

**SPECIAL ASSEMBLY MEETING
THE CITY AND BOROUGH OF JUNEAU, ALASKA**

Meeting Minutes - January 15, 2020

MEETING NO. 2020-02: 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 8:00 a.m. by Mayor Beth Weldon.

I. CALL TO ORDER / ROLL CALL

Assemblymembers Present: Mayor Beth Weldon, Maria Gladziszewski, Loren Jones, Wade Bryson, Carole Triem, Michelle Hale, and Greg Smith

Assemblymembers Absent: Alicia Hughes-Skandijs, Rob Edwardson

Staff Present: City Manager Rorie Watt, City Attorney Robert Palmer, Deputy City Manager Mila Cosgrove, Acting Municipal Clerk Diane Cathcart, Port Director Carl Uchytel, Finance Director Jeff Rogers, Interim Engineering/Public Works Director Robert Barr, Lands Manager Greg Chaney, Community Development Director Jill Maclean, Management Information Systems Manager Matt Scranton, and Mayor/Manager Executive Assistant Susan Phillips

Special Guests present: Senator Jesse Kiehl, Representative Sarah Hannan, Representative Andi Story, CBJ's Washington D.C. Lobbyists Katie Katchel and Mara Stark Acala, CBJ's Alaska Lobbyist Kevin Jardell, Dana Herndon staff member to US Senator Lisa Murkowski and US Senator Dan Sullivan

II. APPROVAL OF AGENDA

III. AGENDA TOPICS

A. Updates from Senator Kiehl and Representatives Hannan and Story

Senator Kiehl, Representative Hannan, and Representative Story introduced their staff and thanked the Assembly and lobbyists for their work on behalf of Juneau.

All three legislators said that the focus this upcoming session will be on the state's budget and how to find solutions to meet all the needs with the revenues available as well as finding new revenues that can be agreed upon without being vetoed by the Governor. They talked about the work they are doing with respect to the Alaska Marine Highway system and that they are hearing more support from people across the state to find the needed funding for the ferries to keep running.

All three legislators emphasized the need to find solutions for the permanent fund and

how much of the permanent fund earnings reserve can be used for state services vs. placing that in jeopardy by drawing down too much of the reserve. They also talked about not drawing down the states Constitutional Budget Reserve (CBR) any further since that is also used for cash flow purposes for paying for the bills of all the state agencies until the budgeted revenues catch up to the spending.

Representative Story emphasized the importance of Juneau being welcoming as the capital city and that we need to continue to be welcoming. She said they have been working on helping legislators secure housing and their staff in settling into Juneau as their second home and community. She and Senator Kiehl noted that this governor has removed all the restrictions of moving state jobs outside the capital city and the delegation has been working diligently on trying to stem that tide.

Representative Story mentioned a press conference to be held at 2:30p.m. with the Commissioner of Education, the Governor, and Senator Begich related to literacy and early learning information. She said she thinks that will be positive for Juneau and our young kids.

Representative Story said she serves as the Co-Chair of the Education Committee as well as the Transportation & Public Facilities Committee and both those committees will be bringing forward some important issues to Juneau. She also serves on the House State Affairs Committee since everything that has to do with the capital goes through that committee. Rep. Story mentioned they all have many assignments, other than committee assignments and one of those she serves as a liaison on the Alaska Native Language Preservation Task Force. There are some recommendations coming out of that committee this year that she will advance.

Representative Hannan said she serves on the House Resources Committee and she is expecting some more animated meetings this year where some of the major policy questions will be talked about. She Co-Chairs the Community and Regional Affairs Committee with Representative Drummond and she Chairs the Special Committee on Arctic Policy, Economic Development and Tourism. She also serves on the Labor and Commerce Committee. She said that between the committee she chairs and co-chairs, she has been hearing from people across the state about the impacts of changing weather patterns in Alaska (aka: Climate Change) from wildfires to droughts in Southeast that affect hydropower generation. She said that local governments are seeing the impacts of weather change and what that means. Nome has had major infrastructure collapse because of permafrost melt. There were droughts in Southwest Alaska and Seldovia was without municipal water for a 3 to 4 month period.

Senator Kiehl serves on the Senate Transportation Committee which looks at everything from ports to airports, asphalt highways to marine highways, and occasionally they dabble in the railroad. He also serves on the Resources Committee and on the Judiciary Committee. He said that as a delegation, this wide range of committee representation by

the three of them helps Juneau have a wide representation and there is very little duplication of committee assignments. He said that he very much appreciates the team approach the three of them have to address issues that face Southeast Alaska. There are other areas of the state in which delegations don't work so harmoniously together on behalf of their constituents.

B. Update from CBJ State Lobbyist Kevin Jardell

Mr. Watt offered words of appreciation for our lobbyist team and how much they do for Juneau. He introduced the lobbyist to the state legislator, Kevin Jardell, and Washington D.C. lobbyists Katie Kachel and Mara Stark-Alcala. He said we give them a broad scope of issues to pay attention to and work on our behalf such as the Airport, Docks & Harbors, the Hospital, School funding, and sometimes things under core municipal control such as Police, and Fire. They do a lot for Juneau in finding grant opportunities and tracking a wide variety of issues.

Mr. Jardell thanked the Juneau delegation, and the legislature in general for their work. The Governor started off with a \$1.5 Billion deficit that he is proposing be paid for out of the CBR. He said that is very unlikely to be sustained by the legislature. He said the legislature gets a lot of criticism or blame in the media over not being able to solve the fiscal problem or restructure things. He said that if you look at how large of an issue it is and look back over time and went back four years ago and compared it to today, the difference in the mentality of the legislature and the viewpoint for where they are looking, the majority in the House and Senate are looking at solutions. They have moved substantially and he anticipates they will reach agreement soon on solving the systematic failure of our fiscal system right now and meet the needs of the state. He said that to their credit, even though people have said they can't touch the permanent fund dividend, they have used some of those monies for essential government services. That has really protected their savings and it was the right thing to do.

With respect to the budget, they are likely looking at a \$500 Million +/- \$150 Million deficit which is substantial and real and needs attention and will likely drive some talk about new revenues. He said whether they get there this year or next, new revenue is coming. He said the good news is that the state's success is achievable and the majority of the House and Senate agree that it needs to be done. They just don't agree on what that solution looks like today but is moving in the right direction.

He said that some of the key things he will be paying attention to is the Alaska Marine Highway System which is critical to our hub community and our neighbors. He said that PERS is always a big factor. He said that the deal that was made in which the state and the municipalities agreed to co-mingle PERS. He said that was a deal that only one sitting member really remembers that deal and that is Senator Bert Stedman who was around when that deal was made. He said that the cities gave up a lot. They were supposed to have individual separate accounting for their PERS systems and the cities

came forward to help the state out on some liability issues and agreed to co-mingle it. In return, the state would pay us the 22.5% on behalf of payments. He said that is a deal they want to maintain and it is important to the state but from the state's perspective, it is an easy grab with a lot of money and shifting costs to local municipalities.

Mr. Jardell said that another big issue is the School Bond Debt Reimbursement at half funding is still a concern to us since it was the state's word and we think that was a deal and they should honor that. He said there is some momentum for a G.O. Capital Bond in the legislature.

He said that they are constantly looking at the areas of cost shifts from the state to municipalities such as road plowing.

He said another issue that will be growing this year is alcohol in general, whether it is distilleries and breweries or the complete rewrite of Title IV. Generally the city in the past has allowed the state to write that policy. There are certainly things in there that could impact our tourism industry and others so he will be watching that to see what will be coming out of that.

Mr. Jardell said that homelessness and housing is a priority/goal of the Assembly and last year there were some fairly substantial cuts to some of those programs. The budget had some of those restored and that will be something he will be watching again this session.

He said that the other focus is in trying to maintain Juneau as the capital. He said that the efforts of the Mayor to walk around and meet with every legislative office a couple of times each session, to be seen in the building has been very successful. He said that Mayor Koelsch started that as a routine basis and Mayor Weldon has continued that tradition. He said that it is surprising how many people come up with issues and problems when they see the Mayor vs. picking up the phone and call. They don't want to go to that level but when they see the Mayor they will share their issues.

Lastly, Mr. Jardell said how efficient and rewarding it has been to be able to work with a delegation that works so well together for Juneau. He said that it isn't only the Juneau's elected leaders but their staff as well. Juneau is very lucky to have such professional staff in their offices and that helps all of us in our community.

C. Updates from CBJ DC Lobbyists Katie Kachel and Mara Stark-Alcala

Ms. Katie Kachel started off by sharing some recent wins for Juneau with federal dollars:

- \$2.6 Million grant to purchase electric buses and associated infrastructure,
- \$21.5 Million for the Airport's taxiway rehabilitation project,
- \$2 Million in Payment In Lieu of Taxes (PILT) that goes straight to the city and not

through the state, and

- \$500,000 in Secure Rural Schools (SRS) funding.

She said that the PILT and SRS funding are to compensate state and local governments for all the federal land they have.

Ms. Mara Stark-Alcala said that while there is a lot of tension going on right now in Washington D.C. due to the impeachment proceedings going on, they have also seen a lot of bi-partisanship on other issues and the ability to move forward on a number of funding and policy issues. She said that they were able to pass two big funding packages at the end of last year. That was earlier than the previous year and they had started a bad trend over the past few years of letting it get later and later into the fiscal year. She said that one of the things they have seen over the last few years is an increase in top line numbers. They were able to reach a deal to keep the funding levels high.

Ms. Stark-Alcala said that there has been a renewed focus on homelessness and adjusting affordable housing. Those programs have seen a lot of increases and she wants to work with Juneau to try to identify programs that might be involved.

There are transportation and general infrastructure funding such as TIGER grants and packages for transportation, roads, and port infrastructure development which has been funded. She said that the Army Corps, US Forest Service and USCG all have increased funding which is encouraging and they will be working to try to tap into those for Juneau specifically.

Ms. Stark-Alcala said that they did include PILT and SRS funding in the appropriations bills this year and there is bi-partisan agreement to set the top lines for FY20-21 smooth and on time. She said smooth and on time these days translates to December rather than in the past when it was October.

Ms. Kachel said that with respect to tourism and travel issues, the appropriations bill did reauthorize "Brand USA" which is the marketing agency which promotes travel in the US. There is also language in that bill that directs the Secretary of Transportation to do a study on tourism and travel infrastructure. She said that will be something they will be following closely for Juneau. She said that separately, Senator Sullivan has a tourism bill that he is working on that was either just introduced or is about to be introduced. That would create a cabinet level position looking at travel and tourism. They have national advisory committees and lower level positions. She has seen the first drafts and the bill does a lot with the visa situation and not necessarily infrastructure but she is looking at what they can do to make that bill better for Juneau if there is any way they can influence that legislation.

Ms. Stark-Alcala said another issue being worked on relates to marijuana, especially as it relates to banking. She said they don't anticipate it moving quickly through the house but there are other bills also being proposed that will help with regulations and safety

around marijuana issues.

Ms. Kachel said some of the projects they will be working on in the year ahead include:

- Trying to get a wave attenuator in Auke Bay,
- Changing a \$200 Million federal grant program so that the port of Juneau is eligible for it,
- A new loan program so Capital Transit can purchase electric buses more than just one at time,
- Continue to lay the ground work for important issues such as passenger facility charges and lighting systems.

Ms. Stark-Alcala said that Rorie Watt asked about the big infrastructure bill that was mentioned a couple of years ago. Some of the recent projects that came out of those infrastructure funds included almost \$10 Million for the airport sand/chemical building and additional funding that came for the low or no emission bus facility grants. She said that the higher funding levels have set a higher baseline and that is promising for Juneau.

Following the lobbyists reports, Assemblymembers, lobbyists, legislators and staff engaged in dialogue diving deeper into some topics including:

- Alaska school bond debt reimbursement program and BSA formula,
- Alaska Marine Highway System,
- Addiction treatment for opioids, alcohol, other drugs, etc...
- Mental Health issues and behavioral health funding,
- Special Education funding at the federal level,
- Early Childhood Education and Head Start,
- Medicare and Medicaid,
- Suicide prevention,
- Discussions of a possible attempt at a veto override by the end of the first week of the legislature,
- Encouraging increase of federal jobs to Juneau such as NOAA and others,
- Issues related to federal banking and federal testing (FDA) rules and regulations pertaining to Marijuana,
- PERS/TERS unfunded liability cost shifts from the state to municipalities,
- Cost shifts of public safety from the state to municipalities,
- Federal government looking at tourism and carbon offsets and weather pattern changes,
- Hydroelectric power and green energy issues,
- Derelict vessels including an update from Mr. Uchytel on the M/V Lumberman.

They concluded the meeting with Representative Hannan sharing her appreciation for Mr. Jardell's work in sheparding the liquor license bill last session that allowed Eaglecrest to get a liquor license. She said that everyone in the capital building from all sides of the aisle came out and were in favor of Eaglecrest getting a liquor license.

IV. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

None.

V. ADJOURNMENT

Mayor Weldon recognized staff and thanked Susan Phillips and Diane Cathcart for their work in setting up the meeting and providing breakfast.

Mayor Weldon extended her thanks to the legislative delegation and the lobbyists for all their work and how well they all work together.

There being no further business to come before the Assembly, the meeting was adjourned at 9:40 a.m.

Signed: _____
Elizabeth J. McEwen
Municipal Clerk

Signed: _____
Beth A. Weldon
Mayor