

**ASSEMBLY FINANCE COMMITTEE
THE CITY AND BOROUGH OF JUNEAU, ALASKA
Thursday, July 13, 2017, 5:30 PM.
Assembly Chambers**

- I. CALL TO ORDER**
- II. ROLL CALL**
- III. APPROVAL OF MINUTES**
 - a. **Wednesday, June 28, 2017**
- IV. ITEMS FOR DISCUSSION**
 - a. **1% Sales Tax Proposals**
- V. INFORMATION ITEMS**
 - a. **Memo from the New Juneau Arts and Culture Center (JACC)**
 - b. **Email from the Building Trades to the Full Assembly - 7/7/17**
 - c. **Memo re: Scalability Options for Downtown Parking - 7/6/17**
- VI. NEXT MEETING DATE**
 - a. **Wednesday, August 9, 2017**
- VII. ADJOURNMENT**

ADA accommodations available upon request: Please contact the Clerk's office 72 hours prior to any meeting so arrangements can be made to have a sign language interpreter present or an audiotape containing the Assembly's agenda made available. The Clerk's office telephone number is 586-5278, TDD 586-5351, e-mail: city.clerk@juneau.org

DRAFT
City and Borough of Juneau
Minutes - Assembly Finance Committee Meeting
Wednesday, June 28, 2017, 5:30 p.m.

I. Call to Order

The meeting was called to order at 5:31 PM by Jesse Kiehl, Chair.

II. Roll Call

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

Committee Members Participating Telephonically: None.

Committee Members Absent: None.

Staff Present: Rorie Watt, City Manager; Mila Cosgrove, Deputy City Manager; Bob Bartholomew, Finance Director; Chief Bryce Johnson, Chief of Police; Jessie Paskowski, Administrative Officer, Juneau Police Department; Rich Etheridge, Fire Chief; Kirk Duncan, Director of Parks and Recreation; Brent Fischer, Facilities, Parks and Landscape Superintendent; Greg Chaney, Lands and Resources Manager; Rob Steedle, CDD Director; Roger Healy, Director, Engineering & Public Works; Samantha Stoughtenger, WasteWater Utility Superintendent; John Bohan, Chief CIP Engineer; Scott Ciambor, Chief Housing Officer; Charles Bill, Chief Executive Officer, Bartlett Regional Hospital; Sam Muse, Controller; and Elisabeth Jensen, Budget Analyst.

Others Present: Brenda Knapp, Board President, Bartlett Regional Hospital; Max Mertz, Chair, Aquatics Board; Wayne Jensen; Tom Rutecki, Aquatics Board; Bob Banghart, New JACC; Bud Carpeneti, New JACC; Peter Freer, New JACC; and Katharine Heumann, New JACC.

III. Approval of Minutes

The June 14, 2017 minutes were approved as presented.

IV. 1% Sales Tax Proposals

Note: This is a continuation of the 1% Sales Tax Proposal topic of discussion from the AFC meeting on June 14, 2017, where Rorie Watt, City Manager; had offered pages 36 -90 of the June 14, 2017, AFC packet; as a starting point for the Temporary 1% Sales Tax discussion. He had noted that page 90 of the June 14th packet provides two options, and that conclusion was reached based on the criteria provided on page 36 of that packet.

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The following proposals were presented to the Assembly during the meeting on June 28, 2017:

A. JACC – The New Juneau Arts & Culture Center

Bob Banghart, Bud Carpeneti, Peter Freer and Katharine Heumann provided information on the New JACC request (pages 54-58 of the June 14, 2017, AFC packet), and responded to questions from the Assembly members.

B. BRH – Rainforest Recovery Center Upgrades

Charles Bill, Chief Executive Officer, Bartlett Regional Hospital; presented the request (pages 41-42 of the June 14, 2017, AFC packet), and responded to questions from the Assembly members. He was joined by BRH Board President, Brenda Knapp.

C. Parks & Rec – Augustus Brown Pool Deferred Maintenance

Max Mertz, Chair of the Aquatics Board, Wayne Jensen and Kirk Duncan, Director of Parks and Recreation; provided a hand-out, and discussed information on the request (pages 65 – 67 of the June 14, 2017, AFC packet), and responded to questions from the Assembly members.

D. Parks & Rec – Centennial Hall Upgrade / Deferred Maintenance

Kirk Duncan, Director of Parks and Recreation; and Roger Healy, Director, Engineering & Public Works; discussed information on the request (pages 12 – 13 of the evening's packet and 68 – 71 of the June 14, 2017, AFC packet), and responded to questions from the Assembly members.

E. Parks & Rec – Mt. Jumbo Gym Upgrade / Deferred Maintenance

Kirk Duncan, Director of Parks and Recreation; and Roger Healy, Director, Engineering & Public Works; discussed information on the request (pages 14 – 17 of the evening's packet), and responded to questions from the Assembly members.

F. Parks & Rec – Treadwell Ice Arena Roof

Kirk Duncan, Director of Parks and Recreation; and Roger Healy, Director, Engineering & Public Works; discussed information on the request (page 18 of the evening's packet and 74 of the June 14, 2017, AFC packet), and responded to questions from the Assembly members.

G. Parks & Rec – Parks

Kirk Duncan, Director of Parks and Recreation; and Brent Fischer, Facilities, Parks and Landscape Superintendent; discussed information on the request (pages 62-64 & 72 of the June 14, 2017, AFC packet), and responded to questions from the Assembly members.

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H. Parks & Rec – Trails

Kirk Duncan, Director of Parks and Recreation; and Brent Fischer, Facilities, Parks and Landscape Superintendent; discussed information on the request (pages 63-64 & 73 of the June 14, 2017, AFC packet), and responded to questions from the Assembly members.

The meeting recessed at 7:12 PM.

The meeting reconvened at 7:25 PM.

I. Parking – Downtown / Willoughby Area

Rorie Watt, City Manager; discussed information on the request (pages 75-76 of the June 14, 2017, AFC packet), and responded to questions from the Assembly members.

J. Waterfront Development Local Contribution/Match

Rorie Watt, City Manager; discussed information on the request (page 89 of the June 14, 2017, AFC packet), and responded to questions from the Assembly members.

K. Land Fund Capital

Greg Chaney, Lands and Resources Manager; discussed information on the request (pages 59-60 of the June 14, 2017, AFC packet), and responded to questions from the Assembly members.

L. Housing – Affordable Housing Fund Capital & Existing Grant, Loan Support Programs

Scott Ciambor, Chief Housing Officer; discussed information on the request (in a handout during the meeting and on pages 48-53 of the June 14, 2017, AFC packet), and responded to questions from the Assembly members.

M. Housing – New: Loan, Grant & Redevelopment Programs

Scott Ciambor, Chief Housing Officer; discussed information on the request (in a handout during the meeting and on pages 48-53 of the June 14, 2017, AFC packet), and responded to questions from the Assembly members.

N. Equipment/Fleet Replacement Fund Capital – Emergency Vehicles

Bob Bartholomew, Finance Director; discussed information on the request (pages 6-8 of the evening's packet), and responded to questions from the Assembly members.

O. IT – Infrastructure Upgrades

Mila Cosgrove, Deputy City Manager; discussed information on the request (pages 9-10 of the evening's packet), and responded to questions from the Assembly members.

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Chair Kiehl directed staff to collect each Assembly member's project prioritization list, to develop a unified starting point for the mid-July AFC meeting.

Assembly members asked staff to follow-up with information addressing the following questions/requests for information that came up during the discussion:

- Prepare a list of prior 1% projects not funded, & prioritize by safety risks.
- What funding source was used by CBJ to purchase the 2nd & Franklin lot?
- What loans are still in repayment status with the Lands Fund?
- Bob to reach out to Norton to get info on the type of loans he was inquiring about
- Scenario from the Lands Fund financial model indicating a negative balance.
- Request for a JPD fleet schedule example.
- What would be the estimated tear-down & replacement cost of Centennial Hall?
- May we have a prioritization of the Centennial Hall list (pg 13)?
- Reconcile / update page 61 (Facilities costs) of AFC packet on 6.14.17.
- Provide scalability options for Downtown Parking.
- Rank Parks & Trails by Safety & Use

VII. Alaska Municipal Infrastructure Federal Funding Requests

Rorie Watt briefly discussed Governor Request Letter on page 91 of the AFC July 14, 2017, packet, as well as page 19 in the evening's packet. Mr. Watt offered a few other suggestions for addition to the list, including the State match for the Juneau Access project and continued work on the West Douglas Road widening and extension project. A response is due to the Governor by June 30, 2017.

Assembly members discussed and added other items to the list for ranking purposes.

The list included:

- Bridge to Norway Point
- Auke Bay Marine Station
- Wastewater Biosolids
- Juneau Access State Match
- Extend West Douglas Road
- JACC Request
- BRH Rainforest
- Centennial Hall
- Waterfront Plan – Gold Creek Inbound

The meeting recessed at 9:21 PM.

The meeting reconvened at 9:32 PM.

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The body ranked the list and determined the following to be the top five in order of priority.

1. Wastewater Biosolids
2. BRH Rainforest
3. Bridge to Norway Point
4. Juneau Access State Match
5. Extend West Douglas Road

Jerry Nankervis, moved to direct staff to send the top five list of priorities to the Governor.

Mr. Jones objected.

Roll call votes:

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

Nays: Jones.

Absent: None.

Motion PASSED 8-1.

VIII. Next Meeting Dates

Wednesday, July 13, 2017

IX. Adjournment

Meeting was adjourned at 9:46 PM.

City and Borough of Juneau
ASSEMBLY FINANCE COMMITTEE
July 13, 2017

Temporary 1% Sales Tax Extension & Proposal Review Process

Background:

In 2012 voters approved a special 5 year 1% sales tax that will expire September 30, 2018, unless the voters approve extending the duration of the tax. The proceeds from this tax were/are used for: capital projects, capital project bond debt service, budget reserve and non-profit capital project grants. It is projected that the total tax proceeds to be received are \$44.0 million. Of this total \$3.7 million was allocated in FY18 & FY19 for a Child Adolescent Mental Health Unit (CAMHU). This project will not move forward at this time and the available funding is being added to the extension program for re-evaluation.

Current Status:

The CBJ is considering a proposed extension of the existing temporary 1% sales tax program for five years from October 1, 2018, to September 30, 2024. The question of the proposed extension would be submitted to the qualified voters at the upcoming municipal election on October 3, 2017. The timing of the proposed extension covers a portion of FY19, full fiscal years 2020 – 2023, and a portion of FY24. It is currently estimated a 1% sales tax would raise \$43.3 million of sales tax over 5 years. The total revenue available is projected to be \$47.0 million (after adding in the \$3.7 million of funding available from the CAMHU project).

Management identified internal CBJ government needs and received proposals from local non-profit organizations. 26 project proposals were received with an estimated budget of \$126.0 million. The Assembly Finance Committee met June 14th, and 28th to hear presentations on the 26 project proposals and ask questions. After the June 28th meeting staff was directed to prepare a schedule that allowed Finance Committee members to select and rank their top 12 projects. The results of this priority ranking are summarized in the attached schedule.

Next Steps:

The Finance Committee will meet July 13, 2017, to discuss the priority rankings and propose appropriations of the \$47.0 million in estimated sales tax revenue (to be collected over a 5 year period). As \$3.1 million of the existing sales tax is available this fiscal year (FY18) the committee may want to specify which project(s) should receive this year's funding.

Based on the outcome of the committee work, staff will prepare an ordinance to put the question before the voters at the October 3, 2017 election. The ordinance would be introduced July 31, 2017, and scheduled for public hearing and final assembly action on August 21, 2017.

City and Borough of Juneau
Preliminary List of 1% Sales Tax CIP Project Ideas FY 19-24
Ranking Tabulation Summary Results from AFC members - 7/10/2017

PROJECT TITLE	FULL REQUEST	RANKING TOTAL	COMMITTEE \$ ALLOCATION
Wastewater Existing Infrastructure Mtnc	\$ 18,000,000	96	
Building Maintenance - CBJ Owned	5,000,000	79	
Water Existing Infrastructure Mtnc	4,500,000	72	
Airport FAA Project Match	3,000,000	69	
P&R Augustus Brown Pool Deferred Mtnc	5,500,000	51	
P&R Centennial Hall Upgrade/Deferred Mtnc	8,500,000	50	
Building Maintenance - JSD Major Mtnc / Match	3,000,000	45	
BRH - Rainforest Recovery Center Upgrades	2,500,000	41	
Airport Snow Removal Equipment Building (SREB) Phase 1c	5,500,000	32	
P&R Treadwell Ice Arena Roof	1,000,000	31	
IT - Infrastructure Upgrades	2,000,000	25	
Waste - RecycleWorks Waste Diversion Program	2,000,000	22	
Affordable Housing Fund Capital & Existing Grant, Loan, Support Programs	3,000,000	21	
P&R Parks	2,085,000	16	
Harbor - Aurora Harbor Rebuild Phase III	7,000,000	14	
JACC - The New Juneau Arts & Culture Center	5,000,000	10	
Parking - Downtown/Willoughby Area	8,000,000	6	
Harbor - Douglas Harbor Parking and Landscape	2,500,000	4	
Land Fund Capital	3,000,000	4	
Airport Terminal Parking Improvements	3,000,000	3	
Housing - New: Loan, Grant & Redevelopment Programs	1,100,000	3	
Equipment/Fleet Replacement Fund Capital - Emergency Vehicles	3,000,000	2	
P&R Mt Jumbo Gym Deferred Mtnc	1,000,000	1	
P&R Trails	2,525,000	1	
Childcare & Development - Best Starts	14,000,000	-	
Waterfront Development Local Contribution/Match	5,000,000	-	
Total	\$ 120,710,000	698	\$ -

Note:

Current estimate of available funding is \$47.0M. (\$3.1M available in FY18; \$0.6M available beginning FY19.)

The New Juneau Arts and Culture Center

350 Whittier St. Suite 101 • Juneau, AK 99801 • 907 586-2787 • NewJACC.org

Dear Chairman Kiehl:

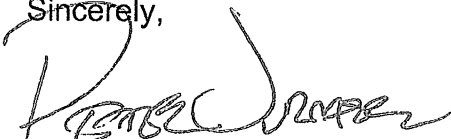
I write on behalf of the Partnership Board, which has been charged by the Juneau Arts and Humanities Council to manage construction of the New Juneau Arts and Culture Center. It is my understanding that the Finance Committee will be making its recommendations on sales tax and related revenue issues to the assembly at its meeting, now scheduled for Thursday, July 13.

Our board is optimistic about commencing construction on the facility during 2018, but is also aware that certain prospective private donors are looking for a strong signal of on-going local government support for the project before they will irrevocably commit to it. Thus, your actions play a critical role in advancing completion of this wonderful undertaking.

We know there are many worthy city projects that are competing for limited resources. In making our original \$5 million request, we asked for consideration of some combination of sales tax or increased bed tax. As we've re-examined the PFM Group Consulting report about Juneau's bonding capacity, we believe this may create another potential approach, much as was employed in 2012. Juneau's assessed valuation has steadily risen, even as its indebtedness has dramatically declined. The bond market rates are currently favorable, though these may change in light of both national and state fiscal conditions.

Whether our project is included in the sales tax extension, bed tax increase or as part of a GO bond issue (or some combination of them), we will be enthusiastic advocates on the measures' behalf.

Sincerely,



Peter Jurasz

Co-chair

The Partnership Board

Cc: Assembly Finance Committee

From: [Jesse Kiehl](#)
To: [Bob Bartholomew](#); [Elisabeth Jensen](#)
Cc: [Borough Assembly](#)
Subject: Fwd: 1% Sales Tax - Projects List
Date: Friday, July 07, 2017 12:40:21 PM

Bob & Elisabeth,

I'm distributing this message from the Building Trades to the full assembly. For public records purposes, please also include this with the Finance packet.

Thanks,
Jesse

Sent from my phone

Begin forwarded message:

From: Rodney Hesson <RHesson@Ibew1547.Org>
Date: July 7, 2017 at 10:56:09 AM AKDT
To: "jesse.kiehl@juneau.org" <jesse.kiehl@juneau.org>
Subject: **1% Sales Tax - Projects List**

Hi, Jesse.

I'm sending you this list of preferred projects in alphabetical order, we think these are the most important of those on the larger list.

- Airport FAA Project Match
- Airport SREB phase 1c
- Augustus Brown Pool deferred mtnc.
- Aurora Harbor Rebuild phase 3
- BRH – Rainforest Recovery Center Upgrades
- Centennial Hall upgrade/deferred mtnc.
- JACC – New performing arts facility
- Land Fund Capital
- Treadwell Ice Arena new roof
- Wastewater existing infrastructure mtnc.
- Water existing Infrastructure mtnc.
- Waterfront Development Local Contribution/Match

Thanks for all your work on this!

Rodney Hesson

Juneau Building Trades



DATE: July 6, 2017

TO: Assembly Finance Committee

FROM: Roger Healy, PE, Director

SUBJECT: Scalability Options for Downtown Parking

Parking improvements in the Willoughby area are largely dependent upon collaboration, and financial participation, with other entities, public and private. The 2015 *Willoughby District Parking Master Plan* identified eleven options for parking structures in the district. The \$8 million identified would be used primarily as seed monies by the CBJ to encourage other entities to participate in a more comprehensive solution to parking deficiencies in the area, with remaining funds used to investigate planning and design options.

As an example, the new JACC's proposed footprint would take roughly 50 existing parking spaces and by code require roughly another fifty. This reduction in parking spaces is in conflict with the State's continued efforts to reduce leased costs, bringing more employees back into State owned facilities downtown, increasing the needs for employee parking. Parking-in-lieu alternatives are not applicable to State employee parking needs.

In regards to scalability, the monies needed are schedule driven. If the proposed developments in the Willoughby area (i.e., Subport, JACC, etc.) are not anticipated to come to fruition within the next five years, then requested monies could be reduced to just promote further planning and design options. However, the parking deficiencies in this area are currently well documented and it is anticipated that future developments will be stymied by parking requirements.