

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

MEETING NO. 2021-02: The Special Meeting of the City and Borough of Juneau Assembly held virtually via Zoom webinar, was called to order at 9:00 a.m. by Mayor Beth Weldon.

I. ROLL CALL

Assembly Members Present: Mayor Beth Weldon, Maria Gladziszewski, Loren Jones, Wade Bryson, Carole Triem, Michelle Hale, Alicia Hughes-Skandijs, Greg Smith, and Christine Woll

Assembly Absent: None.

Special Guests Present: Senator Jesse Kiehl, Representatives Andi Story and Sara Hannan, Katie Kachel, Richard Sherman, Kevin Jardell

City and Delegation Staff Present: City Manager Rorie Watt, Deputy City Manager/Incident Commander Mila Cosgrove, City Attorney Robert Palmer, Assistant Attorney Teresa Bowen, Municipal Clerk Beth McEwen, Deputy Clerk Diane Cathcart, Library Director and EOC/PC Robert Barr, Finance Director Jeff Rogers, Engineering/Public Works Director Katie Koester, Community Development Director Jill Maclean, Port Director Carl Uchtyl, Lands Manager Dan Bleidorn, Airport Manager Patty Wahto, Senators Murkowski and Sullivan representative Dana Herndon, Senator Kiehl's staff members Cathy Schlingheyde and Edric Carrillo.

II. APPROVAL OF AGENDA

The agenda was adopted as presented.

III. AGENDA TOPICS

A. Updates from Senator Kiehl and Representatives Hannan and Story

Senator Jesse Kiehl provided an overview followed by Representative Sara Hannan and Representative Andi Story.

Sen. Kiehl explained that neither body of the legislature have chosen their presiding officer, nor have they organized any caucuses at this time. He believed that the prominent issues for this upcoming legislative session will be related to budget and revenue. Sen. Kiehl spoke to the possibility of increasing existing taxes to produce new state revenues. He anticipated that there will be a tremendous amount of discussion, particularly regarding the future of the Permanent Fund Dividend.

Rep. Hannan discussed the Governor's proposed budget as it pertains to Juneau, which included potential cost shifting to local governments. She said that she had pre-filed an income tax bill for introduction. She briefly commented on how she believed an income tax would be more effective than a sales tax in terms of producing broad-based revenue. Rep. Hannan also mentioned her

proposed tax on nicotine and vaping products, which are currently not taxed in the State of Alaska. She said that taxing these products could act as a potential disincentive for younger users, as well as a revenue generating measure.

Rep. Story commended the Assembly for their hard work on the bond proposals and the establishment of the Systemic Racism Review Committee. She spoke to the importance of engaging in civil conversation and bipartisanship. She hoped that this legislative session would bring stability and certainty to Alaska. Rep. Story spoke in favor of the statute that would require the Governor to develop a ten-year plan for the state budget. She shared that she is open to revenue measures, and looks forward to the long conversations surrounding legislative options. She also supported the proposed Public Works Bond, and believes that it would help Alaska's infrastructure needs and capital improvement projects.

Ms. Hughes-Skandijs brought attention to the amount of State jobs that have been relocated out of Juneau to Anchorage, and encouraged the Legislative Delegation to continue monitoring that situation.

Sen. Kiehl expressed his strong concern towards jobs moving out of Juneau, and in some cases out of state entirely. He would like to see state government remain headquartered in a centralized location. He spoke to the importance of making Juneau an attractive place for employees to live, and how the Assembly is achieving this through their efforts to support local education, the arts community, and affordable housing.

Rep. Story added that everyone at the Capitol is against moving jobs out of Juneau, and acknowledged the 53 job positions that have been moved out of Juneau within the last two years.

Rep. Hannan mentioned the closure of the Haines DMV from the proposed Governor's budget, and the services and jobs that would be at risk as a result.

Mr. Bryson described Zoom as the single greatest threat towards Juneau's capital status. He encouraged the delegation to consider ways to limit Zoom use and to transition back to in-person meetings. Mr. Bryson asked Sen. Kiehl for an update on his bill for law enforcement to be able to remove themselves from tax rolls and property registries, similar to victims of domestic violence.

Sen. Kiehl explained that particular bill has been redrafted and will be reintroduced once a presiding officer has been assigned. He clarified that victims of domestic violence or stalking are not able to have an unlisted, private mailing address that would not be accessible to the general public. Victims' advocates have alerted the delegation of instances in which an abuser or stalker has waited for their victims at the post office. Sen. Kiehl said that this bill would provide similar protection to public safety and correctional officers by having a secure, centralized registry for officers. Mr. Bryson tried to ask a follow-up question, but his Zoom connection froze.

Ms. Triem commented that she does not think the Assembly would be able to construct our way out of a recession through Public Works projects. She opined that the result might be good, but it would not be an end-all/be-all solution. Ms. Triem asked for more information to be provided regarding the redistricting of Southeast Alaska, and the potential effect that may have on smaller coastal communities.

Rep. Story explained that there is currently not much information regarding redistricting at the moment, as the board just had their first meeting last week and are still in the process of getting started. Sen. Kiehl echoed that the redistricting board has been established, and has hired an Executive Director. He said that the general expectation is that there will be significant changes, however the assumption is that there will be relatively few adjustments in Southeast Alaska.

Ms. Gladziszewski spoke to the centralization at Alaska Fish & Game, and noticed that many of the leadership positions have gradually moved from Juneau to Anchorage within the past decade.

Rep. Hannan said that ADFG is an example that she is using to illustrate an out of state employee who has never been to Alaska and has not been required to move to Alaska to perform their job. She stressed the importance of the Fish and Game Manager for Dillingham, never having lived in the state, needing to have experience in the community/area which they are managing.

Mr. Jones spoke about the potential bond package that the Governor has put in his budget package. He spoke in favor of local control of capital improvement projects, and advocated for local control rather than have 60 members in the legislature trying to decide what goes to various projects across the state. Sen. Kiehl appreciated Mr. Jones comments about this, and agreed on the importance of receiving local input before the Governor puts together bond proposals. He supported the principle of working with the priorities of locally elected officials before the legislature. Rep. Hannan asked local governments to provide their priority lists to their legislators, and encouraged their constituents to tell them what projects to introduce to the legislature.

Mayor Weldon asked if there had been any further discussion regarding redistricting the school districts. Rep. Hannan explained no bills have been pre-filed at this time to consolidate the school districts. Some of the legislators who strongly advocated for that did not run for reelection. She described school district consolidation as a complex, political and legal issue, and found it unlikely for the legislation to push that forward in the near future. Rep. Story added that this issue coincides with local control, as there have been some districts that have voluntarily consolidated. She shared that there have also been conversations amongst school board members from smaller regions regarding how consolidating could result in cost savings.

Mayor Weldon shared that Southeast Alaska Mayors met with the Governor last week, and they discussed his proposal to take \$5 billion out of the ERA for the Capital Budget and the Bond Package.

Sen. Kiehl addressed the principle of the PFD and the Earnings Reserve Account (ERA), which amounts to about \$10 billion. That is a lot more than 5% of the fund, and potentially risks putting the next generation in the position of paying for services or dividends. The ERA of the PFD provides a greater amount of revenue than oil. The earnings from the PFD and the total value of the fund are critical to Alaska's future. If we had to fill the amounts needed with just an income tax, it would be a much higher income tax than anyone would want to have to pay.

Mayor Weldon thanked the Legislative Delegation their efforts in working with their colleagues to reconvene in Juneau for this year's Legislative Session. She expressed optimism about the testing measures in place and the upcoming vaccine rollout.

Ms. Hale asked the Assembly and the delegation to consider writing a letter to the Congressional delegation requesting that they ensure the safety of the general public during the transition to the new Presidential Administration. Mayor Weldon noted that JPD, Alaska State Troopers, and the FBI are all on high alert during this time.

Rep. Hannan spoke to the overall sense of community felt by legislators visiting Juneau. She noted that they believe that the vitriolic protests at the January 6th Washington D.C. capitol riots will not be present in Juneau, and spoke to the assuredness they feel towards the security and police presence. Rep. Hannan also thanked CBJ and the EOC for their efforts in distributing the COVID-19 vaccine as smooth as possible.

B. Update from CBJ State Lobbyist Kevin Jardell

Mr. Kevin Jardell commended the Juneau Legislative Delegation and their staff, and referenced the longstanding, positive working relationship CBJ's state lobbyists have cultivated with the legislative delegation. Mr. Jardell shared that COVID-19 has been a significant issue that has left a lot of unknowns, particularly regarding the legislative organization. The Juneau EOC team has been working with the Legislative Affairs Agency and the Legislative Council to implement risk mitigation measures to ensure the safety of visiting legislators.

Mr. Jardell explained that interaction amongst legislators will be considerably different this term, as they have yet to fully organize. He said that the newer legislators have strong opinions about the PFD and the budget. He also said that he and others will be relying on the Juneau delegation and their staff a lot more since the general public will not be allowed in the building.

He explained that DOT has a Request for Proposal (RFP) which could change the way DOT reimburses for utilities in the Right of Way, which would shift costs to local communities and residents. He added that they will be monitoring the Governor's proposed \$3 million cut in funding towards the ferry system. Mr. Jardell also mentioned that there have been at least three bills introduced in the Senate regarding police brutality: police officer de-escalation training, a ban on chokeholds, and prohibiting an officer to shoot at a moving vehicle.

There is an Open Meetings Act penalty bill that comes from Anchorage but would apply to all municipalities, however he does not feel that it will pass.

Mr. Jardell explained that an extra \$3 billion overdraw is taking an extra two years will result \$160M dollars in lost revenue in perpetuity due to how the Percent of Market Value (POMV) is established. He explained how the State would manage the POMV and the impact it would have on state revenues.

Mr. Smith asked Mr. Jardell if there was any indication that the legislature might be considering new revenues. Mr. Jardell shared that he was not optimistic that they will see a broad based tax passed. There are three pre-filed bills that would raise significant impacts but he does not anticipate that it will pass this year.

Sen. Kiehl thanked CBJ and the EOC for establishing the PCR machine at BRH, and commended them for their vaccine distribution efforts. He recalled that every time the Juneau Legislative delegation, the Governor's Office or other entity are in need of something, CBJ raises to the challenge to get the work done.

Rep. Story acknowledged the importance of Juneau residents in the budget conversation, and she encouraged the Assembly to educate the citizens about the fiscal situation. She discussed the long term and short term decisions that need to be made and that the citizens need be part of the conversation on how to generate more revenue.

Mayor Weldon appreciated Sen. Kiehl's sentiments, and she recognized the citizens of Juneau for working together as a community to keep the COVID-19 case numbers at a minimum.

C. Update from CBJ D.C. Lobbyists Katie Kachel and Richard Sherman

Katie Kachel and Richard Sherman introduced themselves to the Assembly, and described the work that they do in Washington D.C. on behalf of CBJ. She explained that Juneau and Alaska as a whole have a large number of ties to federal agencies (Coast Guard, TSA, Forest Service, FAA, etc.). Ms. Kachel said that their firm maintains a relationship with the Alaska Congressional delegation and advocates for Juneau when directed.

Ms. Kachel provided a Washington D.C. update, she said that President Biden is expected to reveal his plan for the Economic Stimulus Package on January 14. There is also a large infrastructure bill expected to be introduced on January 14, although it is debated whether it will be a deficit bill or an emergency bill.

Ms. Kachel also explained that airports could receive \$2 billion from transportation funding from the most recent COVID-19 bill that passed on December 27. Overall, there is \$14 billion that could go towards transportation funding. The State of Alaska could allocate \$55 million to be distributed to local government transit agencies. There was no COVID-19 related funding for ports, however parts were able to receive regular funding through a competitive grant program. Highways received COVID-19 funding for the first time, although the Federal Highways Association has not yet disclosed the official amount that the state of Alaska received.

Regarding vaccines, the former presidential administration recommended that states allow for all who are over the age of 65 and high-risk adults be eligible to receive the vaccine. The COVID-19 bill also allocated \$8.75 billion towards vaccine development and distribution. Manufacturers have said that there may be a shortage in the supplies and that the Defense Production Act may be invoked in the future.

The Rural Community Hospital Demonstration Program had expired June 2020 for BRH, but was extended by this most recent bill for another five years. BRH had budgeted receiving \$3.7 million

from those funds. Ms. Kachel said that she will be looking at trying to make this permanent and will be working with other stakeholders to try to make it permanent.

The Department of Interior Fee to Trust Policies have been established as a trust program, and operations are likely to revert back to how the program was during the Obama administration. Mayor Weldon asked Ms. Kachel to explain the Interior Fee to Trust policies for the newer Assemblymembers. Ms. Kachel explained that the Interior Fee to Trust program is a process by which local government and Native American tribes can transfer land into reservation status. Mr. Watt explained that the Tlingit and Haida Central Council began the process of putting some of their lands into trust a few years ago but that has not been completed. This process would effectively exempt those lands from CBJ's local laws and rules. He described it as a complicated issue that will be closely monitored.

Ms. Kachel mentioned that they are tracking the CDC guidelines for the cruise ship industry for Juneau, and spoke to the community concern surrounding the uncertainty about the upcoming cruise ship season. Mayor Weldon mentioned that at her meeting with the Governor, she advocated for him to reach out to the federal government and ask CDC for further clarification regarding cruise ships.

Sen. Kiehl asked for clarification regarding Canada's Jones' Act, which prohibits cruise ships from docking in Canada ports. He asked if there would be a chance to come to an agreement with Canada, or to find a way to avoid ships docking in Canada, as the cruise ship season for Southeast Alaska depends on it. Ms. Kachel said that issue would probably be a state issue, but advised proceeding with caution when dealing with the Jones' Act, which she described as a "political hot potato."

Rep. Hannan asked Ms. Kachel if the federal transportation money is going to include the Alaska Marine Highway system. Ms. Kachel explained that this money is being funded through the Surface Transportation Block Grant, and she will review it to see if it might include the Alaska Marine Highway System.

Mr. Jones spoke to local control of federal funds going direct to communities as well as towards other infrastructure projects. Regarding the Lands to Trust issue, he said they previously worked with the THCC and that the 30-day timeline involved was not enough time to work on all those issues. Mr. Jones advocated for the guidelines to be rewritten to allow more time to work out all those issues. He thanked the lobbyists for being able to boil down what is happening at the national level into terms of how that translates at the local Juneau level.

Ms. Hale thanked the lobbyists for all their work on the Rural Demonstration Project for BRH.

Mayor Weldon thanked the lobbyists for their work in keeping track of all of the COVID-19 relief funds.

Ms. Herdon spoke to the potential funding for the Alaska Marine Highway System. She explained that normally the FHWA is for capital improvements only, but in this particular case the language allows for temporary flexibility. She said that some of those funds could be used for the Alaska Marine Highway, but that will be ultimately up to the state to decide.

Mr. Watt said that CBJ has a great team to work with, and despite the myriad of issues that CBJ presents, the lobbyists are always available to give guidance and advice. He thanked them all for their efforts and their insight.

XIII. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

None.

XIV. ADJOURNMENT

There being no further business to come before the Assembly, the meeting was adjourned at 10:52a.m.

Signed: _____

Elizabeth J. McEwen
Municipal Clerk

Signed: _____

Beth A. Weldon
Mayor