

**ASSEMBLY FINANCE COMMITTEE  
THE CITY AND BOROUGH OF JUNEAU, ALASKA  
Wednesday, April 26, 2017, 5:30 PM.  
Assembly Chambers**

**Meeting will begin immediately following a Special Assembly meeting scheduled to begin at 5pm.**

- I. CALL TO ORDER**
- II. ROLL CALL**
- III. APPROVAL OF MINUTES**
  - a. **Wednesday, April 19, 2017**
- IV. ITEMS FOR DISCUSSION**
  - a. **Youth Activities Board (YAB) Presentation**
  - b. **Bartlett Regional Hospital**
  - c. **Proposed Mill Rate Presentation**
  - d. **Debt Service Presentation**
  - e. **General Government Budget Balancing Options**
- V. INFORMATION ITEMS**
  - a. **Pending List for the FY18 Revised Budget**
  - b. **Juneau Arts & Culture Center - Hotel Tax Memo**
  - c. **AFC Meeting Schedule**
- VI. NEXT MEETING DATE**
  - a. **Wednesday, May 3, 2017**
- VII. ADJOURNMENT**

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](mailto:city.clerk@juneau.org)

To: Jesse Kiehl, Finance Committee Chair  
CBJ Assembly  
From: John White, Chair *JW*  
Youth Activity Board  
Subject: FY18 Youth Activity Grant Funding  
Date: April 26, 2017

### **FY18 Funding**

The City Manager has submitted a balanced budget that recommends allocating \$332,500 of the 1% Sales Tax for youth activity grants in Fiscal Year 2018 (FY18). The Youth Activity Board (YAB) is tasked with allocating these funds amongst various community non profit organizations serving the youth of Juneau.

The YAB is required by Resolution 2761 to place a sum equal to five percent of the amount allocated into a contingency account to fund unanticipated events. \$332,500 minus the five-percent contingency (\$16,625) leaves the general youth activities fund with **\$315,875 to distribute for FY18 overall grant funding.**

CBJ share of Youth Activity funding	\$332,500
Contingency Fund (5%)	<u>(\$16,625)</u>
Total grant funding	\$315,875

### **FY18 Grant Process**

This year the YAB reviewed 26 proposals totaling **\$496,135.50** in requests and is recommending funding for all 26 of the programs. In FY17, the YAB reviewed 30 proposals totaling \$541,580.00 and funded all 30 of those programs.

Grant proposals are divided into three categories: Sports, Arts, and Academic/Other for evaluation and ranking. The nine Youth Activity Board members\* are each assigned to one of those categories so that three members review all grants in each category. In addition to the many hours spent individually evaluating and scoring each proposal, Board members spend two evenings publicly reviewing the proposals. The second and final meeting consists of the Board reaching agreement on the groups to be funded and their recommended funding level. The attached list contains the Board's recommendations for FY18.

### **Recommendation**

The Youth Activity Board recommends that the Finance Committee approve the funding recommendations on the attached list.

### **\* Youth Activity Board Members**

**Chair:** John White

**General Public representatives:** Joyce Vick, Liz Brooks, Bonita Nelson, Edric Carrillo

**Youth representative:** Kathy Tran

**Juneau Sports Association representative:** Peter Christensen

**Juneau Arts and Humanities representative:** Sarah Cannard

**Parks and Recreation Advisory Committee representative:** Tom Rutecki

155 S. Seward St □ Juneau, AK 99801

□ Phone: (907) 586-5226 □ Fax: (907) 586-4589 □ Email: Parks.Rec@juneau.org



## FY18 YOUTH ACTIVITY GRANT TOTALS

REQUESTING ORGANIZATION	NAME OF PROGRAM	AMOUNT REQUESTED	Final Recommendation
<b>ACADEMIC</b>			
Discovery Southeast	Learning Through Adventure	\$27,198.00	\$16,650.00
SAIL	ORCA Youth Program	\$19,630.00	\$14,630.00
AWARE, Inc	Girls on the Run/Boys Run	\$10,404.00	\$7,880.00
AEYC-SEA	Dimond Park Preschool Health Club	\$11,500.00	\$11,000.00
NCAAD	High Risk Youth Activities	\$11,200.00	\$10,700.00
Big Brothers, Big Sisters	Juneau Youth Activities Program	\$7,280.50	\$6,031.00
	<b>Total Program Amount Requested</b>	<b>\$87,212.50</b>	<b>\$66,891.00</b>
<b>ARTS</b>			
The Canvas Art Studio	Canvas Youth Outreach	\$18,075.00	\$12,150.00
Juneau Dance Theatre	Juneau Fine Arts Camp	\$25,000.00	\$16,000.00
Juneau Jazz & Classics	JJ&C Education & Outreach	\$20,000.00	\$12,000.00
Juneau Symphony, Inc.	Juneau Student Symphony	\$11,000.00	\$7,025.00
Friends of Alaska State Library	Exploring the Arts at the APK	\$6,700.00	\$4,609.00
Perseverance Theatre	STAR 2017	\$20,000.00	\$12,800.00
	<b>Total Program Amount Requested</b>	<b>\$100,775.00</b>	<b>\$64,584.00</b>
<b>SPORTS</b>			
Gastineau Channel Little League	Youth Baseball, Softball and tball	\$46,800.00	\$26,328.00
Juneau Douglas Ice Association	Youth Hockey Program	\$23,280.00	\$11,908.00
Juneau Soccer Club	JSC Competitive & Developmental Soccer	\$34,975.00	\$20,303.00
Glacier Swim Club	Youth Competitive Swimming	\$33,750.00	\$28,329.00
Juneau Youth Football League	Increased Safety & Participation	\$37,000.00	\$19,328.00
Juneau Youth Sailing	Youth on the Water	\$14,183.00	\$8,161.00
Hooptime Basketball	Elementary & Middle School Basketball	\$8,000.00	\$7,153.00
Juneau Skating Club	Youth Ice Skating	\$14,000.00	\$14,000.00
Midnight Suns Baseball	Youth Baseball	\$19,500.00	\$11,328.00
Midnight Suns Softball	Girls Fast Pitch Softball	\$18,000.00	\$11,328.00
Juneau Jumpers	Juneau Jumpers	\$14,750.00	\$6,578.00
Juneau Ski Club	JSC Safety & Training Equipment	\$14,900.00	\$10,328.00
Juneau Youth Wrestling	Youth Wrestling Program	\$23,650.00	\$6,000.00
Sealaska Heritage Institue	Latseen Hoop Camp	\$5,360.00	\$3,328.00
	<b>Total Program Amount Requested</b>	<b>\$308,148.00</b>	<b>\$184,400.00</b>
	<b>Total FY18 Amount Requested</b>	<b>\$496,135.50</b>	<b>\$315,875.00</b>

# Bartlett Regional Hospital



**Fiscal 2018 Budget  
Presented to CBJ Assembly on April 26, 2017**



**A City and Borough of Juneau Enterprise Fund**

# **Bartlett Regional Hospital**

## **Our Mission**

**Bartlett Regional Hospital provides its community with quality, patient-centered care in a sustainable manner.**

## **Our Vision**

**Bartlett Regional Hospital will be the best community hospital in Alaska.**

## **Our Values**

**At Bartlett Regional Hospital we C.A.R.E.**

### **Courtesy**

**We act in a positive, professional and considerate manner, recognizing the impact of our actions on the care of our patients and the creation of a supportive work environment.**

### **Accountability**

**We take responsibility for our actions and their collective outcomes; working as an effective, committed and cooperative team.**

### **Respect**

**We treat everyone with fairness and dignity by honoring diversity and promoting an atmosphere of trust and cooperation. We listen to others, valuing their skills, ideas and opinions.**

### **Excellence**

**We choose to do our best and work with a commitment to continuous improvement. We provide high quality, professional healthcare to meet the changing needs of our community and region.**



# Agenda

## Introduction

Brenda Knapp, President, BRH Board

Linda Thomas, Chair, BRH Finance Committee

Chuck Bill, Chief Executive Officer

## Assumptions

Chuck Bill

Alan Ulrich, Chief Financial Officer

## Sources of Funding

## Fiscal 2018 Capital Budget for Operations

## Summary

Chuck Bill

## Comments, Questions and Answers



# Fiscal 2018 Budget Assumptions

1. Fiscal 2018 will be a difficult year due to uncertainties at the Federal and State levels that impact reimbursement, Medicaid eligibility and services for behavioral health programs.
2. Recent budget information from the State of Alaska legislature contemplates a 5% reduction in hospital reimbursement and a 13% reduction in physician reimbursement. These reductions are expected to reduce reimbursement \$1.5 to \$2.0 million. With the foreknowledge of the funding reduction, Bartlett is implementing deficit reduction activities throughout the hospital.
3. Hospital in-patient and out-patient volumes will not measurably change from Fiscal 2017. The Hospital expects modest volume increases from the recruitment of a female general surgeon.
4. The Bartlett Board approved the Fiscal 2018 budget with strategic pricing changes up to a blended increase of 4%. This fee increase contributes additional net revenues of \$1.8 million when total charges increase approximately \$6 million. Bartlett's Board and Leaders share a common concern about the Hospital's pricing vis a vis competitors in the Lower 48 – also known as “medical tourism.”

# Fiscal 2018 Budget Assumptions

5. Bartlett has not budgeted proceeds from Medicare's Rural Demonstration Project. This program was signed into law in December 2016. Recent CMS and American Hospital Association correspondence suggest that the Project will begin in Fiscal 2019. Depending on CMS' future regulatory guidance, the Rural Demonstration Project could conservatively annually contribute over \$1 million to Bartlett.
6. Bartlett will receive grant \$'s including:
  - A. \$1,463,000 from CBJ from Liquor and Cigarette Tax proceeds.
  - B. Bartlett initially budgeted \$400,000 from the Marine Passenger Tax until Mr. Bill met the CBJ City Manager and learned that CBJ had not designated any funds to subsidize BRH's incremental expenses from cruise ship patients. Bartlett is asking the Assembly to identify \$140,000 from other revenue sources to support the Hospital's expenses during the cruise ship season.
  - C. \$515K from State of Alaska Division of Behavioral Health primarily for RRC's operations. This is a \$78,000 reduction from Fiscal 2017 as DBH recognized higher Medicaid enrollment resulting from the Accountable Care Act ("ACA").



# Fiscal 2018 Budget Assumptions

## 7. Budgeted Salaries and Wages includes:

- A negotiated 1% wage increase in Fiscal 2018
- A 50% reduction in overtime wages
- Senior Leadership's plan to realize a 2% reduction in wage expenses
- New manpower controls using a Human Resource position control methodology to effectively manage the cost of human assets
- Active recruitment of full-time staff to replace contracted positions.

## 8. BRH will use \$5,000,000 of operating funds to purchase capital equipment and make capital repairs. If Bartlett proceeds with large construction projects, it will submit a CIP appropriations request to the Assembly.

# CBJ Appropriations Summary for FY 16, FY 17 and FY 18

## BRH (Hospital) Budget OVERVIEW

		FY17		FY18	
	FY16 Actuals	Amended Budget	Projected Actuals	Approved Budget	Revised Budget
<b>EXPENSES:</b>					
Personnel Services	\$57,519,861	\$59,568,400	61,369,495	\$59,287,565	\$0
Commodities and Services	\$25,585,390	\$22,650,237	23,461,425	\$24,287,830	\$0
Capital Outlay	\$4,724,900	\$7,212,800	3,800,000	\$5,000,000	\$0
Debt Service	\$1,656,200	\$1,656,700	1,657,400	\$1,657,400	\$0
Support to General Fund	\$130,000	\$340,000	340,000	\$340,000	\$0
Support to Capital Projects	\$0	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$89,616,351</b>	<b>\$91,428,137</b>	<b>\$90,628,320</b>	<b>\$90,572,795</b>	<b>\$0</b>
<b>FUNDING SOURCES:</b>					
Charges for Services	\$87,848,971	\$88,688,500	\$88,032,411	\$88,472,382	\$0
State Grants	\$668,443	\$568,132	\$593,800	\$515,000	\$0
Interest Income	\$294,418	\$272,322	\$246,300	\$260,000	\$0
Support from:				\$0	\$0
Liquor Tax	\$945,000	\$945,000	\$945,000	\$945,000	\$0
Tobacco Excise Tax	\$518,000	\$518,000	\$518,000	\$518,000	\$0
Marine Passenger Fee	\$86,000	\$156,004	\$86,000	\$140,000	\$0
<b>Total Funding Sources</b>	<b>\$90,360,832</b>	<b>\$91,147,958</b>	<b>\$90,421,511</b>	<b>\$90,850,382</b>	<b>\$0</b>
<b>FUND BALANCE:</b>					
Fund Balance Reserve	\$1,687,000	\$1,687,000	\$1,687,000	\$1,687,000	\$0
Beginning Available Fund Balance	\$47,734,600	\$48,479,081	\$49,223,562	\$49,016,753	\$0
Increase (decrease) in Fund Balance	\$744,481	-\$280,179	-\$206,809	\$277,587	\$0
<b>End of Period Fund Balance</b>	<b>\$50,166,081</b>	<b>\$50,910,562</b>	<b>50,703,753</b>	<b>50,981,340</b>	
<b>STAFFING</b>	<b>422.00</b>	<b>463.90</b>	<b>439.00</b>	<b>478.70</b>	

Bartlett Regional Hospital  
Breakdown of Personnel Expenses  
Fiscals 2016 to 2018

<u>Personnel Category</u>	<u>FY 2016 Final</u>	<u>FY 2017 Budget</u>	<u>FY 2017 Projected</u>	<u>FY 2018 Budget</u>
Salaries and Wages	\$36,145,328	\$37,558,961	\$38,263,095	\$36,784,308
Physician Wages	\$2,644,128	\$2,600,000	\$2,159,056	\$2,500,616
Employee Benefits	\$17,458,027	\$19,132,496	\$18,572,383	\$19,477,837
Contracted Labor	\$1,272,379	\$276,943	\$2,368,960	\$524,804
BRH Total Personnel Costs	<u>\$57,519,861</u>	<u>\$59,568,400</u>	<u>\$61,363,495</u>	<u>\$59,287,565</u>
CBJ Summary for Personnel - Original	<u>\$53,772,200</u>	<u>\$55,522,000</u>		

Bartlett Regional Hospital  
Breakdown of Personnel Expenses  
Fiscals 2016 to 2018

	<u>FY 2016 Final</u>	<u>FY 2017 Budget</u>	<u>FY 2017 Projected</u>	<u>FY 2018 Budget</u>
<b><u>Salaries and Wages</u></b>				
Compliance	\$0	\$0	\$0	\$179,462
Information Services	\$935,443	\$1,334,230	\$1,005,816	\$1,358,665
Med/Surg	\$3,003,452	\$2,878,191	\$3,063,482	\$3,050,303
Mental Health BOPS	\$1,166,688	\$1,331,946	\$1,196,365	\$910,480
MRI	\$233,993	\$191,681	\$236,548	\$189,495
Nursing Admin	\$880,277	\$854,828	\$702,226	\$991,022
Oncology Clinic	\$2,716	\$125,775	\$122,309	\$148,715
Quality Review	\$350,501	\$460,844	\$548,772	\$360,444
Same Day	\$734,638	\$709,565	\$740,493	\$953,560
Development Programs	\$76,539	\$165,747	\$59,982	\$208,289
<b>Sub-Total Selected Departments</b>	<b>\$7,384,246</b>	<b>\$8,052,807</b>	<b>\$7,675,993</b>	<b>\$8,350,436</b>

<b><u>Physician Wages</u></b>				
Hospitalists	\$0	\$0	\$0	\$333,274
Mental Health BOPS	\$1,166,688	\$1,331,946	\$1,196,365	\$910,480
<b>Sub-Total Selected Physician Departments</b>	<b>\$1,166,688</b>	<b>\$1,331,946</b>	<b>\$1,196,365</b>	<b>\$1,243,754</b>

<b><u>Employee Benefits</u></b>				
PERS Expense - Fluctuates with participating FTEs	\$6,900,126	\$7,873,492	\$7,164,002	\$8,024,165

<b><u>Contracted Labor</u></b>				
Information Services	\$0	\$0	\$1,144,000	\$35,841
Operating Room	\$499,917	\$0	\$550,000	\$268,500
Human Resources	\$228,604	\$276,941	\$279,941	\$98,093
Laboratory	\$52,633	\$0	\$191,199	\$0
Med/Surg	\$145,568	\$2	\$139,455	\$96,120
Same Day	\$6,163	\$0	\$117,413	\$0
<b>Sub-Total Selected Departments</b>	<b>\$932,884</b>	<b>\$276,943</b>	<b>\$2,422,008</b>	<b>\$498,554</b>



# Fiscals 2017 and 2018 Budgeted Results

	<u>FY 2017</u> <u>BUDGET</u>	<u>PROJECTED</u> <u>FY 2017 -</u> <u>MARCH 2017</u>	<u>FY 2018</u> <u>BUDGET</u>
Total Inpatient Revenue	\$57,408,425	\$57,030,307	\$80,397,030
Outpatient Revenue	\$77,803,160	\$81,083,298	\$84,529,017
<b>Total Patient Revenue - Hospital</b>	<b>\$135,211,585</b>	<b>\$138,113,605</b>	<b>\$144,926,047</b>
RRC Revenue	\$4,104,039	\$3,803,576	\$4,351,904
Physician Revenue	\$8,899,484	\$9,036,931	\$9,985,515
<b>Total Gross Patient Revenue</b>	<b>\$148,215,108</b>	<b>\$150,954,112</b>	<b>\$159,263,466</b>
Contractual Allowances	\$51,189,001	\$60,348,231	\$67,558,174
Charity Care and Bad Debt	\$8,250,000	\$4,482,000	\$5,088,318
Total Deductions from Revenue	\$59,439,001	\$64,830,231	\$72,646,492
<i>Deductions as Percentage of Total Gross Patient Revenues</i>	40.1%	42.9%	45.6%
<b>Net Patient Revenue</b>	<b>\$88,776,107</b>	<b>\$86,123,881</b>	<b>\$86,616,974</b>
Other Operating Revenue	\$2,102,862	\$1,925,252	\$1,887,300
<b>Total Operating Revenue</b>	<b>\$90,878,969</b>	<b>\$88,049,133</b>	<b>\$88,504,274</b>
Salaries, Wages & Contract Labor	\$37,435,904	\$40,404,967	\$37,309,112
Physician Wages	\$3,000,000	\$2,392,145	\$2,500,816
Employee Benefits	\$19,132,496	\$18,572,383	\$19,477,837
Total Wages	\$59,568,400	\$61,369,495	\$59,287,565
	65.5%	69.7%	67.0%
<b>Operating Expenses</b>			
Medical Professional Fees	\$2,319,583	\$3,155,017	\$3,064,484
Non-Medical Professional Fees	\$2,623,728	\$2,811,599	\$2,720,781
Materials & Supplies	\$10,095,073	\$10,820,938	\$11,070,774
Utilities	\$1,491,960	\$1,447,314	\$1,626,823
Maintenance & Repairs	\$3,249,870	\$2,904,103	\$3,100,893
Insurance	\$482,961	\$519,227	\$480,666
Depreciation & Amortization	\$8,215,657	\$7,382,138	\$7,566,678
Interest Expense	\$679,922	\$666,110	\$670,930
Other Operating Expenses	\$1,727,140	\$1,677,117	\$1,892,479
<b>Total Expenses</b>	<b>\$90,434,294</b>	<b>\$92,553,058</b>	<b>\$91,482,073</b>
<b>Income (Loss) from Operations</b>	<b>\$444,675</b>	<b>-\$4,503,925</b>	<b>-\$2,977,799</b>
Interest Income	\$272,322	\$246,268	\$259,880
Other Non-Operating Income	\$1,794,529	\$2,126,110	\$2,086,228
Rural Demonstration Stipend	\$0	\$0	\$0
<b>Total Non-Operating Revenue</b>	<b>\$2,066,851</b>	<b>\$2,372,378</b>	<b>\$2,346,108</b>
<b>Net Income (Loss)</b>	<b>\$2,511,526</b>	<b>-\$2,131,546</b>	<b>-\$631,691</b>

## Fiscals 2017 and 2018 Cash Flow

	<u>PROJECTED</u> <u>FY 2017</u>	<u>FY 2018</u> <u>BUDGET</u>
Projected Net Income (Loss)	-\$2,131,546	-\$631,691
Add-back		
Depreciation	\$7,382,138	\$7,566,678
Interest Expense	\$419,842	\$411,050
Cash Available	<u>\$5,670,434</u>	<u>\$7,346,037</u>
Debt Service	\$1,657,400	\$1,657,400
Purchase of Capital Assets	\$3,800,000	\$5,000,000
Expenditures for CIP Projects	\$0	\$0
Total Out-flows	<u>\$5,457,400</u>	<u>\$6,657,400</u>
Net Change in Cash	<u><u>\$213,034</u></u>	<u><u>\$688,637</u></u>

# Bartlett Fund Balance

Per Bartlett's June 30, 2016 Audit Report

Investment in Capital Assets, Net of Related Debt	\$43,061,866
Restricted for Capital Projects	\$10,000,000
Unrestricted	<u>\$14,308,429</u>
Total Fund Balance	\$67,370,295



## Bartlett Cash Position

Per Bartlett's June 30, 2016 Audit Report

Equity in Central Treasury	\$37,637,807
Restricted for Capital Projects	\$10,000,000
Restricted for Debt Service	<u>\$ 1,705,317</u>
Total Cash and Cash Equivalents	\$49,343,124

Cash-on-Hand at March 31, 2017 represented 150 days on hand.

Per September 2016 Moody's Investors Service survey of 450 hospitals:

	Moody's	Bartlett
Days Cash in Hand	211.8	155 (March 31, 2017)
Days Cash in Hand for AA rating (CBJ has a Aa3 rating)	258.2	
Current Ratio	2.0	4.7 (June 30, 2016)
Operating Margin for AA rating	4.9%	-5.8% (June 30, 2016)





# Fiscal 2018 Capital Budget Summary

<u>Department</u>	<u>Capital Request</u>	<u>\$'s</u>
Facilities	Facility Plan	\$ 1,000,000
Pharmacy	Omnicell Workflow RX Carousel	\$ 600,000
Pharmacy	Infusion Pumps	\$ 525,000
Facilities	Pharmacy Clean Room	\$ 400,000
IS	Cisco Catalyst 3850	\$ 343,000
MedSurg	SPO2 Monitoring System Replacement	\$ 297,215
Lab	Cobas 6000 Chemistry Analyzer	\$ 250,000
Nutrition	Computrition Software System	\$ 170,000
Pharmacy	Anesthesia Workstations	\$ 163,936
OR	Washer/Disinfector	\$ 160,106
IS	Citrix Remote Access	\$ 160,000
IS	Philips to Meditech: Upgrade & Interface (IECG)	\$ 145,000
IS	Critical Care Flowsheet	\$ 135,000
PAS	E-Forms/Signature	\$ 130,000
	Other Capital Requests	\$ 2,760,221
	<b>FY 18 Capital Expenditure Requests</b>	<b>\$ 7,239,478</b>

Board of Directors Capital Expenditure Limit	<b>\$ 5,000,000</b>
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Questions/Comments

Thank you!

Chuck Bill, Chief Executive Officer	907.796.8438
Alan Ulrich, Chief Financial Officer	907.796.8402



**Bartlett**  
Regional Hospital

**City and Borough of Juneau**  
**Assembly Finance Committee Meeting**  
**April 26, 2017**  
**Budgeted Mill Levy & Property Tax Revenue**

The Manager's FY18 Revised budget contains the same mill rate levels that we have for the FY17 Adopted budget. The total 10.66 mill rate, is 0.1 mills lower than the FY16 rate.

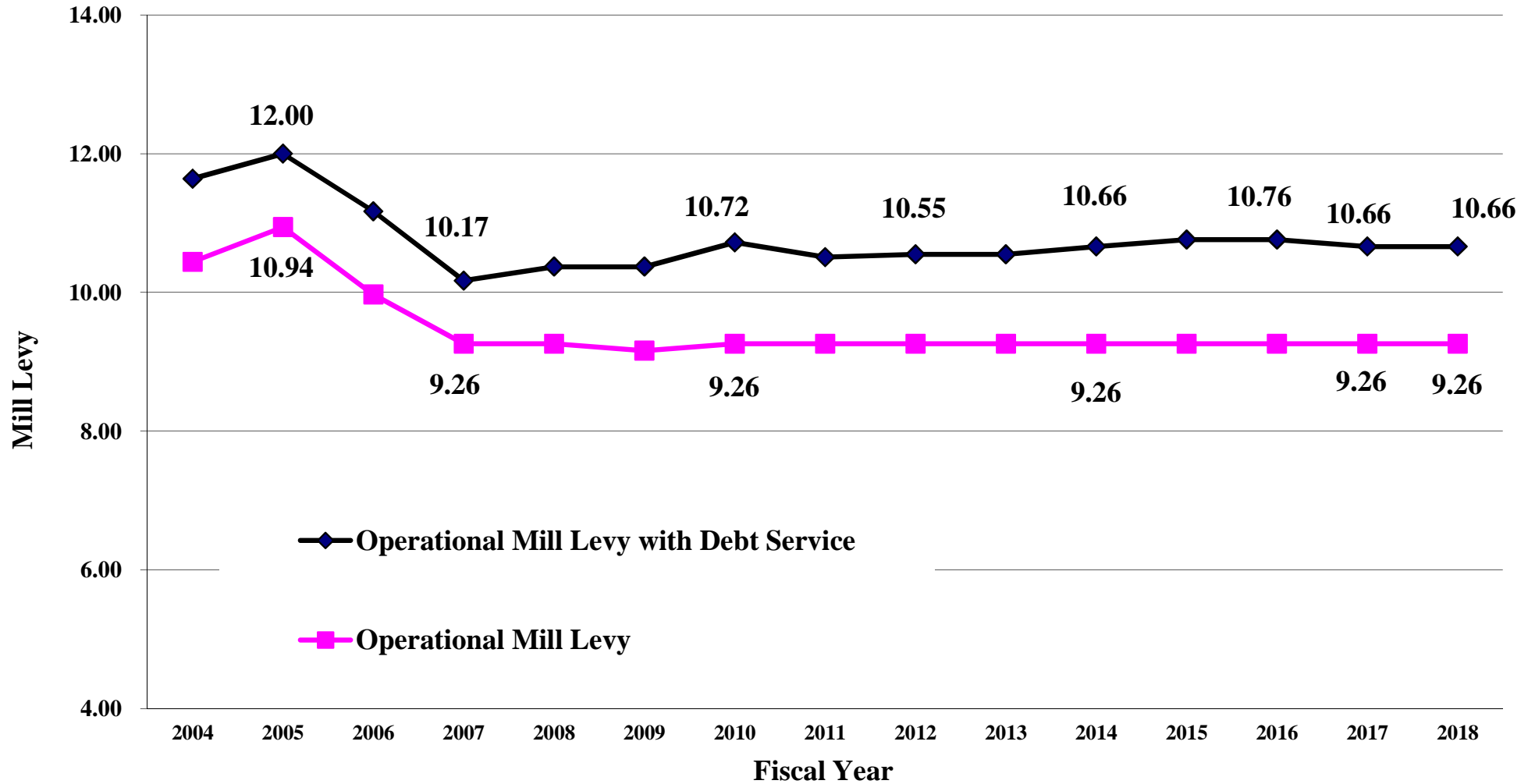
<u>Mill Levy</u>	<u>FY16</u>	<u>FY17</u>	<u>Approved FY18</u>	<u>Revised FY18</u>
<b>Operational</b>				
Areawide	6.70	6.60	6.60	6.60
Roaded Service Area	2.20	2.30	2.30	2.30
Capital City Fire/Rescue	0.36	0.36	0.36	0.36
Total Operational	9.26	9.26	9.26	9.26
<b>Debt Service</b>	1.50	1.40	1.40	1.40
<b>Total Mill Levy</b>	<b>10.76</b>	<b>10.66</b>	<b>10.66</b>	<b>10.66</b>
Mill Change		(0.10)	-	-
% Change		(0.93) %	- %	- %

	Mill Rate						Revenue Raised		
	Area wide	RSA	FSA	Total Operating	Debt Svc	Total	Operating	Debt Svc	Total
<b>FY17</b>	6.6	2.3	0.36	9.26	1.4	<b>10.66</b>	42,127,000	6,573,000	<b>\$ 48,700,000</b>
<b>FY18</b>	6.6	2.3	0.36	9.26	1.4	<b>10.66</b>	43,485,300	6,802,300	<b>\$ 50,287,600</b>

*Tax Revenue is expected to increase by \$1,587,600 between FY17 and FY18.*

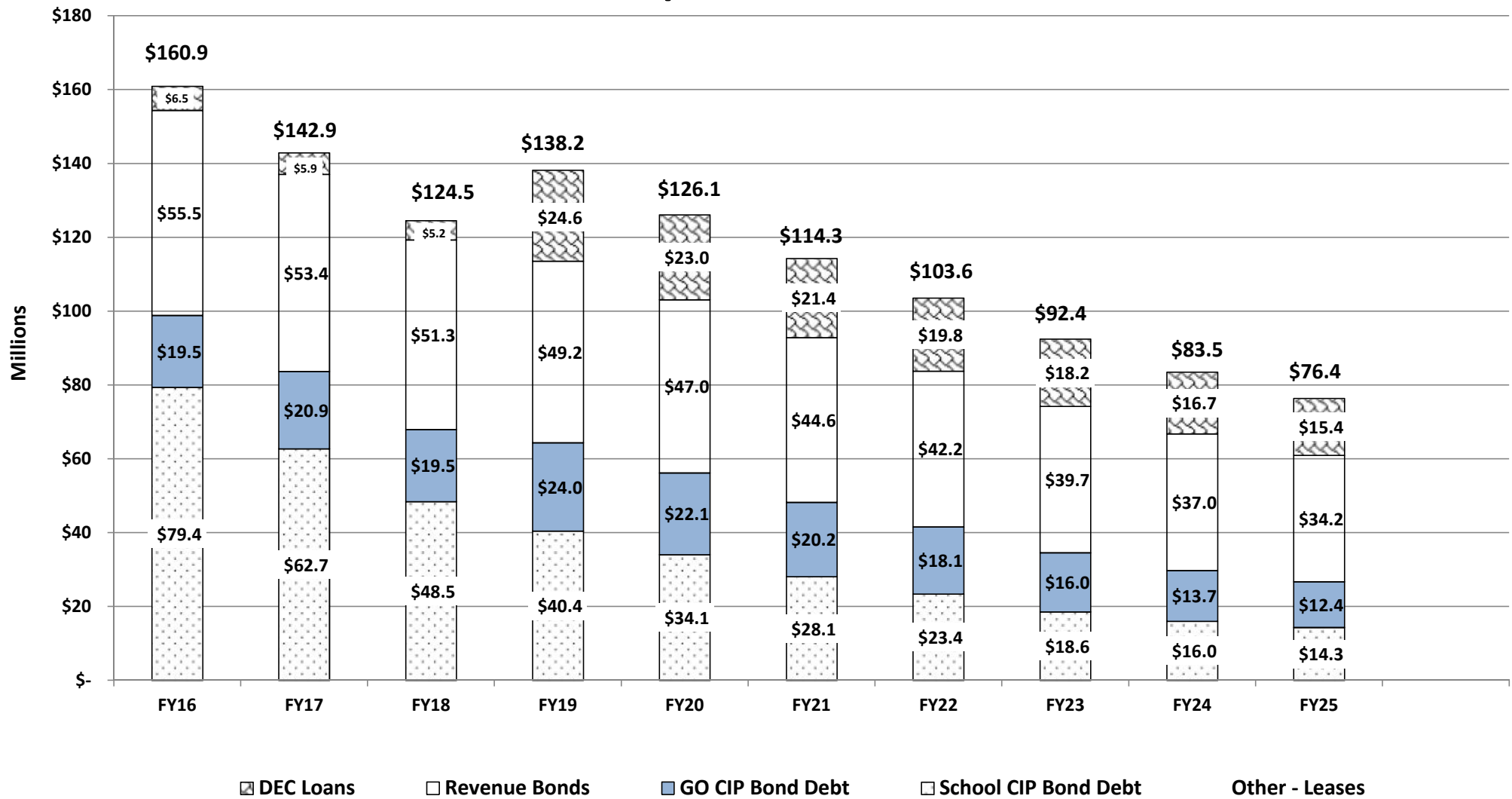
**City and Borough of Juneau  
Assembly Finance Committee  
April 26, 2017**

**Mill Levies  
FY04 through FY18**

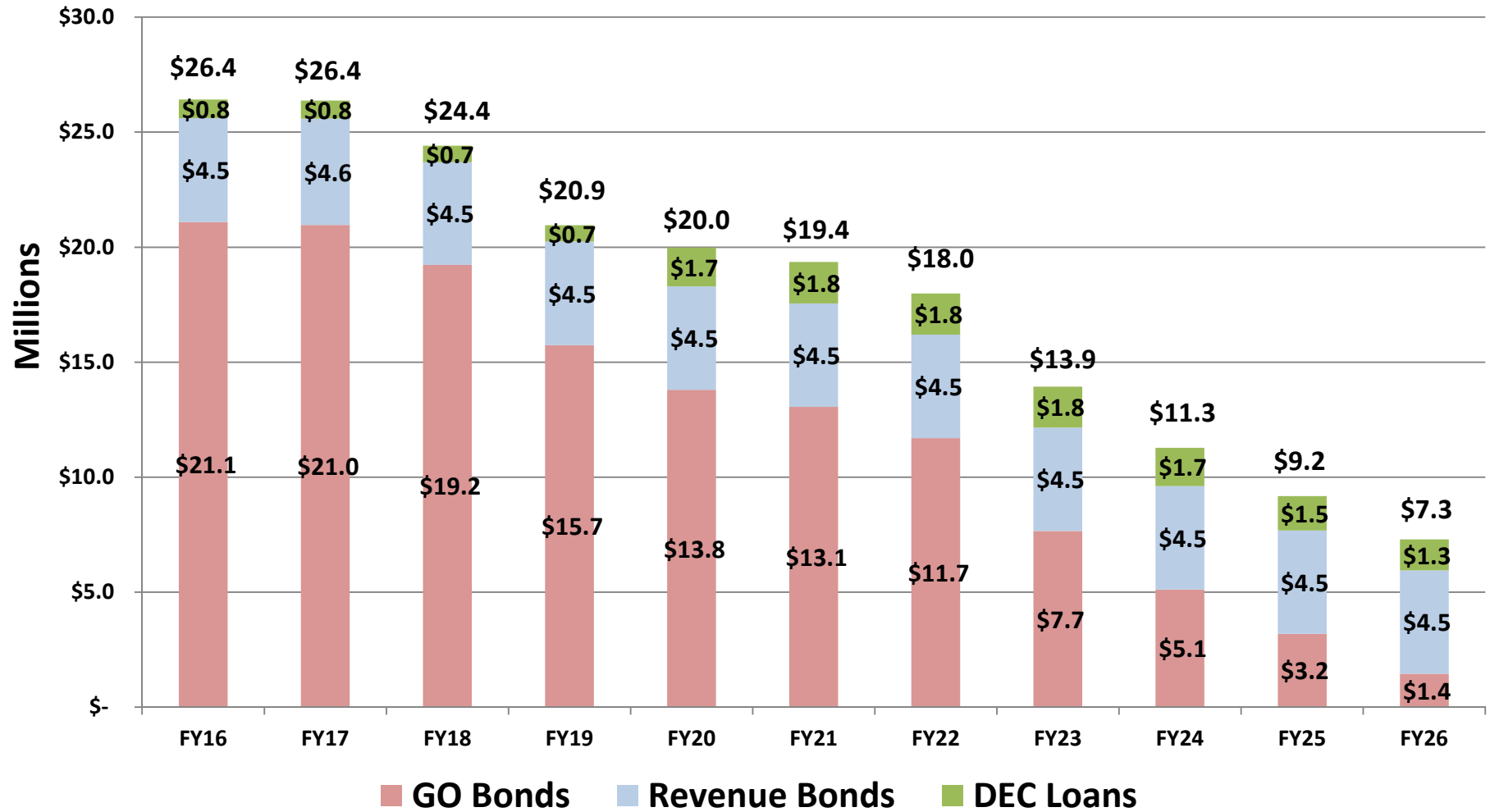




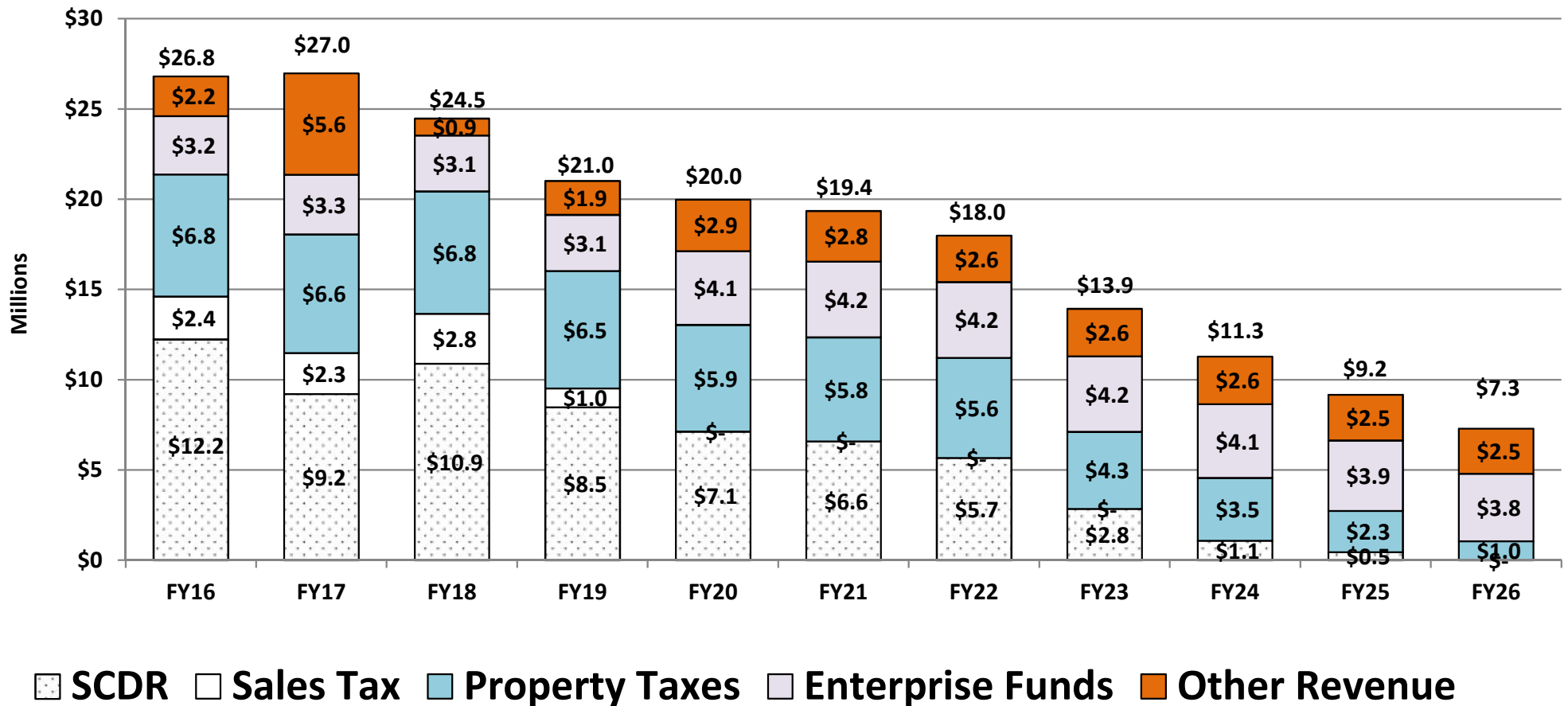
# City and Borough of Juneau Total Outstanding Debt April 2017



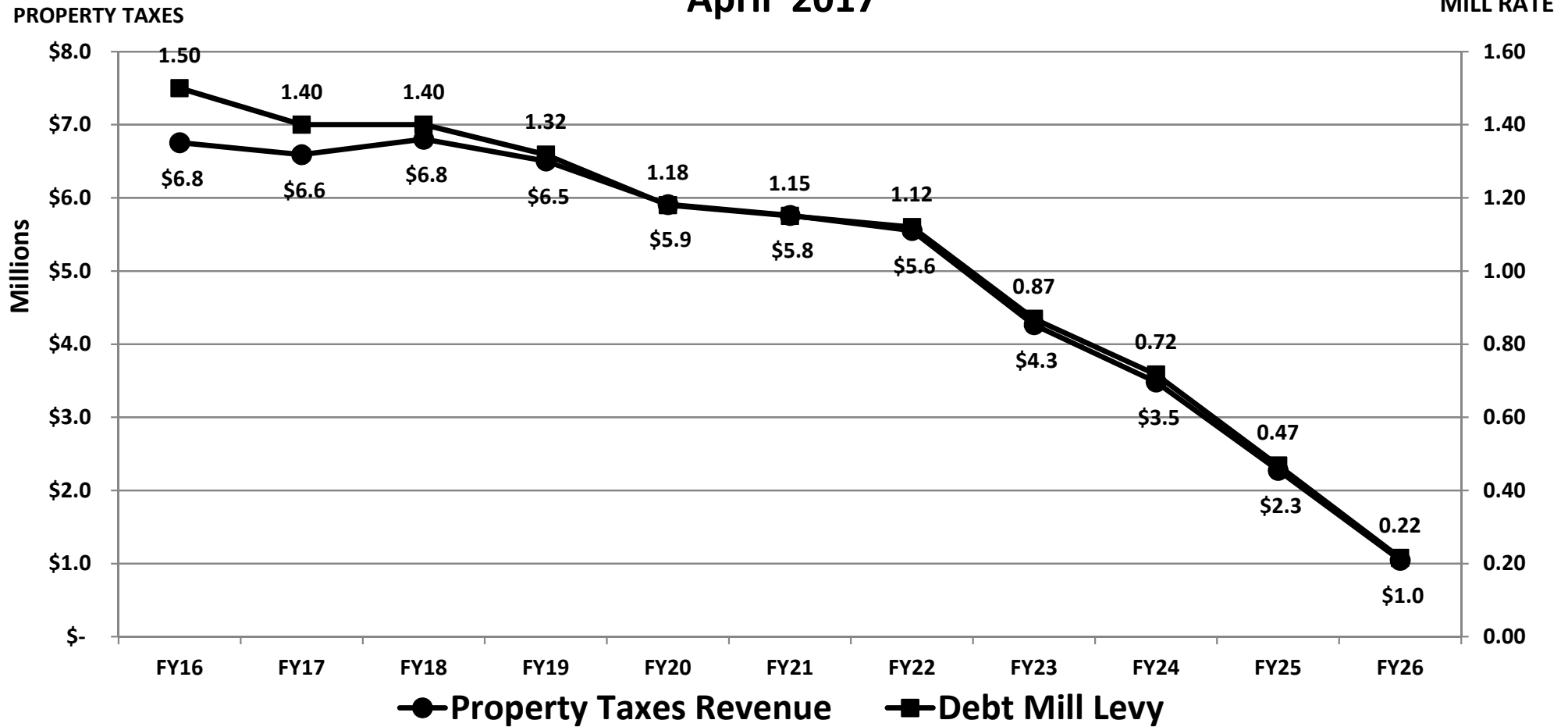
# City and Borough of Juneau Total Debt Service Payments GO & Revenue Bonds and DEC Loans April 2017



# City and Borough of Juneau Debt Service Funding Sources April 2017



# City and Borough of Juneau Debt Service Mill Levy & Property Tax Revenue April 2017





**City and Borough of Juneau  
Assembly Finance Committee Meeting  
Wednesday, April 26, 2017  
Additional Information - Cost Reduction & Revenue Options**

**Assembly Finance Committee members have requested additional information on cost reduction and revenue options for various positions and programs. Summarized below are the specific question/request and the additional information. For certain items information gathering is still in process.**

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**1. Public Information Officer:** The Public Information Officer is a part time position that assists the Manager's Office and the broader CBJ Leadership team in communicating proactively on topics of public interest. The PIO prepares press releases, substantive social medial posts, and works with journalists to disseminate accurate and timely information to the public. Increasing the public awareness on budget and other important issues were addressed in the Assembly goals. The following costs are associated with the position:

Wages:	\$25,574
Health & Wellness:	\$7,976
Other:	<u>\$7,672</u>
<b>Total:</b>	<b>\$41,221</b>

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**2. Community Service Officer:** The Manager's reduction list includes a proposed reduction of funding to the CSO program for FY18. The timing of the funding reduction coincides with the retirement of a long term employee. The existing staff model is:

- 2 CSOs handle downtown parking,
- 1 CSO handles the Commercial Passenger Vehicles program.
- 1 CSO assigned to Lemon Creek, Downtown & Douglas to handle parking/abandoned vehicles/litter/garbage bears, and camping violations.
- 1 CSO assigned to the Valley and Out the Road to handle parking/abandoned vehicles/litter/garbage bears, and camping violations.

A reduction in staffing will impact the public services currently being provided by the 2 CSO positions not working on downtown parking or CPV. Calls for service may be impacted, with possible longer response times. It is not anticipated that there will be a significant reduction in revenues.

The list of revenues generated by CSO positions listed below is the actual ticket collection for FY 16 and does not include unpaid tickets/citations:

Parking Tickets – Downtown Core	\$48,165
Parking Tickets – Downtown, not core	\$5,630
Parking tickets – Not downtown	\$2,750
Second-hand Smoke	\$800
Abandoned Vehicles	\$625
Bear Attraction/Urban Bear Control	\$500
Litter	<u>\$125</u>
<b>Total (FY16)</b>	<b>\$58,595</b>

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## Additional Information - Cost Reduction & Revenue Options AFC – 4/26/2017

**3. Planning Review:** The Manager's reduction list includes a proposed reduction of funding to the Community Development program for FY18.

The Community Development Department has nine planners, including the planning manager. Each of the planners works on both long-range projects and permitting. Long-range projects include proposing improvements to the land use code, writing or updating plans, and staffing advisory boards. The effect of not funding a planner position primarily would be to retard progress on long-range projects, as the department will try to minimize negative impacts on permitting.

The long-range planning projects currently underway include: developing the Lemon Creek Area Plan, updating Wetlands Management Plan, assisting the Commission on Sustainability develop a Renewable Energy Strategy, and planning for the Downtown Plan to begin late summer 2017. Land use code re-writes that are in progress currently include variances, streamside buffers, eagle protection, Auke Bay zoning districts, panhandle lots, urban agriculture, essential public facilities, privately maintained access in public rights-of-way, and junk/recycling.

Permitting includes responding to inquiries from the public about potential projects, review of building permits to ensure compliance with the land use code, and processing subdivisions, conditional use permits, variance applications, and rezone requests. The length of time it takes to process any one of these is highly variable, with dependencies on the complexity of the application and experience of the applicant. Because much of this activity has a near-term effect on developing and redeveloping Juneau, the department will shift labor-hours away from long-range activity in order to minimize the effect of staff reduction on permitting.

**4. CBJ Hotel Tax Resolutions:** The three Resolutions that constitute the Assembly's intent for Sales Tax over the years are Resolution 687 (1980), Resolution 1036 (1984), and Resolution 1319 (1988).

**5. CBJ Hotel Tax 1%, 2% & 3% increase scenario:** This scenario is just an example, providing a cursory sliding scale of the revenue that would be generated in the FY18 Revised budget from Hotel Tax at the listed rates of 7%, 8%, 9% and 10%. At this time, the rate is 7% and any change would need to be decided by the voters. Note: in addition to the hotel tax rate CBJ collects the 5% general sales tax on all bed tax transactions (so total current rate on rooms is 12%).

	Rate	Revenue FY18 \$'s	Variance over Revenue at 7%
<b>Current</b>	7.0%	\$ 1,450,000	\$ -
<b>Plus 1%</b>	8.0%	\$ 1,657,000	\$ 207,000
<b>Plus 1%</b>	9.0%	\$ 1,864,000	\$ 414,000
<b>Plus 1%</b>	10.0%	\$ 2,071,000	\$ 621,000

**6. Updated information of accepting of more CBJ payments via credit cards.** Updated information is being compiled and should be available April 26.

**CBJ FY18 Revised Budget - Pending Items & Increments**  
as of April 26, 2017

**FY18 Revised Budget - Pending Items**

<b>Description</b>	<b>Comments</b>
1 School District FY18 Revised Budget	AFC moved to pending list on 4/5/17
2 Aquatics FY18 Revised Budget	AFC moved to pending list on 4/12/17
3 Capital Improvement Projects Program FY18 Budget / Plan	AFC moved to pending list on 4/12/17

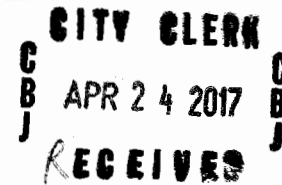
**FY18 Revised Budget - Increments in excess of Manager's Budget**

<b>Description</b>	<b>Comments</b>	<b>FY18 Increase</b>
a Juneau School District - Student Transportation (outside cap)	Increased funding FY18 over FY17	\$ 213,000
b Aquatics	Increased General Fund Support	44,000
c Travel Juneau	Increased Hotel Tax Support	190,000
d Downtown Business Association	DBA request	50,000
e Downtown Business Association	AFC suggested add	25,000
f JEDC	Increased General Fund Support	77,500
<b>Total</b>		<b>\$ 599,500</b>

# The New Juneau Arts and Culture Center

350 Whittier St. Suite 101 • Juneau, AK 99801 • 907 586-2787 • Katharine Heumann, Project Coordinator • [katharine@jahc.org](mailto:katharine@jahc.org)

April 16, 2017



Mr. Jesse Kiehl, Chair  
Assembly Finance Committee  
City and Borough of Juneau  
155 S. Seward Street  
Juneau, Alaska 99801

Dear Mr. Kiehl:  
Center

Re: Funding for the New Juneau Arts and Culture

As the Finance Committee prepares its recommendations to the Assembly regarding possible ballot measures on taxation in the coming months, we ask that the new arts and culture center be part of your deliberations.

The Partnership, a non-profit affiliated with the Juneau Arts and Humanities Council, is tasked with raising some \$26 million to complete construction of this new facility. We are grateful for the support we have thus far received from the Assembly, both with respect to having made \$1 million available for that purpose in the 2012 temporary sales tax extension and in pledging the availability of the present site.

We remain committed to assuring that the new arts and culture center be largely privately funded and that its operations are sustainable without government subsidy. At the same time, we believe it is appropriate for the Juneau community to invest in its cultural institutions, as it did with the Walter Soboleff Center for \$3 million. Such an investment also bolsters our efforts with prospective donors who live outside of Juneau and who, understandably, look for tangible evidence of local commitment. We renew our request, first made by the Juneau Arts and Humanities Council in 2012, for \$5 million.

As a partial alternative, we ask that the Finance Committee recommend to the Assembly that it increase the Hotel/Motel tax (CBJ 69.07) from its current 7 percent rate to 9 percent. The hotel/motel tax has not been increased in 29 years. Such an increase would generate approximately an additional \$400,000 a year. We believe use of the revenues over a period of years for construction of the new center is an appropriate one because the facility will be heavily used by visitors and substantially increase the marketability of Juneau for larger conventions.

Such an increase is consistent with cities to which Juneauites frequently travel:

- Anchorage 12% bed tax (AMC Chapter 12.20)
- Seattle 7% room tax, 8.6% sales tax and a \$2 per room surcharge
- Fairbanks 8% bed tax (Sec. 74-118)
- San Francisco 14% bed tax
- Los Angeles 14% bed tax
- Washington, D.C. 14.5% hotel tax

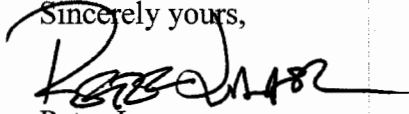
inspired by nature, driven to create

# The New Juneau Arts and Culture Center

350 Whittier St. Suite 101 • Juneau, AK 99801 • 907 586-2787 • Katharine Heumann, Project Coordinator -katharine@jahc.org

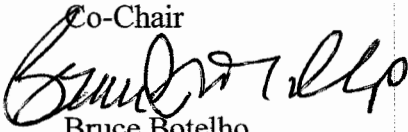
We look forward to discussing these alternatives with the committee and pledge ourselves and the arts community to work towards passage of these propositions, should you choose to include them on the October 2017 ballot.

Sincerely yours,



Peter Jurasz

Co-Chair



Bruce Botelho

Co-Chair



## Assembly Finance Committee (AFC)

FY18 Revised Budget Calendar and Key Dates – as of 4/24/17

Wednesdays at 5:30 p.m., unless otherwise stated

### APRIL

- 5<sup>th</sup> Special Assembly Meeting – 5:30pm – Followed by Assembly Finance Committee**  
Special Assembly Meeting to Introduce FY17/18 budget, immediately Followed by Assembly Finance Committee meeting, Chambers
- A. Introduction of the general operating (CBJ) budget ordinance
  - B. Introduction of the general operating School District budget ordinance
  - C. Introduction of the mill levy ordinance
  - D. Introduction of the CIP resolution
  - E. Executive Session re: CLIA Lawsuit
- 5<sup>th</sup> AFC Meeting #1 – 6:30pm - Immediately following Special Assembly Meeting**
- A. Distribution of the Operating Budget, Capital Budget and Capital Improvement 6-Year Plan
  - B. Housing First Ordinance -2016-09(AM)
  - C. FY18 Revised Budget Overview
  - D. School District Budget Presentation
  - E. Capital Improvements Projects Program Budget/Plan
  - F. Marine Passenger Fee Recommendations
- 12<sup>th</sup> AFC Meeting #2**
- A. Juneau International Airport (Patty Wahto)
  - B. Docks & Harbors (Carl Uchytel)
  - C. Aquatics Board (Kirk Duncan / Max Mertz)
  - D. Capital Improvements Projects Program Budget/Plan – For Action
  - E. Marine Passenger Fee Recommendations – For Action
  - F. General Government Budget Balancing Options
- 19<sup>th</sup> AFC Meeting #3**
- A. Travel Juneau (JCVB) – Change to FY18 Approved Budget (Liz Perry, President/CEO)
  - B. Downtown Business Association
  - C. Eaglecrest Ski Area (Nate Abbott)
  - D. JEDC (Brian Holst)
  - E. Funding for FY18 Personnel Services – One-time Cost Increases
  - F. FY17 Budget Supplementals
  - G. General Government Budget Balancing Options
- 26<sup>th</sup> Special Assembly Meeting at 5:00pm - Followed by Assembly Finance Committee**  
Within 30 days after receipt of the (school) budget, the assembly shall determine the amount to be made available from local sources for school purposes, and shall furnish the School board with a statement (motion) of the amount to be made available for FY18 School District operations. (Charter Section 13.6 (b))  
The following actions must be completed by May 1, per Charter Section 9.6.
- A. Public hearing on the CBJ operating budget ordinance
  - B. Public hearing on the School District operating budget ordinance
  - C. Public hearing on the capital improvement program resolution
  - D. Public hearing on the on the mill levy ordinance
- 26<sup>th</sup> AFC Meeting #4 (Immediately following Special Assembly Meeting)**
- A. Youth Activities Board (YAB) Presentation (John White / Dave Pusich)
  - B. Bartlett Regional Hospital (Alan Ulrich, CFO)
  - C. Proposed Mill Rate Presentation
  - D. Debt Service Presentation
  - E. General Government Budget Balancing Options

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**City and Borough of Juneau**

**Assembly Finance Committee (AFC)**

**FY18 Revised Budget Calendar and Key Dates – as of 4/24/17**

**Wednesdays at 5:30 p.m., unless otherwise stated**

**MAY**

**3<sup>rd</sup> AFC Meeting #5**

- A. Capital Improvements Projects Program Budget/Plan – For Action
- B. Pending Items List
- C. General Government Budget Balancing Options

**10<sup>th</sup> AFC Meeting #6**

- A. RecycleWorks Presentation
- B. Sales Tax Exemption Information
- C. Service Areas & Mill Rate Information
- D. Pending Items List / Final Budget Decisions

**17<sup>th</sup> Special Assembly Meeting – Followed by Assembly Finance Committee Meeting**

- A. *Adoption of the School District's general operating budget ordinance*

**17<sup>th</sup> AFC Meeting #7 – If Necessary**

*Meeting for overflow items or new requests that come up during budget process.*

**Note: If the School District's general operating budget ordinance is not adopted on May 17<sup>th</sup>, then a Special Assembly Meeting will need to take place by May 31<sup>st</sup> for the purpose of appropriating the amount to be made available from local sources for school purposes. (Charter Section 13.6)**

**(If needed, potential dates for a Special Assembly Meeting could be May 22<sup>nd</sup>, May 24<sup>th</sup> or May 31<sup>st</sup>.)**

**24<sup>th</sup> AFC Meeting - CANCELLED**

**By May 31<sup>st</sup>, the assembly must determine the amount to be made available from local sources for school purposes (Charter Section 13.6 (b))**

**JUNE**

**5<sup>th</sup> Regular Assembly Meeting**

- A. *Adoption of the general operating (CBJ) budget ordinance*
- B. *Adoption of the CIP resolution*
- C. *Adoption of the mill levy ordinance*

**14<sup>th</sup> AFC Meeting**

**The Charter requires that the following budget actions be made by June 15<sup>th</sup>:**

- **Appropriating Ordinances Adopting a Budget (Charter Section 9.7 (a))**
- **Mill Levy Ordinance (Charter Section 9.7 (b))**
- **CIP by Resolution (Charter Section 9.8)**