THE CITY AND BOROUGH OF JUNEAU, ALASKA

Meeting Minutes – February 26, 2014

MEETING NO. 2014-07: The Special Meeting of the City and Borough of Juneau Assembly, held in the Assembly Chambers of the Municipal Building, was called to order at 6:00 p.m. by Mayor Merrill Sanford.

I. ROLL CALL

Assembly Present: Mary Becker, Karen Crane, Loren Jones, Jesse Kiehl, Jerry Nankervis, Merrill Sanford, Kate Troll (left at 7:00 p.m.) and Randy Wanamaker.

Assembly Absent: Carlton Smith.

Staff Present: Kim Kiefer, City Manager; Rob Steedle, Deputy City Manager; Laurie Sica, Municipal Clerk; Bob Bartholomew, Finance Director, Patti deLaBruere, Airport Manager; Ken Nichols, Airport Engineer.

School Board Representatives: Lisa Worl, Andi Story, Barbara Thurston, Sally Saddler, Phyllis Carlson, Glen Gelbrich, Superintendent; David Means, Director, JSD Administrative Services.

Airport Board Representatives: Mal Menzies, Joe Heueisen, Marty Myers, Robert Mackey, Ron Swanson.

II. SPECIAL ORDER OF BUSINESS

A. Joint Meeting With The Board Of Education To Discuss School Board Issues

Sally Saddler, Board President, thanked the Assembly for the support and for the opportunity to speak with the Assembly. She thanked the Assembly for funding to the cap in the past.

The Juneau School District (JSD) was working to implementing its strategic plan for academic achievement for every student in the district for whatever the student's individual plans were. They measured academic progress to national normed standards. 2/3 of the students now read at grade level. In the past year, there was a 3% increase in reading and 1% increase in computing at grade level. The graduation rate went from 70% to 79% in last year. They cite the investment in professional education for teachers and having two high schools. Two schools did not provide lower class sizes, but it increased the activities that students could participate in and it is not as intimidating to walk the hallways. 65% of students participate in activities, and to stay engaged, students need to keep their grades up. The credit recovery program was helping.

Mayor Sanford asked if keeping better records was a part of the increase in graduation rates. Ms. Carlson attributed the YaKoos Alternative school in helping bring students back into the fold and keeping a small student body. Better record keeping was helping.

Ms. Saddler said investments in professional development were made in reading, math and the AVID program helped students with college preparation. They were monitoring attendance and have a 91% student attendance rate. 50% of students were entering school ready to learn. She said the United Way / Rotary literacy goal was a great initiative. She spoke about the career pathway programs, including the CBJ home building program. Overall, they are not completely where they want to be but they are making slow and steady progress.

She provided a quick overview of the budget. It is a $90 million budget, of which 77% is operating. $9 – 11 million comes each year from the state for unfunded retirement liability. The rest is special grant money, special transportation funds, food service account, etc. Nearly a third of the amount comes from the CBJ. Two or three years ago there was an adjustment to full and true value calculation that resulted in CBJ getting an additional $2 million from the state. JSD invested 80% of its resources in instruction. They invest 92% of their resources in staff. There were 680 employees, of which 373 are teachers. They lost almost 100 employees over the past three years. Last year the projected enrollment was short 100 students. David Means distributed a report from Greg Erickson of Erickson & Associates report on Enrollment Forecast dated December 26, 2013. Recently JSD completed contract negotiations with Juneau Education Association and settled with support staff and was now negotiating with administrators. The budget assumed $25 million in the Governor's budget would stay intact and they were hopeful for BSA increase to $85 increase as outlined in the Governor's budget, which would generate $909,000 to JSD. They were looking at a $192,000 increase to the local effort from the Assembly, and for FY16, a $282,000 increase.

Mr. Means thanked the Assembly for transferring funds they are closing out two projects and are continuing work on the Marie Drake project and the DZ roof leak fix. A facilities condition study was done for Mendenhall River Elementary School by the CBJ Engineering Department. A study was underway for a master plan at Marie Drake and was a possible future bond measure. The bleachers at JDHS are no longer retracting properly and need repair. The ball fields at Floyd Dryden are part of a CBJ master plan, which includes renovation and turfing a softball field, moving restrooms and concessions and reconfiguring parking, through Parks and Recreation. JSD may approach the Assembly with a bond measure for the ballot in 2014 but was still gathering information and was developing priorities.

Mr. Gelbrich said that unexpended funds in different construction accounts were gradually being closed and as we have discussion about construction projects, we are being mindful of the mill rate overall. Mr. Sanford asked about the current funding for Marie Drake. Mr. Means said there was no funding in Marie Drake with the exception of the $75,000 transfer that was appropriated at the last Assembly meeting. $28 million was a number proposed by CBJ Engineering and was a rough estimate.

Mr. Kiehl said his priorities were roof replacement at DZ and scoping the work for Marie Drake. He asked if the $21 million estimate for Mendenhall River School was for the full renovation and Mr. Means said yes, it was the complete project. Mr. Means said he recommended a smaller project of $7 million – energy upgrades, end of life expectancy issues such as the carpet. Ms. Story said she is the liaison to the MR site council. They would like to see the full project done so there could be lunch in the commons and the gym can be used more and they do not want to see a smaller project done and have to go back later and see another project needed for more repairs.

Saddler said the board appreciated the help of Kevin Jardell in lobbying assistance. They were primarily interested in a sustainable increase to the base student allocation. The amount dedicated to the classroom is stretched thinner and thinner. Mr. Means estimated that a $425 increase is needed to recover what we have lost in one year. Anchorage has calculated $404. We are not supportive of the constitutional amendment changing how funds can be distributed to education programs – we already have several choices available within the publicly funded system with accountability. Sustaining a high quality public education is important.

Ms. Saddler said successes include partnerships with native community neighbors and we celebrated this at the last board meeting. Every teacher implemented cultural standards and place based learning into their classrooms and in the students daily lives. This will further narrow the graduation gap with our native students.

Ms. Saddler said the board and district was serious about cost containment. There was a budget committee with 24 community people participating. We are looking at cutting another $4.5 million – 7% of our budget, which will be painful. We are requesting the same amount beyond the cap as in previous years.

Mr. Gelbrich said there is regular communication between JSD, the Mayor and City Manager and CBJ was involved at the leadership and staff level. We are looking for efficiencies in sharing resources. The first venture was in planning and facilities and the second was in legal services. The school has gotten great attention from CBJ law.

Mr. Sanford asked about the efforts to increase the Base Student Allocation (BSA). Andi Story said she was the liaison and was following that issue along with Kevin Jardell. Ms. Story said that with multi-year funding it was difficult for districts to plan without knowing the level of support from the state from year to year. We are pushing for an educational task force. Ms. Thurston said that Cathy Munoz was supportive but was not sure a bill will be proposed.

Kate Troll said the school board should let the Assembly know if there was anything more that the Assembly could do to be supportive of this effort. Ms. Saddler said any statement would be strong as Juneau funded to the cap.

Ms. Crane said $3 million into the PRS/TRS program would be a big impact as well and should be lobbied for in addition to the BSA increase.

Ms. Story mentioned energy studies on the school facilities and there were some problems with energy losses at Marie Drake, DZ and Riverbend. The district could not afford those types of improvements. Energy savings help spread dollars further and this should be noted for CBJ's planning. Ms. Crane said that information was not in the presentation.

Kate Troll said that the Alaska Housing Finance Corporation had a $75 million loan program for public buildings and suggested the school district look into this type of funding for energy projects and she thought the school projects would be good candidates for this type of financing.

B. Joint Meeting with the Juneau International Airport Board

Patricia deLaBruere gave an overview of the budget for the Airport. She explained that all activities at the airport are regulated by a variety of other agencies, including FAA, TSA, DEC and others. There were several mandates to meet. Juneau Police Department security, Capital City Fire and Rescue Aircraft Rescue and Firefighting and USDA wildlife hazard management were all mandated.

Operations included all air traffic controlled at the airport and she gave statistics on the number of operations. Enplanements related to the number of people boarding aircraft in Juneau and the numbers were provided by FAA and gave the base for funding from FAA. The numbers were coming back up from a low in 2009 but have not recovered from the high in 2008. The money from enplanements went only to capital improvements – not into the operations budget.

She spoke about the variety of businesses that were running at the airport, as well as the variety of agencies that were operating there. There were 115 leases on the airside, 110 landside, 16 in the terminal and 76 tie downs and floats, which made up leases and rentals.

Current projects include the runway safety area. Phase II was substantially complete and was an $85 Million project to date. Ken Nichols said cleanup work was left on both ends to finish the approach lighting systems, and they would like to complete the approach lighting on the east end.

The Runway Rehabilitation project was estimated at $1.25 Million for design and $22 Million for construction with a two-year period for the work. Mayor Sanford spoke about the requirement to do this project or face a consequence of paying penalties or having the runway shut down. Ms. deLaBruere said the pavement was 17 years old and at the end of its useful life. Mayor Sanford asked about federal funding and Mr. Nichols said that a bid package was ready to go and they hoped to hear from FAA in March about funding. They would not issue a grant until the bid was open, so language was in the bid about award being contingent upon receiving grants from FAA. They anticipated the full amount would be received.

The Airport Sustainable Master Plan was underway and was a $750,000 project to cover areas of economic, environmental and social sustainability. Mr. Nichols said this planning would provide good ideas as well as contribute to grant applications.

The Snow Removal Equipment Facility Phase I estimated at $23 million was waiting on FAA funding. The current facility was undersized and the buildings were deteriorating.

The Terminal Renovations Phase II was estimated at $10 million and included the “knuckle” of the building – the old tower, kitchen, up escalator, stairwell, elevator, old corridors and glycol storage area for the geothermal system, and old offices.

The Aircraft Rescue and Firefighting Vehicle replacement was estimated at $1 million. To raise the ARFF index, a larger ARFF vehicle was needed, and a larger building is needed to store it in.

Upcoming events included Delta Airlines resuming service on May 29, 2014, and everyone was working on preparing for their arrival.

The food and beverage concession negotiations continued and they were reviewing a longer-term interim provider. Ethan Billings was presently providing the restaurant, bar and coffee stand and would soon provide a coffee stand in the departure lounge.

Two airport inspections were ongoing, including the regular 131 inspection from FAA and Juneau was chosen as one of two Alaskan airports to be inspected this year to ensure compliance with airport land use and lease agreements. Land leased at the airport must be used to benefit airport operations and programs and to ensure fair treatment. This inspection affected funding from the FAA. The airport was getting notifications from CDD regarding projects at and near the airport that may effect airport operations – even the fireworks displays on the 4th of July must be reviewed and noticed.

DEC issued a permit regarding runway deicer based on EPA's rules and this was a changing issue. The airport was still using Urea and a change to another chemical would be more costly and would need to be permitted.

The TSA reduction in staffing and insufficient screening equipment resulted in delays and Ms. deLaBruere thanked the Assembly for assisting with congressional delegation action.

JPD assumed police duties at the airport in October 2013 and anticipate permanent officers over the next few years.

Future projects included:

- Taxiway rehabilitation programmed for 2018.
- Completion of the east end of the runway MALSR runway 26 alignment lights at $3 million. The system now lights to 800 feet, but would extend to 2400 feet.
- Equipment replacement once the SREF is complete. Much of the current equipment was being nursed along.
- Phase II of the North end of the terminal where air taxis are - the current facility was not energy efficient and had old infrastructure, with an estimated $26 million for tear down and replace.
- Possible addition of Q-400 regional aircraft will require terminal addition/modifications for extra passengers. This would require stretching the terminal to the east end and the need to relocate the rental cars.
- Alex Holden Way (freight road) was in poor condition and was subject to seasonal flooding to the floor boards. This would not be a simple fix.
- Runway safety area RSA Phase IIb was to be determined.
- Short Term and Long Term parking lots required major infrastructure upgrades and the rental car parking lot would require revisions or relocation with any terminal expansion.
- SREF Phase II sand and chemical storage facility improvements.

Jerry Nankervis asked about the parking and said restaurants/gift shop could credit purchases towards parking fees, in an attempt to get more business transactions similar to other airports.

Mr. Swanson said the workers have rejoined the union and the airport had no representative on the negotiations team. Mayor Sanford said he would look into it.

Ms. deLaBruere explained how TSA paid rental rates for the screening areas and paid janitorial and electrical costs for their equipment. There were questions about the airport taking over screening and she said pilot programs had been done at other airports – mostly with contractors – but the liability was a significant factor. The airlines used to do the security screening and this is more of an effort for their benefit and safety so that could be a possible avenue.

Mr. Nankervis said TSA reimbursed $20 an hour for the hours that the JPD officers were at the TSA station when the screening was open, which did not cover the total cost of providing officers at the airport. Ms. deLaBruere said she revised the rates and fees so that the security fee so the airlines are paying that directly.

III. ASSEMBLY COMMENTS AND QUESTIONS – None.

IV. EXECUTIVE SESSION

A. Finances

MOTION, by Wanamaker, to discuss a matter, the immediate knowledge of which would be a detriment to CBJ finances.

The Assembly recessed into executive session at 8:15 p.m. and returned to regular session at 8:20 p.m., stating some Assemblymembers did not believe the topic was appropriate for executive session, and therefore no executive session was conducted.

V. ADJOURNMENT

There being no further business to come before the Assembly, the meeting adjourned at 8:20 p.m.

Signed:_________________________ Signed:______________________________
Laurie Sica, Municipal Clerk Merrill Sanford, Mayor