

**ASSEMBLY FINANCE COMMITTEE  
THE CITY AND BOROUGH OF JUNEAU, ALASKA  
Wednesday, June 13, 2018, 5:30 PM.  
Assembly Chambers**

**I. CALL TO ORDER**

**II. ROLL CALL**

**III. APPROVAL OF MINUTES**

- a. **Thursday, May 3, 2018**
- b. **Wednesday, May 9, 2018**

**IV. ITEMS FOR DISCUSSION**

- a. **Eagle Rock Venture (ERV) Presentation - Update on Developing Housing at 2nd & Franklin**
- b. **Ordinance 2017-06(AX) An Ordinance Appropriating to the Manager the Sum of \$250,000 as Supplemental Funding for Harbors' Fiscal Year 2018 Operating Budget; Funding Provided by Harbors' Fund Balance.**
- c. **Request to Expand Non-Profit Sales Tax Exemption to Include 501(c)(19) Organizations - American Legion (Auke Bay Post 25)**
- d. **Development Update on New Juneau Arts and Culture Center (JACC) & Funding Request)**
- e. **Centennial Hall - PERS Termination Study**

**V. INFORMATION ITEMS**

- a. **Centennial Hall Management Agreement Overview**
- b. **Draft Ordinance to Change Sales Tax Code to Implement SB14 - Transportation Network Companies Collecting and Paying Sales Tax on Behalf of their Drivers**

**VI. NEXT MEETING DATE**

- a. **Wednesday, August 8, 2018**

**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)

**DRAFT**  
**City and Borough of Juneau**  
**Minutes - Assembly Finance Committee Meeting**  
**Thursday, May 3, 2018, 5:00 p.m.**

**I. Call to Order**

The meeting was called to order at 5:01 PM by Jesse Kiehl, Chair.

**II. Roll Call**

Committee Members Present: Jesse Kiehl, Chair; Norton Gregory, Loren Jones, Mary Becker, Rob Edwardson, Jerry Nankervis, and Mayor Ken Koelsch.

Committee Members Participating Telephonically: Maria Gladziszewski.

Committee Members Absent: Beth Weldon.

Staff Present: Rorie Watt, City Manager; Mila Cosgrove, Deputy City Manager; Bob Bartholomew, Finance Director; Ed Mercer, Police Chief; Dave Scanlan, Eaglecrest Manager; Sam Muse, Controller; and Elisabeth Jensen, Budget Analyst.

Others Present: Dr. Mark Miller, Superintendent, Juneau School District; David Means, Administrative Services Director, Juneau School District; Ted Wilson, Director of Teaching and Learning, Juneau School District; Joy Lyon, Executive Director, Southeast Alaska Association for the Education of Young Children; Brian Holst, Executive Director, Juneau Economic Development Council; and Blue Shibler, Owner, Discovery Preschool.

**III. Approval of Minutes**

The April 25, 2018 minutes were approved as presented.

**IV. Juneau Commission on Aging (JCOA) – FY19 Funding Request - Memo**

Rorie Watt, City Manager presented the memo on page 8 of the meeting packet, describing added services request for an ongoing need that would need to be evaluated in the coming year. He stated that JCOA needs staff support to be successful.

**Loren Jones, moved to add JCOA's request for \$10,000 to the AFC's Pending List.  
Without OBJECTION.**

**V. Best Starts Presentation**

Joy Lyon, Executive Director, Southeast Alaska Association for the Education of Young Children; Brian Holst, Executive Director, Juneau Economic Development Council; Blue Shibler, Owner, Discovery Preschool; and Ted Wilson, Director of Teaching and Learning, Juneau School District.

## **Minutes - Assembly Finance Committee Meeting Thursday, May 3, 2018, 5:00 p.m.**

Bob Bartholomew, Finance Director, introduced the topic (found on pages 9 – 21 of the meeting packet) outlining Best Start's request of \$2.18 million for a two-year pilot program. He noted that the Manager's Proposed FY19 Budget does not include any funding for Best Starts.

Joy Lyon, discussed how the plan was developed, how it was modeled after models from other communities, and how it is leveraging multiple sources of funding.

Ted Wilson, stated that based on eleven indicators, only 38% of incoming Kindergarteners are Kindergarten ready. The schools currently have integrated programs that service some of these students, along with Head Start, the new KinderReady program, and Montessori services. If children come into Kindergarten with a much higher level of language skills, the school can start teaching them to read much faster. Investing more in students before they get to kindergarten will save us effort and staffing when they arrive to Kindergarten.

Brian Holst, mentioned JEDC has been working on the childcare-workforce crisis for nine years, and that Best Starts addresses two driving issues: 1.) Workforce Issue – To find and afford high quality childcare, 2.) Kindergarten readiness.

The panel addressed questions from Assembly members.

**Loren Jones, moved to add Best Starts' request of \$2.18 million (\$798K in FY19 & \$1,378K in FY20) to a two-year pilot program to the AFC's Pending List.**

**Mayor Koelsch OBJECTED.**

Roll call votes:

Ayes: Edwardson, Nankervis, Gladziszewski, Gregory, Jones, and Kiehl.

Nays: Becker and Mayor Koelsch.

Absent: Weldon.

**Motion PASSED 6-2, with 1 Absent.**

*The meeting recessed at 6:47 PM.*

*The meeting reconvened at 6:59 PM.*

### **VI. Kinder Ready Program – In Meeting Handout Provided – 1 Page**

At the Mayor's request the following information was handed out and summarized by Ms. Cosgrove with information provided by David Means, Juneau School District.

Kinder Ready program - \$700,000

## **Minutes - Assembly Finance Committee Meeting Thursday, May 3, 2018, 5:00 p.m.**

The JSD currently runs a Kinder Ready program at Harbor Elementary School, and is considering including a Valley location for the 2018-2019 school year. This proposal would expand the existing program to all elementary schools. Each school site costs approximately \$140,000.

Facts: The Kinder Ready Program provides ½ day or full day programming to 4 year olds with the goal of getting them ready to enter Kindergarten successfully. The program runs Tuesday – Friday from 8:00 – 2:30. Parents are expected to pay to have their children participate. Cost is \$200 a month for a half day spot and \$400 a ~~day~~ month for a full day spot. Each half day session can accommodate 16 children. If the program is run as a full day program, they can accommodate 20 children. The program prioritizes families experiencing low income and scholarships are available.

Impact: 120 – 192 4 year old children will receive a preschool experience designed to develop their social, emotional, and academic skills for successful entry into kindergarten.

Dr. Mark Miller responded to questions from Assembly members. He stated that the School District could expand their existing Kinder Ready program to 2 schools next year and then evaluate to prove if successful. However, the conversations have not begun regarding expanding the current program.

**Mayor Koelsch, moved funding in the amount of \$140,000 to add Kinder Ready to one more school building for the school year to the AFC's Pending List.  
Without OBJECTION.**

### **VII. Marine Passenger Fee Recommendations – For Action**

Rorie Watt, requested to modify page 28 of the meeting packet in order to provide similar funding to the AJ and Franklin Docks, specifically editing AJ Dock funding for Security and Safety from \$124,800 to \$85,000 for the FY19 Recommendation, allowing the difference to remain in the MPF Fund.

**Loren Jones, moved to accept the Manager's Amendment to the MPF Letter changing AJ Dock's Security and Safety from \$124,800 to \$85,000, and placing the balance in the MPF Fund.**

**Without OBJECTION.**

Mr. Watt and Chief Mercer responded to questions from the Assembly members.

**Loren Jones, moved to adopt the Manager's MPF Memo, as amended in the amount of \$5,853,890.**

## **Minutes - Assembly Finance Committee Meeting Thursday, May 3, 2018, 5:00 p.m.**

Norton Gregory, moved to AMEND THE MAIN MOTION, by reducing MPF funding for Transportation Worker ID Credential System (TWIC) in half from \$170,000 to \$85,000 in FY19.

Mr. Jones and Jesse Kiehl OBJECTED.

Roll call votes:

Ayes: Gregory, Edwardson, and Kiehl.

Nays: Becker, Nankervis, Gladziszewski, Jones and Mayor Koelsch.

Absent: Weldon.

**Motion FAILED 3-5, WITH 1 Absent.**

Jesse Kiehl, moved to AMEND THE MAIN MOTION, by reallocating funding of \$150,000 for Public/Private Port Infrastructure Plan, with \$100,000 added to the Downtown Waterfront Plan Update and the remaining \$50,000 going to the MPF Fund.

Mr. Jones OBJECTED.

Roll call votes:

Ayes: Gregory, Edwardson, and Kiehl.

Nays: Nankervis, Gladziszewski, Becker, Jones and Mayor Koelsch.

Absent: Weldon.

**Motion FAILED 3-5, WITH 1 Absent.**

**Without OBJECTION on Main Motion to adopt the MPF Memo.**

*The meeting recessed at 8:25 PM.*

*The meeting reconvened at 8:30 PM.*

### **VIII. Pending List for the FY19 Proposed Budget**

Bob Bartholomew provided a new hand-out to replace 33 of the meeting packet. He provided a broad picture of recent impacts to the Manager's Proposed Budget as provided to the Assembly on April 4, 2018.

Jerry Nankervis, moved to approve the Eaglecrest Base FY19 Budget in the amount of \$2,675,500.

**Without OBJECTION.**

Jerry Nankervis, moved the reinstatement of funding for 2 Juneau Police Officers (that were unfunded in 2014 – though FTEs remained on books) to the AFC's Pending List.

**Without OBJECTION.**

## **Minutes - Assembly Finance Committee Meeting Thursday, May 3, 2018, 5:00 p.m.**

**Jerry Nankervis, moved an increase in funding by \$35,000 for Juneau Police Department's Recruitment, to the AFC's Pending List.**

**Without OBJECTION.**

**Jerry Nankervis, moved an increase in funding and FTEs by \$180,000 for 2 new Civilian Investigator positions within the Juneau Police Department, to the AFC's Pending List.**

**Without OBJECTION.**

**Jerry Nankervis, moved the reinstatement of funding for the Juneau Police CSO Officer (that was unfunded in FY18 – though FTEs remained on books) to the AFC's Pending List.**

**Mr. Kiehl OBJECTED.**

Roll call votes:

**Ayes:** Gregory, Edwardson, Jones, Becker, Nankervis and Mayor Koelsch.

**Nays:** Kiehl.

**Absent:** Weldon and Gladziszewski.

**Motion PASSED 6-1, WITH 2 Absent.**

*Clerk's Note: Ms. Gladziszewski left the meeting at 9:00 pm.*

**Mary Becker, moved to add funding in the amount of \$10,000 to the AFC's Pending List for the maintenance of the private gravesites in Douglas.**

**Without OBJECTION.**

**Mayor Koelsch, moved to add funding in the amount of \$50,000 to the AFC's Pending List for a Video Camera Grant to aid in security issues in high profile areas.**

**Without OBJECTION.**

**Mayor Koelsch, moved to add funding in the amount of \$75,000 to the AFC's Pending List for Contract Parking Enforcement to free up Community Services Officers (CSO).**

**Mr. Jones OBJECTED.**

Roll call votes:

**Ayes:** Gregory, Edwardson, Becker, Nankervis and Mayor Koelsch.

**Nays:** Jones and Kiehl.

**Absent:** Weldon and Gladziszewski.

**Minutes - Assembly Finance Committee Meeting**  
**Thursday, May 3, 2018, 5:00 p.m.**

**Motion PASSED 5-2, WITH 2 Absent.**

**IX. Next Meeting Date**

Wednesday, May 9, 2018

**X. Adjournment**

Meeting was adjourned at 9:27 PM.

DRAFT

**DRAFT**  
**City and Borough of Juneau**  
**Minutes - Assembly Finance Committee Meeting**  
**Wednesday, May 9, 2018, 5:30 p.m.**

**I. Call to Order**

The meeting was called to order at 5:30 PM by Jesse Kiehl, Chair.

**II. Roll Call**

Committee Members Present: Jesse Kiehl, Chair; Norton Gregory, Loren Jones, Mary Becker, Rob Edwardson, Jerry Nankervis, Beth Weldon and Mayor Ken Koelsch.

Committee Members Participating Telephonically: Rob Edwardson.

Committee Members Absent: None.

Staff Present: Rorie Watt, City Manager; Mila Cosgrove, Deputy City Manager; Bob Bartholomew, Finance Director; Dave Campbell, Deputy Police Chief; Robert Barr, Library Director; Scott Ciambor, Chief Housing Officer; Brenwynne Grigg, Administrative Officer, Community Development ; Sam Muse, Controller; and Elisabeth Jensen, Budget Analyst.

Others Present: Dr. Mark Miller, Superintendent, Juneau School District; Brian Holst, Executive Director, Juneau Economic Development Council; Dave Hannah, Board Member, Eaglecrest Board of Directors; and Liz Perry, Executive Director, Travel Juneau.

**III. FY18 Supplemental Appropriation Ordinance**

Bob Bartholomew described Ordinance 2017-06(AU), (page 2 of the meeting packet), an ordinance appropriating to the Manager the sum of \$8,180,300 as partial funding for various departments' FY18 operating budgets; funding provided by increased revenues and fund balance. The appropriation included appropriations of \$8.0 M to Bartlett Regional Hospital; \$140,300 to the Juneau International Airport; and \$40,000 for Affordable Housing's Mobile Home Loan Down payment program.

Scott Ciambor responded to questions from the Assembly members regarding the Mobile Home Loan Down payment program. The program was approved for \$100,000, but was only appropriated for \$60,000, and now the remaining \$40,000 is needed to reach the full approval level.

**Norton Gregory, moved to refer Ordinance 2017-06 to the full Assembly for approval. Without OBJECTION.**



## **Minutes - Assembly Finance Committee Meeting Wednesday, May 9, 2018, 5:30 p.m.**

### **IV. Fund Balance Overview**

Bob Bartholomew discussed the information provided on page 4 of the meeting packet, following up to the discussion at the AFC's meeting on May 3, 2018, when Mr. Bartholomew had discussed having \$14.0M in Fund Balance. The information in the packet provides more details on the commitments and moving pieces impacting FY19 & 20 Projected Available Fund Balance. Essentially, there is \$6.0M in FY19 of Available Fund Balance, after 1% Sales Tax reserve and wage negotiations. The CBJ FY19 proposed budget is at a higher level of spending than in prior years. Still in a healthy financial position the CBJ can still fund some one-time items, but he cautioned that if the CBJ commits to larger recurring expenditures we could be in a position by FY21 requiring a significant adjustment (increase revenue or reduce expenditures) to the operating budget.

### **V. Pending Items List / Final FY19/20 Proposed Budget Decisions**

Bob Bartholomew provided a high level overview of the current AFC's Pending List on pages 5 - 7 of the meeting packet.

**Beth Weldon, moved to add funding to support the Juneau School Districts' Pupil Transportation outside the cap in the amount of \$40,000 in the hopes of JSD finding \$40,000 within the cap to pay for the automotive shop rental at UAS for the student automotive shop program.**

**Motion WITHDRAWN , and subject referred to Legal Staff to determine legality.**

**Jerry Nankervis, moved to refer the Total School District Outside CAP Funding Request of \$1,376,500 to the full Assembly for approval.**

**Without OBJECTION.**

**Jesse Kiehl, moved to refer Ordinance 2018-12 as amended, An Ordinance Appropriating Funds from the Treasury for FY19 School District Operations to the full Assembly for approval.**

**Without OBJECTION.**

**Loren Jones, moved to provide the Juneau Economic Development Council (JEDC) with \$25,000 in recurring base support funding.**

**Without OBJECTION.**

**Beth Weldon, moved to provide incremental funding to Juneau Economic Development Council (JEDC) in the amount of \$75,000 in FY19.**

## **Minutes - Assembly Finance Committee Meeting Wednesday, May 9, 2018, 5:30 p.m.**

**Ms. Gladziszewski OBJECTED.**

Roll call votes:

Ayes: Jones, Weldon, Gregory, Becker and Mayor Koelsch.

Nays: Gladziszewski, Edwardson, Nankervis, and Kiehl.

Absent: None.

**Motion PASSED 5-4.**

**Mayor Koelsch, moved to reduce FY20 proposed funding of \$250,000 to the Teacher Excellence Fund by \$100,000 in FY20.**

**Mr. Kiehl OBJECTED.**

Roll call votes:

Ayes: Jones, Gregory, Becker, Nankervis, Gladziszewski, Weldon and Mayor Koelsch.

Nays: Edwardson, and Kiehl.

Absent: None.

**Motion PASSED 7-2.**

**Loren Jones, moved to provide the Juneau Commission on Aging (JCOA) with \$10,000 in one-time funding in FY19.**

**Without OBJECTION.**

**Loren Jones, moved to change the order of the discussion on the AFC's Pending List item #35 – Best Starts, until discussion on the last item on the list, #41 – Maintain Private Graveyards in Douglas.**

**Without OBJECTION.**

**Mayor Koelsch, moved to provide incremental funding to the Juneau School District's Kinder Ready Program in the amount of \$140,000.**

**Mr. Kiehl OBJECTED.**

Roll call votes:

Ayes: Gregory, Edwardson, Weldon, Nankervis, Becker, Gladziszewski, Jones, and Mayor Koelsch.

Nays: Kiehl.

Absent: None.

**Motion PASSED 8-1.**

## **Minutes - Assembly Finance Committee Meeting Wednesday, May 9, 2018, 5:30 p.m.**

Loren Jones, moved to provide the Downtown Business Association (DBA) with non-recurring funding of \$75,000 in FY19 and \$75,000 in FY20; funding provided from the Hotel Tax Fund's fund balance.

Ms. Gladziszewski **OBJECTED**.

Roll call votes:

Ayes: Jones, Nankervis, Weldon, Becker, Kiehl and Mayor Koelsch.

Nays: Gladziszewski, Edwardson, and Gregory.

Absent: None.

**Motion PASSED 6-3.**

Rorie Watt, City Manager asked the Assembly members to not fund item #18 – Downtown Coordinator as listed on the AFC's Pending List. The timing is not yet right.

**Item #18 was removed from the AFC's Pending List.**

*The meeting recessed at 6:54 PM.*

*The meeting reconvened at 7:05 PM.*

Mayor Koelsch, moved to provide incremental funding in the amount of \$75,000 to provide Contract Parking Enforcement.

Mr. Jones **OBJECTED**.

Roll call votes:

Ayes: Becker, Nankervis, Gregory, and Mayor Koelsch.

Nays: Gladziszewski, Jones, Edwardson, Gregory and Kiehl.

Absent: None.

**Motion FAILED 4-5.**

Mayor Koelsch, moved to provide incremental funding in the amount of \$55,000 to provide Litter Enforcement/Abatement.

Mr. Jones **OBJECTED**.

Roll call votes:

Ayes: Nankervis, Becker, Gregory, and Mayor Koelsch.

Nays: Jones, Edwardson, Gladziszewski, Weldon, and Kiehl.

Absent: None.

**Motion FAILED 4-5.**

## **Minutes - Assembly Finance Committee Meeting Wednesday, May 9, 2018, 5:30 p.m.**

**Mayor Koelsch, moved to provide one-time FY19 funding in the amount of \$10,000 to provide Airport Curb Drop Off Education.**

**Ms. Gladziszewski OBJECTED.**

Roll call votes:

Ayes: Weldon, Gregory, Becker, Edwardson, Kiehl, and Mayor Koelsch.

Nays: Jones, Nankervis, and Gladziszewski.

Absent: None.

**Motion PASSED 6-3.**

**Jerry Nankervis, moved to incrementally fund two additional Police Officers in the amount of \$200,000 annually. (Note: The two unfunded FTEs were included in FY19/20 Proposed Budget).**

**Mr. Jones and Ms. Weldon OBJECTED.**

Roll call votes:

Ayes: Edwardson, Nankervis, Gladziszewski, Gregory, Becker, and Mayor Koelsch.

Nays: Weldon, Jones, and Kiehl.

Absent: None.

**Motion PASSED 6-3.**

**Jerry Nankervis, moved to provide the Juneau Police Department with \$35,000 in additional incremental funding for Police Recruitment.**

**Without OBJECTION.**

**Jerry Nankervis, moved to incrementally fund two (2) new Civilian Investigator positions with corresponding FTEs within the Juneau Police Department, in the amount of \$180,000 annually. (Note: The two FTEs were NOT included in FY19/20 Proposed Budget).**

**Without OBJECTION.**

## **Minutes - Assembly Finance Committee Meeting Wednesday, May 9, 2018, 5:30 p.m.**

**Jerry Nankervis, moved to incrementally, yet partially fund a Community Service Officer (CSO) position within the Juneau Police Department, in the amount of \$48,000 annually. (Note: The unfunded FTE was included in FY19/20 Proposed Budget).**

**Jesse Kiehl OBJECTED.**

Roll call votes:

Ayes: Edwardson, Becker, Gregory, Nankervis, and Mayor Koelsch.

Nays: Gladziszewski, Weldon, Jones, and Kiehl.

Absent: None.

**Motion PASSED 5-4.**

**Mayor Koelsch, moved to provide incremental funding in the amount of \$75,000 to provide an Emergency Cold Weather Shelter.  
Without OBJECTION.**

**Norton Gregory, moved to provide one-time FY19 funding in the amount of \$45,000 for a Mental Health Study/ Substance Abuse Treatment Study.  
Mr. Jones OBJECTED.**

***Mr. Jones requested the record state his prediction of the outcome of the study will include a statement that we need more treatment, more services and that the State will not pay for these services – without Federal funding the City will be asked to pay for these services in the amount of \$2-3M annually.***

Roll call votes:

Ayes: Edwardson, Gregory, Becker, Gladziszewski, Kiehl and Mayor Koelsch.

Nays: Jones, Weldon and Nankervis.

Absent: None.

**Motion PASSED 6-3.**

*The meeting recessed at 8:13 PM.*

*The meeting reconvened at 8:24 PM.*

Mila Cosgrove, provided an updated cost estimate for item #27-Work Incentives, found on the AFC's Pending List. According to the Glory Hole, the funding level would more accurately be represented with \$9,000 per year than \$5,000 per year.

**Mayor Koelsch, moved to provide one-time FY19 funding in the amount of \$9,000 for Work Incentives.**

**Minutes - Assembly Finance Committee Meeting  
Wednesday, May 9, 2018, 5:30 p.m.**

**Mr. Jones OBJECTED.**

Roll call votes:

Ayes: Weldon, Gregory, Gladziszewski, Nankervis, Becker, and Mayor Koelsch.

Nays: Jones, Edwardson, and Kiehl.

Absent: None.

**Motion PASSED 6-3.**

**Mayor Koelsch, moved to provide one-time FY19 funding in the amount of \$50,000 for a Video Camera Grant.**

**Mr. Jones, Ms. Weldon, Ms. Gladziszewski, and Mr. Gregory OBJECTED.**

Roll call votes:

Ayes: Weldon, Edwardson, Nankervis, Jones, Gladziszewski, Becker, Gregory, and Kiehl

Nays: Mayor Koelsch.

Absent: None.

**Motion FAILED 1-8.**

**Loren Jones, moved to provide the Eaglecrest with \$25,000 in recurring base support funding.**

**Without OBJECTION.**

**Mayor Koelsch, moved to provide one-time additional FY19 funding in the amount of \$500,000 for CLIA Litigation.**

**Mr. Jones OBJECTED.**

**Jessie Kiehl, moved to AMEND THE MOTION to identify the source of funding as Waterfront / MPF Land Acquisition Funding.**

**Ms. Weldon and Mr. Nankervis OBJECTED.**

Roll call votes:

Ayes: Becker, Gladziszewski, Jones, and Kiehl.

Nays: Nankervis, Weldon, Edwardson, Gregory, and Mayor Koelsch.

Absent: None.

**Motion to AMEND FAILED 4-5.**

Roll call votes:

Ayes: Becker, Gladziszewski, and Kiehl.

## **Minutes - Assembly Finance Committee Meeting Wednesday, May 9, 2018, 5:30 p.m.**

Nays: Nankervis, Jones, Weldon, Edwardson, Gregory, and Mayor Koelsch.

Absent: None.

**Main Motion FAILED 3-6.**

**Loren Jones, moved to provide one-time additional FY19 funding in the amount of \$1,000,000 for CLIA Litigation; funded by the General Fund.**

**Mr. Nankervis, and Mayor Koelsch OBJECTED.**

Roll call votes:

Ayes: Jones, Becker, and Kiehl.

Nays: Weldon, Gregory, Edwardson, Gladziszewski, Nankervis, and Mayor Koelsch.

Absent: None.

**Motion FAILED 3-6.**

**Mayor Koelsch, moved to provide incremental funding in the amount of \$100,000 to provide additional Dog Licensing Enforcement.**

**Ms. Weldon, and Ms. Gladziszewski OBJECTED.**

Roll call votes:

Ayes: Gregory, and Mayor Koelsch.

Nays: Gladziszewski, Nankervis, Edwardson, Jones, Weldon, Becker, and Kiehl.

Absent: None.

**Motion FAILED 2-7.**

**Mayor Koelsch, moved to provide one-time funding in the amount of \$250,000 to offer additional Incentives for sprinkler installation in high density areas.**

**Mr. Jones, Mr. Nankervis, and Mr. Kiehl OBJECTED.**

Roll call votes:

Ayes: Gregory, and Mayor Koelsch.

Nays: Nankervis, Weldon, Gladziszewski, Becker, Jones, Edwardson, and Kiehl.

Absent: None.

**Motion FAILED 2-7.**

**Mayor Koelsch, moved to provide one-time funding in the amount of \$250,000 to clean up abandoned vehicles on public and private land.**

**Motion WITHDRAWN.**

## **Minutes - Assembly Finance Committee Meeting Wednesday, May 9, 2018, 5:30 p.m.**

The Mayor requested for the issue of abandoned vehicle disposal to be discussed at a future COW meeting outside of the budget process.

Mayor Koelsch, moved to provide one-time funding in the amount of \$15,000 to Maintain facility grounds at the Juneau School District.

Mr. Jones OBJECTED.

Roll call votes:

Ayes: Gregory, Nankervis, Weldon, Becker, and Mayor Koelsch.

Nays: Gladziszewski, Jones, Edwardson, and Kiehl.

Absent: None.

**Motion PASSES 5-4.**

Mary Becker, moved to provide funding in the amount of \$10,000 to provide landscaping at private graveyards in Douglas.

**Motion WITHDRAWN.**

Mayor Koelsch, moved to refer the subject of landscaping private graveyards in Douglas to the Lands Committee, to determine was is private vs. public.

**Without OBJECTION.**

Loren Jones, moved to provide FY19 funding in the amount of \$798,600, and FY20 funding in the amount of \$1,340,000 for Best Starts; funded by the General Fund.

Ms. Weldon OBJECTED.

Roll call votes:

Ayes: Jones, Edwardson, and Kiehl.

Nays: Becker, Gladziszewski, Weldon, Gregory, Nankervis, and Mayor Koelsch.

Absent: None.

**Motion FAILED 3-6.**

*The meeting recessed at 10:00 PM.*

*The meeting reconvened at 10:06 PM.*



## **Minutes - Assembly Finance Committee Meeting Wednesday, May 9, 2018, 5:30 p.m.**

**Mayor Koelsch, moved to approve funding in the amount of \$250,000 for the Parking CIP in the FY19 CIP Plan.**

**Ms. Weldon, and Ms. Gladziszewski OBJECTED.**

**Loren Jones, moved to amend the motion by moving the Parking CIP to the FY20 CIP Plan.  
Mr. Kiehl OBJECTED.**

**Motion to AMEND WITHDRAWN.**

**Main Motion WITHDRAWN.**

**Rorie Watt requested to rename item #32 – 2<sup>nd</sup> Crossing CIP on the AFC's Pending List to "North Douglas Crossing".**

**Mayor Koelsch, moved to approve funding in the amount of \$250,000 for a North Douglas Crossing CIP in the FY19 CIP Plan.**

**Without OBJECTION.**

**Loren Jones, moved to approve funding in the amount of \$150,000 for a Business Case/High Level Cost Estimate of New City Hall CIP in the FY19 CIP Plan.**

**Ms. Gladziszewski OBJECTED.**

**Roll call votes:**

**Ayes:** Jones, Gregory, Edwardson, Becker, and Mayor Koelsch.

**Nays:** Weldon, Gladziszewski, Nankervis, and Kiehl.

**Absent:** None.

**Motion PASSED 5-4.**

**Dave Hannah, Eaglecrest Board Member, responded to questions from the Assembly members regarding Eaglecrest Snow Making Equipment.**

**Norton Gregory, moved to approve funding in the amount of \$250,000 for an Eaglecrest Snow Making Equipment CIP in the FY19 CIP Plan.**

**Without OBJECTION.**

**Maria Gladziszewski, moved to refer Resolution 2819(c), A Resolution Adopting the City and Borough Capital Improvement Program for Fiscal Years 2019 through 2024, and Establishing the Capital Improvement Project Priorities for Fiscal Year 2019, to the full Assembly for approval.**

**Without OBJECTION.**

**Minutes - Assembly Finance Committee Meeting  
Wednesday, May 9, 2018, 5:30 p.m.**

**Maria Gladziszewski, moved to refer Ordinance 2018-11, as amended, An Ordinance Appropriating Funds from the Treasury for FY19 City and Borough Operations, to the full Assembly for approval.**

**Without OBJECTION.**

**Loren Jones, moved to refer Ordinance 2018-10, An Ordinance Establishing the Rate of Levy for Property Taxes for Calendar Year 2018 Upon the Proposed Budget for Fiscal Year 2019, to the full Assembly for approval.**

**Without OBJECTION.**

- VI. Waste Management / Recycleworks Program Revenue – If Time Allows**  
Time did not permit for this item that will be discussed at a future date.
- VII. Next Meeting Date**  
Wednesday, June 13, 2018
- VIII. Adjournment**  
Meeting was adjourned at 10:30 PM.

Presented by: The Manager  
Introduced: June 4, 2018  
Drafted by: Finance

**ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA**

**Serial No. 2017-06(AX)**

**An Ordinance Appropriating to the Manager the Sum of \$250,000 as Supplemental Funding for Harbors' Fiscal Year 2018 Operating Budget; Funding Provided by Harbors' Fund Balance.**

BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

**Section 1. Classification.** This ordinance is a noncode ordinance.

**Section 2. Appropriation.** There is appropriated to the Manager the sum of \$250,000 for the following Departments' Fiscal Year 2018 operating budgets:

<u>Department</u>	<u>Amount</u>
Harbors	<u>\$250,000</u>
<b>Total</b>	<b>\$250,000</b>

**Section 3. Source of Funds**

<u>Department</u>	<u>Source of Funds</u>	<u>Amount</u>
Harbors	Harbors' Fund Balance	<u>\$250,000</u>
<b>Total</b>		<b>\$250,000</b>

**Section 4. Effective Date.** This ordinance shall become effective upon adoption.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
Kendell D. Koelsch, Mayor

Attest:

\_\_\_\_\_  
Laurie J. Sica, Municipal Clerk

# THE<sup>NEW</sup>JACC

Inspired by nature. Driven to create.

June 8, 2018

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

Dear Mr. Kiehl:

Re: Funding for the New Juneau Arts and Culture Center

As you know, the Partnership Board, on behalf of the Juneau Arts and Humanities Council, has been actively developing plans to replace the current arts and culture center with a new facility that is designed for that purpose and can better serve our community for generations to come. We are excited to propose a different means for the CBJ to participate in the project in the form of a public-private partnership in which the city would own the facility, contribute towards its construction and turn over management of the new facility to the arts council. For its part, the Partnership Board would continue raise the bulk of the funds needed for construction of the New JACC.

## **The Bond Proposition**

We urge the Finance Committee to recommend to the Assembly that it place before voters on the October 2, 2018 ballot a General Obligation Bond measure relating to the combined facilities. The measure would authorize the issuance of bonds in the amount of \$12 million to accomplish three priorities: renovations to Centennial Hall (including the HVAC system and expansion of the lobby), construction of a portion of the New JACC, and an enclosed and heated connection between the two buildings.

## **Background**

We are seeking substantial city financial participation in the project for two reasons: to help pay for a facility whose purpose is to serve the citizens of Juneau and to demonstrate to prospective major donors that the project has a significant level of support within the community. (“Show me that Juneau has skin in the game,” quipped one prospective donor).

Last year we approached the Finance Committee for sales tax or bed tax revenues to help finance some components of the New JACC. We withdrew this request after learning of concerns expressed by Travel Juneau representatives about the proposed funding mechanism and the then-current design. There were two specific shortcomings with that design that caused travel industry representatives concern: (1) the Community Hall was deemed too small, and (2) the New JACC lacked connectivity to Centennial Hall.<sup>1</sup>

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<sup>1</sup> Travel Juneau has also been explicit that the other major challenge to increased convention activity in Juneau is the need for additional quality hotel accommodations.

These concerns, and others expressed to us about Centennial Hall by other local groups and individuals, caused us to re-examine our design and to think more deeply about the relationship between Centennial Hall and the New JACC. One outcome has been our combined efforts to consolidate management of both facilities, now slated to begin July 1. The second outcome has been to revise the design plan to increase the size of the Community Hall by a third and to physically connect the New JACC to Centennial Hall with an enclosed corridor, linking them as two components of a larger complex intended to work in tandem.

Connecting the two structures makes it desirable to accelerate certain changes to Centennial Hall. The City has previously identified improvements to Centennial Hall included in the Engineering Department's 6-year departmental CIP Plan on April 20. These called for \$4.5 million for Phase II Remodel and Design and Replacement of a new HVAC system spread over two years, FY 20 and FY 21.

Our proposal would include these changes to Centennial Hall in the bond package.

To be clear: \$7.5 million would be directed to the New JACC and the connection to Centennial Hall, the remaining \$4.5 million would be for Centennial Hall itself. That \$4.5 million has already been approved from sales tax revenues, so there is only \$7.5 million of 'new money' in this bond issue. Linkage of the buildings will create additional need to eliminate the current bottleneck in the lobby area of Centennial Hall. The HVAC system could be designed to serve both buildings, creating operational efficiencies for both.

Initially, we considered a condominium approach to the New JACC so that the CBJ would own only a part of the structure, but have now concluded that full ownership is the best approach to achieve the funding objective of construction the New JACC, improving and upgrading Centennial Hall, and creating a connection between them.

## **Conclusion**

The New JACC will serve as a major economic stimulus for Alaska's Capital City, both during the construction phase and in perpetuity through the expansion of Juneau's arts and culture business sector. It will increase the versatility of Centennial Hall and enhance Juneau's capacity to attract more and larger user groups. City investment in the building will be a critical enticement for prospective major funders to invest in the successful, timely completion of the entire project.

Peter Jurasz  
Co-Chair

Bruce Botelho  
Co-Chair

**DRAFT: FOR DISCUSSION  
PURPOSES ONLY**

Presented by:  
Introduced:  
Drafted by:

**ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA**

**Serial No. 2018-\_\_**

**An Ordinance Authorizing the Issuance of General Obligation Bonds in the Principal Amount of Not to Exceed \$12,000,000 to Finance Capital Improvements to Certain Facilities of the City and Borough, and Submitting a Proposition to the Voters at the Election to Be Held Therein on October 2, 2018.**

WHEREAS, improvements to the facilities of the City and Borough of Juneau, Alaska (the “City and Borough”) are needed in order to meet the current and future needs of the City and Borough; and

WHEREAS, certain projects listed in Section 3 below (the “Projects”) have been identified and approved by the Finance Committee as necessary to meet the needs of the City and Borough; and

WHEREAS, in order to provide funds for paying the cost of constructing and equipping the Projects, it is deemed necessary and advisable that the City and Borough issue and sell its unlimited tax levy general obligation bonds in the principal amount of not to exceed \$12,000,000 (the “Bonds”);

NOW, THEREFORE, BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

**Section 1. Classification.** This ordinance is a noncode ordinance.

**Section 2. Findings.** The Assembly of the City and Borough hereby finds and declares that the construction and equipping of the Projects identified in Section 3 hereof are necessary and are in the best interest of the inhabitants of the City and Borough.

**Section 3. Purposes.** The Assembly has determined that the City and Borough is in need of the following:

- Renovations to Centennial Hall;

- Construction of a new arts and culture center; and
- Construction of an enclosed corridor between Centennial Hall and the new arts and culture center.

The foregoing are herein referred to as the “Projects.” The cost of all necessary architectural, engineering, design, and other consulting services, inspection and testing, administrative and relocation expenses, costs of issuance of the Bonds and other costs incurred in connection with the Projects that is approved by the electors shall be deemed capital improvement costs of the approved Projects. The approved Projects may be completed with all necessary furniture, equipment and appurtenances.

If the City and Borough shall determine that it has become impractical to accomplish any portion of the approved Projects by reason of changed conditions or needs, incompatible development or costs substantially in excess of those estimated, the City and Borough shall not be required to accomplish such portions and shall apply Bond proceeds as set forth in this section.

Interest earnings on Bond proceeds may be used and applied by City and Borough, at the direction of the City Manager or his or her designee, for the Projects or for other capital improvements or for the retirement of the Bonds or other general obligation bonds of the City and Borough.

If the approved Projects have been completed in whole or in part, or its completion duly provided for, or its completion found to be impractical, the City and Borough may apply Bond proceeds or any portion thereof as provided in Section 10.10 of the Home Rule Charter.

In the event that the proceeds of sale of the Bonds, plus any other monies of the City and Borough legally available, are insufficient to accomplish the approved Projects, the City and Borough shall use the available funds for paying the cost of those portions of the approved Projects for which the Bonds were approved deemed by the Assembly most necessary and in the best interest of the City and Borough. No Bond proceeds shall be used for any purpose other than a capital improvement.

**Section 4. Details of Bonds.** The Bonds shall be sold in such amounts and at such time or times as deemed necessary and advisable by the Assembly and as permitted by law and shall mature over a period of 20 years of date of issue. The Bonds shall be issued in an aggregate principal amount of not to exceed \$12,000,000. The Bonds shall bear interest to be fixed at the time of sale or sales thereof. Both principal of and interest on the Bonds shall be payable from annual tax levies to be made upon all of the taxable property within the City and Borough, without limitation as to rate or amount and in amounts sufficient with other available funds, including sales tax levies, to pay such principal and interest as the same shall become due.

The full faith, credit, and resources of the City and Borough are hereby irrevocably pledged to the payment of both the principal and interest on such Bonds. The exact form, terms, conditions, contents, security, options of redemption, and such other matters relating to the issuance and sale of said Bonds as are deemed necessary and advisable by the Assembly shall be as hereinafter fixed by ordinance and resolution of the City and Borough.

**Section 5. Submission of Question to Voters.** The Assembly hereby submits to the qualified electors of the City and Borough the proposition of whether or not the City and Borough should issue the Bonds for the purpose of financing the costs of the approved Projects at the regular municipal election to be held on October 2, 2018.

The City and Borough clerk shall prepare the ballot proposition to be submitted to the voters as provided by this ordinance and shall perform all necessary steps in accordance with law to place these propositions before the voters at the regular election.

**Section 6. Ballot Proposition** The proposition to be submitted to the qualified voters of the City and Borough as required by Section 5 above shall read substantially as follows:

#### **Explanation**

The proposition will authorize the issuance of \$12,000,000 in general obligation bond debt for paying the cost of renovations, construction, and capital improvements to the facilities of the City and Borough, specifically renovations to Centennial Hall, construction of a new arts and culture center, and an enclosed corridor joining Centennial Hall and the new arts and culture center. The total annual debt service costs, assuming an interest rate of \_\_%, will be \$930,000, with approximately one-third of which is expected to be paid from the one percent temporary sales tax approved by voters in 2018, a property tax of approximately \$15.00 per \$100,000 of assessed value. This example of a property tax levy is provided for illustrative purposes only.

PROPOSITION NO. \_\_\_\_

GENERAL OBLIGATION BONDS

\$12,000,000

For the purpose of renovating, upgrading and making capital improvements to Centennial Hall, construction of a new arts and culture center and construction of an enclosed corridor between Centennial Hall and the new arts and culture center, shall the City and Borough of Juneau, Alaska, issue and sell its general obligation bonds, maturing within 20 years of their date of issue, in the aggregate principal amount of not to exceed \$12,000,000?

Ord. 2018-\_\_\_\_



BONDS, YES ☐

BONDS, NO ☐

After voter approval of the proposition and in anticipation of the issuance of the Bonds, the City and Borough may issue short term obligations, under such date and in such amount, form, terms, maturity, and bearing such rate or rates of interest, all as may hereafter be fixed by ordinance of the City and Borough, consistent with limitations imposed by State law and by the Home Rule Charter and Code of the City and Borough.

**Section 7. Notice of Election.** The Assembly shall cause a notice of election to be published once a week for three consecutive weeks in a newspaper for general circulation in the City and Borough. The first notice shall be published not later than September \_\_, 2018, which is 30 days prior to the regular municipal election. The notice shall contain the information required by Section 10.5 of the Home Rule Charter of the City and Borough.

**Section 8. Effective Dates.**

(a) The authority to issue general obligation bonds proposed in Section 6 of this ordinance shall become effective on the day following the date the election results are certified for the regular municipal election held on October 2, 2018, if a majority of the qualified voters voting on the proposition set forth in Section 6 votes for the proposition.

(b) Section 6 of this ordinance authorizing the submission of the ballot proposition to the qualified voters of the City and Borough shall become effective thirty days after adoption of this ordinance.

Adopted this \_\_ day of August, 2018.

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Kendell D. Koelsch, Mayor

Attest:

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City Clerk

Ord. 2018-\_\_

# *The New JACC*



*A Public-Private Partnership  
Investing in Alaska's Capital City*

*CBJ Finance Committee*

June 13, 2018

# CBJ has a long history supporting the New JACC project:

Comprehensive Plan  
of the  
City & Borough of Juneau  
1995 Update  
Incorporating 2003 Amendments

Policy 4.15. IT IS THE POLICY OF THE CBJ TO CONTINUE ITS SUPPORT OF THE ARTS AS A VITAL ELEMENT OF COMMUNITY LIFE AND TO RECOGNIZE THE IMPORTANT ROLE THAT THE ARTS PLAY IN THE CULTURAL, SOCIAL, AND ECONOMIC WELL-BEING OF THE COMMUNITY. IT IS FURTHER THE POLICY OF THE CBJ TO STRENGTHEN ITS ROLE AS A REGIONAL CULTURAL RESOURCE TO THE COMMUNITIES OF SOUTHEAST ALASKA.

## *Later in the same version of the Comprehensive Plan ...*

4.15.7 Through the Capital Improvement Program, promote the expansion of facilities for a wide variety of cultural activities including performing and visual arts. Such facilities shall be developed at an appropriate site or sites, such as an expansion of Centennial Hall or as part of a larger Centennial Hall or community center complex . . . .

# *In the 2003 Downtown Waterfront Long Range Plan ...*

MT 15	Project	Medium	Centennial Hall Expansion	Expansion of Centennial Hall at the Armory Site to include additional convention center capacity, meeting space, and performing arts space. Total expansion of +/- 43,000 sq. ft.	CBJ
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*MT is “medium-term”*

*The New JACC is planned for 44,000 square feet*

*CBJ is designated as the entity responsible for making this happen*

# *The Comprehensive Plan was updated in 2008, and it says:*

“[CBJ recognizes] ... more needs to be done to provide [arts] venues that are readily accessible to all ... in a setting that is befitting a Capital City.”

“The area bordered by Gold Creek, Willoughby Avenue, Main Street, and Egan Drive is developing as a center for cultural activities ... Adding a performing arts center to this ‘cultural campus’ would solidify its position, drawing more people to the area and reinforcing the year-round health of the adjacent business district as befits a State Capital.”

“Adequate [arts and cultural] facilities would encourage growth in the arts and humanities as a potentially significant economic as well as cultural element in the Capital City.”

“The arts industry plays a significant role in the CBJ economy, and with adequate facilities, can play an even greater role. Aside from the potential for direct economic benefits, improvements in the cultural environment would support and enhance the general quality of life for residents and provide additional opportunities for visitors as well.

# *Details from the 2008 Comprehensive Plan:*

**POLICY 15.1** IT IS THE POLICY OF THE CBJ TO SUPPORT THE ARTS AS A VITAL ELEMENT OF COMMUNITY LIFE AND TO RECOGNIZE THE IMPORTANT ROLE THAT THE ARTS PLAY IN THE CULTURAL, SOCIAL, AND ECONOMIC WELL-BEING OF THE COMMUNITY. IT IS FURTHER THE POLICY OF THE CBJ TO STRENGTHEN ITS ROLE AS A REGIONAL CULTURAL RESOURCE TO THE COMMUNITIES OF SOUTHEAST ALASKA.

15.1.IA2 Promote the development of a Juneau Performing Arts Center in Downtown Juneau to provide venues for live performances, visual arts, receptions, public meetings, and convention-related presentations.

15.1.IA3 Support the concentration of arts, entertainment, dining, museum and cultural activities and venues as a cultural campus that integrates such things as artists workshops, housing, and joint-use parking in the area of Downtown Juneau near the Capitol Complex.

# *The Comprehensive Plan was updated again in 2013 ...*

**POLICY 15.1. TO SUPPORT THE ARTS AS A VITAL ELEMENT OF COMMUNITY LIFE AND TO RECOGNIZE THE IMPORTANT ROLE THAT THE ARTS PLAY IN THE CULTURAL, SOCIAL, AND ECONOMIC WELL-BEING OF THE COMMUNITY. IT IS FURTHER THE POLICY OF THE CBJ TO STRENGTHEN ITS ROLE AS A REGIONAL CULTURAL RESOURCE TO THE COMMUNITIES OF SOUTHEAST ALASKA.**

## **Implementing Actions**

- 15.1 – IA1 Through the Capital Improvement Program (CIP), promote the expansion of facilities for a wide variety of cultural activities, including performing and visual arts and neighborhood cultural centers.
- 15.1 – IA2 Promote the development of a Juneau Performing Arts Center in downtown Juneau as well as making needed improvements to Centennial Hall to provide venues for live performances, visual arts, receptions, public meetings, and convention-related presentations.
- 15.1 – IA3 Support the concentration of arts, entertainment, dining, museum and cultural activities and venues as a cultural campus that integrates such things as artists workshops, housing, and joint-use parking in the area of downtown Juneau near the Capitol Complex.



# *The Juneau Economic Development Plan was adopted in 2015 ...*



## INITIATIVE - Attract and Prepare the Next Generation Workforce

**Goal: Prepare and attract the professional, technical, skilled, entrepreneurial, and creative labor force that Juneau's diverse employers, businesses, and non-profits need.**

Objective to Accomplish	7. Actively support and maintain quality of life infrastructure that attracts and retains a desired workforce.
-------------------------	--

# *The Economic Plan had a second initiative...*

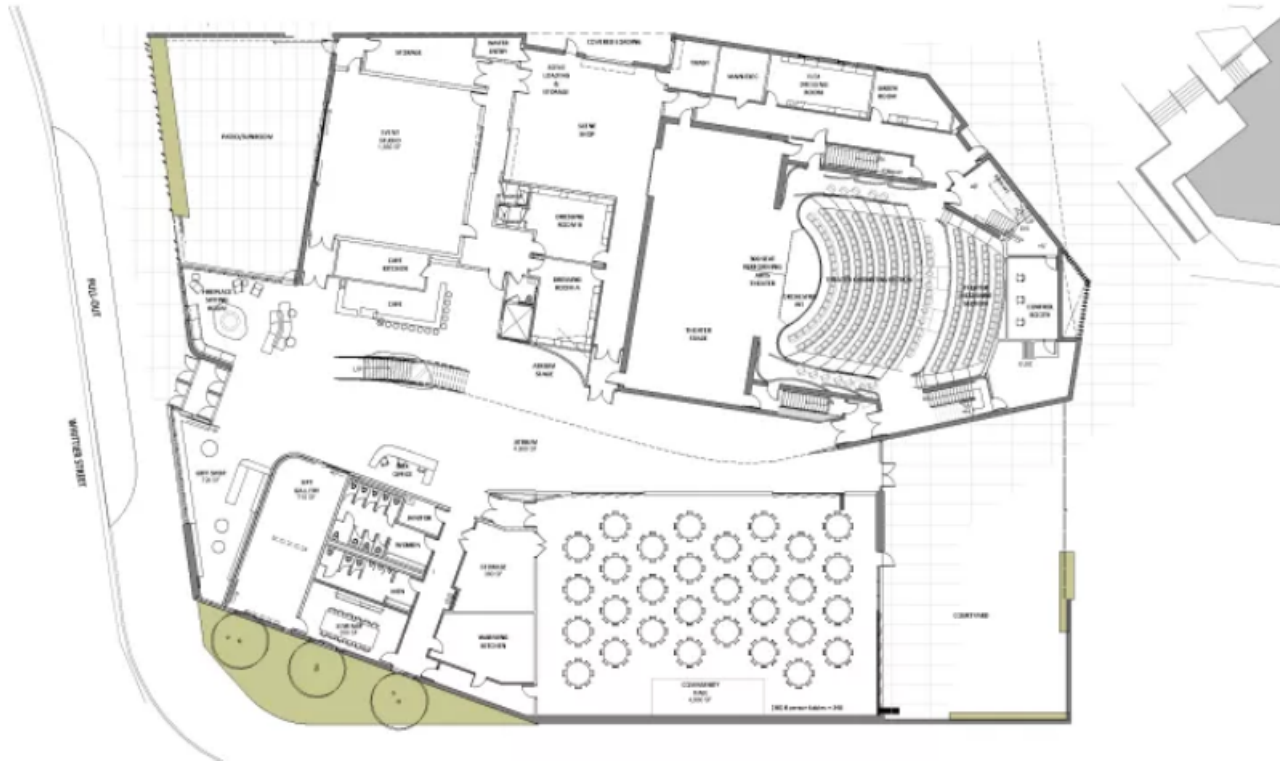


## INITIATIVE - Build on our Strengths

**Goal: Build on our strengths to expand business opportunities where we have natural/competitive advantages.**

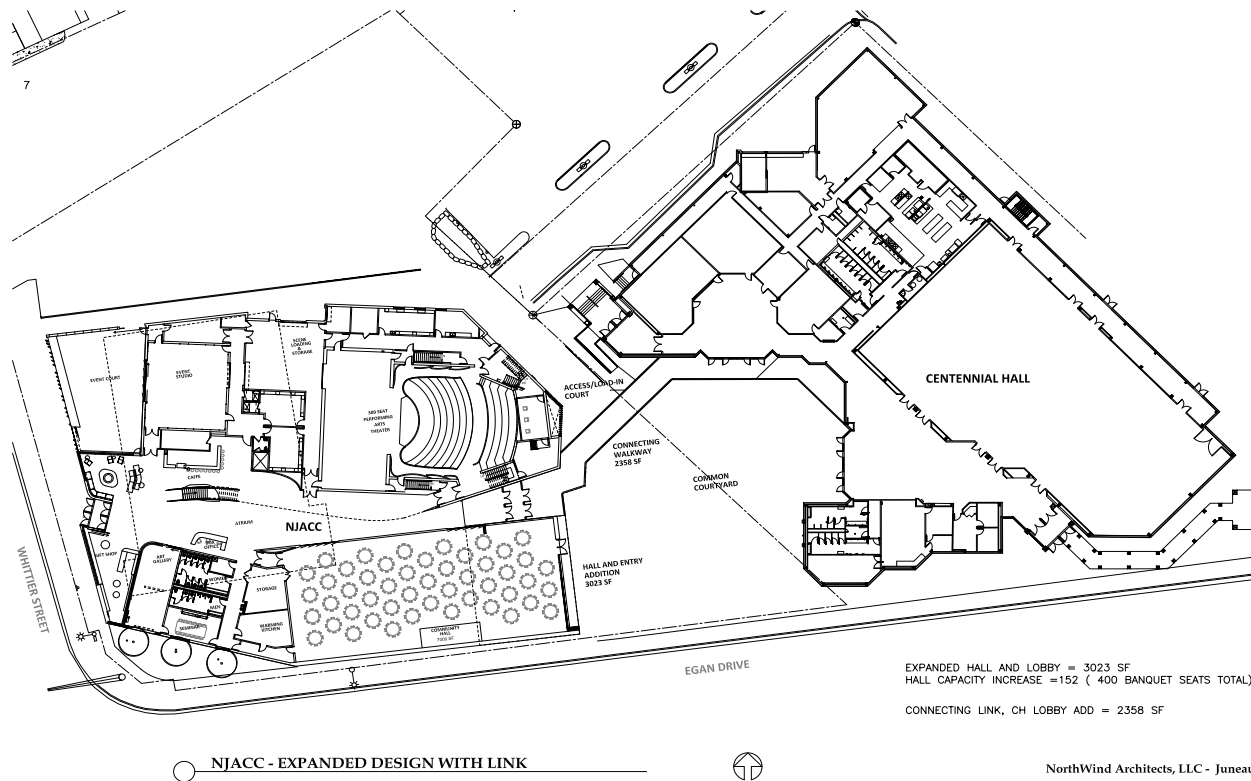
Objective to Accomplish	13. Build Juneau's role as a regional arts and culture hub.
Milestones or Metrics	<ul style="list-style-type: none"><li>• \$ Annual spending by Juneau arts/cultural organizations.</li><li>• \$ Event-related spending by audience.</li><li>• Progress on Willoughby Arts Complex.</li></ul>

## How did we get to where we are?



*A thorough, community-based outreach process involving all stakeholders led to the original plan*

*The private sector suggested ways to make the New JACC better and more marketable:*



*A Community Hall one-third larger than first planned, enhanced support facilities, and a covered connection to Centennial Hall.*

# How will Juneau build the New JACC?

*With broad support ...*

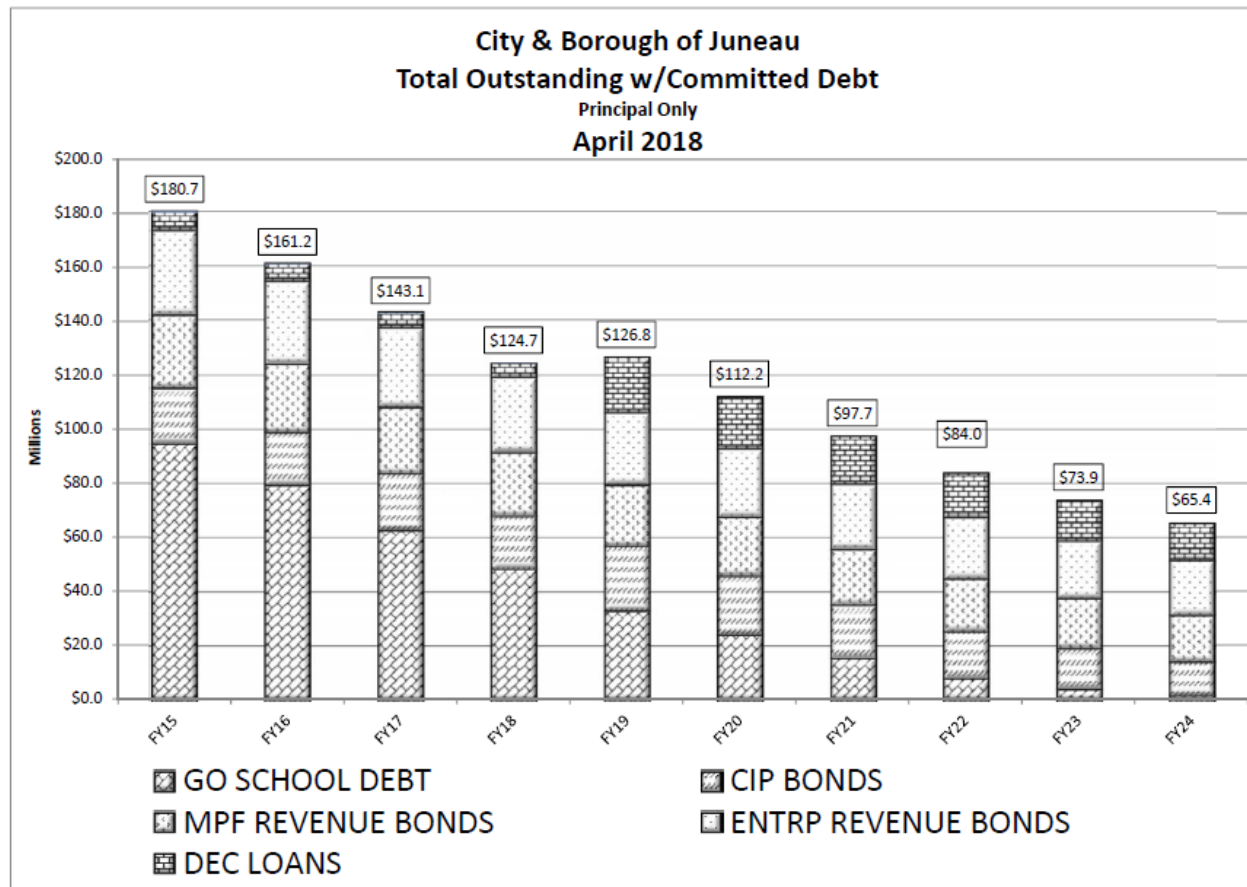
- Private support from Juneau (20-30%)  
Individual, families, and memorial campaigns (12-20%)  
Small businesses (8-10%)
- Structured public investment/government (20-30%)
- Foundations (Alaska and nationally) (20-30%)
- Corporations (Alaska and nationally) (20-30%)

# *The Proposal:*

*The CBJ Assembly asks the voters to decide on whether to approve the issuance of a \$12 million General Obligation Bond in the October Municipal Election (\$7.5 million of “new money”) ...*

- *\$4.5 million to pay for renovation and replacement of Centennial Hall HVAC systems (already approved by Assembly with sales-tax revenues)*
- *\$4.5 million to pay for the expanded Community Hall in the New JACC and the covered year-round connection to Centennial Hall*
- *\$3 million for investment in other features of the New JACC that will most directly support the Community Hall and integrated use with Centennial Hall (e.g., bathrooms, service kitchen, conference room space)*

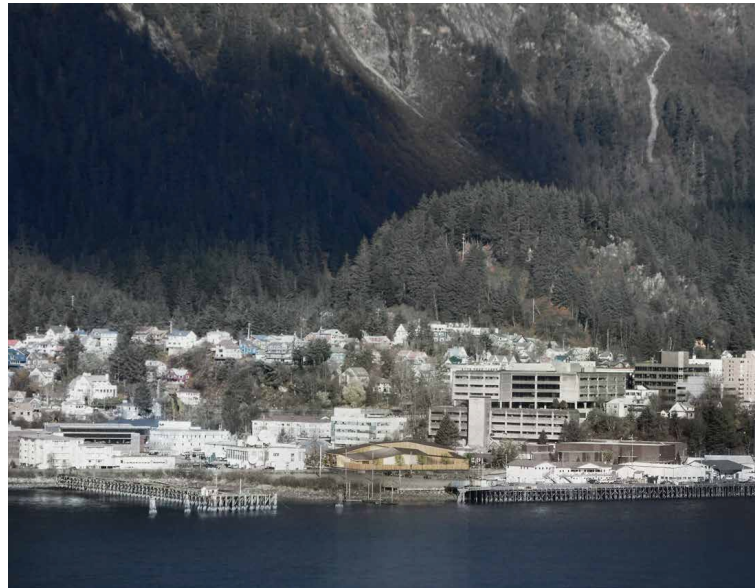
CBJ has strategically met the community's needs and is now well-positioned to support this project ~



Revised: 4/20/18  
Printed: 4/20/2018, 12:53 PM



*What is the return on investment if the voters choose to allocate bond revenues to the New JACC/Centennial Hall complex?*



*Juneau will have both an improved Centennial Hall and the New JACC, with three-quarters of the funding having come from private sources to build this community asset.*



# The New JACC will complement the *Willoughby Arts District* ...



*The Andrew Hope  
Building*



*The Father Andrew P.  
Kashevaroff Building*



## 2012 Report: Arts & Culture Centers are *Engines for Economic Growth*

1. Create fast growing dynamic *economic clusters*.
2. Help maturing communities be *competitive*.
3. Critical incentives for *innovation centers*.
4. Catalyze community *revitalization*.
5. Help attract and maintain a *better workforce*.

# Community Support for the New JACC: *the numbers speak volumes!*

Over 1200 Juneau individuals, couples, and businesses have signed the Statement of Support.

Over 90 Juneau individuals, couples, and businesses have contributed \$10,000 or more to the New JACC.



## The New JACC will be the heart of Alaska's Capital City in the 21<sup>st</sup> Century

- Fulfilling multiple long-term CBJ plans
- Engendering tremendous Community Support
- Providing a fully-supported multi-purpose venue for year-round use
- Establishing Juneau as Northwest Coast Art Capital
- Providing crucial construction jobs
- Public investment leveraging private money at a 3:1 ratio

# MEMORANDUM

CITY/BOROUGH OF JUNEAU

City & Borough Manager's Office  
155 S. Seward St., Juneau, Alaska 99801

[Mila.Cosgrove@Juneau.Org](mailto:Mila.Cosgrove@Juneau.Org)



Voice (907) 586-5240

Fax (907) 586-5385

DATE: June 13, 2018

TO: Jesse Kiehl, Chair  
Assembly Finance Committee

FROM: Mila Cosgrove  
Deputy City Manager

SUBJECT: Centennial Hall Termination Study

## Background

CBJ staff have been working with the Juneau Arts and Humanities Council (JAHC) to develop a management agreement for Centennial Hall operations. The Assembly has been provided with the conceptual outlines of the management agreement as well as the negotiated financial terms. Both the CBJ and the JAHC are prepared for a July 1, 2018, handoff, subject to resolution of the outstanding PERS issue detailed below.

## PERS Impact

CBJ received a termination study from the State of Alaska's actuarial consultant that outlines the financial impact of removing Centennial Hall positions from the Public Employment Retirement System (PERS). The financial terms of removing positions has two parts: a onetime termination fee, and an ongoing indebtedness obligation. The actuarial study set the termination fee at \$84,479.

In addition, PERS provided initial guidance to CBJ on calculating the ongoing indebtedness fee. Based on our current understanding, staff understands the maximum PERS ongoing indebtedness obligation to be \$51,500 for FY19. The cost of the ongoing indebtedness fee has been accounted for in the management agreement funding.

PERS has included one position into their calculations that staff believes was included in error. If removed, it would lower both the termination fee and the ongoing indebtedness fee. The Finance Director, and the Human Resource and Risk Management Director, will be meeting with PERS to challenge the inclusion of that position and to seek better articulated guidance on setting the overall ongoing indebtedness fee.

## Assembly Action Requested:

A motion to direct staff to prepare a supplemental ordinance that provides \$84,479 of additional funding from the General Fund Fund balance r the Hotel Tax Fund balance to pay the one time termination fee.

# MEMORANDUM

CITY/BOROUGH OF JUNEAU

City & Borough Manager's Office  
155 S. Seward St., Juneau, Alaska 99801

[Mila.Cosgrove@Juneau.Org](mailto:Mila.Cosgrove@Juneau.Org)



Voice (907) 586-5240

Fax (907) 586-5385

DATE: June 13, 2018

TO: Jesse Kiehl, Chair  
Assembly Finance Committee

FROM: Mila Cosgrove  
Deputy City Manager

SUBJECT: Centennial Hall Management Agreement Overview

## Background

CBJ staff have been working with the Juneau Arts and Humanities Council (JAHC) to develop a management agreement for Centennial Hall operations. This document serves to provide a conceptual overview of management agreement terms as well as an overview of the financial terms. Both the CBJ and the JAHC are prepared for a July 1, 2018, handoff.

## Operations: Key provisions include:

- CBJ retains responsibility for significant aspects of the physical plant including building envelope, systems, major repairs, and most preventative maintenance.
- JAHC is responsible for minor repairs and minor preventative maintenance.
- JAHC is responsible for booking and running events including all staffing and management activities.
- JAHC will establish a User Advisory Group.
- JAHC, on an annual basis, will submit an operational plan, a facility maintenance plan, an operating budget, and, in conjunction with Travel Juneau, a marketing plan.
- Significant operational policies (fee structure, priority for use, etc.) must be approved by the Contract Administrator (Parks & Rec).
- The agreement is set for a five year term, with the ability to renew in 5 year increments. Either party can terminate the agreement with a 6 month notice unless there is cause and then CBJ can terminate immediately. The agreement can also be terminated by mutual agreement along other time frames.
- All other "normal" type of provisions regarding records, insurance, and other risk management safeguards have been included.

**Financial Terms.** We reached agreement on terms and are running it by bond council for their review as well. These are the terms:

- We based the FY19 financial terms on the approved FY19 budget for Centennial Hall. The Assembly approved budget was allocated between the JAHC and the CBJ according to the division of duties in the management agreement. The funding absorbed PERS ongoing indebtedness fees (\$50k per year) and a JAHC management fee (\$90k). There is a slight savings of \$2500.
- In any given fiscal year, should the JAHC manage Centennial Hall in a manner that generates additional net revenues (total revenues, less total expenses), 50% of the additional funds shall be payable to the JAHC as an increased management fee, 25% shall be placed into a Centennial Hall fund balance, and 25% shall be placed into the Equipment Replacement Reserve.
- In any given fiscal year, should projected user fees fall below budgeted revenues, 50% of the shortfall shall be made up through the Centennial Hall fund balance (when funding allows) and 50% shall be payable by the CBJ from Hotel Tax fund balance.
- Should the JAHC exceed authorized budgeted expenses not offset by additional revenues, such excess expenditures shall not be funded from Centennial Hall reserves and the JAHC will be liable for the additional expenses. However, should such additional expenditures be outside the JAHC's control, CBJ will be financially responsible in whole, or in part depending on the specific circumstances. Examples of expenditures outside of the JAHC's control include maintenance and repairs due to damage from unforeseen events, staffing costs related to a declared emergency or other non-revenue producing use, or the inability to generate revenue due to unforeseen building closures.

**Assembly Action Requested:**

This is an informational item only.

**City and Borough of Juneau**  
**ASSEMBLY FINANCE COMMITTEE**  
**Transportation Network Company Sales Tax Compliance**  
**June 13, 2018**

**Issue:**

At the request of local governments the State Legislature adopted Senate Bill 14 (SB14) providing that a Transportation Network Company (TNC) will collect and pay the local sales tax on-behalf of their contract drivers. The legislation is effective once signed by the Governor.

**Current Status:**

The CBJ Sales Tax Office has worked with the Law Department to amend CBJ code to implement the change in state law. Attached are the proposed amendments to the sales tax code. These changes will require TNC's operating in Juneau to report, collect and pay the sales tax on be-half of their drivers, enhance compliance with CBJ code and standardize the quarterly reporting.



Presented by: The Manager  
Introduced:  
Drafted by: A. G. Mead

**ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA**

**Serial No. 2018-XX**

**An Ordinance Amending the Sales Tax Code Relating to Transportation Network Companies.**

BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

**Section 1. Classification.** This ordinance is of a general and permanent nature and shall become a part of the City and Borough of Juneau Municipal Code.

**Section 2. Amendment of Section.** CBJ 69.05.010 Definitions, is amended by the addition of the following definition to be incorporated in alphabetical order:

*Transportation network company* has the same meaning as in AS 28.23.180: a corporation, partnership, sole proprietorship, or other entity that uses a digital network to connect transportation network company riders to transportation network company drivers who provide prearranged rides; a transportation network company may not be considered to control, direct, or manage the personal vehicles or transportation network company drivers that connect to the transportation network company's digital network, except where agreed to by written contract.

*Transportation network company driver* has the same meaning as in AS 28.23.180: an individual who:

- (A) receives connections to potential passengers and related services from a transportation network company in exchange for payment of a fee to the transportation network company; and
- (B) uses a personal vehicle to offer or provide a prearranged ride to riders upon connection through a digital network controlled by a transportation network company in return for compensation or payment of a fee.

**Section 3. Amendment of Section.** CBJ 69.05.030 Collection, is amended to read:  
**69.05.030 Collection.**

(a) Unless authorized by the manager under subsection (b) of this section to include the tax in the selling price, sellers, and transportation network companies on behalf of transportation network company drivers, shall add the tax levied in this chapter to the selling price, rent or service charge in accordance with a schedule promulgated by the manager, on file in the sales tax office.

...

**Section 4. Amendment of Section.** CBJ 69.05.060 Seller to add tax to selling price, is amended to read:

**69.05.060 Seller to add tax to selling price.**

Every seller and transportation network company collecting and remitting sales tax on behalf of transportation network company drivers shall add the amount of the tax levied by this chapter to the total selling price, and the tax shall be stated separately on any sales receipts or slips, rent receipts, charge tickets, invoices, statements of account of other tangible evidence of sale unless the sales tax is permitted to be included in the selling price under subsection 69.05.030(b).

**Section 5. Amendment of Section.** CBJ 69.05.062 Monthly remittance of estimated sales tax, is amended to read:

**69.05.062 Monthly remittance of estimated sales tax.**

(a) *Monthly deposit report.* Every person making sales, rentals, or performing services within the City and Borough, and transportation network companies on behalf of transportation network company drivers, who incurs sales tax liability or a combined sales tax and hotel-motel tax liability, as levied under chapter 69.05 or chapter 69.07, of \$1,000.00 or more in the month shall, on or before the 15th day of the month following the month in which the tax liability was incurred, complete a monthly deposit report declaring estimated sales tax liability and, if applicable, hotel-motel tax liability, for the month and transmit the report to the City and Borough. If the 15th day is a Saturday, Sunday, or federal, state or City and Borough holiday, the due date will be extended until the next business day. The United States Postal Service postmark shall determine the date of filing for mailed reports.

(b) *Amount of monthly remittance.* At the time of transmitting the monthly deposit report, the seller or transportation network company on behalf of a transportation network

company driver shall remit to the City and Borough the total estimated amount of sales tax and, if applicable, hotel-motel tax, due for the month for which the deposit report is filed.

(c) *Penalties.* A late filing penalty of \$25.00 shall be added to all late-filed monthly deposit reports. In addition, late payment penalties will be assessed on monthly tax deposits when the seller or the transportation network company responsible for collecting and remitting sales tax on behalf of a transportation network company driver fails to remit at least 80 percent of the total monthly sales tax and hotel-motel tax deposit due on or before the 15th day of the month following the month for which the deposit is required. The late payment penalty will be equal to one percent per month or fraction thereof of the total delinquent monthly deposit balance due. The delinquent amount shall be the difference between the total tax deposit due for the month and the amount of the deposit remitted by the seller or transportation network company on behalf of a transportation network company driver. The delinquent monthly payment penalty will be assessed on the 16th day of each month or fraction of a month from the date of delinquency to the date of total payment or the due date of the sales tax return covering the monthly payment period, whichever is earlier.

(d) *Filing period adjustments.* In addition to the monthly deposit and reporting requirements set forth in subsections (a) and (b) of this section, sellers or transportation network companies on behalf of a transportation network company driver are required to file period returns and remit the remaining unpaid sales tax due as required in subsection 69.05.070(a) or subsection 69.05.100(c). If the sales tax due and payable by the seller or transportation network company on behalf of a transportation network company driver, as required in section 69.05.070, is less than the total amount of the monthly sales

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2 tax deposits remitted to the City and Borough during that filing period, the excess balance  
3 will be applied to the seller's next monthly sales tax deposit, unless the seller elects in  
4 writing to have the balance refunded.

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6 **Section 6. Amendment of Section.** CBJ 69.05.070 Periodic returns, penalties and  
7 interest for delinquency, is amended to read:  
8

9 **69.05.070 Periodic returns, penalties, and interest for delinquency.**

10 (a) Every person making sales, rentals or performing services within the City and  
11 Borough, and transportation network companies on behalf of transportation network  
12 company drivers, shall on or before the last day of the month, unless the last day of the  
13 month is a Saturday, Sunday, or federal, state or City and Borough holiday in which case the  
14 due date will be extended until the next business day, immediately following the end of each  
15 filing period complete a return for the required filing period setting forth the total amount of  
16 all sales, rentals and services, regardless of whether such transactions are taxable or  
17 nontaxable, the amount of sales tax due, and such other information as the City and Borough  
18 may require, and sign and deliver or mail the return to the City and Borough manager. In  
19 addition to the information required above, transportation network companies shall submit  
20 the name and address of all transportation network drivers who provided rideshare services  
21 through the transportation network company for the filing period. Periodic returns shall be  
22 filed for the calendar quarters ending on March 31, June 30, September 30, and December  
23 31, unless the seller or transportation network company on behalf of a transportation  
24 network company driver is allowed or directed by the City and Borough manager to file for a  
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different time period as authorized in this section and section 69.05.100. A seller, other than a governmental agency, making only exempt sales may be allowed, upon written request to the City and Borough treasurer or the manager, to file returns for periods which vary from the standard calendar quarter and which cover time periods up to one year.

(b) The tax levied under this chapter, whether or not collected from the buyer, except for credit transactions covered in subsection (c) of this section, must be remitted by the seller or transportation network company on behalf of a transportation network company driver to the City and Borough at the time of transmitting the return, and if not so remitted or if the return is not timely filed, such tax is delinquent. A late filing penalty of \$25.00 shall be added to all late returns. The postmark shall determine the date of filing mailed returns. In addition, a late payment penalty of five percent per month or any fraction thereof, until a total late payment penalty of 25 percent has accrued shall be added to all returns until such tax, penalty and interest thereon have been paid. Such penalty shall be assessed and collected in the same manner as the tax is assessed and collected. In addition to these penalties, interest on the delinquent tax from the due date until paid shall accrue and be collected in the same manner the delinquent tax is collected. The annual interest rate on delinquent tax shall be five percent per year above the Wall Street Journal Prime Rate, or similar published rate, on January 2nd each year, rounded to the nearest full percentage point, as determined by the Finance Director; provided, however, that if such calculated rate would fall below ten percent per year, the interest rate shall be ten percent per year, and if the calculated rate would exceed 15 percent per year, the interest rate shall be 15 percent per year.

(c) The seller or transportation network company on behalf of a transportation network company driver shall report and remit sales tax to the City and Borough on the same basis, cash or accrual, the seller or transportation network company uses for reporting federal income tax. A seller reporting on the accrual basis shall be allowed a tax credit for sales tax previously paid by the seller on any sale, service or rental made on credit to the extent the seller declares such debt to be uncollectible and a bad debt for federal income tax purposes. Such bad debt credit must be claimed on a timely filed quarterly sales tax report within two years from the date of sale in which the bad debt arose.

(d) Except as otherwise provided herein, all returns, reports and information required to be filed with the City and Borough under this chapter, and all information deductible from such filed returns, reports and information, shall be kept confidential and are not subject to public inspection. Except upon court order, such returns, reports and information shall be made available only to employees of the City and Borough whose job responsibilities are directly related to such returns, reports and information; to the person supplying such returns, reports, and information; and to persons authorized in writing by the person supplying such returns, reports, and information. The following information shall be made available to the public: the name and address of sellers and transportation network companies collecting and remitting sales tax on behalf of transportation network company drivers; whether or not a business, including a transportation network company, or transportation network company driver is registered to collect sales tax in the City and Borough; whether or not a business transportation network company or transportation network company driver is current in filing sales tax returns and in remitting sales tax, the

amount of sales tax due, and the number of returns not filed; and the names and exemption number of nonprofit agencies which have received a nonprofit exemption number from the manager. The manager may, from time to time, publish the names of sellers and transportation network companies collecting and remitting sales tax on behalf of transportation network company drivers delinquent in remitting sales taxes and the amount thereof including the "doing business as" name under which the seller or transportation network company is doing business when the sales tax delinquency being published arises from that business; provided that the names of sellers or transportation network companies who have signed a confession of judgment for the delinquent sales taxes, penalties, and interest, and a stipulation to postpone execution on the judgment, and who are current in their sales tax payments under such stipulation as of the date on which the names are submitted to the publisher, will not be published. Information may also be made available to the public in the form of statistical reports if the identity of particular sellers or transportation network companies is not revealed by the reports.

(e) The City and Borough may permit the proper officer of the United States, of a state, or other municipality to inspect tax returns or reports filed under this title, or may furnish to the officer a copy of the tax return, if the other jurisdiction grants substantially similar privileges to the City and Borough, and if the City and Borough determines that other jurisdiction provides adequate safeguards for the confidentiality of the returns and reports, and that the returns and reports will be used for tax purposes only.



**Section 7. Amendment of Section.** CBJ 69.05.080 Sellers' compensatory collection discount, is amended to read:

**69.05.080 Sellers' compensatory collection discount.**

All sellers and persons rendering sales tax returns to the City and Borough, including transportation network companies collecting and remitting tax on behalf of transportation network drivers, shall be allowed to compensate themselves for costs incurred in the collection, recordkeeping, remittance and accounting for the tax imposed by taking the greater of \$10.00 or one percent of the tax due as a tax collection discount to reduce the tax to be remitted on any period return that is timely filed with a remittance of all sales tax due, provided, however, that the tax collection discount may reduce the tax to zero but shall not result in a credit. The deduction may not exceed \$50.00 for any monthly filing period or \$100.00 for any calendar quarter or longer filing period, and may not be taken if any sales tax, penalty or interest is due for any previous filing period.

**Section 8. Amendment of Section.** CBJ 69.05.090 Assessment limitation periods; recordkeeping, is amended to read:

**69.05.090 Assessment limitation periods; recordkeeping.**

(a) A seller's tax liability, or the liability of a transportation network company collecting and remitting sales tax for a transportation network company driver, under this chapter may be determined and assessed for a period of three years after the date the return was filed with the City and Borough manager. No civil action for the collection of such tax may be commenced after the expiration of the three-year period except an action for taxes, penalties and interest

due for those filing periods that are the subject of a written demand or assessment made under section 69.05.100 within the three-year period, unless the seller or transportation network company waives the protection of this section.

(b) In order to facilitate the administration and enforcement of the provisions of this chapter, each seller or person otherwise engaged in business within the City and Borough, including transportation network companies collecting and remitting sales tax on behalf of transportation network company drivers, shall maintain and keep for a period of three years after the date of filing all of the period sales tax reports, forms and supporting records and other records prescribed by the manager. The failure to maintain adequate records to allow documentation of the taxability of each transaction will result in the loss of any tax exemption, deduction or credit for that particular transaction. Upon the request of the City and Borough manager, a seller or transportation network company collecting and remitting sales tax on behalf of transportation network company drivers shall make available for examination in the City and Borough the books, records and other documents of the seller or transportation network company unless the manager authorizes the examination to be conducted at a different location.

**Section 9. Amendment of Section.** CBJ 69.05.100 Delinquency; failure to submit return or to remit taxes; assessments, is amended to read:

**69.05.100 Delinquency; failure to submit return or to remit taxes; assessments.**

(a) Whenever the manager reasonably believes a return contains inaccurate reporting or whenever any seller or transportation network company has become delinquent in the

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2 submission of the required filing period return or in remitting sales taxes, the City and  
3 Borough manager shall mail to the delinquent seller's or transportation network company's  
4 last known address a written demand by certified mail, return receipt requested, for  
5 submission of the corrected or required sales tax return and remittance within ten days. In the  
6 event of noncompliance with such demand, the City and Borough manager may make a sales  
7 tax assessment against the delinquent seller or transportation network company, the  
8 assessment to be based on an estimate of the gross taxable revenue received by the seller or the  
9 transportation network company on behalf of the transportation network company driver  
10 during the filing period in question. A copy of the assessment shall be sent to the seller or  
11 transportation network company at the seller's or transportation network company's last  
12 known address by certified mail, return receipt requested. The seller or transportation network  
13 company shall have a right to a hearing before the manager at which time the seller or  
14 transportation network company shall make available for examination the books, papers,  
15 records and other documents pertaining to the sales and revenue for the period involved in the  
16 assessment. The seller or transportation network company may exercise the ~~seller's~~ right to a  
17 hearing by delivering to the manager, within 15 days of the date the notice was mailed, a  
18 written request for a hearing. The manager shall establish a date and time for a hearing to be  
19 held within ten days of receipt of the request unless a later time is mutually agreeable. The  
20 hearing officer conducting the hearing shall issue an amended assessment upon a  
21 determination that an amendment should be made. The amended assessment, or the original  
22 assessment if no amendment is made within five days of the hearing, shall be the final  
23 assessment for the purpose of determining the seller's liability to the City and Borough. If no  
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timely request for a hearing is made, the original assessment shall be the final assessment 30 days after the mailing of the notice of the original assessment unless the seller or transportation network company has submitted an accurate return within the 30 days.

(b) The City and Borough may file a civil action for collection of any taxes, penalty or interest due before or after making a demand or assessment under subsection (a) of this section.

(c) Whenever any seller or transportation network company fails to submit the required filing period return or remit taxes after notice given as provided in subsection (a) of this section, the City and Borough manager may require such seller or transportation network company to submit returns and remit taxes on a monthly or more frequent basis.

**Section 10. Amendment of Section.** CBJ 69.05.104 Protest of tax; is amended to read:

**69.05.104 Protest of tax.**

(a) A buyer who protests the payment of the tax levied under this chapter shall pay the tax and shall provide the seller, any transportation network company collecting the sales tax on behalf of a transportation network company driver, and the sales tax administrator with a written statement of protest within five working days of the sale that identifies the sale, rental or service that is the subject of the tax protested, the amount of tax paid, the buyer's and seller's name, mailing address, telephone number and the basis for the protest.

(b) If the seller or a transportation network company that has collected or remitted sales tax on behalf of a transportation network company driver protests liability for sales tax, penalties, or interest, the seller or transportation network company shall pay the tax,

penalties and interest under a written protest filed before or with the payment and setting forth the basis for the protest. No appeal from the sales tax board of appeals nor any action for a refund may be filed or maintained nor may a defense to nonpayment be maintained in a civil action unless the amount in dispute has been paid under protest as provided in this subsection. A protest accompanying a payment shall be deemed waived unless the protestor files an appeal under this chapter pursuant to and within 90 days of the protest.

(c) An appeal from the sales tax board of appeals or an action for a refund may be filed, maintained, or both without the payment under protest otherwise required by subsection (b) of this section:

(1) Upon a finding by the director of finance that:

(A) The seller or the transportation network company on behalf of the transportation network company driver has registered for the sales tax and filed returns according to the schedule specified in this chapter;

(B) The contested liability arises from an audit finding;

(C) The contested liability is not of a kind regularly remitted by similarly situated sellers; and

(2) Subject to the requirement that if the appeal or action for refund is denied, interest, but not penalty, shall be charged notwithstanding relief under this subsection.

**Section 11. Amendment of Section.** CBJ 69.05.130 Sale of business; final tax return; liability of purchaser. is amended to read:

**69.05.130 Sale of business; final tax return; liability of purchaser.**

(a) If any seller or transportation network company collecting and remitting sales tax on behalf of transportation network company drivers sells, assigns, transfers, conveys, leases, forfeits or abandons the business to another person, the seller or transportation network company shall make a final sales tax return within 15 days after the date of selling, assigning, transferring, conveying, leasing, forfeiting or abandoning the business showing that all tax obligations imposed by this chapter have been paid. The purchaser, successor, transferee, lessee, assignee, creditor or secured party shall withhold a sufficient portion of the purchase money to pay the amount of such sales taxes, penalties and interest as may be due and unpaid to the City and Borough. If the purchaser, assignee, transferee, lessee, successor, creditor or secured party fails to withhold from the purchase money, or fails to otherwise provide for or make the payment of the taxes, interest and penalties owed by the business as provided in this chapter, the purchaser, assignee, transferee, lessee, successor, creditor or secured party shall be personally liable for the payment of the taxes, penalties and interest accruing and unpaid to the City and Borough on account of the operation of the business of any former owner, owners, operators or assigns.

(b) Before the sale, lease, assignment, transfer, or other disposition of the business is completed, the seller or transportation network company shall file with the City and Borough manager an informational notice identifying the name and address of each person or entity involved in the transaction, the nature of the transaction, and the effective date of the transaction.

**Section 12. Amendment of Section.** CBJ 69.05.140 Lien for tax, interest and penalty, is amended to read:

**69.05.140 Lien for tax, interest and penalty.**

(a) The tax, interest and penalty imposed under this chapter in addition to the lien filing fee under subsection (b) of this section shall constitute a lien in favor of the City and Borough upon the assets, including all real and personal property, of every person making taxable sales or of a transportation network company responsible for collecting and remitting sales tax on behalf of transportation network company drivers within the City and Borough. The lien arises upon delinquency and continues until liability for the amount is satisfied or the property of the delinquent person is sold at foreclosure sales. The lien is not valid as against a prior mortgagee, pledgee, purchaser, or judgment creditor until notice of the lien is filed in the office of the recorder for the City and Borough recording district in the manner provided for federal tax liens in AS 40.19.

(b) Fees for the filing and releasing of liens shall be as follows:

- (1) Filing of liens, \$25.00 plus the recorder's office filing fee;
- (2) Release of liens, \$25.00 plus the recorder's office filing fee.

The rates in this subsection may be changed by the manager from time to time to reflect the costs of providing municipal services generally.

**Section 13. Amendment of Section.** CBJ 69.05.145 Collected taxes, is amended to read:

**69.05.145 Collected taxes.**

Taxes collected under this chapter by a seller or transportation network company on behalf of transportation network company drivers shall belong to the City and Borough and shall be held by the seller or transportation network company in trust for the City and Borough until paid over as provided in this chapter.

**Section 14. Amendment of Section.** CBJ 69.05.170 Registration, is amended to read:

**69.05.170 Registration.**

A person, firm, copartnership, corporation, or other business entity shall register with the manager before making retail sales, rendering services or making rentals within the City and Borough, or, in the case of a transportation network company responsible for collecting and remitting sales tax on behalf of a transportation network company drivers, before allowing any of its transportation network drivers to render services within the City and Borough.

**Section 15. Effective Date.** This ordinance shall be effective 30 days after its adoption.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
Kendell D. Koelsch, Mayor

Attest:

\_\_\_\_\_  
Laurie J. Sica, Municipal Clerk