**SPECIAL ASSEMBLY MEETING**
**THE CITY AND BOROUGH OF JUNEAU, ALASKA**
April 22, 2020 – Meeting Minutes

**MEETING NO. 2020-19:** The Special Assembly Meeting of the City and Borough of Juneau Assembly was held virtually, and was called to order at 5:00 p.m. by Mayor Beth Weldon.

## I. CALL TO ORDER / ROLL CALL

**Assemblymembers Present:** Mayor Beth Weldon, Wade Bryson, Rob Edwardson, Maria Gladziszewski, Michelle Hale, Alicia Hughes-Skandijs, Loren Jones, Greg Smith, and Carole Triem.

**Assemblymembers Absent:** None.

**Staff Present:** City Manager Rorie Watt, Deputy City Manager Mila Cosgrove, Municipal Attorney Robert Palmer, Municipal Clerk Beth McEwen, Interim Engineering/Public Works Director Robert Barr, Deputy Clerk Diane Cathcart, Finance Director Jeff Rogers, Budget Analyst Adrien Speegle, MIS Director Matt Scranton, and MIS Support Specialist II Craig Bergquist

## II. APPROVAL OF AGENDA

## III. SPECIAL ORDER OF BUSINESS

### A. Telephonic Public Participation

### B. COVID-19 Update and Actions

Incident Commander Mila Cosgrove provided a recap of the April 22, 2020 EOC update of the COVID-19 situation in Juneau (see attached report).

### C. Proclamation: 50/50/50 Day

Mayor Weldon proclaimed April 22, 2020 as "50/50/50 Day" which commemorates 50 years of Earth Day, 50 years of Sea Week, and for State Policy calling for 50% Renewable Energy by 2025. Mayor Weldon encouraged Juneau residents to join her in celebrating Juneau's leadership on this Earth Day.

## IV. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

## V. AGENDA TOPICS

### A. Public Hearing: Ordinance 2020-08 An Ordinance Establishing the Rate of Levy for Property Taxes for Calendar Year 2020 Based Upon the Proposed Budget for Fiscal Year 2021.

This ordinance establishes the mill rates for property taxes for 2020, which funds a significant portion of the City and Borough of Juneau's FY21 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 FY21 Proposed Budget that will be reviewed by the Assembly Finance Committee. As part of the budget review process, the Assembly Finance Committee will review and recommend, to the Assembly, the final mill levies. The final mill levies must be adopted on or before June 15.

For FY21, the operating mill rate is set to increase by 1.00 mills in Service Areas from FY20, and the proposed debt service mill rate is set to remain unchanged. This ordinance proposes a total mill levy of 11.66; the components of which are:

| Operation Mill Rate by Service Area | Millage | Change from FY20 Adopted |
|---|---|---|
| Roaded Service Area | 2.45 | 0.00 |
| Fire Service Area | 0.31 | 0.00 |
| Areawide | 7.70 | 1.00 |
| Operating Total | 10.46 | 1.00 |
| Debt Service | 1.20 | 0.00 |
| Total | 11.66 | 1.00 |

**The City Manager recommends holding the charter required public hearing for this ordinance, followed by referral back to the Assembly Finance Committee for further review.**

**Public Testimony**

Mr. Frank Bergstrom shared with the Assembly that during these tough times, there should be no increase in property assessments for the levy. He added that it is inappropriate to increase taxes during an economic recession, and doing so would only inflict pain upon the community. He recommended that the Assembly balance their budget by eliminating the lower quartile or programs previously prioritized by the Assembly, per the CBJ Assembly Fiscal Sustainability Program Priority Ranking Results. Mr. Bergstrom said that by cutting some of these programs, the CBJ could achieve nominal savings of up to $20 million over the span of three years. He alternatively suggested cutting CBJ payroll by 20% through salary and wage cuts.

**Assembly Action**

**MOTION** by Mr. Bryson for the Assembly to refer Ordinance 2020-08 to the Assembly Finance Committee for further review, and asked for unanimous consent.

Objection by Mr. Bryson and in speaking to his objection, he said, that he does not think that this is the right time to increase the mill rate.

Members discussed the fact that while the Assembly is taking public testimony on this ordinance at this time, this is being referred back to the Assembly Finance Committee for additional review. It was noted that the final mill levy amounts coming out of the AFC review process may differ from those currently before the Assembly and those will be coming back for additional public testimony before adoption by the Assembly.

**Roll Call Vote on Ordinance 2020-08:**
Ayes: Edwardson, Gladziszewski, Hale, Hughes-Skandijs, Jones, Smith, Triem, Mayor Weldon.
Nays: Bryson.
*Motion passed. Eight (8) Ayes, One (1) Nay.*

**B. Public Hearing: Ordinance 2020-09 An Ordinance Appropriating Funds from the Treasury for FY21 City and Borough Operations.**
This ordinance appropriates $423,944,500 in expenditure authority for the City and Borough of Juneau's FY21 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 $121,919,800 of the FY21 operating budget. The total appropriated expenditure authorization, net of inter-fund transfers, is $302,024,700 million.

This ordinance also recognizes $385,351,500 of projected revenue and transfers-in and decreases fund balances, across all funds, by $38,593,000. The revenue and fund balance draw are sufficient to fund the budgeted expenditures. During the weekly Finance Committee meetings in April and May we will walk through the components of the budget and explain the changes from the prior year.

The Charter requires that a public hearing be held on the FY21 operating budget by May 1, 2020, and adoption by June 15, 2020.

**The City Manager recommends holding the charter required public hearing for this ordinance, followed by referral back to the Assembly Finance Committee for further review.**

**Public Testimony**
None.

**Assembly Action**

Members noted that the same comments as on the previous ordinance apply to this ordinance. While it may be proposed with these dollar amounts at this time, it will be up to the Assembly Finance Committee to determine whatever the final amounts will be proposed when it comes back to the Assembly for public testimony and action.

**MOTION** by Mr. Smith for the Assembly to refer Ordinance 2020-09 to the Assembly Finance Committee for further review, and asked for unanimous consent. *Hearing no objections, the motion passed by unanimous consent.*

**C. Public Hearing: Ordinance 2020-10 An Ordinance Appropriating Funds from the Treasury for FY21 School District Operations.**

This ordinance will appropriate to the School District an FY21 operating budget of $87,337,400. This is an overall decrease in the budget of $1,601,700 from the FY20 Amended Budget. The School District's operating budget is:

| | |
|---|---|
| General Operations | $71,122,400 |
| Special Revenue (pupil transportation, Food service, etc.) | $16,215,000 |
| **Total Budget** | $87,337,400 |

The FY21 school budget is supported with a combination of funding sources including CBJ local funding of $28,518,600. The local funding consists of: $26,842,100 for general operations, and $1,676,500 for programs and activities outside of the state funding cap. These programs and activities include:
$1,181,500 million for student activities, $50,000 for pupil transportation, $50,000 for food service, $95,000 for Community Schools and $300,000 for Kinder Ready.
The general operations support is an increase of $64,800 over FY20 Amended.
The other program and activities funding is flat to FY20 Amended, for a net funding increase of $64,800.

State statute requires the Assembly to determine the total amount of local educational funding support to be provided and provide notification of the support to the School Board within 30 days of the School District's budget submission. The district's budget was submitted March 27, 2020. To meet this timing provision, it is necessary for the Assembly to determine the amount of funding and provide notice in the month of April. This amount cannot subsequently be reduced, unless the amount exceeds the State funding CAP, but it can be increased. If the Assembly does not set the amount and furnish the School Board notice within 30 days, the amount requested by the School District is automatically approved. By Charter, the Assembly is required to appropriate the School District's budget no later than May 31, 2020.

On April 22, 2020 a meeting is scheduled for the Assembly to state, by motion, the amount of local funding to be provided to the School District.

**The City Manager recommends holding the charter required public hearing for this ordinance, followed by a motion to set the amount of local funding to be provided to the**

**School District, and then referral of the ordinance back to the Assembly Finance Committee for additional review**.

**Public Testimony**

None.

**Assembly Action**

**MOTION** by Mr. Jones for the Assembly to set the minimum amount of funding for the School District at $26,842,100, and asked for unanimous consent.

Mr. Jones spoke to this proposed budget, saying that it is generally envisioned that the Assembly set the minimum amount as the amount towards the CAP. He stated that the request from the Juneau School District is based on their count of students that they expect. Mr. Jones added that the $26,842,100 came from an assessment of total property value conducted by the state.

Ms. Hale asked for clarification that the amount required to be set at this time doesn't need to include the above the cap amounts. Mr. Jones replied that was correct, that this motion would fund to the cap and the Assembly Finance Committee can discuss anything outside the cap and add that in later if the Assembly chose to.

Ms. Gladziszewski clarified to the Assembly that if they agreed to this motion then they would be committing to funding to the CAP, and are not committing yet to funding anything above the CAP. This vote is different from other agenda items, as it does not refer the item to the AFC, but is a commitment from the Assembly at this time to fund to the cap.

Ms. Hale asked Mr. Jones to provide additional information on how this has been done in the past and if past Assembly's had acted upon the full amount, funding up to the cap plus any funding outside the cap, during this stage in the process. Mr. Jones shared that normal process has been to move the funding to the cap amount at this meeting and nothing else. That has set the ground level of the minimal amount to be funded, below which the Assembly can't go. He said in some years, the motion has been to fund to the required cap which has just been $11 or $12 million but that has almost always been rejected and the Assembly has always funded to the cap with this motion. As for the rest of it, the budget is still up for discussion in the Finance Committee. For this year, that will be scheduled for the May 18 Assembly Finance Committee meeting as it has to pass out of committee and be adopted no later than May 31.

Mr. Bryson shared that it would make sense to him to introduce a smaller number, given that the amount can be increased later. He said that he wouldn't use the minimum requirement of $11 or $12 million figure but that automatically funding to the CAP right now, in this current environment, would be a little short-sighted. Mr. Bryson then asked Mayor Weldon if it was possible to reduce the proposed amount by 10%, to take $2.6 million off of the budget, which could allow for some wiggle room and be potentially increased later.

Mayor Weldon asked Mr. Rogers to clarify what is the minimum amount the Assembly could give all the way to the cap and asked him to provide the range.
Mr. Rogers said that the minimum required local contribution to the School District is $14,916,200, and if the Assembly desired to fund to the CAP they would need to add $11,925,900 to that $14,916,200 minimum. He added that the School District has requested an additional $2,055,100 of funding outside the cap which would bring the total request to $28,897,200. The Assembly will be required under law to fund at least $14,916,200.

Mr. Smith and Ms. Triem asked process clarifying questions on how the formula would work in the case of decreased student enrollment from the projected enrollment numbers as well as how those funds are allowed to be spent.

Mr. Rogers and Mr. Jones provided clarification on how those procedures work as well as what has been done historically by past Assemblies and what was allowed to be funded within the amount below the cap (instruction and program related expenses) vs. what programs (such as activities) could only be paid from money outside the cap.

**AMENDMENT #1** by Mr. Bryson for the Assembly to amend the motion by reducing the $26,842,100 amount by 10% for a reduction of $2,684,200, leaving a total of $24,157,900.

Objection by Mr. Jones. Mr. Jones spoke to his objection, saying that while he understood Mr. Bryson's idea. Mr. Jones said he feels that the reduction would cause the School District to have to go back to their school budget process and come back to the Assembly Finance before May 18 and tell the Assembly what they will be cutting to make that budget amount work. He said that he believe that would be too onerous a task to require them to do so. He said that while he didn't think Mr. Bryson's number would be the final Assembly decision, taking off an additional $2,684,200 from the School District's budget which already received a reduction of $1,600,000 from last year's funds is a considerable amount and he didn't think the Assembly should raise the stress level of the School Board for something that the Assembly would probably end up funding anyway.

Objection by Ms. Hughes-Skandijs. She agreed with Mr. Jones, saying that the schools are an essential service, and she doesn't believe that the schools is the place where the Assembly should be making cuts. She said the Assembly will be looking that "above the cap" funding with extra scrutiny. She adds that funding the schools to the CAP is reasonable and good for the community.

Mr. Bryson clarified that he does not want to cut a school budget, saying that as a father of five he does not want the school budget to be cut. However, he added that the financial situation is going to become increasingly difficult, and if the Assembly doesn't start making tough cuts now, then they may have to make larger cuts in later years. He also says that the 10% cut he is proposing is minor, and would possibly decrease to a 5% cut, but he believes that every reduction that they do now will reduce the need for drastic cuts in the future.

Mr. Smith said that he understands where Mr. Bryson is coming from with fiscal conservatism and he agrees with that, however, he agrees that funding our schools strongly is a continued value of Juneau and it sends a message to the schools that the Assembly will be there for the School District and our kids. He said that there is still time and room to work with the funds outside the cap.

Mr. Edwardson opposed the amendment. He said that while he knows exactly where Mr. Bryson is coming from, he believes that schools will be a vital part of Juneau's response to COVID-19. He said that there is a lot of uncertainty on how a lot of this will develop and he said that everything needs to be on the table. This is on the table now and a decision needs to be made at this time so he is opposed to the amendment.

Ms. Gladziszewski said that she appreciated where Mr. Bryson was coming from with his amendment and added that she agrees with his intent but ultimately believes that the Assembly would agree to fund to the CAP at a later point in time and this amendment would create angst everywhere, so they might as well do it now.

Mayor Weldon opposed the amendment for purposes of questions. She said that it seems odd that they are discussing this before meeting with the School District and asked about the timing of the process.

Mr. Watt explained that the state rules for schools setting their budget coinciding with the Charter 13.6 rules regarding timing always puts the Assembly in a "time trap" and only gives them 30 days to work on their budget and he agrees that it feels like this each year. He said the May 31 deadline for the school budget vs. the June 15 for the overall CBJ budget deadline. They also try to act as early as they can on this so that the school district can work on staffing deadlines as well.

Mr. Jones also noted that the Manager submitted his budget on April 1 and the School District gave a presentation to the Assembly about their budget on April 1 as well.

Ms. McEwen asked for clarification on the amendment and if Mr. Bryson's comment about reducing the amount to a 5% reduction instead of 10% reduction was amending his amendment. Mr. Bryson clarified that the amendment was at the 10% reduction amount and not the 5% reduction amount.

**Roll Call Vote on Amendment #1 – Reduce the Proposed School District funding amount by 10%, making the total amount $24,157,900.**
Ayes: Bryson
Nays: Edwardson, Gladziszewski, Hale, Hughes-Skandijs, Jones, Smith, Triem, Mayor Weldon.
*Amendment failed. Eight (8) Nays, One (1) Aye.*

**Roll Call Vote on the motion to set the minimum amount of funding for the School District at $26,842,100:**
*Hearing no objections, the motion is passed by unanimous consent.*

**MOTION** by Mr. Jones to refer Ordinance 2020-10 back to the Assembly Finance Committee for further consideration.
*Hearing no objections, the motion is passed by unanimous consent.*

**D. Public Hearing: Resolution 2877 A Resolution Adopting the City and Borough Capital Improvement Program for Fiscal Years 2021 through 2026, and Establishing the Capital Improvement Project Priorities for Fiscal Year 2021.**
This resolution would adopt the Capital Improvement Program (CIP) for Fiscal Years 2021 through 2026, as required by Charter Section 9.4, and lists the capital projects that will be initially appropriated by ordinance in FY21.

The Public Works and Facilities Committee (PWFC) reviewed the preliminary CIP resolution at its meeting on March 2, 2020, and forwarded the plan to the Assembly.
**The City Manager recommends holding the charter required public hearing for this resolution, followed by referral back to the Assembly Finance Committee for further review.**

**Public Testimony**
None.

**Assembly Action**

**MOTION** by Ms. Hughes-Skandijs for the Assembly to refer Resolution 2877 back to the Assembly Finance Committee for further discussion.

Mr. Edwardson asked for clarification about the scheduling of this item before the Assembly Public Works and Facilities Committee (PWFC). Mr. Watt confirmed that the PWFC will be reviewing it again at its meeting on April 27. Additional discussion took place with Ms. Hale and Mr. Watt on the process and timing for the CIP.

*Hearing no objections, the motion passed by unanimous consent.*

**VI. ADJOURNMENT**

There being no further business to come before the Assembly, the meeting was adjourned at 6:26 p.m.

*Clerk's Note: Special Thanks to Lacey Davis from the Juneau Public Libraries for her work on preparing these minutes for approval.*

Signed: ______________________________ Signed: _________________________

Elizabeth J. McEwen, Municipal Clerk Beth A. Weldon, Mayor