALP) proposal. ALP proposes to purchase the property and redevelop it into a senior assisted living facility; this ordinance requires development that conforms with ALP's proposal.

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

2. Resolutions

a. **Resolution 2828 A Resolution Expressing Assembly Support for an Application for Funding from the Alaska Department of Transportation and Public Facilities Through its Municipal Harbor Facility Grant Program in the Amount of $2,000,000 for Phase III of the Aurora Harbor Improvements Project.**

This resolution would affirm the Assembly's support for Docks & Harbors to submit a $2M ADOT Harbor Grant application for the next phase of the Aurora Harbor reconstruction project.

The ADOT Harbor Grant is a 50-50 match program requiring CBJ to provide $2M in match to achieve a $4M project. Docks & Harbors proposes using $1.5M from the 2017 1% sales tax, as approved by the voters, and $500K from the Harbor Fund fund balance. The Docks & Harbors Board reviewed the resolution and recommended adoption at its June 28, 2018, regular meeting.

The City Manager recommends this resolution be adopted.

b. **Resolution 2829 A Resolution Ratifying the Agreement Between the City and Borough and the Public Safety Employee Association, AFSCME Local 83, AFL-CIO.**

This resolution would provide Assembly ratification of the terms of the tentative agreement negotiated between the City and Borough of Juneau and the Public Safety Employees Association (PSEA) for an economic reopener provided for in the current collective bargaining agreement.

The terms of the economic reopener include a 2% general wage increase and retention incentive bonuses for sworn staff. The total cost of these provisions over the life of the contract is projected to be approximately $281,000.

Because this is an economic reopener, there are no adjustments to general operating terms.

The PSEA membership has approved the terms of the tentative agreement. The agreed upon terms are consistent with Assembly direction.

The City Manager recommends this resolution be adopted.

c. **Resolution 2830 A Resolution Ratifying the Agreement Between the City and Borough and the International Association of Fire Fighters.**

This resolution would provide Assembly ratification of the terms of the tentative agreement negotiated between the City and Borough of Juneau and the International Association of Fire Fighters (IAFF) for an economic reopener provided for in the current collective bargaining agreement.

The terms of the economic reopener include a 2% general wage increase, retention incentive bonuses, and an adjustment to the wage rate for captains. The total cost of these provisions over the life of the contract is projected to be approximately $204,000.

Because this is an economic reopener, there are no adjustments to general operating terms.

Ballots for the IAFF membership ratification of the terms of the tentative agreement were counted on Friday, July 20. The agreed upon terms are consistent with Assembly direction.

The City Manager recommends this resolution be adopted.

3. Bid Award

a. **Term Contract for Processing and Disposal of Abandoned Vehicles**

This term contract is for the processing and disposal of vehicles for the Juneau Police Department. For the purposes of this contract, vehicles include, but are not limited to, automobiles, buses, motorhomes, travel trailers, boat trailers, and boats. Vehicle distinctions shall be by Gross Vehicle Weight Rating (GVWR) of either less than or greater than 17,500 pounds.

Bids were opened on the subject project on July 10, 2018; only one bid was received:

Bidder	Total Bid
Channel Construction, Inc.	$114,700.00

The protest period ended on July 17, 2018. Staff recommends award to Channel Construction, Inc., on the basis of having the lowest responsive and responsible bid price in the amount of $114,700.00 based on total bid.

The City Manager recommends award of this bid to Channel Construction, Inc. in the amount of $114,700.00.

4. Transfers

a. **Transfer T-1002 Transfer of $3,312,976 from Cruise Berth Improvement Capital Improvement Project to the Marine Park to Taku Uplands Improvements Capital Improvement Project.**

The CBJ Docks and Harbors director requests a transfer of funds from CIP account H51-101 (Cruise Berth Improvements) to CIP H51-116 (Marine Park to Taku Uplands Improvements).

This transfer will provide funding for the next phase to include a land transaction (purchase and sale with Archipelago Properties, LLC), transportation staging area and expanded open space through a deckover.

The Public Works and Facilities Committee reviewed this transfer at its July 9, 2018, meeting.

The City Manager recommends this transfer be approved.

b. **Transfer T-1003 Transfer of $310,000 from Airport Revolving Capital Reserve Capital Improvement Project to the Snow Removal Equipment Building Capital Improvement Project.**

The transfer provides funding for design of the second phase of the facility, consisting of a sand/chemical building & fueling station. The Airport Revolving Capital Reserve (ARCR) funding is temporary, and will be returned upon receipt of an anticipated Federal Aviation Administration grant for this design work.

At its meeting on July 10, 2018, the Airport Board approved this transfer.

The City Manager recommends this transfer be approved.

VIIIPUBLIC HEARING

A. **Ordinance 2017-06(AW) An Ordinance Appropriating to the Manager the Sum of $119,853 as Funding for Various Capital Improvement Projects and Bond Debt; Funding Provided by General Obligation Bond Interest Income.**

This ordinance would appropriate $119,853 in bond interest income that was earned on general obligation bond proceeds. Per CBJ Charter and direction of bond counsel, the interest income is available to: 1) cover original projects expenditures, 2) pay bond debt service & IRS arbitrage fees, or 3) other eligible Capital Improvement Projects. The proposed expenditures are in compliance with the guidance.

Funding provided by unexpended bond interest income from ten capital improvement projects.

The City Manager recommends this ordinance be adopted.

B. **Ordinance 2018-11(A) An Ordinance Appropriating to the Manager the Sum**

of $53,000 as Partial Funding for the Treadwell Mine Park Preservation Capital Improvement Project; Grant Funding Provided by the Treadwell Historic Preservation and Restoration Society.

The project is to prepare and paint the exterior and interior of the existing concrete structure known as the Treadwell Office Building. This work continues recent historic preservation work at the Treadwell Mine Historic Park.

The Treadwell Historic Preservation and Restoration Society is contributing $53,000 to this project. Funds were obtained by the Society through private and corporate donations for the purpose of historic preservation activities at the Treadwell Mine site.

The City Manager recommends this ordinance be adopted.

C. **Ordinance 2018-11(B) An Ordinance Appropriating to the Manager the Sum of $126,000 as Supplemental Funding for Waste Management's Fiscal Year 2019 Operating Budget; Funding Provided by the Waste Management Fund's Fund Balance.**

This ordinance would appropriate $126,000 from the Waste Management Enterprise fund balance to the Waste Management operating budget to provide funding for the recycling program envisioned by Ordinance 2018-37. This appropriation would fund, through FY19, the increased contract cost between the existing recycling contract and the expanded contract contemplated by Ordinance 2018-37.

The City Manager recommends this ordinance be adopted.

D. **Ordinance 2018-11(C) An Ordinance Appropriating to the Manager the Sum of $84,479 as Funding for the Parks and Recreation Department; Funding Provided by Hotel Tax Fund's Fund Balance.**

On July 1, 2018, the CBJ entered into an agreement with the Juneau Arts and Humanities Council (JAHC) to manage the operations of Centennial Hall. Because the work of managing the hall will shift from public employees covered by the Public Employees Retirement System (PERS) to employees of a nonprofit organization not subject to PERS, the CBJ will incur a onetime termination cost of up to $84,479.00. This ordinance would appropriate the funds needed to pay for the termination costs to the Parks & Recreation Department. The funds will come from the Hotel Bed Tax Fund's fund balance.

This issue was discussed with the Assembly Finance Committee at its June 13, 2018, meeting. The AFC directed staff to prepare an appropriating ordinance and move it to the full Assembly for introduction and public hearing.

The City Manager recommends this ordinance be adopted.

E. **Ordinance 2018-12(A) An Ordinance Appropriating $40,000 from the Treasury for FY19 School District Operations with the Sole Purpose of**

Funding the Auto Shop Lease Costs.

This ordinance would appropriate $40,000 to the Juneau School District, to be used solely for the rental payment relating to the facility use agreement between the district and the University of Alaska needed for the district's auto shop program.

The issue was discussed by the Assembly Finance Committee at its meetings on April 4, 2018, and May 9, 2018.

The Assembly heard public testimony on the topic at the Assembly meeting on June 25, 2018.

The Assembly directed staff to draft this appropriating ordinance at its meeting on June 4, 2018.

The City Manager recommends this ordinance be adopted.

F. **Ordinance 2018-36 An Ordinance Amending the Official Zoning Map of the City and Borough to Change the Zoning of USS 2305, Lot 9 Fraction (Northern Portion) and USS 2335 Fraction (Western Portion), Located at 4535 North Douglas Highway, from D-3 to D-15.**

This ordinance would rezone lots on North Douglas Highway from D-3 to D-15.

The two lots (1.64 acres) are under the same ownership and together are currently occupied by one single family dwelling.

The requested rezone would be an expansion of an existing D-15 zone immediately to the north. The large lot to the north was rezoned from RR(T)D-3 to D-15 in 2014. The 2013 Comprehensive Plan identifies the immediate area around and including the lots as Medium Density Residential (MDR). This designation supports lots which have zoning with dwelling densities between five to twenty units per acre. The Comprehensive Plan notes that rural lands and lands in the North Douglas Subarea should be rezoned to higher densities when public water and sewer are provided to them. The subject lots were connected to public water in 1987 and public sewer in 2011.

The CBJ Land Use Code provides minimum restrictions for zone change requests. This proposal conforms to these restrictions as follows:

1. The request is for less than 2 acres, but if approved will expand an existing D-15 zoning district.

2. No similar request has been made in the past year.

3. This request substantially conforms to the land use maps of the 2013

Comprehensive Plan.

On April 18, 2018, a public meeting was held at the Douglas Library. On May 22, 2018, the Planning Commission recommended that the Assembly approve the rezone.

The City Manager recommends this ordinance be adopted.

IX. UNFINISHED BUSINESS

X. NEW BUSINESS

A. Senior Citizen and Hardship Late-File Application Extension Requests

The following listed property owners are requesting that the Assembly authorize the Assessor to consider a late-filed appeal of their property assessment: Hutchins, McVey, Rasmussen, Morgan, Roldan, Ware, and Knapp. 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.

2018 Hardship Exemptions

1) Applicant: Hutchins Parcel ID: 3B44010000093
Physical Address: 34200 Glacier Hwy.
Legal Description: Yankee Cove LT1

2) Applicant: McVey Parcel ID: 4B1801030170
Physical Address: 1650 Fritz Cove Road
Legal Description: USS 1547 FR

3) Applicant: Rasmussen Parcel ID: 4B1701140030
Physical Address: 2741 Engineers Cutoff
Legal Description: USS 3260 LT 13

2018 Senior Citizen/Disabled Veteran Exemptions

1) Applicant: Rasmussen Parcel ID: 4B1701140030
Physical Address: 2741 Engineers Cutoff
Legal Description: USS 3260 LT 13

2) Applicant: Morgan Parcel ID: 6D0701100090
Physical Address: 5700 N. Douglas Hwy.
Legal Description: USS 3159 LT 6 TR 3

3) Applicant: Roldan Parcel ID: 5B1301120540

Physical Address: 6590 Glacier Hwy SP 54
Legal Description: Switzer Village MH Park SP 54

4) Applicant: Ware Parcel ID: 1D050L260070
Physical Address: 3155 Pioneer Ave
Legal Description: Channel Heights II BL A LT 12

5) Applicant: Knapp Parcel ID: 1C060U04B030
Physical Address: Parkshore Unit B-3
Legal Description: Parkshore Condo B-3

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.

B. **Seventh Day Adventist Christian School vs. CBJ Assessor - Appeal #2018-03**

On July 13, 2018, the Clerk's office received an appeal of the Assessor's decision regarding the tax exemption status of the property owned by Juneau Seventh-day Adventist Christian School.

In accordance with the Appeals Code, the Assembly must decide whether to accept or reject the appeal. If you determine, after liberally construing the notice of appeal in order to preserve the rights of the appellant, that there has been a failure to comply with the appellate rules, or if the notice of appeal does not state grounds upon which any of the relief requested may be granted, you may reject the appeal.

If the appeal is accepted, you must decide whether the Assembly will hear the appeal itself or if it will assign the appeal to a hearing officer. If you decide to hear the appeal yourselves, a presiding officer should be appointed.

In hearing an appeal, the Assembly sits in its quasi-judicial capacity and must avoid discussing the case outside of the hearing process. (See CBJ 01.50.230, Impartiality.)

As this is a quasi-judicial matter, the City Manager makes no recommendation.

C. **Archipelago Land Deal**

XI. STAFF REPORTS

A. **CCFR Staffing Update**

XII. ASSEMBLY REPORTS

A. Mayor's Report

B. Committee Reports, Liaison Reports, Assembly Comments and Questions

C. Presiding Officer Reports

XIII. CONTINUATION OF PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

XIV. EXECUTIVE SESSION

A. **City Manager and City Attorney Evaluations**

B. **Gastineau Apartments Update**

XV. ADJOURNMENT

XVI. SUPPLEMENTAL 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