

**ASSEMBLY FINANCE COMMITTEE
THE CITY AND BOROUGH OF JUNEAU, ALASKA
Wednesday, August 5, 2020, 5:30 PM.
Zoom Webinar & FB Live Stream**

(webinar: <https://juneau.zoom.us/j/93685533401> or call: 1-346-248-7799 Webinar ID: 936 8553 3401)

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF MINUTES

- a. Thursday, July 23, 2020

IV. INFORMATION ITEMS

- a. CARES Act Funding Update
- b. FY20 Financial Status Update
- c. Centennial Hall PERS Past Service Liability

V. ITEMS FOR ACTION

- a. FY21 AEYC Hearts Program and CARES Childcare Grant Update
- b. Ordinance 2020-37: An Ordinance Appropriating up to \$500,000 to the Manager for a COVID-19 Business Safety Program; Funding provided by the CARES Act Special Revenue Fund.
- c. Ordinance 2020-43: An Ordinance Appropriating up to \$500,000 to the Manager for a COVID-19 Juneau ArtWorks Grant Program; Funding Provided by the CARES Act Special Revenue Fund.

VI. ITEMS FOR DISCUSSION

- a. Fall/Winter AFC Topics for Consideration

VII. SUPPLEMENTAL MATERIALS

- a. FY20-21 Sales Tax Actuals and Projection Update

VIII. NEXT MEETING DATE

- a. Wednesday, September 2, 2020

IX. 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

DRAFT
City and Borough of Juneau
Minutes - Assembly Finance Committee Meeting
Zoom Webinar & Facebook Live Stream
Thursday, July 23, 2020

I. CALL TO ORDER

The AFC meeting was called to order at 12:00 PM by Loren Jones, Chair.

II. ROLL CALL

Committee Members Participating Virtually: Mayor Beth Weldon; Loren Jones, Chair; Carole Triem, Alicia Hughes-Skandijs, Wade Bryson, Michelle Bonnet Hale, Marie Gladziszewski, Greg Smith

Committee Members Absent: Rob Edwardson

Staff Present Virtually: Mila Cosgrove, Deputy City Manager; Jeff Rogers, Finance Director; Adrien Speegle, Budget Analyst; Rob Palmer, City Attorney; Katie Koester, Public Works and Engineering Director

Others Present Virtually: Linda Thomas, Economic Stabilization Task Force (ESTF) Co-Chair, Amy Skilbred, Executive Director, Juneau Community Foundation

III. APPROVAL OF MINUTES

- a. The July 8, 2020 minutes were approved as presented.

IV. ITEMS FOR DISCUSSION

- a. **Ordinance 2020-40: An Ordinance Authorizing the Issuance of General Obligation Bonds in the Principal Amount of Not to Exceed \$15,000,000 to Finance Capital Improvements to the Facilities of the City and Borough, and Submitting a Proposition or Propositions to the Voters at the Election to Be Held on October 6, 2020.**

Mr. Rogers, Finance Director, presented Ordinance 2020-40, explaining that it was introduced at a Special Assembly meeting on July 20th and held for discussion in the Assembly Finance Committee today. It is up to the Assembly how they would like to move this ordinance forward.

Mayor Weldon proposed removing the West Douglas Pioneer Road extension project from the bond package, and instead asked the Committee to consider a \$5 million bond for streets, infrastructure, and building maintenance, which would include energy efficiency projects. Mayor Weldon noted that her reasoning for this proposal is that it's less controversial than the West Douglas

Minutes - Assembly Finance Committee Meeting Thursday, July 23, 2020

road extension project. Furthermore, she believes it would better stimulate the economy, as a variety of smaller projects gets a broader range of workers back to work than one big road construction project would. Mayor Weldon asked Ms. Koester to speak further to this proposal.

Ms. Koester, Public Works and Engineering Director, provided details about street, building maintenance, and energy efficiency projects that could be included in the bond project list.

The Committee discussed options for the bond package.

Mr. Palmer, City Attorney, responded to committee questions.

Mr. Rogers responded to committee questions about the debt service mill levy. He noted that if CBJ takes on additional debt, the debt service mill levy will increase unless the Assembly takes action to subsidize the near-term cost with general funds.

Motion: by Mayor Weldon to move version (b) of bond package Ordinance 2020-40, which would include critical repairs to schools including roofs, repairs and capital improvements to municipal parks and infrastructure and recreation facilities, and street and infrastructure repair and energy efficiency building maintenance projects, to the Assembly for public hearing on August 3rd.

Mr. Rogers recommended the Committee consider changing the term of the bond from 20 to 25 years in version (b) of the ordinance, as 25 years was the term used to calculate the annual debt service payment required.

Amendment: by Mayor Weldon to change the bond term from 20 to 25 years in version (b) of the ordinance.

No objection, motion passed unanimously.

- b. Ordinance 2020-36: An Ordinance Appropriating up to \$3,000,000 to the Manager for a COVID-19 Nonprofit Sustainability Grant Program, Funding Provided by the CARES Act Special Revenue Fund.**

Chair Jones stated that this ordinance is before the Assembly Finance Committee to entertain any committee comments or questions on this topic before it goes to public hearing.

Ms. Skilbred, Juneau Community Foundation Executive Director, Ms. Thomas, ESTF Co-Chair, and Mr. Palmer responded to committee questions.

Minutes - Assembly Finance Committee Meeting

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Chair Jones requested Ms. Skilbred and Ms. Thomas provide the Committee with statistics on non-profit organizations based on annual revenue to determine how many non-profits may be eligible for each tranche of grant funding.

Chair Jones stated that no additional action is needed on this agenda item at this time, unless there are amendments to the ordinance. The ordinance is up for public hearing at the August 3rd Regular Assembly meeting.

V. NEXT MEETING DATE

- a. Wednesday, August 5th, 2020

VI. ADJOURNMENT

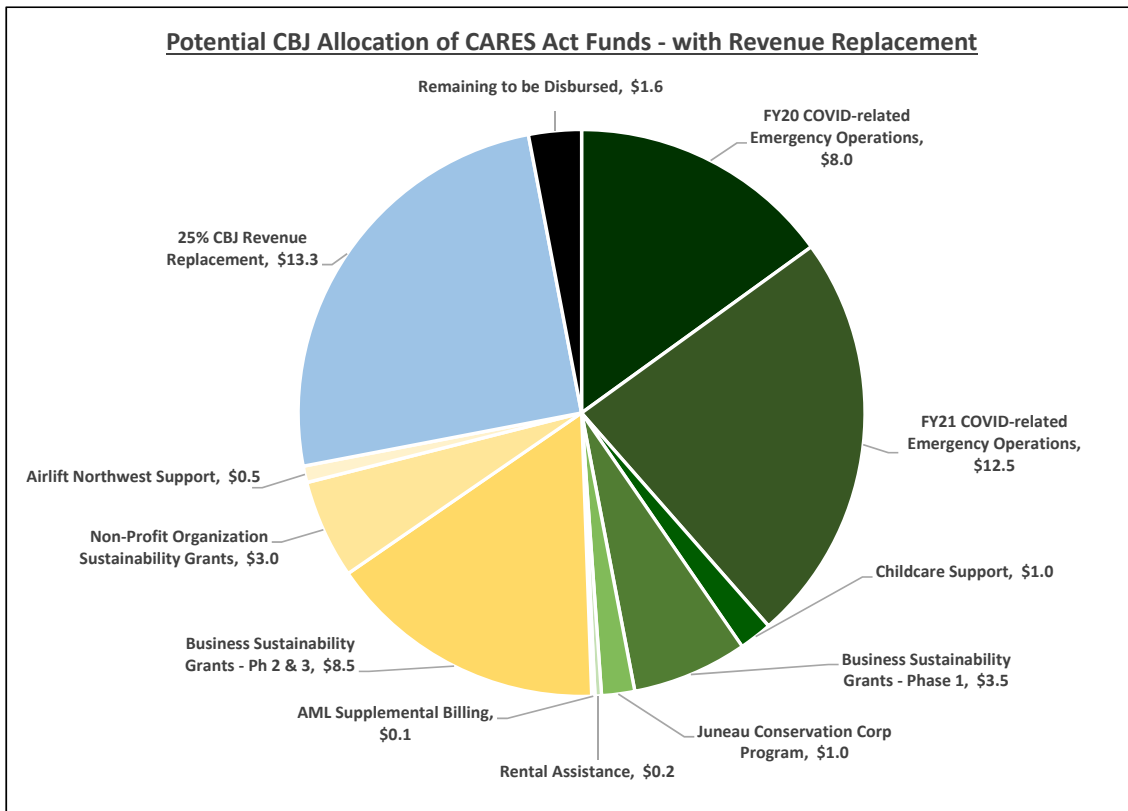
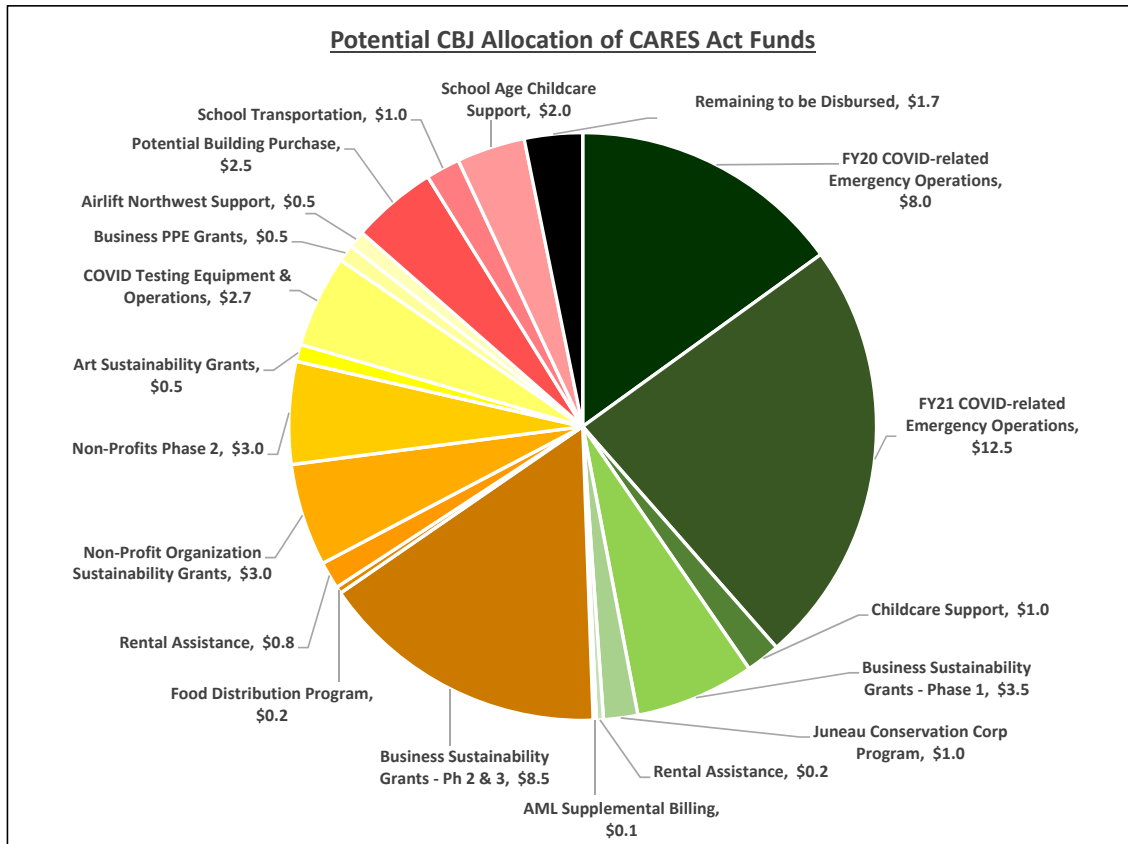
The meeting was adjourned at 12:57 PM.

DRAFT

Potential CBJ Allocation of CARES Act Funds Comparison

Packet Page 5 of 27

Federal legislation pending in the US House (HEROES) and US Senate (HEALS) include provisions allowing local governments to use up to 25% of CARES funding allotments to replace lost revenue.



Potential CBJ Allocation of CARES Act Funds Comparison

Federal legislation pending in the US House (HEROES) and US Senate (HEALS) include provisions allowing local governments to use up to 25% of CARES funding allotments to replace lost revenue.

Without Revenue Replacement

<u>Appropriation</u>	<u>Amount</u>	<u>Running</u>
Implemented:		
FY20 COVID-related Emergency Operations	\$ 8.0	
FY21 COVID-related Emergency Operations	\$ 12.5	
Childcare Support	\$ 1.0	
Business Sustainability Grants - Phase 1	\$ 3.5	
Juneau Conservation Corp Program	\$ 1.0	
Rental Assistance	\$ 0.2	
AML Supplemental Billing	\$ 0.1	\$ 26.3
In Progress:		
Business Sustainability Grants - Ph 2 & 3	\$ 8.5	
Food Distribution Program	\$ 0.2	
Rental Assistance	\$ 0.8	
Non-Profit Organization Sustainability Grants	\$ 3.0	
Non-Profits Phase 2	\$ 3.0	
Art Sustainability Grants	\$ 0.5	
COVID Testing Equipment & Operations	\$ 2.7	
Business PPE Grants	\$ 0.5	
Airlift Northwest Support	\$ 0.5	\$ 46.0
Anticipated:		
Potential Building Purchase	\$ 2.5	
School Transportation	\$ 1.0	
School Age Childcare Support	\$ 2.0	\$ 51.5
Remaining to be Disbursed	\$ 1.7	
Total	\$ 53.2	

With Revenue Replacement

<u>Appropriation</u>	<u>Amount</u>	<u>Running</u>
Implemented:		
FY20 COVID-related Emergency Operations	\$ 8.0	
FY21 COVID-related Emergency Operations	\$ 12.5	
Childcare Support	\$ 1.0	
Business Sustainability Grants - Phase 1	\$ 3.5	
Juneau Conservation Corp Program	\$ 1.0	
Rental Assistance	\$ 0.2	
AML Supplemental Billing	\$ 0.1	\$ 26.3
In Progress:		
Business Sustainability Grants - Ph 2 & 3	\$ 8.5	
Non-Profit Organization Sustainability Grants	\$ 3.0	
Airlift Northwest Support	\$ 0.5	\$ 38.3
25% CBJ Revenue Replacement	\$ 13.3	\$ 51.6
Remaining to be Disbursed	\$ 1.6	
Total	\$ 53.2	

MEMORANDUM

DATE: August 3, 2020
TO: Assembly Finance Committee
FROM: Jeff Rogers, Finance Director
SUBJECT: FY20 Financial Status Update



155 Municipal Way
 Juneau, AK 99801
 Phone: (907) 586-5215
 Fax: (907) 586-0358

Background

At the close of each fiscal year, the Finance department begins work on a more comprehensive review of how departments and the City, as a whole, fared financially throughout the year. With the recent fiscal obstacles brought on by the global pandemic this work has taken on heightened significance. While it is still early and there is still data missing that would provide a more refined analysis, we would like to share what we see thus far.

Sales Tax & Other Major Revenues Update

As a reminder, as part of the most recent budgeting process, and in response to the COVID-19 pandemic, CBJ staff were tasked with making various assumptions on revenues based off information available at the time. One of these projections was sales tax revenues. CBJ staff had estimated that FY2020 Q4 (quarter ending June 30) sales tax would be down 50% YOY, to \$7M. This estimate is appearing to have been conservative. Returns received as of this memo suggest that FY2020 Q4 sales tax receipts will exceed \$8M. This would be a net positive over assumptions made during the budget decision making process, and it would reduce the presumed draw on general fund balance.

Additionally, due to market volatility during the fiscal year, investment income is \$1M more in FY20 than had been anticipated during the budget process. Again, as interest yields declined across the bond market due to the instability caused by the pandemic, the assets we held actually increased in value as the yield gap between our assets and the market widened (our assets yielded more, comparatively). Note that this phenomenon would reverse in the future if interest yields rise, which could cause lower than expected future investment returns.

Other Major Revenue Changes of note (these were known and reflected in the recent budget process):

- Property Tax was \$300K above projection
- Federal PILT received was \$370K less than anticipated
- SEMT (formerly GEMT) Medicaid Reimbursement for CCFR was \$250K less than anticipated

Operating Revenue Update

As expected, operating revenues within most General Fund departments that charge for their services will come in below budget. However, the magnitude those shortfalls is in-line with Finance's projections that were conveyed to the Assembly during the most recent budget process. The key takeaways:

- The shortfall in revenues for all General Fund departments will likely be in the range of \$600,000 - \$800,000.
- The vast majority of the loss is caused by a steep decline in charges for services. However, licenses, permits, rentals, fines, and contracted services were all impacted negatively to varying degrees.
- The departments with the largest shortfall are: Capital Transit, Police, Aquatics, Library, Recreation, and Parks and Landscape
- In the case of Capital Transit, there is potential for additional CARES related grant funding (beyond the amount received from the State) to offset larger than anticipated deficits.

Operating Expenses Update

Operating expenditures were down significantly in comparison to budget authority for the year. As a reminder, the CBJ generally anticipates a “lapse” of general fund budget authority of \$1.5M. This \$1.5M figure was used in the budget decision making process as the Assembly dealt with how to balance future year budgets. This year, in part driven by the global pandemic, the lapse appears to be larger than anticipated, closer to \$2.5M.

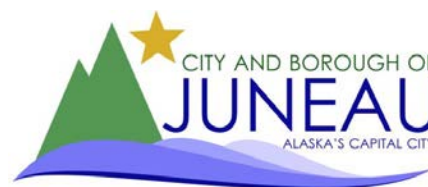
In a typical year, the general fund lapse results from the efforts made by departments to contain costs and operate as efficiently as possible. For FY2020, a number of other factors also played a role in the increased lapse: closures of facilities, travel and training not occurring, fewer supplies and utilities used as employees worked remotely, fewer contracted services as work was put on hold to deal with the fallout from the pandemic and non-emergency hiring slowed or was put on hold for a portion of the year.

CARES Revenues update

Below is a list of various revenues the City has received or is in the process of pursuing in respect to our response to the pandemic:

- \$53,000,000 from State via the Federal CARES act for governmental response to the pandemic
- \$22,000,000 from the FAA to support Airport operations
- \$12,000,000 from Federal CARES funds to support Hospital operations
- \$3,000,000 from the FTA to support Capital Transit operations
- \$1,500,000 from Federal CARES and other grantors to support JSD operations
- \$300,000 - 400,000 from FEMA for emergency response and sheltering.
- \$113,000 from the DOJ for emergency service and other costs in response to the pandemic
- \$50,000 donation from Sealaska to purchase EMS gear
- \$50,000 from the Rasmuson Foundation to aid arts and culture non-profits
- \$6,250 from the AK Humanities Forum for the Museum/Library

MEMORANDUM



DATE: July 31, 2020

TO: Assembly Finance Committee

FROM: Jeff Rogers, Finance Director

155 Municipal Way
Juneau, AK 99801
Phone: (907) 586-5215
Fax: (907) 586-0358

SUBJECT: Centennial Hall Public Employees' Retirement System (PERS) Past Service Liability

History

Effective July 1, 2018, management of Centennial Hall operations was transitioned from the City and Borough of Juneau to the Juneau Arts and Humanities Council (JAHC). As a result of this transition, five Centennial Hall employees were terminated from the Public Employees' Retirement System (PERS). Based on a termination study conducted by the State of Alaska, the financial terms of removing positions from the PERS system has two components: a onetime termination fee, and an ongoing indebtedness obligation. The termination study deemed the onetime fee to be \$0, however, per AS 39.35.625(a), the CBJ is required to continue paying the past service costs for the terminated positions until the PERS unfunded liability has been fully paid off.

CBJ's Current Past Service Liability Costs

CBJ has not made a payment since the ongoing indebtedness obligation for past service costs was established in FY2019. CBJ's current liability cost obligation for FY2019, FY2020, and FY2021 is as follows:

Fiscal Year	Past Service Cost Rate	Past Service Cost	Draft Legislation
FY2019	16.53%	\$43,292.34	Ordinance 2019-06(AL)
FY2020	17.44%	\$45,675.76	Ordinance 2019-06(AL)
FY2021	18.23%	\$47,745.10	Ordinance 2020-09(D)

The ongoing past service contributions are based on the past service cost rate established by the Alaska Retirement Management Board each fiscal year. The rate is applied to the salaries of the positions on the date of termination, or the current salary of the positions, whichever is greater. The past service cost contribution rate varies from year to year due to the annual valuation process that establishes this rate.

Funding Current and On-Going Past Service Liability Costs

The ongoing indebtedness obligation was established in FY2019 and will persist for an estimated 30 to 40 years, dependent on market conditions, at an approximate cost of \$50,000 per fiscal year, until CBJ's unfunded pension liability has been fully paid off. In an ordinary year, funding for the ongoing indebtedness fees would be provided from hotel bed tax receipts or the Hotel Bed Tax Fund's fund balance. However, the residual balance of the Hotel Bed Tax Fund in FY2020 and FY2021 has been fully depleted to pay for Centennial Hall operations and a grant to Travel Juneau, in light of highly diminished hotel bed tax receipts. I recommend that the Committee approve paying the FY2019, FY2020, and FY2021 past service liability costs with general funds, with the intention of funding all future ongoing indebtedness fees with hotel bed tax receipts.

Presented by: The Manager
Introduced: August 24, 2020
Drafted by: Finance

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2019-06(AL)

An Ordinance Appropriating to the Manager the Sum of \$88,969 as Funding for the City and Borough of Juneau's Fiscal Year 2019 and 2020 Public Employees' Retirement System (PERS) Past Service Liability Cost for Centennial Hall; Funding Provided by the General Fund's 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 \$88,969 as funding for the City and Borough of Juneau's fiscal year 2019 and 2020 PERS past service liability cost for Centennial Hall.

Section 3. Source of Funds

General Fund's Fund Balance	\$88,969
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Section 4. Effective Date. This ordinance shall become effective upon adoption.

Adopted this _____ day of _____, 2020.

Beth A. Weldon, Mayor

Attest:

Elizabeth A. McEwen, Municipal Clerk

Presented by: The Manager
Introduced: August 24, 2020
Drafted by: Finance

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2020-09(D)

An Ordinance Appropriating to the Manager the Sum of \$47,746 as Funding for the City and Borough of Juneau's Fiscal Year 2021 Public Employees' Retirement System (PERS) Past Service Liability Cost for Centennial Hall; Funding Provided by the General Fund's 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 \$47,746 as funding for the City and Borough of Juneau's fiscal year 2021 PERS past service liability cost for Centennial Hall.

Section 3. Source of Funds

General Fund's Fund Balance	\$47,746
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Section 4. Effective Date. This ordinance shall become effective upon adoption.

Adopted this _____ day of _____, 2020.

Beth A. Weldon, Mayor

Attest:

Elizabeth A. McEwen, Municipal Clerk

Association for the Education of Young Children, SE Alaska

Report to City and Borough of Juneau

HEARTS Initiative: July 15, 2020

Summary of activity and expenditures:

The CBJ Investment in the HEARTS Initiative was increased starting this fiscal year to \$180,000, from a previous amount of \$90,200. With the increased funds, a 10% cost of living adjustment was made to the awards, and a new award of \$600 for child care programs to support the wages to complete the 30 hours of training to meet Level 2 in Learn and Grow, the state Quality Recognition and Improvement System. The program launched in 2012, and has demonstrated a highly effective method to increase recruitment and retention of a qualified workforce of child care teachers. This is the first step to increase capacity in licensed child care programs.

Education Awards:

The education awards were distributed at the end of December to 26 early educators that meet the qualifications for a child care administrator or associate. In response to the financial stress to child care providers during the pandemic when most programs closed, a quarter award was issued April 12th to 24 child care providers. At the end of June the second quarter award was issued to 23 child care providers.

Award levels are as follows:

Tier 1 – CDA (Child Development Associate certificate) or 12 credits in early childhood = \$1 per hour

January: **9 awards, April 8, June 7 awards**

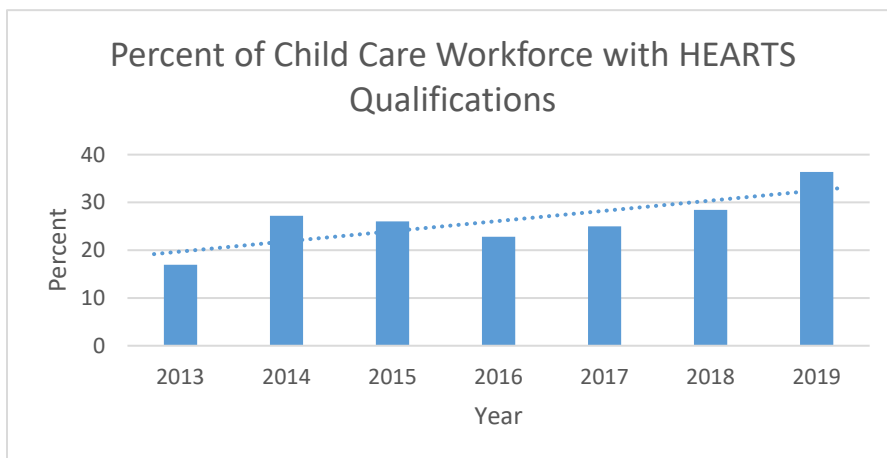
Tier 2 – AA degree with at least 12 credits in early childhood = \$1.35 per hour

January **5 awards, April 6, June 4 awards**

Tier 3 – BA degree with at least 12 credits in early childhood = \$2.71 per hour

January **12 awards, April 10, June 12 awards**

New training awards to complete Learn and Grow level 2: In the first half of the year, 6 awards of \$600 each were administered to child care providers completing the 30 hours of Learn and Grow Level 2 training. Since January an additional 20 child care providers completed 30 hours of training toward their Child Development Associate Credential, for an annual total of 26. These individuals will qualify for a full HEARTS award once they attain their CDA, and this incentive is a springboard toward the credential, which then supports child care programs with the qualified staff they need.

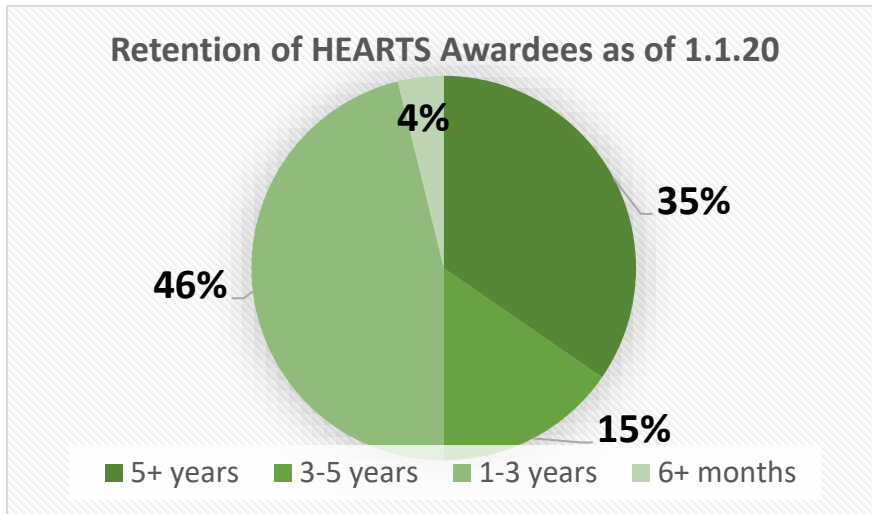


The ratio of qualified teaching staff has increased from 28% last year to 36% this year, up from 14% in 2012 prior to HEARTS.

Stabilization of the workforce:

One of the positive outcomes of the HEARTS Initiative is the stabilization of the child care workforce. Earning a Child Development Associate credential has become a visible and tangible goal for new staff. Thanks to the HEARTS awards, new child care teachers are accessing professional development sooner, which increases their skills, knowledge, and increases job satisfaction while reducing stress levels.

50% of HEARTS Awardees have stayed in their positions for over three years.



New progress toward increasing child care capacity and quality:

Child Development Academy proposal:

AEYC / thread is working with Tlingit and Haida and SERRC to design a Child Development Academy, that will offer an eight week intensive for early educators to earn a national credential in child development (CDA). All agree that this was an excellent idea from the CBJ Managers work group on child care. The increase in qualified workforce is needed more than ever during the pandemic, due to some teachers leaving, and the need for additional staffing. Participants will be recruited from existing child care programs as well as JOB X, MASST program, high school seniors, and community members. The plan is for participants to work half a day and attend classes half a day in two groups that alternate in order to provide full day coverage at the child care programs. AEYC / thread Southeast will provide the coordinator and trainer. SERRC has received a grant to pay for a 400 hour internship for 5 individuals. Tlingit and Haida Child Care program is poised to support the academy also, for the LEARN program participants. A request for carryover funds to fund a CDA Academy this fall will accompany this report.

FY20 Award:	\$180,000
Overage expenses from FY19:	\$ 18,378
Total available for FY20:	\$161,622

Annual Total Financial expenditures:

Education awards:	\$105,904
Training Stipends:	\$ 15,600
Administration:	\$ 9,000
Total FY20 expenditures:	\$130,504
Funds remaining:	\$ 31,118

- Please see attached request for carryover funds of \$31,118, and the addition of administering a Child Development Academy to be added to the AEYC HEARTS MOA for FY21.

Association for the Education of Young Children, SE Alaska
Request to City and Borough of Juneau
HEARTS Initiative: \$31,118 unexpended FY20 funds
July 15, 2020

AEYC requests a carryover of \$31,118 in unexpended funds from FY20 to FY21 for the following purpose:

Project Proposal: Juneau Child Development Academy

A CDA Academy was an idea from the CBJ Child Care Managers Work Group, and community partners as well as child care programs are enthusiastic to begin in September. Child care programs have lost qualified teachers due to Covid-19, and there is also an increased need for additional qualified staff for the RALLY school age program.

HEARTS awards were lower than originally anticipated last year in part due to the delayed opening of the LEARN child care center program.

Goal:

The goal of a Child Development Academy to fast track an increase to the qualified early childhood workforce. Enroll a cohort of 20 participants, including 10 early educators currently working in licensed child care programs, and 10 new participants recruited through SERRC JobX and Tlingit and Haida Workforce Development program.

Overview:

Approximately 10 candidates will complete an 8 week intensive academy starting September 21, 2020, with 4 hours per day of classes, and 4 hours per day of practical work experience five days per week. Participants will be paid \$15 per hour for their classroom and work experience during the intensive, and be supported in permanent placements and / or promotions with increased wages, in early childhood programs on successful completion. Candidates will be supported to achieve their Child Development Associate Credential within the project timeline, and then be eligible to earn CBJ HEARTS award of \$2,500 on successful completion.

Partnership Contributions:

AEYC / thread: Will provide a certified Child Development Credential trainer, a project coordinator to support recruitment and internship placements, and ongoing coaching and support throughout the project.

SERRC: Has received a grant to support 400 hours of paid internships in early childhood programs for five individuals, and to offer job placement and coaching support.

Tlingit and Haida Child Care Assistance Program:

Committed funds to pay for rental of a large training room to safely accommodate 10 candidates and instructors, following the Tlingit and Haida Central Council mitigation policies. Will provide funds for 480 hours of paid internships for 5 candidates, and provide an MOA to SERRC to increase the wages from \$12 to \$15 wage for all participants.

Juneau Job Center: Department of Labor: Integrated Education and Training

Programs: Recruitment support and possible financial aid internships for child development academies offered in the future.

Budget for 10 current child care staff:

*** Not including in-kind contributions detailed above, for 10 community recruited interns**

\$30,000	Paid training hours for 10 participants (150 hours x \$20)
\$ 3,000	First aid and supplemental distance training registrations and contracts
\$ 4,000	10 Laptops for candidates in need (To be returned on completion of program)
\$750	Background check (for 10 interns only)
\$10,000	CDA credential application fee and book (\$500 x 20 participants)
\$ 1,746	Professional development supplies and materials

\$49,496 Total

\$31,118 Carryover request (\$18,378 to be contributed by STEPS grant through Alaska School Boards)

Alternative option: If carryover of funds request is not approved, in order to continue the momentum of this project and respond to the community need for child care workforce, AEYC would request inclusion of the CDA Academy in the FY21 HEARTS MOA, and reimbursement of expenditures up to \$50,000 in January of 2021, out of funds approved by CBJ Assembly for child care. Carryover of funds would allow for an additional CDA Academy in the spring of 2021.

Association for the Education of Young Children, SE Alaska

Report to City and Borough of Juneau

CARES CBJ Emergency Child Care Grant: July 15, 2020

Summary of activity and expenditures:

The CBJ awarded \$1,057,000 in municipal CARES federal funds from the State of Alaska, for the purpose of sustaining the availability of child care for working families in Juneau. The increased costs of meeting health and safety requirements, combined with reduced enrollments of children otherwise puts child care programs at risk of permanent closure.

Upon the signed award agreement, AEYC immediately sent applications to all licensed child care programs in Juneau. The applications were collected and reviewed and the first award payment was issued June 16th to a total of 16 child care programs in the total amount of \$129,107.50.

The majority of child care programs were totally closed from March 16 through May 30. With the support of CBJ funds, the majority of full year programs are now open, though with reduced enrollments. The reduced enrollment numbers are due to a number of factors: increased spacing of children in the program to meet health guidelines, parents on unemployment or working from home, or with family risk factors that don't feel comfortable returning, and the loss of staff due to health considerations or finding other work during layoffs. Most programs require close to full enrollment to break even. The need for additional staff has also increased due to extra cleaning and health practices, providing substitute coverage, and reduced group sizes.

Participating Programs, Award Amounts, and Children served.

Name of Program	March 1 enrollment	June enrollment	Payment
ABC Center	23	12	\$9,185
Aurora Lights Childcare	37	8	\$15,775
Discovery Preschool	40	27	\$19,775
Gold Creek CDC	56	16	\$29,000
Juneau Montessori School	49	24	24,080
Bertha's Childcare	2	2	\$ 850
Chiquilladas	10	9	\$3,850
Dolores' Childcare	3	3	\$1,425
Douglas Childcare	8	8	\$3,962.50
Fiddleheads Preschool	8	*pending due to family emergency	\$3,250
Forget-M-Nots	8	8	\$2,910
Happy Face	5	5	\$2,145
Happy Roots	8	8	\$3,625
Little Stars	8	8	\$3,800
Mauricio's	8	6	\$2,775
Playful Pandas	7	5	\$2,700

Currently non Participating programs	Status
Juneau Coop Preschool	Will open at the beginning of September and will apply for funds in August.
Our Language Nest	Ineligible. Part day preschool. No parent tuition charged. Supported by grant funds.
Little Eagles and Ravens Nest	Opted out – Tlingit and Haida Central Council is able to support the program through tribal funds at this time and would like to help CBJ funds reach other child care programs.
Montessori Borealis	Ineligible due to being under the JSD umbrella
RALLY	Ineligible due to being under the JSD umbrella
Stepping Stones	New small child care center – opened July 1 for 19 children.
Sundew Childcare	Still considering whether to re-open or close permanently

Summary:

Thanks to the CBJ Assembly and Managers office for the rapid response to help keep child care programs solvent. This is a huge relief to the programs, the families, and provides stability and a healthy learning environment for children. Thanks to the leadership of CBJ, other communities across the state are now adopting the model, or were encouraged to allocate local CARES funding to child care. In Southeast Alaska, Ketchikan Assembly allocated \$350,000, and Sitka Assembly allocated \$500,000, following the lead of Juneau. The Anchorage Assembly recently allocated \$10 million to licensed child care. As each local community grapples with these challenging decisions, the work of the assembly and managers office to design an efficient, effective model is much appreciated by other communities across the state.

Remaining program grant funds: \$927,892.50

Due to the ineligible programs and opting out of one of the larger child care centers, there are now adequate funds remaining to continue funding at the current level for over five months, through the end of November. This support may be needed to sustain programs through ups and downs of community exposure rates, and through the cold and flu season, as enrollments will no doubt fluctuate and temporary closures may occur. Another option to consider would be to include new licensed child care centers that open during the calendar year.



Economic Stabilization Task Force

Appointed by the City & Borough of Juneau's Mayor

Email: Economic-Stabilization@juneau.org

Mail: 155 S Seward Street, Juneau, AK 99801

www.beta.juneau.org/assembly/economic-stabilization

Date: July 31, 2020

To: City and Borough of Juneau Assembly Finance Committee

From: Economic Stabilization Task Force, Co-Chairs Max Mertz and Linda Thomas

Re: Notice of Recommendation to Assembly

The Economic Stabilization Task Force met on July 30, 2020 and discussed a draft ordinance that is before you for discussion.

Recommendation on Draft Ordinance 2020-37

An Ordinance Appropriating up to \$500,000 to the Manager for a COVID-19 Business Safety Program; Funding provided by the CARES Act Special Revenue Fund.

The Task Force recommends the following revision to the ordinance for introduction to the Assembly on August 3.

1. Strike Section 4, Subsection (i) Part B: Face Coverings Incentive Grant from the Ordinance. The Task Force determined that due to the new mask mandate in Juneau, this incentive is no longer necessary.

Appointed Task Force Members

Max Mertz, Co-Chair • Linda Thomas, Co-Chair • Theresa Belton • Bruce Botelho • Eric Forst

Ken Koelsch • Lauren MacVay • Laura Martinson • Terra Peters

Presented by:
Presented:
Drafted by:

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2020-37

An Ordinance Appropriating up to \$500,000 to the Manager for a COVID-19 Business Safety Program; Funding provided by the CARES Act Special Revenue Fund.

WHEREAS, the Economic Stabilization Task Force Recommended that the Assembly consider reimbursing businesses for investments made in masks, personal protective equipment (PPE), and other infrastructure necessary to support continued business operations during the COVID-19 pandemic; and

WHEREAS, this grant program would facilitate and encourage businesses to implement or continue implementing safety measures to protect employees and customers due to COVID-19; and

WHEREAS, Alaska is experiencing a substantial increase in COVID-19 cases since June and especially during the first week of July (424 active cases on June 30 to 598 active cases on July 5); and

WHEREAS, the people in the City and Borough of Juneau have managed to avoid the substantial increase in COVID-19 cases; and

WHEREAS, businesses that have implemented COVID-19 safety measures like installing physical dividers, requiring use of face coverings, enhancing cleaning routines, and providing hand cleaning stations should be partially reimbursed for the assertive actions; and

WHEREAS, businesses that have not yet implemented the full suite of COVID-19 safety measures, including providing physical dividers or requiring use of face coverings when people are within six feet of each other, would benefit from a financial incentive to encourage such public health protections; and

WHEREAS, the Centers for Disease Control and the State of Alaska (Health Alert 10) recommend everyone to wear a cloth face covering when in a public setting where other social distancing measures are difficult to maintain, which can minimize asymptomatic individuals with COVID-19 from unknowingly spreading the disease; and

WHEREAS, the COVID-19 Business Safety Grant Program is necessary due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19); and

WHEREAS, the COVID-19 Business Safety Grant Program is being created by this ordinance and program expenses were not accounted for in the FY20 budget; and

WHEREAS, the COVID-19 Business Safety Grant Program expenses are incurred during the period that begins on March 1, 2020, and ends on December 31, 2020.

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

Section 1. Classification. This ordinance is a non-code ordinance.

Section 2. Appropriation. There is appropriated to the Manager the sum of five-hundred thousand dollars (\$500,000.00) for a COVID-19 Business Safety Grant Program to be granted to the xxx (Grant Administrator) and used consistent with this ordinance.

Section 3. Source of Funds:

CARES Act Special Revenue Fund \$500,000.00

Section 4. COVID-19 Business Safety Grant Program Terms. The program is subject to the following terms and conditions:

- (a) **Administration.** The Manager is authorized to execute a grant agreement with the Grant Administrator for disbursement of COVID-19 Business Safety Grant Program funds. The Grant Administrator is responsible for assuring the program funds are disbursed only to eligible businesses. The Grant Administrator shall be provided a reasonable administration fee based on actual expenses. The Grant Administrator shall provide the Manager with program status reports at reasonable intervals. The Manager shall provide updates to the Finance Committee or Assembly. The Grant Administrator shall return all unencumbered monies existing on November 31, 2020, back to the City and Borough of Juneau.
- (b) **Program Dates.** This program terminates on October 31, 2020.
- (c) **Entity types.** The program is open to all qualifying businesses (including a nonprofit), regardless of whether they have applied for or have obtained any other state or federal COVID-19 related assistance if
 - (1) the business was registered in Alaska or held a similar license (i.e. commercial fishing vessel license or permit) before July 1, 2020;
 - (2) has a physical presence in Juneau, Alaska;
 - (3) continues to be open, including by appointment only; and
 - (4) seeks reimbursement for expenses incurred between March 1 and October 31, 2020.

- (d) **Grant application.** A business owner, managing member, or equivalent person may submit a grant application form in person or electronically to the Grant Administrator.
- (e) **Sales and property tax compliance.** A business with any sales or property tax delinquency as of March 1, 2020, is not eligible for a grant unless the business first executes a confession of judgment with the City and Borough of Juneau for all outstanding taxes. A business that is fully compliant with a confession of judgment payment plan is eligible.
- (f) **Exceptions.** The Grant Administrator, after receiving direction from the Manager or designee, has the authority to make reasonable exceptions that match the intent of this grant program.
- (g) **Allocations.** The Grant Administrator should initially set aside 75 percent for the Part A PPE Reimbursement Grant and set aside 25 percent for the Part B Face Covering Incentive Grant. The allocations may be adjusted at the direction of the Manager.
- (h) **Part A PPE Reimbursement Grant.** An eligible business may apply for one of the following grants:
 - (1) **Grants of \$200.00 and less.** Eligible businesses may be reimbursed for up to \$200 for providing PPE, physically retrofitting their business premises, and making technology-based adjustments to allow for proper social distancing and protection of their employees and customers. Businesses can also include the costs of providing face coverings for all employees and all customers. While no receipts are required, a business owner or manager must affirm the COVID-19 retrofitting, social distancing, and PPE related costs exceed the requested grant amount. Expenses cannot be for supplies intended for resale.
 - (2) **Grants between \$200.01 and \$5,000.00.** Eligible businesses may be reimbursed for any documented costs of providing PPE, physically retrofitting their business premises, and making technology-based adjustments to allow for proper social distancing and protection of their employees and customers. Businesses can also include the costs of providing face coverings for all employees and all customers. Total grant amount is 75 percent of actual costs incurred up to a maximum of \$5,000.00 per business. Expenses cannot be for supplies intended for resale.
- (i) **Part B: Face Covering Incentive Grant.** A business that requires use of face coverings by employees and customers on the date of application and promises to continue requiring use of a face covering for the next 30 days is eligible for a \$1,000.00 incentive grant.

- (1) **Priority for Part B.** During the first 15 days of this program, the Grant Administrator shall only accept and process applications from eligible businesses that did not receive any federal, state, or local grant or forgivable loan. On the 16th day of this program, the Grant Administrator shall accept and process applications from all eligible businesses in the order received. If an application is deemed incomplete, the applicant has a three-day grace period from notice of an incomplete application to cure to maintain the initial filing date. A Part B Face Covering Incentive Grant may be awarded at the same time, even during the first 15 days of the program, and in addition to a Part A Reimbursement Grant.

Section 5. Effective Date. This ordinance shall become effective upon adoption. However, Section 2 of this ordinance is conditioned upon the City and Borough of Juneau receiving CARES Act funding from the State of Alaska.

Adopted this _____ day of _____, 2020.

Beth A. Weldon, Mayor

Attest:

Elizabeth J. McEwen, Municipal Clerk

Presented by: Hale
Presented:
Drafted by: R. Palmer III

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2020-43 vAFC

An Ordinance Appropriating up to \$500,000 to the Manager for a COVID-19 Juneau ArtWorks Grant Program; Funding Provided by the CARES Act Special Revenue Fund.

WHEREAS, the Economic Stabilization Task Force recommended that the Assembly consider a COVID-19 Juneau ArtWorks Program to support artists suffering interruptions due to COVID-19; and

WHEREAS, on April 9, 2020, the Centers for Disease Control and Prevention (CDC) renewed the No Sail Order and Other Measures related to cruise ships to prohibit certain cruise ships from transporting passengers to ports in the United States; and

WHEREAS, since early March, 2020, the State of Alaska issued COVID-19 Health Mandates that reasonably restricted travel, gatherings, close personal interactions, schools, and medical and dental procedures; and

WHEREAS, since early March 2020, the Assembly issued COVID-19 directions regarding travel quarantines (Res. 2886), hunkering down (Res. 2885), and cloth face coverings (Res. 2890); and

WHEREAS, the public health mandates and directions protected the health of the people in the City and Borough of Juneau and nearby communities; and

WHEREAS, many of the workers in the creative sector are sole proprietors or are dependent on gig work; and

WHEREAS, COVID-19 caused severe economic harm to artists in the City and Borough of Juneau because people were encouraged to hunker down, businesses and venues were mandated to close or severely limit operations, and nearly all of the forecasted cruise ship tourism has been canceled; and

WHEREAS, in the spirit of the Work Projects Administration of the 1930s, this program delivers funding to artists who have lost gigs, had contracts or events cancelled, been laid off, or have otherwise been put in a vulnerable position due to the necessary restrictions to control the COVID-19 Pandemic; and

WHEREAS, the COVID-19 Juneau ArtWorks Program is necessary due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19); and

WHEREAS, the COVID-19 Juneau ArtWorks Program is being created by this ordinance and program expenses were not accounted for in the FY20 budget; and

WHEREAS, the COVID-19 Juneau ArtWorks Program expenses are incurred during the period that begins on March 1, 2020, and ends on December 31, 2020.

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

Section 1. Classification. This ordinance is a non-code ordinance.

Section 2. Appropriation. There is appropriated to the Manager the sum of five hundred thousand dollars (\$500,000.00) for the COVID-19 Juneau ArtWorks Program to be granted to the Juneau Arts and Humanities Council (Grant Administrator) and used consistent with this ordinance. This is an appropriation for the fiscal year beginning July 1, 2020, and ending June 30, 2021.

Section 3. Source of Funds:

CARES Act Special Revenue Fund	\$500,000.00
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Section 4. COVID-19 Juneau ArtWorks Program Terms. The program is subject to the following terms and conditions:

- (a) **Administration.** The Manager is authorized to execute a grant agreement with the Grant Administrator for disbursement of COVID-19 Juneau ArtWorks Program funds. The Grant Administrator is responsible for assuring the program funds are disbursed only to eligible artists. The Grant Administrator shall be provided a reasonable administration fee of twelve percent of the grant, which shall be deducted from the grant. The Grant Administrator shall provide the Manager with program status reports at reasonable intervals. The Manager shall provide updates to the Finance Committee or Assembly. The Grant Administrator shall return all unencumbered monies existing on November 1, 2020, promptly back to the City and Borough of Juneau.
- (b) **Eligible artists.** In the spirit of the Work Projects Administration of the 1930s, this program is only for artists who have lost gigs, had contracts or events cancelled, been laid off, or have otherwise been put in a financially vulnerable position due to the necessary restrictions to control the COVID-19 pandemic. An artist must affirm that their finances have been significantly harmed because of COVID-19.
- (c) **Assertion of need.** An applicant shall disclose if the applicant has applied for or received any other grant or forgivable loan. An applicant that has received any other grant or forgivable loan must provide satisfactory documentation that a Juneau ArtWorks grant is still necessary to sustain artist operations. An applicant that applied for or received any other CARES Act funding from the CBJ may be eligible if the

combined grant amounts do not exceed the amount the entity is eligible for under this program.

- (d) **Sales and property tax compliance.** An artist with any sales or property tax delinquency as of March 1, 2020, is not eligible for a grant. However, an artist that first executes a confession of judgment with the City and Borough of Juneau for all outstanding sales taxes debts, is eligible for this program. An artist that is fully compliant with a confession of judgment payment plan is also eligible.
- (e) **Application.** The Grant Administrator should create a simplified application process to make the funds accessible to artists quickly. Grant awards constitute commissions for artworks in any media, including visual artworks, live performances, written artworks, and recorded artworks. The Grant Administer shall determine the required timeline for completion of artworks, but it is the intention that funds are distributed when grant applications are selected, rather than when proposed artworks are complete. The Grant Administrator must field a panel representing the spectrum of the community to adjudicate the applications for selection. Selection criteria will place priority on those artists or groups of artists for whom other funding has not been forthcoming, projects that engage the greatest number of unemployed or underemployed creative workers, projects that result in lasting benefit for the community, and projects that capture the zeitgeist of the COVID-19 public health emergency.
- (f) **Ownership of work.** Ownership of the artwork may be negotiated according to the type of artwork it is, but the presumption is the artwork belongs to the City and Borough of Juneau or another public entity.
- (g) **Exceptions.** The Grant Administrator, after receiving direction from the Manager or designee, has the authority to make reasonable exceptions that match the intent of this grant program.

Section 5. Effective Date. This ordinance shall become effective upon adoption.

Adopted this _____ day of _____, 2020.

Beth A. Weldon, Mayor

Attest:

Elizabeth J. McEwen, Municipal Clerk

MEMORANDUM



DATE: August 3, 2020

TO: Assembly Finance Committee

FROM: Jeff Rogers, Finance Director

SUBJECT: **Fall/Winter AFC Topics for Consideration**

155 Municipal Way
Juneau, AK 99801
Phone: (907) 586-5215
Fax: (907) 586-0358

The following topics have been held over from Assembly Finance Committee proceedings prior to the FY2021 budget process and the COVID-19 pandemic:

- **Sales tax rates and exemption**
 - Status: Assembly Finance Committee considered this issue last on February 5, and took the following actions:
 - Directed staff to contract for an economic analysis of a 6% year-round sales tax offset by the exemption of food and residential utilities, and bring that analysis back to the Assembly Finance Committee for discussion
 - Directed staff to draft ordinance repealing exemption of on-board sales, and bring it back to the Committee of the Whole for discussion
 - Tabled discussion of exemptions for non-profits and tribal organizations until summer of 2020
 - Staff effort on the aforementioned actions was stalled/suspended by onset of the COVID-19 pandemic
 - Should Finance proceed with continuing efforts on the actions above?
- **Mandatory disclosure of real estate pricing**
 - Status: Assembly Finance Committee considered this issue last on January 8, but took no specific action.
 - Should Finance work with the City Attorney to prepare an ordinance for consideration by the Assembly Finance Committee?
- **Assembly compensation**
 - Status: Assembly Finance Committee considered this issue last on March 11, and delayed action to a future date, presumably during the FY2021 budget review process. However, given the challenges with uncertain revenue and expenditures related to the pandemic, this issue was not considered during that budget process.
 - Should Finance work with the City Attorney to prepare an ordinance for consideration by the Assembly Finance Committee?

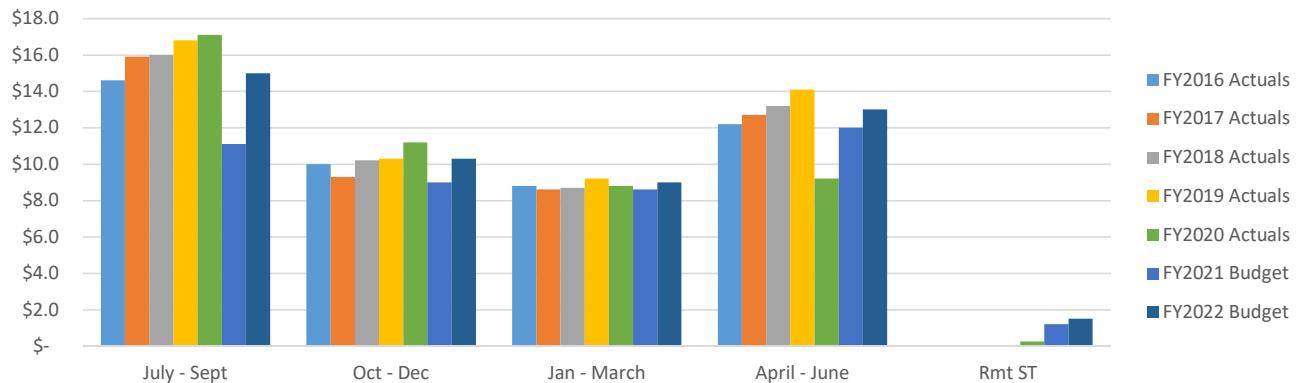
Sales Tax	Q1		Q2		Q3		Q4		Annual Rmt ST	Total	
	July - Sept		Oct - Dec		Jan - March		April - June				
	\$\$	%↑	\$\$	%↑	\$\$	%↑	\$\$	%↑	\$\$	\$\$	%↑
FY2016 Actuals	\$ 14.6		\$ 10.0		\$ 8.8		\$ 12.2		\$ -	\$ 45.6	
FY2017 Actuals	\$ 15.9	8.9%	\$ 9.3	-7.0%	\$ 8.6	-2.3%	\$ 12.7	4.1%	\$ -	\$ 46.5	2.0%
FY2018 Actuals	\$ 16.0	0.6%	\$ 10.2	9.7%	\$ 8.7	1.2%	\$ 13.2	3.9%	\$ -	\$ 48.1	3.4%
FY2019 Actuals	\$ 16.8	5.0%	\$ 10.3	1.0%	\$ 9.2	5.7%	\$ 14.1	6.8%	\$ -	\$ 50.4	4.8%
FY2020 Projected	\$ 17.1	1.8%	\$ 11.2	8.7%	\$ 7.5	-18.5%	\$ 7.0	-50.4%	\$ 0.2	\$ 43.0	-14.7%
FY2020 Actuals	\$ 17.1	1.8%	\$ 11.2	8.7%	\$ 8.8	-4.3%	\$ 9.2	-34.8%	\$ 0.2	\$ 46.5	-7.6%
Over/(Under) Proj	\$ -		\$ -		\$ 1.3		\$ 2.2		\$ 0.0	\$ 3.5	
FY2021 Budget	\$ 11.1	-35.1%	\$ 9.0	-19.6%	\$ 8.6	14.7%	\$ 12.0	71.4%	\$ 1.2	\$ 41.9	-2.6%
FY2022 Budget	\$ 15.0	35.1%	\$ 10.3	14.4%	\$ 9.0	4.7%	\$ 13.0	8.3%	\$ 1.5	\$ 48.8	16.5%

FY2020 Remote Sales Tax

FY20 Q3	March	\$ 11,740
	April	\$ 73,699
FY20 Q4	May	\$ 76,586
	June	\$ 87,005

Total FY2020 Remote Sales Tax \$ 249,029

Sales Tax Revenue - by Quarter
Actuals (FY16-20) and Budgeted (FY21-22)



Sales Tax Revenue - by Fiscal Year
Actuals (FY16-20) and Budgeted (FY21-22)

