# ASSEMBLY STANDING COMMITTEE
# ASSEMBLY FINANCE COMMITTEE
# THE CITY AND BOROUGH OF JUNEAU, ALASKA

December 1, 2021, 6:00 PM.
Assembly Chambers/Zoom Webinar
(Immediately Following the Special Assembly Meeting)
https://juneau.zoom.us/j/93917915176 or call 1-253-215-8782 Webinar ID: 939 1791 5176

## AGENDA

I. **CALL TO ORDER**

II. **LAND ACKNOWLEDGEMENT**

III. **ROLL CALL**

IV. **APPROVAL OF MINUTES**

A. **November 3, 2021**

V. **AGENDA TOPICS**

A. **Update on FY21/FY22/FY23**

B. **Resolution Opposing a Statewide Sales Tax**

C. **Update: Status of Commercial Property Appeals**

D. **Purchase of 2.8 Acres from UAS (Ordinance 2021-08(b)(am)(P))**

VI. **NEXT MEETING DATE**

A. **January 5, 2022**

VII. **ADJOURNMENT**

ADA accommodations available upon request: Please contact the Clerk's office 36 hours prior to any meeting so arrangements can be made for closed captioning or sign language interpreter services depending on the meeting format. 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
# Wednesday, November 3, 2021

## I. CALL TO ORDER

The meeting was called to order at 6:00 pm by Carole Triem, Chair.

## II. ROLL CALL

Committee Members Present in Chambers: Carole Triem, Chair; Wáahlaal Gíidaak; Greg Smith; Christine Woll; Michelle Bonnet-Hale; Alicia Hughes-Skandijs, Wade Bryson

Committee Members Present Virtually: Mayor Beth Weldon; Maria Gladziszewski

Committee Members Absent: None.

Staff Present: Rorie Watt, City Manager; Robert Barr, Deputy City Manager; Jeff Rogers, Finance Director; Adrien Speegle, Budget Analyst; Robert Palmer, City Attorney

Others Present: Jim Calvin, McKinley Research Group Vice President; Amy Skilbred, Juneau Community Foundation Executive Director; Mariya Lovishchuk, The Glory Hall Executive Director

## III. APPROVAL OF MINUTES

The September 1, 2021 minutes were approved as presented.

## IV. AGENDA TOPICS

### a. COVID-19 Economic Impacts Report – McKinley Research Group

Jeff Rogers, Finance Director, directed the public and the Assembly to the updated *Impact of the COVID-19 Pandemic on Juneau's Economy* presentation in the meeting packet under "Supplemental Items" and introduced Jim Calvin, McKinley Research Group Vice President.

Mr. Calvin presented his research on the economic impacts of the pandemic to Juneau's economy.

# Minutes - Assembly Finance Committee Meeting
# Wednesday, November 3, 2021, 6:00 pm

Employment

Mr. Calvin presented a graph showing the monthly change in employment in 2020 relative to 2019. The graph shows no significant change in employment for January and February and depicts a 1% drop in employment in March of 2020. The pandemic effects are obvious starting in April with 16% (2800) fewer jobs and in May 21% (4000) fewer jobs. Through the rest of the summer and winter, the graph trended slightly better. However, at the end of the year, Juneau was roughly still 5-7% below (1000 jobs) pre-pandemic employment numbers.

Mr. Calvin presented a similar graph depicting job losses across the Southeast Alaska region. Juneau makes up roughly 40% of the regional economy so the data depicted comparable trends. However, as a region overall, other communities had sharper drops in employment in comparison to Juneau.

Mr. Calvin expects to see an inverse wave pattern persisting into the future with significant job losses reflected in both the spring and summer of 2020 and 2021, but with declining unemployment rates in the winter months. The biggest concern is whether or not there will be adequate labor to take advantage of record capacity cruise traffic in the summer of 2022. Even with pandemic uncertainties, Mr. Calvin is hopeful that the wave pattern will become less significant over time with the possibility of returning to pre-pandemic employment numbers in 2023.

Wages

Mr. Calvin presented another graph on wage data based on quarterly reports from the Department of Labor comparing 2019 to 2020. In the first quarter of 2020, Juneau was about 5% above 2019 reported wages. In the second quarter of 2020, Juneau's numbers were about 4% below the previous year. At its worst, in the third quarter of 2020 Juneau experienced an 11% decline over 2019, which amounts to about $30 million in lost wages. About $25 million of wages lost were in the private sector. Interestingly, in the fourth quarter of 2020, wages increased to 8% above 2019 levels in the same quarter. Government did account for most of that increase with some private sector exceptions, specifically in mining. Mr. Calvin remarked that this study highlighted that government is an important steadying influence in the Juneau economy. The most recent wage data in the first quarter of 2021 shows that Juneau is currently slightly above pre-pandemic numbers, but Mr. Calvin expects the second quarter will continue the trend into the negatives.

Mr. Calvin remarked that the loss in jobs being significantly higher (12%) than loss of wages (1%) could indicate that the jobs lost were lower paying jobs.

On packet page 101, Mr. Calvin compared the annual and summer changes in employment from 2019 to 2020 statewide. This graph highlighted that Southeast

Alaska was hit much harder than the rest of the state due to the large influence of cruise ship tourism.

Business Sales

On packet page 102, Mr. Calvin presented a graph detailing loss of business sales in 2020/2021 compared to 2019. Overall, slightly over $300 million business sales were lost in 2020 relative to 2019. The 2021 data shows that Juneau was 6% above pre-pandemic sales in the first quarter, but the second quarter loss, when Juneau would normally be seeing its first bump in cruise ship sales, was about $82 million. Mr. Calvin expects to see an estimated $200 million in losses by the end of 2021.

Mr. Calvin clarified that the research does not show how many businesses actually went out of business since some businesses could have stopped sales without shutting down entirely. He also remarked that Juneau's businesses "are not out of the woods" yet since in the winter of 2020 federal relief funds were widely available to support local businesses and households, which are not likely to be available in the winter of 2021.

The graph on packet page 103 details the loss in gross sales across several types of businesses in Juneau. In summary, tour providers were hit the hardest, losing 95% of sales while the construction industry increased $35 million in comparison to 2019. Total business sales were down approximately $304 million in 2020 (-12%) and were concentrated in the sectors most impacted by cruise ship visitation. The impacts of the pandemic on Juneau's economy could have been much worse if it wasn't for the significant amount of federal relief funding infused into the economy. Mr. Calvin remarked that 2021 will continue to see more federal stimulus to offset the impact of the pandemic, but at reduced levels from 2020.

Mr. Rogers directed the Assembly to packet page 60, page 38 of the McKinley report that contains a complete list of relief funds that came through CBJ.

Unemployment Insurance Payments

On packet page 106, Mr. Calvin showed a graph detailing Unemployment Insurance payments to Juneau residents by month from January 2019 to July 2021. In total, $2 million in unemployment insurance was paid in 2019 compared to $28 million in 2020.

Mr. Calvin directed the Assembly to packet page 58, page 36 of the McKinley report and stated that tribal governments in Alaska received over $23 million from the Coronavirus Relief Fund (CRF) and also received additional federal relief through the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) in 2021.

# Minutes - Assembly Finance Committee Meeting
# Wednesday, November 3, 2021, 6:00 pm

Other Indicators

Mr. Calvin noted Juneau's slow 4% decline in population since 2015 is likely to continue in 2021 since outmigration is outpacing in-migration.

In summary, Mr. Calvin noted the primary concern in the coming years will be labor shortages. Many businesses have had trouble finding skilled labor and it is likely that employment this past year would have been much higher had businesses been able to satisfy their labor needs. It's likely that businesses will continue to have difficulty finding employees at affordable cost since they will have to attract non-resident workers (a third of Juneau's summer labor force) at higher cost. Also, Juneau residents continue to feel sidelined and frustrated with infrastructure because of the added difficulties of finding childcare while attempting to reenter the labor force.

Cruise ship traffic is most likely to affect the wave function seen in Juneau's employment picture over the next couple years. Whether the ships are full, whether passengers have disposable income, and whether the businesses that serve those visitors can fully meet the demand with adequate staffing remains to be seen.

Mr. Calvin answered committee questions.

Assemblymember Hale updated the Committee on the most recent Juneau Economic Development Council (JEDC) meeting relating to the discussion with the Juneau Chamber of Commerce. The Chamber and the JEDC are working together to get $800,000 of additional relief funds out to businesses in some form or another. There is also a discussion of reallocating some of the American Rescue Plan Act (ARPA) funds that "missed the target for businesses" because of stringent criteria. Additional funding is available at the State level, but the State is currently undecided on how to disperse these funds.

Mr. Calvin remarked on some issues outside of the pandemic that have impacted Juneau labor shortages. Notably, the cost of housing was and continues to be a key issue for attracting outside workers to come to Juneau as a business can only compensate so much with higher wages. He is not sure local government can do anything to mitigate this problem as there is already a tremendous amount of effort placed on addressing housing in general. Also, whatever the community can do to provide quality and affordable childcare to get parents into the labor force will help.

Mr. Rogers reminded the Committee that a contract with McKinley Research Group is in place to update the Juneau Economic Plan.

# Minutes - Assembly Finance Committee Meeting
# Wednesday, November 3, 2021, 6:00 pm

**b. CBJ Social Service Grant Funding**

Mr. Rogers presented a memo on packet page 63 summarizing the details of the $300,000 grant request from The Glory Hall and the questions the Committee faces in response. Packet page 64 reflects a table provided by the Juneau Community Foundation of funds distributed from 2017 to 2021, both from the CBJ Social Service Grant Program and the Juneau Hope Endowment Fund, which are managed side-by-side.

Amy Skilbred, Juneau Community Foundation (JCF) Executive Director, and Mariya Lovishchuk, The Glory Hall Executive Director, were introduced via Zoom for questions.

Ms. Skilbred clarified that grant awards from the Juneau Hope Endowment Fund have a disbursement deadline of March each year, creating a timing difference from when funds from CBJ's Social Service Grant Program are available, as the Assembly doesn't appropriate these funds until the city budget has been adopted in June. Decisions about grant amounts are made in early spring, before the JCF knows the exact amount available for the CBJ Social Service Grant Program. As a result of this timing difference, the grant agreement states that the CBJ portion of the award is subject to appropriation and will be disbursed at a later time than the endowment awards. The Glory Hall's request for additional funding was approved by the JCF in spring, but was inadvertently omitted from the JCF's request for funding from CBJ during the annual budget process.

Ms. Hale clarified that the original $150,000 grant request mentioned in the verbatim transcription on packet page 65 was supposed to be part of the JCF's annual request for funding from CBJ. However, it fell through the cracks because of COVID-19. As a result, the JCF has covered The Glory Hall's 2021 $150,000 request with a grant received from Norwegian Cruise Line. The Glory Hall is still requesting $150,000 in 2022 for sheltering operations. In the future, JCF will address any additional funding requests as part of the annual budget process.

**<u>Motion:</u> by Assemblymember Gladziszewski to fund The Glory Hall's $150,000 request in FY22, and in the future address this request through the JCF grant process.**

**Motion passed by unanimous consent.**

Ms. Hale and Ms. Gladziszewski both expressed concern at the timing of when funds are requested by the JCF and approved in the budget process and whether an alternate process should be determined.

# Minutes - Assembly Finance Committee Meeting
# Wednesday, November 3, 2021, 6:00 pm

Mr. Rogers clarified that in the past the JCF did not need to request funding when they were getting the same amount of money every year, but when there was an expectation of a different amount of money, it became necessary for the JCF to ask for a different sum.

Mr. Rogers explained that the normal fund request process could still be effective. In January, February, or March, Ms. Skilbred would send the Assembly a request for funding to be placed on the pending list. Then, the Committee would make a decision. If the JCF needed a decision in early April, it could be accommodated earlier in the budget process. If there was an interest to make that decision even earlier, the JCF could make a separate, direct request to the Assembly.

Ms. Skilbred answered committee questions.

*The committee recessed at 7:12 PM.*
*The committee reconvened at 7:22 PM.*

**c. Bartlett Regional Hospital Bonding**

Mr. Rogers presented a memo on packet page 76, stating that as part of its campus development efforts, Bartlett Regional Hospital's (BRH) Board is contemplating debt issuance. The BRH Board would like to pursue a bond rather than use hospital fund balance in order to maintain six months' worth of operating reserves at any given time. Additionally, their fund balance is generating interest revenue that would be reduced with a lower cash balance.

At the recommendation of Mr. Rogers, BRH is seeking tax-exempt debt financing on eligible projects including the Emergency Department Addition and Renovation CIP and the Crisis Stabilization Center/Behavioral Health Facility CIP that are already underway. The debt financing would take the form of a revenue bond, which pledges only hospital revenue as the source of repayment. Since the debt would not be a general obligation bond, it would not implicate CBJ general revenues and would not require a public vote to issue. Mr. Rogers stated that he engaged with a financial advisor who determined that a bond issued through the Alaska Municipal Bond Bank Authority (AMBBA) would result in lower interest costs and lower overall cost over the life of the debt.

The BRH Board of Directors already approved the $20 million debt issuance in late September.

BRH Board President Kenny Solomon Gross and BRH Chief Financial Officer Kevin Benson were available via Zoom for questions.

# Minutes - Assembly Finance Committee Meeting
# Wednesday, November 3, 2021, 6:00 pm

**<u>Motion</u>: by Ms. Hale to direct staff to make application to AMBBA and draft and introduce a bond ordinance for $20 million of revenue debt after the BRH Board of Directors has formally approved the debt issuance.**

**<u>Objection</u>: by Mayor Beth Weldon for the purpose of a question, stating that her understanding was that the BRH Board had already approved the debt issuance.**

**Mr. Rogers clarified that the BRH Board of Directors did already formally approve the $20 million revenue bond.**

**<u>Amendment:</u> by Ms. Hale to direct staff to make application to the AMBBA and draft and introduce a bond ordinance for $20 million of revenue debt.**

**Mayor Weldon removed her objection.**

**Motion passed by unanimous consent.**

**d. Statewide Sales Tax Position**

Rorie Watt, City Manager, presented a draft resolution on packet page 78 opposing a statewide sales tax.

Mr. Watt stated that historically CBJ has stayed out of specific advocacy at the legislative level with regard to the state fiscal plan. Therefore, the long term approach has been to advocate broadly and not specifically. However, it became clear the legislature may be leaning towards a statewide sales tax which may not be in Juneau's best interests. Mr. Watt stated he believes it's appropriate at this time to debate whether CBJ should formally oppose a statewide sales tax, for a number of reasons.

Mr. Watt stated that sales tax has long been the domain of municipal governments as a revenue source. It has not been a State source. Adding a statewide sales tax on top of local sales tax will drive the overall Juneau sales tax rate up and directly impact local businesses. It's likely once a statewide sales tax is in place, it will increase over time putting pressure on the overall sales tax rate, which could result in the municipality potentially cutting public services or raise property taxes as the main source of municipal revenue. Mr. Watt stated that he believes it's important to have this discussion now before attending the Alaska Municipal League (AML) conference later in the month.

Ms. Hale distributed copies of a 2019 resolution from the Aleutian's East Borough (supplemental item on packet page 110). Ms. Hale stated that the resolution is similar to the draft resolution on packet page 78 as it expresses the difficulty of a statewide sales tax on top of local sales taxes. It also informs and advocates for a progressive income tax rather than a statewide sales tax. Ms. Hale commented on the value of East Borough's resolution aiming for positive action rather than negative opposition. Ms. Hale stated that Juneau could work with other municipalities in the future so there is a larger united front opposing a statewide sales tax.

The Committee discussed CBJ specifically opposing a statewide sales tax.

Chair Triem asked the Committee and, specifically, Ms. Hale what they think CBJ could positively suggest in lieu of a statewide sales tax. Ms. Triem was hesitant to suggest something like an income tax as seen in the East Borough resolution stating that a complete change in policy may be "out of the wheelhouse" of the Assembly.

Ms. Hale countered by suggesting an income tax would be within the Assembly's purview citing the Committee talks about cost shifting from reduced state revenue sharing and overall municipal support. Ms. Hale stated that she is leaning toward suggesting an income tax with full understanding that it would be suggested through a resolution with no real legal weight.

Mr. Rogers suggested that a small group of Assemblymembers convene to workshop the resolution to complete a draft before the AML conference in mid-November.

**<u>Motion:</u> by Ms. Gladziszewski that a group of three named by the Mayor (Assemblymember Smith, Ms. Hale, Mayor Weldon) work on the resolution to bring it back in front of the Assembly Finance Committee (AFC) or the Committee of the Whole (COW).**

**Motion passed by unanimous consent.**

**e. Repeal of On-Board Cruise Ship Sales Tax Exemption (Ordinance 2020-48)**

Mr. Watt presented packet pages 84-87 containing an ordinance and an associated amendment repealing the current exemption on the taxation of goods and services aboard cruise ships under CBJ Code 69.05.040. Mr. Watt reminded the Committee that this topic was discussed in late 2020 but was de-railed by COVID-19.

Mr. Watt stated that he has been in contact with the Juneau Chamber of Commerce and the Cruise Line Industry Association (CLIA) about repealing the onboard sales tax exemption. CLIA reportedly understands and expects the repeal. In broad context of all the things happening with sales tax and the Remote Seller

Sales Tax Commission, repealing the exemption makes CBJ's sales tax code more uniform.

Mayor Weldon prepared an amendment on packet page 87 addressing the main concerns to which CLIA objected to. The amendment would only require sales tax to be applied within the Gastineau Channel. If a ship is transitioning through borough waters without stopping in port, also referred to as "innocent passage", sales tax would not be charged.

Mr. Rogers clarified that we do not know the percentage of sales that actually occur within the Gastineau Channel. With a detailed analysis of sales with specific times listed, it's possible that an educated guess could be made.

Robert Palmer, City Attorney, was available for questions and offered help in drafting a more expansive ordinance with clarifying language for borough boundaries.

Mayor Weldon clarified that they verified with CLIA having a landmark as the boundary is much easier than tracking latitude/longitude.

Mr. Rogers clarified that each cruise ship is required to report their exempt sales in each borough boundary. The list of exempt sales includes beverage sales, spa services, gift items, artwork, etc. Mr. Rogers guessed that the afternoon and evening hours before the ship departs contain the bulk of the revenue (ie. specialty dining in the evening, alcohol, etc). Mr. Rogers also clarified about how CBJ taxes tours. In short, CBJ taxes the portion of any tour price that is paid to a local tour vendor and does not currently tax the portion that is retained by the cruise line as a commission. As it stands today, no other community in Southeast Alaska taxes sales aboard cruise ships. However, other communities in the United States, like Miami, do tax onboard cruise ship sales.

Assemblymember Hughes-Skandijs expressed concern over creating a sales tax boundary in Gastineau Channel within the borough boundary and the "gray areas" that it may create. As an example, she spoke of tour companies that operate within the borough boundary but outside of Gastineau Channel for which tours may be sold on the ship within the Gastineau boundary. Ms. Hughes-Skandijs asked if it might be easier to establish the tax boundary at the borough boundary with an innocent passage clause included to clearly exclude ships that will not port in Juneau.

Assemblymember Bryson had questions about collecting alcohol tax and sales tax concurrently.

Mr. Rogers clarified that currently CBJ does not collect alcohol tax from sales on cruise ships. If the ordinance were to be adopted, then there would likely also need to be a clause in CBJ's code clarifying whether alcohol tax will be collected aboard cruise ships. Mr. Rogers stated that CBJ would almost certainly move toward a posture where, if a tour is sold within the borough boundary, the commission amount is taxable in addition to the amount that is paid to a local vendor. The law would then compel CBJ to require cruise ships to tax the commission portion as well, if the tour is sold inside the borough.

Mr. Rogers also clarified that if the Assembly passes the proposed amendment in the packet, CBJ would then require each ship to report both their exempt sales within the borough boundary and their taxable sales within the Gastineau Channel.

**<u>Motion:</u> by Mayor Weldon to incorporate the amendment on packet page 87 into Ordinance 2020-48.**

**<u>Objection:</u> by Ms. Hughes-Skandijs.**

**<u>Roll Call Vote:</u>**
**Ayes:** Weldon, Hale, Woll, Gladziszewski, Bryson, Wáahlaal Gíidaak, Smith, Triem
**Nays:** Hughes-Skandijs

**Motion Passes. Eight (8) Ayes, One (1) Nay.**

**<u>Motion:</u> by Mayor Weldon to move Ordinance 2020-48, as amended, to the full Assembly.**

**Motion passed by unanimous consent.**

*The committee recessed at 8:41 PM.*
*The committee reconvened at 8:51 PM.*

**f. ARPA Funds for Lost Commercial Passenger Vessel Fees**

Mr. Watt presented the memo on packet pages 89-90 regarding the allocation of \$12 million in ARPA funds as hold-harmless payments for lost commercial passenger vessel (CPV) fee revenue over the past two fiscal years. Unlike typical passenger fees, these funds are not restricted to the requirements of the CLIAA settlement. Updates to the forecast revenue that eliminated negative passenger fund balance left approximately \$10.5 million in unallocated passenger fees available through the end of the current fiscal year. The original recommendation was to appropriate \$8.4 million for the purposes described in the table on packet page 90, leaving \$2.1 million in fund balance to focus on waterfront projects.

# Minutes - Assembly Finance Committee Meeting
# Wednesday, November 3, 2021, 6:00 pm

Mr. Watt stated that upon clarified guidance from the State and the legislature that these funds should be treated as unrestricted, he has revised his initial recommendations for allocation of the funds.

Mr. Watt stated that instead of $8.4 million allocated for the purposes detailed in the table on packet page 90, he is instead recommending $3 million for Statter Harbor Phase IIIC (no change from the original recommendation) and $2.5 million for the Seawalk project (a reduction of $900,000 from the original recommendation). $1 million to replenish Docks & Harbors' fund balance and $1 million for the Seawalk Safety Rail project were removed from his recommendation.

Mr. Watt clarified that the Statter Harbor Phase IIIC project requires a $3 million match of non-passenger fee funding per a commitment with the cruise line indsutry.

The Committee discussed the memo and modified recommendations.

**<u>Motion</u>: by Mayor Weldon to introduce an appropriating ordinance to the Assembly for $5.5 million of ARPA/CPV funds split $3 million for the Statter Harbor Phase IIIC project and $2.5 million for the Seawalk project.**

**<u>Objection:</u> by Ms. Gladziszewski, stating that she would like to discuss other funding options for the Seawalk, as this project is eligible to be covered by passenger fee revenue, rather than using unrestricted funds that could otherwise be used for general government infrastructure improvement.**

Mr. Rogers clarified that the Finance Department does need some direction or sense of whether the ARPA funds should be deposited into the General Fund and appropriated from the General Fund or whether it should be deposited into a Passenger Fee Fund and then transferred to the General Fund for other purposes.

The Committee indicated that the funds should be treated as general funds.

**<u>Amendment:</u> by Ms. Gladziszewski to leave the $3 million for the Statter Harbor Phase IIIC project but reduce the Seawalk project funding to $1 million and discuss the capital projects more at the next Public Works and Facilities Committee meeting.**

Mr. Watt stated the Seawalk project cannot move forward with only $1 million, and that a minimum of $2.5 million is required. However, the funding source of this project could be adjusted as CBJ gets a clearer idea of what FY23 cruise visitation might look like.

# Minutes - Assembly Finance Committee Meeting
# Wednesday, November 3, 2021, 6:00 pm

**Ms. Gladziszewski removed her objection and her amendment.**

**Motion passed by unanimous consent.**

g. **FY2022 Supplemental Appropriation for Plat Reviewer**

Mr. Rogers presented the memo on packet pages 91-92 regarding a request for funding from the Community Development Department (CDD) for a Planner II (Plat Reviewer) position. $70,000 is roughly six months of the cost of a fully benefitted Plat Reviewer position. If endorsed, CBJ would recruit and hire a Plat Reviewer this fiscal year and funding for the position would be included in the Manager's proposed budget for FY23.

Mr. Watt clarified the purpose of hiring a new Plat Reviewer is to improve CBJ's permitting process.

<u>**Motion:**</u> **by Mayor Weldon to move Ordinance 2021-08(b)(am)(J) to the Assembly for public hearing.**

**Motion passed by unanimous consent.**

**V. NEXT MEETING DATE**

a. **December 1, 2021**

**VI. AJOURNMENT**

*The meeting was adjourned at 8:14pm.*

# MEMORANDUM

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

**DATE:** November 24, 2021

**TO:** Assembly Finance Committee

**FROM:** Jeff Rogers, Finance Director

**SUBJECT:** **Update on FY2021 Year-end Close**

This memo should be reviewed side-by-side with the Budget Summary document, particularly the section of changes from the FY21 Assembly Adopted Budget and the FY21 Final Year-End Audited.

The financial statements for FY21 (the fiscal year most recently closed on June 30, 2021) are being finalized now, and auditors have begun their initial review. The main takeaway is a $1.9 million surplus after the Assembly balanced a $2.8 million deficit with federal ARPA funds (which would have yielded a perfectly balanced budget for FY21).

The most significant factor in the increased surplus was the outsized general fund lapse of more than $5.2 million. That number is considerable, but it reflects the degree to which the pandemic limited city business. More than $2.6 million of that was a personnel services lapse resulting from shuttered programs/facilities, staff reassignments, and held vacancies. Closed or limited facilities, as well as reduced fuel prices, resulted in a utility cost and supply lapse of more than $840,000. Limits on employee travel and training resulted in a lapse of approximately $400,000. The professional services lapse was nearly $1.0 million resulting from both limited operations and diversion of certain eligible costs to emergency funds. Finally, other non-personnel lapses totaled more than $300,000. These are unprecedented lapses, and there is no reason to believe they will occur at this magnitude in the future.

On the revenue side, while total sales tax receipts were $1.3 million lower than projected, they were still $700,000 million higher than projected when the budget was finalized. CARES funds offset approximately $1.1 million more of core city service costs than anticipated. Additionally, charges for services were approximately $500,000 higher than forecast at the time of the last update.

After several years of super-sized investment returns, investment income in FY21 was $1.8 million less than budgeted, resulting from rising interest rates. Previous memos have predicted this outcome. As interest rates fall, investment returns are higher than normal; and as rates rise, investment returns become sluggish. If interest rates stabilize in the current range, CBJ investment income will stabilize also.

These numbers may move slightly as the Controller completes supporting financial statements, but a surplus of approximately $1.9 million is expected. This surplus increases the unrestricted general fund balance from approximately $25.5 million at the end of FY20 to approximately $27.5 million at the end of FY21. The restricted budget reserve has increased from $13.6 million at the end of FY20 to approximately $14.6 at the end of FY21 resulting from JEDC's return of funds from the COVID-19 small business loan program. This yields a total combined general fund balance of $42.1 million at the end of FY21.

# MEMORANDUM

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

**DATE:** November 24, 2021

**TO:** Assembly Finance Committee

**FROM:** Jeff Rogers, Finance Director

**SUBJECT:** **Mid-Year Update on FY22**

This memo should be reviewed side-by-side with the Budget Summary document, particularly the section of changes from the FY22 Assembly Adopted Budget and the FY22 Final Year-End Projected. Additionally, you may wish to review the updated Consolidated Revenue Forecast document.

The fiscal year started with an unexpectedly strong Sales Tax quarter. The first quarter of FY22 (July-September) yielded $12.7 million in Sales Tax vs. $11.0 million forecast. That is significant outperformance, and it is tempting to hope that trend will continue. It's not exactly clear why Sales Tax returns were so far above the forecast. The prior forecast did assume that Juneau would receive a modest number of ships and passengers, which happened generally as expected. The prior forecast also assumed that residents would be back to some degree of "pre-pandemic" local consumption. As you may remember, early July was marked by a reprieve from COVID-19 and many folks took the opportunity to resume some of their typical activities in the community. However, by mid-to-late July, the Delta variant began to limit public interactions again.

All that said, Sales Tax doesn't lie. The strong performance in the first quarter is a good sign, and it could point to a faster economic recovery than previously expected. This may also indicate that local businesses are recovering faster than expected. However, cost inflation is also likely a factor. Inflation that increases the cost of goods and services also increases Sales Tax receipts. This is an important reminder for the coming year—not only will continued economic recovery increase Sales Tax receipts, but so will greater-than-normal inflation. The Finance Department has updated the Sales Tax Forecast for this outperformance and made other minor tweaks resulting in total additional Sales Tax revenue in FY22 of $3.4 million. Included in that additional Sales Tax amount is $400,000 of additional remote sales tax resulting from increases to the FY22 forecast from $1.8 million to $2.2 million.

In FY22 so far, the Assembly has already approved (or has pending) approximately $10.7 million of general fund expenditures that were not previously budgeted. Notably $3.0 million for Statter Harbor Phase IIIc, $2.5 million for the Seawalk project, and $2.9 million for the purchase of the boatyard owned by UAS. The Assembly has also approved $1.0 million in general funds for emergency response relating to the pandemic and $700,000 for the Ballot Processing Center. Those are all one-time costs. Additionally, the Assembly has approved almost $400,000 of new recurring costs (Glory Hall, grant writer, plat reviewer, and Assembly/Board pay increases).

Significantly, those supplemental appropriations are offset by the Assembly's decision to use $11.9 million of ARPA funds (which replace lost state marine passenger fee revenue) as general funds. While the projects funded above are not specifically tied to these ARPA funds, the net effect is that one-time revenue has funded one-time costs.

In June, the Assembly made a change to reduce the property tax mill rate when that ordinance was up for public hearing. The FY22 budget ordinance was adopted in the same meeting, and that ordinance did not reflect the lower mill rate. That mill rate reduction results in approximately $540,000 less property tax, which is now reflected in the budget summary.

Additionally, school bond debt was budgeted to be reimbursed at 50% of the eligible amount, but in the final analysis, the Legislature actually funded approximately 41.8% of CBJ's school bond debt. The difference from the adopted budget is approximately $460,000. The Finance Department will propose a supplemental appropriation in the coming months to cover that lost amount.

All of those changes together turn a budgeted $5.4 million deficit into a projected $26,000 surplus for FY22 (both scenarios include a presumed $1.5 million lapse). This surplus would have an immaterial effect on the unrestricted general fund balance, estimated at $27.5 million at the end of FY21 and the end of FY22.

# MEMORANDUM

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

**DATE:** November 24, 2021

**TO:** Assembly Finance Committee

**FROM:** Jeff Rogers, Finance Director

**SUBJECT:** **Looking Ahead to FY23**

The level of uncertainty about FY23 remains high, but the future looks brighter than the past. Increasingly, the consensus view is that vaccines, therapeutics, and targeted mitigation measures should allow the world to feel somewhat more "normal" by next summer.

Here are the major themes for the fiscal circumstances of FY23:

- Forecasting Summer Visitation
- Push and Pull of Federal Funds
- Inflationary Pressure on Expenditures
- Inflation of Sales Tax
- Continued Growth in Property Value
- State Budget and School Bond Debt
- Labor Negotiations
- Fund Balance and Big Projects

Forecasting Summer Visitation

The Manager and I have met with representatives of CLIAA to discuss industry expectations for visitation in the summer of 2022. Generally, the cruise industry remains highly optimistic. According to the current ship schedule, there will be capacity for approximately 1.5 million passengers. That would significantly exceed pre-pandemic capacity. However, the industry recognizes that ships will need to reserve a large number of rooms for quarantine of passengers who test positive for COVID-19. Hence, real capacity is estimated to be 5-10% lower than scheduled capacity.

Cruise lines are reluctant to divulge specific information about current bookings; however, all lines consistently report that demand for Alaska cruises remains "sky high" and that many passengers who had bookings in 2020 and 2021 plan to use those bookings in 2022. And as always, cruise lines will likely apply strategic discounting to fill berths rather than sail with them empty.

The cruise industry will also face labor force and supply chain issues on their ships and on shore in their ports of call. It's not clear yet if those labor and supply constraints could impact capacity or bookings. But, as a general statement, and due to the same pressures, Juneau's tourism vendors and infrastructure would likely struggle to accommodate a record number of passengers in 2022. Similarly, our sister ports (particularly Seattle and Vancouver) will have all of their own logistical challenges supporting a record season.

Given all of those issues, the Finance Department and the Manager are using 1.15 million passengers as a planning number for 2022—at this time. That is approximately the number of passengers recorded by Docks & Harbors in 2018, so for forecasting sales tax and passenger fees, we will accordingly look to 2018 as a guide. Aside from the specific revenues from sales tax and passenger fees, 1.15 million passengers will almost certainly kick Juneau's economy into high gear, and a fully productive economy will feel very different from both the current and prior year. The summer of 2022 may not feel like a pre-pandemic season, but it's likely to feel like the tourism industry is close to a "new normal".

Push and Pull of Federal Funds

Two things are likely true: CBJ will not receive any additional federal operating support related to the pandemic and, at the same time, CBJ will benefit from an unprecedented level of federal infrastructure spending. That's good and bad news. CBJ benefited substantially from federal support in FY21 and FY22. While CBJ certainly wasn't "made whole", federal support plugged the biggest revenue holes which prevented the Assembly from needing to consider large reductions to municipal services. No additional pandemic-related federal operating grants are expected in FY23, which means that the CBJ budget must be balanced principally by municipal revenues.

On the flip side, the bipartisan infrastructure bill that has been signed into law will bring several billion dollars to the state of Alaska. One measure suggests that Alaska will receive $3,500/resident for infrastructure. If those dollars landed proportionately in communities (they may not) then Juneau would be in line for approximately $100 million of federal projects. It's too early to tell exactly how much we may receive and for what kinds of projects, but the magnitude will be great. That said, these projects are likely to play out over the next 5 to 10 years, so the impact on FY23 will likely be modest.

Additionally, early indications are that these projects will require local matching funds. Unless those funds come from state sources, Juneau will need to commit local revenues as match to the federal grants. For example, if Juneau were to receive $100 million in projects with a required 20% match, then Juneau would need to provide $20 million of local funds to see the projects advance. That $20 million of required match would largely consume the unrestricted fund balance available today.

So, in summary, additional operating/stabilization grants are unlikely. And while federal infrastructure spending will certainly spur the economy and benefit Juneau, it is very likely that those grants will also induce the expenditure of considerable local general funds.

Inflationary Pressure on Expenditures

After many years of tepid cost growth, inflation is upon us. We know this through the numbers (CPI) and through our everyday experience (ask Robert Barr how much more he's paying for milk). The most recent annualized inflation measure for calendar year 2021 exceeded 6% year-over-year. The Federal Reserve has two objectives: price stability and full-employment. It achieves a balance between the two by setting interest rates, which effectively makes it more or less expensive to take on debt. The Federal Reserve targets 2% annual inflation, and it will generally increase interest rates to prevent the US economy from run-away inflation. However, recent comments from the Federal Reserve indicate that the level of inflation in the current year is transitory rather than persistent, and that generally inflation is expected to fall to typical levels (~2% annually) into 2022 and beyond.

CBJ should expect to see costs rise across the board through the end of FY22 and into FY23. Higher costs for supplies, higher costs for fuel and utilities, higher costs for services, and higher costs for construction activities. In short, almost everything will likely be more expensive, and potentially by a wide margin. Vast federal infrastructure spending is likely to pile-on to the cost increases for construction activities. And the current labor shortage may severely increase the cost of professional services (architects, engineers, etc.) and non-professional services (custodial, shipping/freight, transit/logistics, etc.).

It's probably too early to predict exactly how inflationary pressure will impact the FY23 budget, but higher costs will require additional general funds or service reductions. And the impact on the Capital Improvement Plan is likely to be even more pronounced.

Labor Negotiations

CBJ will enter into labor negotiations with its three bargaining units in December or January. Those negotiations will be shaped by all of the factors already noted above, particularly the presence of inflation and the labor shortage. The Assembly will receive an introductory briefing from the Human Resources Department on those negotiations soon. The Finance Department has developed a costing tool to analyze the potential cost of wage and benefit increases. At a high-level, a 1% increase for all three bargaining units (plus non-covered employees) will result in approximately $450,000 of annual general fund cost. By extension, 2% would cost $900,000 general funds, and 3% would cost approximately $1,350,000. Additional non-general fund costs will be borne by the Enterprises and other funds that have employees subject to CBJ's bargaining. CBJ will be bargaining for the FY23, FY24, and FY25 contracts; and increases to wages compound into those future years.

<u>Forecasting Sales Tax</u>

For many years, the Finance Department has under-forecast Sales Tax receipts. Some have viewed this as a measure of conservative fiscal planning, and it certainly is. But, the consistent outperformance of Sales Tax is part of what has driven the phenomenon of CBJ finishing the year with surpluses when the Assembly was told to expect deficits. The goal should be to identify a realistic forecast that is neither too high nor too low; as in, we should have as much chance to miss on the down-side as on the up-side.

In the most recently closed quarter, Finance forecast $11.0 million sales tax, but CBJ actually received $12.7 million. That's only a single quarter, but it does lead to greater confidence with a higher expectation going forward. Hence, the FY23 sales tax forecast is currently more bullish. Four factors will drive sales tax in FY23: local consumption, number of visitors and their spending, inflation, and remote sales tax.

First, there is strong indication that local consumption will continue to normalize, potentially returning to pre-pandemic levels by sometime in FY23. Nobody knows what is going to happen with COVID-19 going forward. But most agree that the world is learning to cope with the virus and that life must go on. If that attitude prevails, consumption should return to pre-pandemic levels. Many economists are also pointing to American households having unprecedented "excess savings"—meaning that families have unusually high bank account balances, and that they could start to spend that accumulated money any time. This holiday's spending season will likely give a clear signal about whether local consumption is starting to return to pre-pandemic levels.

Second, the number of visitors will shape the economic recovery in the summer of 2022 and beyond. Above, I noted that we are using 1.15 million passengers as a planning number. We believe that number to be reasonable, not overly conservative nor overly optimistic. Again, there will likely be ship capacity for approximately 1.5 million visitors, but we believe all of the issues mentioned above will dampen those numbers down. That number of visitors would be roughly equivalent to the number of visitors in 2018.

Third, cost inflation will drive sales tax receipts higher. As goods and services become more expensive, they simply generate more sales tax. The Finance Department may have been underestimating the importance of the impact of inflation in previous years. Even at 2% inflation, CBJ would receive $400,000 more in sales tax every year, without any underlying economic growth. With inflation currently at much higher levels, sales tax could significantly out-perform for the remainder of FY22, and that increase will carry into FY23.

Fourth, remote sales tax continues to grow faster than expected. Finance is revising its prior forecasts up for both FY22 and FY23. Finance currently forecasts $2.4 million remote sales tax in FY23, but it wouldn't be surprising to exceed that number. This doesn't represent a change in consumption; it represents that the number of sellers collecting sales tax will continue to rise. More registered sellers means more sales tax, and the Alaska Remote Sellers Sales Tax Commission continues to register hundreds of new sellers each year. For as long as the Commission is registering new sellers, remote sales tax collections will continue to rise. And eventually, the forecast for remote sales tax will more closely follow changes in spending habits and inflation.

Bringing all of the factors above together, the Finance Department is currently forecasting $55.2 million in sales tax in FY23. Not only does that represent a $6.8 million increase from FY22, it would be CBJ's highest ever sales tax collection by almost $5 million. Inflation is a key factor here. The attached analysis of passenger counts and CPI demonstrates just how significant inflation is. For example, the summer of 2018 had 1.18 million passengers and CBJ collected $30.0 million in sales tax between April and September. It's tempting to say that at 1.15 million passengers, CBJ would collect about the same, or $30.0 million. But total inflation between 2018 and 2022 is likely to be 8%-10%. Ergo, that same $30 million of 2018 sales will become $32 million in 2022, even with the same number of passengers and the same consumption activity. On the attached sales tax forecast document, all of these factors are brought together and reflect $55.2 million total sales tax for FY23. It's possible that number is too high. And, believe it or not, it's equally possible that it's too low.

Obviously, new information and changes in the economy between now and the introduction of the budget in April could significantly shift this view of sales tax.

Continued Growth in Property Value

Finance does not forecast property tax in the same way that we do sales tax. The amount of property tax CBJ receives is simply the mill rate established by the Assembly multiplied by the taxable assessed value of property determined by the Assessor. As anyone who has tried to buy a home in the last year would tell you, residential home prices continue to climb. Though there have been some signals (longer days on market, and price reductions) that the housing market is now cooling off a little bit. In any event, residential assessed values have certainly grown in calendar year 2021—likely more than in many previous years. Growth of commercial values is harder to determine. In an effort to correct 10 years of no increase to the base value of commercial land, the Assessor implemented a 50% increase to commercial land values in 2021. That change resulted in more than 200 commercial appeals, but, as of this memo, the Board of Equalization has upheld the Assessor's values in all decided appeals. As with the 2021 assessments, the Assessor will use a ratio study of commercial sales to continue trying to get commercial assessments in line with fair market value as indicated by known qualified sales. Given all of the various factors affecting commercial property values, I can't speculate about how they may change in 2022.

The Finance Department will use 2.5% property tax growth overall as a starting point for FY23 budget planning, but that number will be trued up once the Assessor finalizes assessed property values in March.

State Budget and School Bond Debt

Prior to the COVID-19 pandemic, the Finance Department and the Assembly spent a lot of time analyzing and prognosticating about what may happen as result of state budget increases/decreases. Juneau has long relied on state employment for local wages and on state-funded infrastructure projects. Today is no different. Continued cuts to state programs will inevitably negatively affect Juneau's economy. Perhaps more importantly, the shift of state positions out of Juneau appears to be speeding up rather than slowing down. And to top it all off, the rise of permanent telework may mean that Juneau-based jobs can be performed from anywhere in the world. Given all of the other factors shaping FY23, it may not be sensible to spend a lot of time worrying about state actions, excepting the state reimbursement of school bond debt.

The state has reimbursed school bond debt at 50%, 0% and 42% in the last three fiscal years. That trajectory probably doesn't make anyone too enthusiastic about reimbursement for school debt in FY23. As with previous years, Finance will use 50% school bond reimbursement as a planning number for FY23. But, there may be reasons to be more optimistic. Recent conversations with many players suggest that significant flows of federal funds and elevated crude oil prices will make the FY23 state budget easier to resolve than in prior years. It's also a *big* election year. With the redistricting plan currently proposed, as many as 59 out of 60 legislators will face reelection, and the Governor must also run. And all of those candidates will be running in the new environment of ranked-choice voting. Election years tend to result in bigger budgets and fewer vetoes. But, conversely, election politics will also push for a larger Permanent Fund Dividend which will put pressure on the overall budget.

So, some more optimistic budget watchers believe that the FY23 state budget may fully fund school bond debt reimbursement, community assistance payments, and other municipal supports. Others take the position that the size of the PFD will continue to dominate the conversation. No doubt, for many elected officials, a larger PFD is more desirable than fully funding school bond reimbursement. Hence, we will use 50% reimbursement for FY23 budget planning, which amounts to $1.7 million unreimbursed debt cost. However, because CBJ's overall indebtedness drops significantly in FY23, only $208,000 of that amount would require supplemental general funds assuming the debt service mill rate is held flat at 1.20 mills.

Big Projects and Fund Balance

The Assembly has a long list of big projects that would need large appropriations of general funds in order to move forward, notably the New City Hall, Capital Civic Center, Major School Maintenance, West Douglas Expansion, Second Crossing, and major maintenance of numerous city facilities. General funds for these projects can come from three sources: accumulated unrestricted fund balance, the renewal of the 1% temporary sales tax, and general obligation bonds.

CBJ's accumulated unrestricted fund balance is considerable—currently forecast at $27.5 million at the end of

FY22. There's no right or wrong level of unrestricted fund balance, but a reasonable minimum balance is far lower than the balance we have today. In the coming months, the Assembly will likely need to start making decisions about how much of that fund balance to allocate to the large projects described above. That conversation may go hand-in-hand with discussions about the potential projects to be included in the 1% temporary sales tax extension.

Summary

After consideration of all of the factors above, the FY23 budget starts with a deficit of $2.1 million, not accounting for the lapse, which has generally been between $1.5 and $2.0 million. So, the FY23 budget may be generally in balance *before* any allowance for cost growth for commodities/services or for negotiated wage increases. As noted above, inflationary pressure will push costs, and the deficit, higher. One thing is likely to be fairly certain: if the Manager and the Assembly increase expenditures in the budget (which is inevitable) those costs will be deficit spending.

**FY19-FY23 Budget Summary and Impact on Fund Balances**
11/24/2021

| | Revenues | Expenditures | Surplus (Deficit) | Unrestricted Fund Balance |
|---|---|---|---|---|
| **FY2019** | | | | |
| **Final Year-End (audited)** | **$ 152,228,300** | **$ (151,370,300)** | **$ 858,000** | **$ 18,601,800** |
| **FY2020** | | | | |
| **Final Year-End (audited)** | **$ 166,163,900** | **$ (159,211,800)** | **$ 6,952,100** | **$ 25,553,900** |
| **FY2021** | | | | |
| **Manager Proposed Budget** | **$ 152,721,100** | **$ (160,022,100)** | **$ (7,301,000)** | **$ 18,252,900** |
| Proposed Mill Rate Increase not Implemented | $ (4,620,300) | | | |
| Reduced HBT/MPF Support for Assembly Grants | $ (1,553,200) | | | |
| MPF/CPV Reduction for Cruise PAX Survey & Transportation Study | $ (250,000) | | | |
| Anticipated Lost User Fees and Charges for Services | $ (186,900) | | | |
| Reduced Finance Reimbursable Services Paid by Non-GF Depts | $ (92,800) | | | |
| Other Revenue Changes | $ 90,000 | | | |
| CARES Act or FEMA Funding (offset core city services) | $ 11,021,600 | | | |
| Gastineau School Roof Replacement CIP | | $ (1,500,000) | | |
| Grant for Childcare | | $ (400,000) | | |
| Increase GF to JSD Activities (Outside the Cap) | | $ (378,600) | | |
| Grant to Travel Juneau (GF replace HBT) | | $ (265,000) | | |
| Centennial Hall Funding (GF replace HBT) | | $ (84,400) | | |
| Downtown Business Association (HBT historically) | | $ (75,000) | | |
| Grant to Alaska Heat Smart | | $ (30,000) | | |
| Grant to Juneau Commission on Aging | | $ (10,000) | | |
| Other Non-Personnel Expenditure Decreases | | $ (65,300) | | |
| Reduced Grant to JEDC | | $ 75,000 | | |
| Reduced GF to Eaglecrest | | $ 125,000 | | |
| Cost Allocation Reductions (Centennial Hall, Sales Tax Fund) | | $ 215,000 | | |
| Unfunded MPF/CPV Cruise PAX Survey & Transportation Study | | $ 250,000 | | |
| Reduced GF to Waste Management (preparing for liquidation) | | $ 505,800 | | |
| GF Reduction to CBJ Operations | | $ 1,142,800 | | |
| Reduced MPF/HBT-funded Assembly Grants | | $ 1,553,200 | | |
| Delay of Augustus Brown Pool CIP | | $ 3,300,000 | | |
| Deappropriation of CIPs | | $ 3,500,000 | | |
| **Assembly Adopted Budget** | **$ 157,129,500** | **$ (152,163,600)** | **$ 4,965,900** | **$ 30,519,800** |
| Unreimbursed School Bond Debt | | $ (5,900,000) | | |
| Grant to Glory Hall | | $ (2,300,000) | | |
| Grant to SHI | | $ (1,500,000) | | |
| Grant to UHS | | $ (1,100,000) | | |
| Additional GF Appropriations/Grants | | $ (395,200) | | |
| Grant to Alaska Committee | | $ (300,000) | | |
| Additional GF Support to JSD - Up to the Cap | | $ (56,600) | | |
| Supplemental Appropriations | $ - | $ (11,551,800) | | |
| Reduction in Investment Income | $ (1,758,751) | | | |
| Lost User Fees and Charges for Service | $ (1,150,000) | | | |
| Sales Tax Revenue Above/(Below) Forecast | $ (1,000,000) | | | |
| Lost Medicaid Reimbursement for Ambulance Transports | $ (400,000) | | | |
| Property Tax Delinquencies | $ (277,300) | | | |
| Reduction to Vehicle Registration Tax | $ (157,000) | | | |
| Reduction to Anticipated Secure Rural Schools Funding | $ (156,000) | | | |
| Other Consumer Taxes Above/(Below) Forecast | $ 330,000 | | | |
| Other Revenue Changes | $ 349,826 | | | |
| Additional CARES Funds to Offset Core City Services | $ 1,147,200 | | | |
| CARES Transit Grant | $ 2,000,000 | | | |
| Federal American Rescue Plan Act (replace lost revenue) | $ 2,858,925 | | | |
| Personnel Expenditure Lapse | | $ 2,670,600 | | |
| Lapse Sayéik: Gastineau School Roof Appropriation | | $ 1,500,000 | | |
| Professional Services Lapse | | $ 990,000 | | |
| Utility and Supplies Lapse (Reduced Oil Prices, Facility Closures) | | $ 842,500 | | |
| Travel and Training Lapse | | $ 405,000 | | |
| Other Non-Personnel Expenditure Lapse | | $ 301,400 | | |
| Anticipated Variances | $ 1,786,900 | $ 6,709,500 | | |
| **Final Year-End (audited)** | **$ 158,916,400** | **$ (157,005,900)** | **$ 1,910,500** | **$ 27,464,400** |

## FY2022

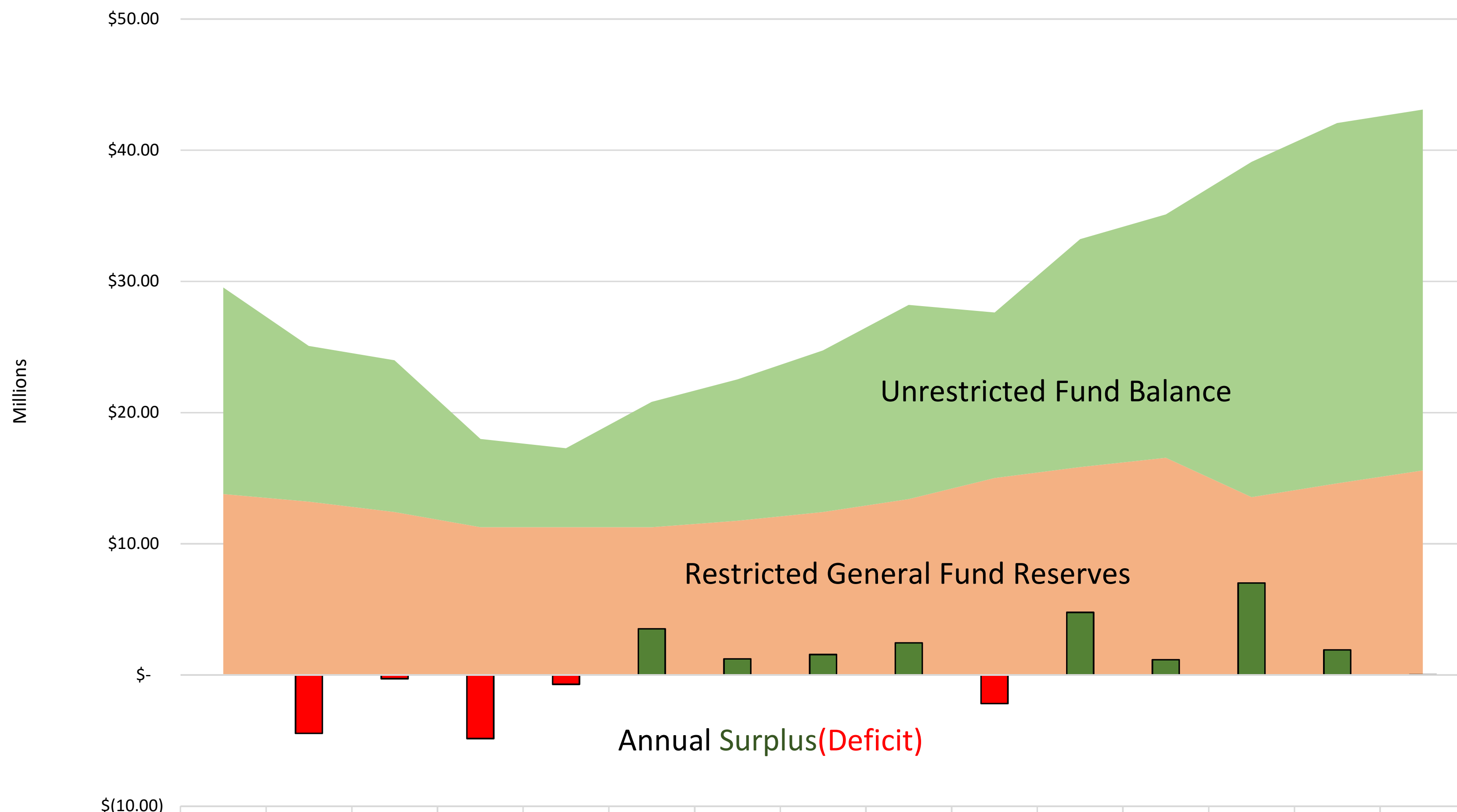
| | | | | |
|---|---|---|---|---|
| Prior Year Adopted Budget | $ 157,129,500 | $ (152,163,600) | | |
| Remove One-Time CARES Act Funding | $ (11,021,600) | | | |
| Reduction in Investment Income over Prior Year | $ (1,174,600) | | | |
| Reduced Charges for Service | $ (604,700) | | | |
| Lost Reimbursement for Ambulance Transports | $ (400,000) | | | |
| Increased Sales Tax COJ Bad Debt Expense | $ (200,000) | | | |
| HBT Shortfall: GF Subsidy to Centennial Hall | $ (173,100) | | | |
| Reduced Federal Support (various) | $ (135,800) | | | |
| Lost Housing & Homelessness Coordinator State Grant | $ (110,000) | | | |
| Miscellaneous Lost Revenue | $ (30,258) | | | |
| Increased State Revenue Sharing | $ 145,100 | | | |
| Dimond Park Field House User Fees | $ 203,800 | | | |
| Liquor/Marijuana Sales Tax Growth over Prior Year | $ 350,000 | | | |
| Engineering Salaries paid by CIPs | $ 406,300 | | | |
| Waste Management Fund Balance to General Fund | $ 579,100 | | | |
| Shéiyi Xaat Hít (Spruce Root House) Federal/State/Private Grants | $ 620,600 | | | |
| Property Tax: Assessed Valuation Growth over Prior Year | $ 674,100 | | | |
| Property Tax: Additional 0.2 mills | $ 1,038,758 | | | |
| Sales Tax Growth over Prior Year | $ 3,100,000 | | | |
| Federal American Rescue Plan Act (replace lost revenue) | $ 8,234,900 | | | |
| Augustus Brown Pool Renovations (delayed from FY21) | | $ (3,300,000) | | |
| Unreimbursed School Bond Debt | | $ (2,809,000) | | |
| Increase to Streets CIP Over FY21 | | $ (2,000,000) | | |
| Increase to 1% Projects Over FY21 | | $ (1,600,000) | | |
| Shéiyi Xaat Hít (Spruce Root House) | | $ (634,600) | | |
| Additional GF Cost of Recycleworks | | $ (600,000) | | |
| Merit Increases (and associated benefits) | | $ (536,208) | | |
| 1% Negotiated Wage Increase | | $ (453,436) | | |
| Increase to employer portion of health care costs | | $ (338,520) | | |
| Additional GF Support to JSD - Up to the Cap | | $ (438,900) | | |
| Dimond Park Field House | | $ (289,100) | | |
| Other Personnel Actions (and associated benefits) | | $ (285,090) | | |
| Re-establishment of Two FY21 Temp Unfunded Positions | | $ (262,500) | | |
| GF Subsidy to Debt Service Fund | | $ (258,000) | | |
| Increased Fleet Replacement Contributions | | $ (209,000) | | |
| Other Non-Personnel Expenditure Increases | | $ (153,946) | | |
| Increased Building Maintenance Expenses | | $ (155,500) | | |
| Restored FY21 Travel Reductions | | $ (149,400) | | |
| Capital Outlay Expenditure Reductions | | $ 196,100 | | |
| **Manager Proposed Budget** | **$ 158,632,100** | **$ (166,440,700)** | **$ (7,808,600)** | **$ 19,655,800** |
| Use of Liquor Tax for CCFR Sleep Off/MIH (instead of BRH) | $ 175,000 | | | |
| CCFR Sleep Off/MIH Increment | | $ (496,600) | | |
| Increase to Childcare Grant | | $ (225,000) | | |
| Increase to JEDC Grant | | $ (75,000) | | |
| Operating Grant to Downtown Business Association | | $ (75,000) | | |
| Operating Grant to Alaska HeatSmart | | $ (110,000) | | |
| Credit Enhancements to Alaska HeatSmart | | $ (25,000) | | |
| Challenge Grant Appropriation to Juneau Park Foundation | | $ (15,000) | | |
| Update to Juneau Economic Plan | | $ (19,000) | | |
| CY2021 Vote-by-Mail w/ Anchorage Vote Center | | $ (58,100) | | |
| GF Subsidy for Travel Juneau Operating Grant | | $ (69,400) | | |
| Change to Proposed Mill Rate | $ (1,033,200) | | | |
| Total Assembly Adopted Changes | $ (858,200) | $ (1,168,100) | $ (2,026,300) | |
| Additional Use of Federal American Rescue Plan Act in FY22 | $ 1,738,375 | | | |
| Change in Assumption for School Bond Debt Reimbursement | $ - | | | |
| Change from Revised Property Valuation | $ 2,727,025 | | | |
| Revenue Forecast Changes | $ 4,465,400 | $ - | $ 4,465,400 | |
| **Assembly Adopted Budget** | **$ 162,239,300** | **$ (167,608,800)** | **$ (5,369,500)** | **$ 22,094,900** |

| | | | | |
|---|---|---|---|---|
| Statter Harbor Phase IIIC/Seawalk CIPs | | $ (5,500,000) | | |
| Purchase of Harris Harbor Boat Yard | | $ (2,880,000) | | |
| EOC Expenditures | | $ (1,000,000) | | |
| Ballot Processing Center Capital Project | | $ (700,000) | | |
| Grant/MPF Funded Supplemental Appropriations in the General Fund | $ 286,600 | $ (286,600) | | |
| The Glory Hall Sheltering Support | | $ (150,000) | | |
| Grant Writer Position | | $ (120,000) | | |
| CDD Plat Reviewer Position | | $ (70,000) | | |
| Increased Assembly/Planning Commissioner Compensation | | $ (27,800) | | |
| Supplemental Appropriations | $ 286,600 | $ (10,734,400) | | |
| | | | | |
| Anticipated Lapse | | $ 1,500,000 | | |
| Sales Tax Revenue Above/(Below) Forecast | $ 3,400,000 | | | |
| Mill Rate Reduction Not Included in Budget | $ (540,000) | | | |
| Reimbursed School Bond Debt Reduced from 50% to 41.8% | $ (458,500) | | | |
| ARPA Funds Replacing SMPFs | $ 11,942,000 | | | |
| Anticipated Variances | $ 14,343,500 | $ 1,500,000 | | |
| | | | | |
| **Final Year-End (projected)** | **$ 176,869,400** | **$ (176,843,200)** | **$ 26,200** | **$ 27,490,600** |
| | | | | |
| **FY2023** | | | | |
| Prior Year Adopted Budget | $ 162,239,300 | $ (167,608,800) | | |
| Remove One-Time ARPA Funding | $ (9,973,300) | | | |
| Reverse Waste Management Fund Balance to GF | $ (579,100) | | | |
| Sales Tax Growth over FY22 Adopted Budget | $ 6,800,000 | | | |
| Property Tax Growth (2.5%) over FY22 Adopted Budget | $ 1,400,000 | | | |
| Increased Charges for Service over FY22 Adopted Budget | $ 1,000,000 | | | |
| Reimbursement for Ambulance Transports (SEMT) | $ 400,000 | | | |
| Reverse FY22 GF Exp for Unreimbursed School Bond Debt | | $ 2,809,000 | | |
| Reverse FY22 Additional 1% Project CIP ($8.7M Status Quo) | | $ 1,600,000 | | |
| Reverse FY22 GF Subsidy to Debt Service Fund | | $ 258,000 | | |
| Reverse FY22 GF Subsidy to Centennial Hall (HBT Shortfall) | | $ 173,100 | | |
| Reverse FY22 GF Subsidy to Travel Juneau (HBT Shortfall) | | $ 69,400 | | |
| Reverse FY22 Update to Juneau Economic Plan | | $ 19,000 | | |
| Reverse FY22 Juneau Park Foundation Grant | | $ 15,000 | | |
| Merit Increases (and associated benefits) | | $ (550,000) | | |
| Negotiated Wage Increase (unkown) | | $ - | | |
| Services/Commodities Cost Growth (unkown) | | $ - | | |
| Unreimbursed School Bond Debt (50%) | | $ (208,000) | | |
| **Manager Proposed Budget** | **$ 161,286,900** | **$ (163,423,300)** | **$ (2,136,400)** | **$ 25,354,200** |
| | | | | |
| Assembly Changes | | | | |
| Total Assembly Adopted Changes | $ - | $ - | $ - | |
| | | | | |
| Revenue Forecast Changes | | | | |
| Revenue Forecast Changes | $ - | $ - | $ - | |
| | | | | |
| **Assembly Adopted Budget** | **$ 161,286,900** | **$ (163,423,300)** | **$ (2,136,400)** | **$ 25,354,200** |
| | | | | |
| Supplemental Appropriation... | | | | |
| Supplemental Appropriations | $ - | $ - | | |
| | | | | |
| Anticipated Lapse | | $ 1,500,000 | | |
| Anticipated Variances | $ - | $ 1,500,000 | | |
| | | | | |
| **Final Year-End (projected)** | **$ 161,286,900** | **$ (161,923,300)** | **$ (636,400)** | **$ 26,854,200** |

Updated 11/24/2021

## 15-Year General Government Fund Balance History and Projections

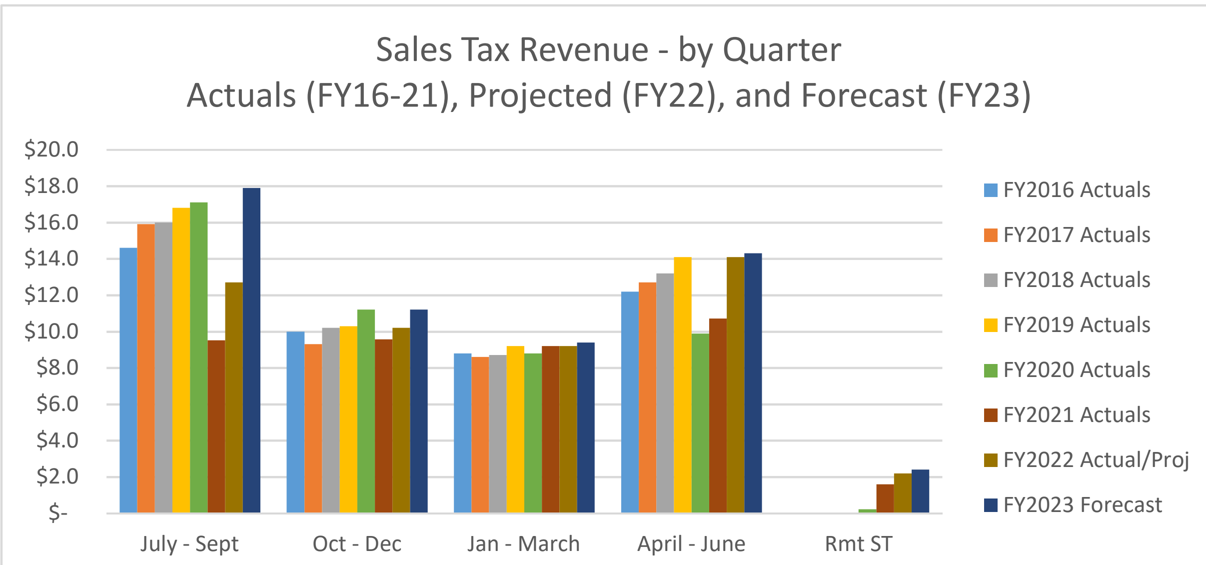
***Includes Sales Tax Fund***

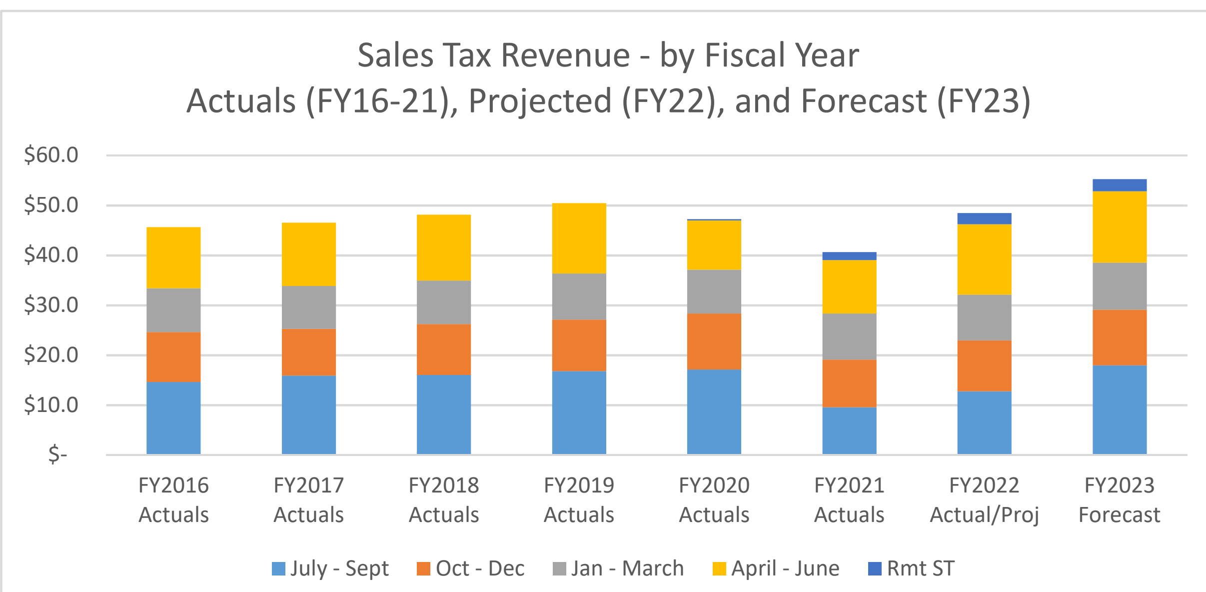



| | FY2008 | FY2009 | FY2010 | FY2011 | FY2012 | FY2013 | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 | FY2022 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Unrestricted Fund Balance | $15.74 | $11.87 | $11.58 | $6.74 | $6.03 | $9.55 | $10.78 | $12.34 | $14.79 | $12.60 | $17.38 | $18.54 | $25.55 | $27.46 | $27.49 |
| Reserves | $13.79 | $13.21 | $12.42 | $11.26 | $11.26 | $11.26 | $11.76 | $12.41 | $13.41 | $15.02 | $15.86 | $16.55 | $13.55 | $14.60 | $15.60 |
| Surplus/(Deficit) | | $(4.45) | $(0.29) | $(4.84) | $(0.71) | $3.52 | $1.23 | $1.56 | $2.45 | $(2.19) | $4.78 | $1.17 | $7.01 | $1.91 | $0.03 |

**Sales Tax Actuals, Projected, and Forecast**
**Updated 11/24/2021**

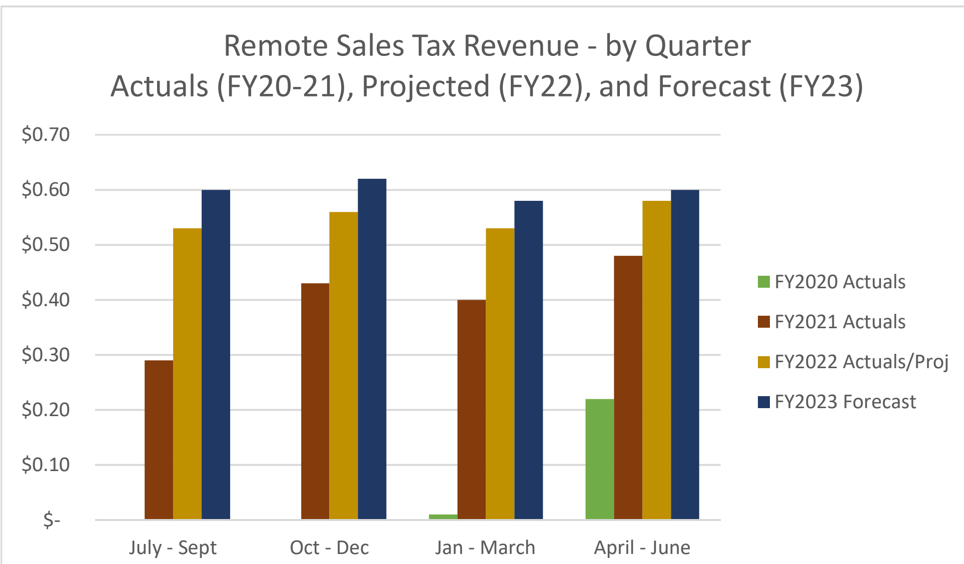
| Sales Tax | Q1<br>July - Sept | Q2<br>Oct - Dec | Q3<br>Jan - March | Q4<br>April - June | Annual<br>Rmt ST | Total |
|---|---|---|---|---|---|---|
| FY2016 Actuals | $ 14.6 | $ 10.0 | $ 8.8 | $ 12.2 | $ - | **$ 45.6** |
| FY2017 Actuals | $ 15.9 | $ 9.3 | $ 8.6 | $ 12.7 | $ - | **$ 46.5** |
| FY2018 Actuals | $ 16.0 | $ 10.2 | $ 8.7 | $ 13.2 | $ - | **$ 48.1** |
| FY2019 Actuals | $ 16.8 | $ 10.3 | $ 9.2 | $ 14.1 | $ - | **$ 50.4** |
| FY2020 Actuals | $ 17.1 | $ 11.2 | $ 8.8 | $ 9.9 | $ 0.2 | **$ 47.2** |
| FY2021 Actuals | $ 9.5 | $ 9.6 | $ 9.2 | $ 10.7 | $ 1.6 | **$ 40.6** |
| | | | | | | |
| FY2022 Adopted | $ 11.0 | $ 10.2 | $ 9.0 | $ 13.0 | $ 1.8 | **$ 45.0** |
| FY2022 Actual/Proj | $ 12.7 | $ 10.2 | $ 9.2 | $ 14.1 | $ 2.2 | **$ 48.4** |
| Over/(Under) Budget | $ 1.7 | $ - | $ 0.2 | $ 1.1 | $ 0.4 | **$ 3.4** |
| | | | | | | |
| FY2023 Forecast | $ 17.9 | $ 11.2 | $ 9.4 | $ 14.3 | $ 2.4 | **$ 55.2** |

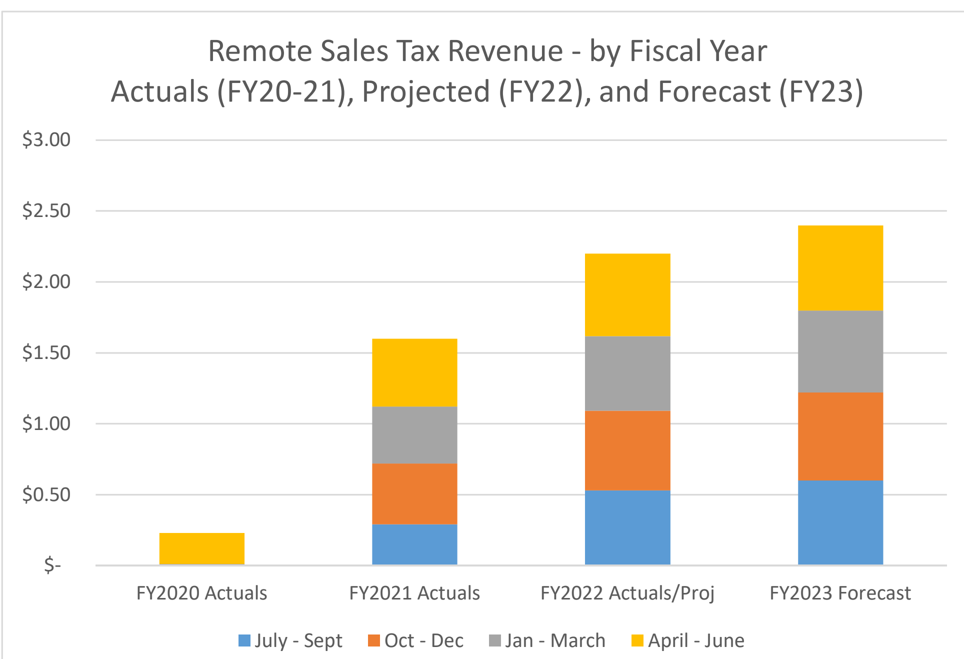


**Remote Sales Tax Actuals, Projected, and Forecast**
**Updated 11/24/2021**

| Remote Sales Tax | Q1 July - Sept | Q2 Oct - Dec | Q3 Jan - March | Q4 April - June | Total |
|---|---|---|---|---|---|
| FY2016 Actuals | $ - | $ - | $ - | $ - | **$ -** |
| FY2017 Actuals | $ - | $ - | $ - | $ - | **$ -** |
| FY2018 Actuals | $ - | $ - | $ - | $ - | **$ -** |
| FY2019 Actuals | $ - | $ - | $ - | $ - | **$ -** |
| FY2020 Actuals | $ - | $ - | $ 0.01 | $ 0.22 | **$ 0.23** |
| FY2021 Actuals | $ 0.29 | $ 0.43 | $ 0.40 | $ 0.48 | **$ 1.60** |
| | | | | | |
| FY2022 Adopted | $ 0.44 | $ 0.48 | $ 0.44 | $ 0.44 | **$ 1.80** |
| FY2022 Actuals/Proj | $ 0.53 | $ 0.56 | $ 0.53 | $ 0.58 | **$ 2.20** |
| Over/(Under) Budget | $ 0.09 | $ 0.08 | $ 0.09 | $ 0.14 | **$ 0.40** |
| | | | | | |
| FY2023 Forecast | $ 0.60 | $ 0.62 | $ 0.58 | $ 0.60 | **$ 2.40** |




**By Month and Quarter**

| | | | |
|---|---|---|---|
| FY20 Q3 | March | $ | 8,608 |
| FY20 Q4 | April | $ | 59,622 |
| | May | $ | 71,410 |
| | June | $ | 86,952 |
| | **Total FY2020** | **$** | **226,592** |
| | | | |
| FY21 Q1 | Jul | $ | 93,529 |
| | Aug | $ | 99,659 |
| | Sept | $ | 95,405 |
| FY21 Q2 | Oct | $ | 145,325 |
| | Nov | $ | 121,040 |
| | Dec | $ | 159,225 |
| FY21 Q3 | Jan | $ | 126,253 |
| | Feb | $ | 120,339 |
| | Mar | $ | 151,929 |
| FY21 Q4 | Apr | $ | 158,656 |
| | May | $ | 148,231 |
| | June | $ | 175,578 |
| | **Total FY2021** | **$** | **1,595,170** |
| | | | |
| FY22 Q1 | Jul | $ | 163,701 |
| | Aug | $ | 184,066 |
| | Sept | $ | 186,254 |
| | **YTD FY2022** | **$** | **534,022** |

**Summer Sales Tax Forecasting Calculation based on Cruise Passengers and Inflation**

Prepared by Jeff Rogers, 11/24/2021

| | | Nominal Sales Tax | | | | | Inflation-Adjusted Sales Tax (indexed to 2021) | | |
|---|---|---|---|---|---|---|---|---|---|
| CY | PAX | Q4 (Apr-Jun) | Q1 (Jul-Sept) | Total | CPI | Infl % | Q4 (May-Jul) | Q1 (Jul-Sept) | Total |
| 2015 | 965,731 | | $ 14.6 | $ 14.6 | 216.909 | 0.5% | | | $ - |
| 2016 | 992,092 | $ 12.2 | $ 15.9 | $ 28.1 | 217.83 | 0.4% | $ 13.2 | $ 17.2 | $ 30.3 |
| 2017 | 1,046,587 | $ 12.7 | $ 16.0 | $ 28.7 | 218.873 | 0.5% | $ 13.6 | $ 17.2 | $ 30.8 |
| 2018 | 1,118,897 | $ 13.2 | $ 16.8 | $ 30.0 | 225.545 | 3.0% | $ 13.8 | $ 17.5 | $ 31.3 |
| 2019 | 1,273,741 | $ 14.1 | $ 17.1 | $ 31.2 | 228.676 | 1.4% | $ 14.5 | $ 17.6 | $ 32.1 |
| 2020 | - | $ 9.5 | $ 9.5 | $ 19.0 | 226.153 | -1.1% | $ 9.9 | $ 9.9 | $ 19.7 |
| 2021 | 89,084 | $ 10.1 | $ 12.7 | $ 22.8 | 235.199 | 4.0% | $ 10.1 | $ 12.7 | $ 22.8 |
| 2022 | 1,150,000 | $ 14.1 | $ 17.9 | $ 32.0 | 239.903 | 2.0% | $ 13.8 | $ 17.5 | $ 31.4 |

**CBJ Debt Service Model**

*Updated 11/24/2021*

| | *Actual* | | *Projected* | *Forecast* | | | | |
|---|---|---|---|---|---|---|---|---|
| | **FY2020** | **FY2021** | **FY2022** | **FY2023** | **FY2024** | **FY2025** | **FY2026** | **FY2027** |
| **Debt Service Fund Balance** | **$ 5,156,600** | **$ 974,938** | **$ 300,222** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** |
| **Required Debt Service** | **$ 13,903,271** | **$ 13,706,111** | **$ 12,899,393** | **$ 8,839,091** | **$ 6,248,113** | **$ 4,708,825** | **$ 3,553,025** | **$ 3,593,382** |
| **Reimbursements/Subsidies** | | | | | | | | |
| SOA SBDR % | 50% | 0% | 42% | 50% | 50% | 50% | N/A | N/A |
| SOA SBDR $ | $ (3,441,732) | $ - | $ (2,350,496) | $ (1,684,437) | $ (823,206) | $ (504,300) | $ - | $ - |
| Bond Proceeds | $ - | $ (286,000) | $ - | $ - | $ - | $ - | $ - | $ - |
| Federal Subsidy | $ (184,804) | $ (83,000) | $ - | $ - | $ - | $ - | $ - | $ - |
| Interest Income | $ (38,294) | $ (74,198) | $ - | $ - | $ - | $ - | $ - | $ - |
| Airport Reimbursement $ | $ - | $ (602,375) | $ (662,625) | $ - | $ - | $ - | $ - | $ - |
| Hotel Bed Tax Subsidy | $ - | $ - | $ (277,700) | $ (280,000) | $ (284,200) | $ (288,463) | $ (292,790) | $ (297,182) |
| Other Financing Sources (Uses) | $ (73,961) | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| **Net Required Debt Service** | **$ 10,164,480** | **$ 12,660,538** | **$ 9,608,572** | **$ 6,874,654** | **$ 5,140,707** | **$ 3,916,062** | **$ 3,260,235** | **$ 3,296,200** |
| **Debt Service Paid by Mill Rate** | **$ 5,982,818** | **$ 6,085,822** | **$ 6,504,000** | **$ 6,666,600** | **$ 5,140,707** | **$ 3,916,062** | **$ 3,260,235** | **$ 3,296,200** |
| **Debt Service Fund Net Gain/(Loss)** | **$ (4,181,662)** | **$ (974,938)** | **$ (300,222)** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** |
| **Required General Fund Subsidy** | **$ -** | **$ 5,599,778** | **$ 2,804,350** | **$ 208,054** | **$ -** | **$ -** | **$ -** | **$ -** |
| **Voluntary General Fund Subsidy** | **$ -** | **$ 5,900,000** | **$ 2,804,350** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** |
| **Debt Service Mill Rate (Status Quo)** | **1.20** | **1.20** | **1.20** | **1.20** | **0.91** | **0.68** | **0.56** | **0.56** |

Presented by: The Manager
Presented:
Drafted by:

# RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

## Serial No. 29XX

### A Resolution Supporting New Broad-Based Taxation as Part of a Long Term State Fiscal Plan, and Opposing a Statewide Sales Tax.

WHEREAS, continued reductions to state services threaten the health of Juneau's economy and the well-being of Juneau's residents; and

WHEREAS, to avoid continued reductions to state services, the State of Alaska must adopt and implement a long-term fiscal plan; and

WHEREAS, the adoption and implementation of a long-term fiscal plan that fully funds essential government services will require new broad-based revenues; and

WHEREAS, the adoption and implementation of a long-term fiscal plan without new broad-based revenues perpetuates Alaska's over-reliance on oil revenue and makes future budgets highly subject to fluctuations in oil price and production; and

WHEREAS, the State has continued to shift the financial burden for the provision of government services, including education, to local municipalities; and

WHEREAS, the Legislature is currently considering a statewide sales tax, an income tax, and other revenue measures as part of a long-term fiscal plan; and

WHEREAS, municipalities have long funded local government services by imposing local sales taxes carefully tailored to the needs of their local residents and economies; and

WHEREAS, the authority for broad-based taxation by municipalities is generally limited to property and sales taxes; and

WHEREAS, a statewide sales tax combined with existing local sales taxes will eventually result in communities reducing local sales tax rates and increasing local property tax rates to continue delivering essential municipal services; and

WHEREAS, an income tax would tax Alaskans based on income and ability to pay; and

WHEREAS, an income tax would tax all income earned in Alaska allowing the State to collect from both resident and non-resident income earners that now benefit from government services without financially contributing toward those services; and

WHEREAS, up to $10,000 of state and local taxes are deductible from federal taxable income, mitigating the tax burden on Alaskans; and

WHEREAS, the legal authority to implement an income tax is reserved to the State and is restricted from local municipalities; and

WHEREAS, the balance of the Alaska Permanent Fund is approximately $80 billion and produces annual earnings sufficient to sustainably fund a portion of essential government services while also funding permanent fund dividend payments to all Alaskans without overdrawing the earnings reserve; and

WHEREAS, any further delay in the implementation of new broad-based revenues as part of a long-term fiscal plan shifts the burden of current financial challenges to future generations of Alaskans and threatens the health of Alaska's economy.

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

**Section 1.** That the City and Borough of Juneau Assembly supports the adoption of a long-term fiscal plan for the State of Alaska that implements new broad-based revenue and uses permanent fund earnings responsibly and sustainably to fully fund essential government services.

**Section 2.** That the City and Borough of Juneau Assembly opposes implementation of a statewide sales tax.

**Section 3.** That the City and Borough of Juneau Assembly supports consideration of all broad-based revenue measures, including an income tax, that do not compete with locally implemented taxes.

**Section 4.** **Effective Date.** This resolution shall be effective immediately after its adoption.

Adopted this _______ day of _______________________, 2021.

_____________________________________
Beth A. Weldon, Mayor

Attest:

_____________________________________
Elizabeth J. McEwen, Municipal Clerk

**2021 Appeals for Commercial Property Tax Assessments**

Appeal status as of 11/24/2021

| Row Labels | Parcels | Appellants |
|---|---|---|
| Open-Need letter | 45 | 32 |
| Open-Need date | 24 | 11 |
| Open-Scheduled | 11 | 3 |
| Closed-Withdrawn Change | 3 | 3 |
| Closed-Withdrawn No Change | 55 | 20 |
| Closed-BOE Determined | 72 | 21 |
| **Grand Total** | **210** | **86** |

| | | |
|---|---|---|
| **All Open** | **80** | **46** |
| **All Closed** | **130** | **44** |
| **TOTAL** | **210** | **90** |

Ordinance 2021-08(b)(am)(P)
Manager's Report

**An Ordinance Appropriating up to $2,880,000 to the Manager for the Purchase of 2.8 Acres from the University of Alaska Southeast for the Juneau Fisheries Terminal; Funding Provided by General Funds.**

This ordinance would appropriate $2,880,000 of general funds for the purchase of approximately 35,000 square feet of uplands and two acres of tidelands from the University of Alaska Southeast (UAS). Docks and Harbors is currently leasing this property from UAS to support commercial fisheries and commercial boat repair activity. Continuation of the lease after expiration in May 2022 will result in a significant increase in leasing costs to the Docks and Harbors enterprise, which cannot be recovered through existing subleases. Investment in the purchase of this property will reduce ongoing operating costs and alleviate pressure on Docks and Harbors user fees.

The Committee of the Whole reviewed this request at the November 1, 2021 meeting.

Presented by: The Manager
Introduced: November 22, 2021
Drafted by: Finance

# ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

## Serial No. 2021-08(b)(am)(P)

**An Ordinance Appropriating up to $2,880,000 to the Manager for the Purchase of 2.8 Acres from the University of Alaska Southeast for the Juneau Fisheries Terminal; Funding Provided by General Funds.**

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 up to $2,880,000 for the purchase of 2.8 acres from the University of Alaska Southeast for the Juneau Fisheries Terminal.

**Section 3. Source of Funds**

| | |
|---|---|
| General Funds | $2,880,000 |

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

Adopted this ________ day of ____________, 2021.

______________________________
Beth A. Weldon, Mayor

Attest:

______________________________
Elizabeth J. McEwen, Municipal Clerk