

**ASSEMBLY FINANCE COMMITTEE  
THE CITY AND BOROUGH OF JUNEAU, ALASKA  
Wednesday, April 17, 2019, 5:30 PM.  
Assembly Chambers**

**I. CALL TO ORDER**

**II. ROLL CALL**

**III. APPROVAL OF MINUTES**

- a. **Wednesday, April 10, 2019**

**IV. ITEMS FOR DISCUSSION**

- a. **Travel Juneau - Funding Request**
- b. **Juneau Economic Development Council (JEDC) - Funding Request**
- c. **Water & Wastewater Utility Rate Update**
- d. **Marine Passenger Fee Recommendations - For Review**

**V. INFORMATION ITEMS**

- a. **FY20 Pending List**
- b. **FY20 Incremental Requests List**
- c. **AFC Meeting Schedule**

**VI. NEXT MEETING DATE**

- a. **Wednesday, April 24, 2019**

**VII. ADJOURNMENT**

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

**DRAFT**  
**City and Borough of Juneau**  
**Minutes - Assembly Finance Committee Meeting**  
**Wednesday, April 10, 2019, 5:30 PM**

**I. Call to Order**

The meeting was called to order at 5:30 PM by Loren Jones, Chair.

**II. Roll Call**

Committee Members Present: Maria Gladziszewski, Alicia Hughes-Skandijs, Wade Bryson, Michelle Bonnet Hale, Rob Edwardson, Carole Triem, Mary Becker, Loren Jones, Chair; and Mayor Beth Weldon.

Committee Members Participating Telephonically: None.

Committee Members Absent: None.

Staff Present: Rorie Watt, City Manager; Mila Cosgrove, Deputy City Manager; Bob Bartholomew, Finance Director; Jeff Rogers, Finance Director; Mike Vigue, Director, Engineering & Public Works; John Bohan, Chief CIP Engineer; Carl Uchytel, Port Director; Teena Larson, Administrative Officer, Docks & Harbors; Patty Wahto, Airport Manager, Juneau International Airport; John Coleman, Airport Business Manager, Juneau International Airport; George Schaaf, Parks & Recreation Director; Lindsay Foster, Parks & Recreation; Rob Palmer, City Attorney; Scott Ciambor, Chief Housing Officer; Sam Muse, Controller; and Elisabeth Jensen, Budget Analyst.

Others Present: David Epstein, Airport Board Chair; Jerry Godkin, Airport Board Vice Chair; Angela Rodell, Airport Board, Finance Chair; Dennis Bedford, Airport Board Member; Dennis Harris, Airport Board Member; Bob Wostman, Docks & Harbors Board, Finance Chair; and Chris Dimond, Docks & Harbors Board

**III. Approval of Minutes**

The April 3, 2019 minutes were approved as presented.

**IV. Juneau International Airport**

Patty Wahto, Airport Manager; and John Coleman, Airport Business Manager; presented the FY20 Revised Budget for the Airport found on pages 6-15 of the meeting packet.

Ms. Wahto responded to questions from the Assembly members.

**Mayor Beth Weldon, moved to ACCEPT the Juneau International Airport budget as proposed and forward to the full assembly for public hearing and action.**  
**Without OBJECTION.**

## **Minutes - Assembly Finance Committee Meeting Wednesday, April 10, 2019, 5:30 p.m.**

Mr. Jones informed the committee that of the Sales Tax Fund balance about \$300,000 was remaining from the prior 1% voter approved sales tax program. All of the projects have been completed. He discussed allocating this funding to assist with the airport terminal project.

**Mr. Jones, moved the \$300,000 of Sales Tax Funding to the AFC's Budget Pending List for further review regarding potential Airport terminal CIP - LEED certification.  
Without OBJECTION.**

### **V. Docks & Harbors**

Carl Uchtyl, Port Director; presented the FY20 Revised Budget for Docks & Harbors found on pages 16-45 of the meeting packet.

Mr. Uchtyl responded to questions from the Assembly members.

**Mayor Beth Weldon, moved to ACCEPT the Docks & Harbors budget as proposed and forward to the full assembly for public hearing and action.  
Without OBJECTION.**

*The meeting recessed at 6:43 PM.*

*The meeting reconvened at 6:53 PM.*

### **VI. Capital Improvements Projects Program Budget / Plan – For Action**

Mike Vigue, Director, Engineering & Public Works; John Bohan, Chief CIP Engineer; presented the Capital Improvements Program plan found on pages 25 – 31 of the last AFC meeting packet provided on April 3, 2019, along with a memo on page 46 of this evening's meeting packet.

The initial CIP Resolution was provided to the Public Works and Facilities Committee on February 4, 2019, and again reviewed at the PWFC meeting on March 18, 2019. Changes outlined in the memo found on pages 25 – 26 of the April 3, 2019, AFC meeting packet and the memo on page 46 of this evening's packet comprise the recommendations of the PWFC and further staff review. The AFC reviewed the same set of documents at their meeting on April 3, 2019.

Mr. Vigue and Bohan responded to questions from the Assembly members.

## **Minutes - Assembly Finance Committee Meeting Wednesday, April 10, 2019, 5:30 p.m.**

**Mayor Beth Weldon, moved to forward CIP Resolution 2845, as amended (with the exception of the section titled, “Marine Passenger Fee Priorities”, totaling \$581,100 – which would go to the pending list), to the full Assembly for approval.**

**Without OBJECTION,**

### **VII. FY20 Budget Overview Round 2**

Bob Bartholomew, Finance Director; provided a high level overview of the Assembly’s involvement in the budget process throughout the year. The process begins in November, with Assembly guidance gathered at the Assembly Retreat each December. This guidance and other detailed instructions are provided to staff each December. Staff and management continue work on the proposed budget through late March. The Manager’s proposed budget is provided to the Assembly for review by April 5<sup>th</sup>. The AFC spends many weeks reviewing the budget, but there isn’t time during the spring review to dig down very deep. Opportunities for deeper dives are scheduled annually between July and December. Examples of deeper dives from prior years include the 1% Sales Tax CIP Ballot measure (every 5 years), Priority Driven Budgeting, Tax Exemptions, and additional requests from JPD and CCFR in FY19.

Mr. Bartholomew responded to questions from the Assembly members.

### **VIII. Information Items**

Mayor Weldon passed out a memo from the Chamber of Commerce requesting the Mayor’s signature and Assembly’s support in an effort to gain continued financial support from the local business community to ensure uninterrupted access to state government via Gavel Alaska’s programming.

### **IX. Next Meeting Date**

Wednesday, April 17, 2019

### **X. Adjournment**

Meeting adjourned at 7:33 PM.



April 15, 2018

CBJ Assembly members:

Thank you for the opportunity to report on Travel Juneau and present its proposed fiscal 2020 budget.

Since our last presentation, I'm pleased to note the following highlights:

- In FY18, Juneau saw over 9800 room nights associated with meetings and conventions which generated an estimated impact of \$3.59M. The ROI in convention sales was \$13.32 for every \$1 invested in sales and marketing. This number was down from FY17 due to a lack of production and cuts in state travel. Convention Sales production is rebounding and has over 20,000 rooms booked or pending into 2023.
- Travel Juneau generated over \$34M in media advertising equivalency and assisted more than 40 vetted travel writers and bloggers. We received a big push with the production of *Wild Alaska Live*, the BBC and PBS venture that aired in July 2017.
- During FY18, the TravelJuneau.com website had more than 171,000 unique website visitors, up 32% from the previous year.

### **Survey initiatives**

Travel Juneau completed three survey projects over the last two fiscal years: a visitor survey and conventions impact survey, both delivered by McDowell Group, and DestinationNEXT, delivered by NextFactor, Inc.

McDowell Group's "Juneau Air and Ferry Visitor Survey" was conducted during the 2018 summer season. Highlights:

- Approximately 78,000 independent travelers arrived by air or ferry, which is approximately 6% of the total number of visitors to Juneau
- 65% of those arriving by air stayed at hotels; another 25% stayed with friends or family, and another 10% stayed at either a B&B or Airbnb/VRBO.
- Among ferry arrivals, 43% stayed at hotels, 11% stayed with friends or family, and 13% stayed at either a B&B or Airbnb/VRBO.
- Average length of stay for air arrivals was 4.3 nights, and 3.7 nights for those arriving by ferry.

- On average, visitors arriving by air planned their trips 6.6 months in advance and made their major travel arrangements 4.6 months in advance. Ferry visitors began planning their trip 7.1 months in advance and made major arrangements 3.9 months in advance.
- Top activities included visiting the Mendenhall Glacier, shopping, hiking, taking the Goldbelt/Mt. Roberts Tram, and wildlife/bird viewing
- 29% of air visitors and 28% of ferry visitors who were here for vacation/pleasure reported using the TravelJuneau.com website; 17% of air visitors and 30% of ferry visitors in Juneau for the same purpose reported using the Juneau Guide & Travel Planner.
- McDowell Group calculated average independent air arrival visitor spending at \$704 per person, per trip; ferry arrival visitors spend \$440 on average per person per trip.

McDowell Group's "Economic Impacts of Juneau Conventions and Meetings" was conducted from October 2017 through September 2018. Highlights:

- Meeting spend, on average, is \$1720 per attendee per event.
- Average length of stay is 3.4 nights.
- 93% of attendees are very satisfied or satisfied with their overall Juneau experience.
- McDowell Group recommends that, "to continue attracting this market, Juneau needs to be competitive on multiple fronts including travel time and cost, conference facility size and amenities, and the quality and cost of local services". McDowell also noted that "Juneau's meeting facilities need to keep pace with competitive facility upgrades and evolving needs for power, Internet bandwidth, and audio-visual capabilities."

The reports for both McDowell Group surveys are available at

<https://www.traveljuneau.com/about-travel-juneau/>

The DestinationNEXT (DNEXT) surveys gauged community perceptions of Juneau as a destination today; one survey was aimed at Travel Juneau stakeholders (partners, CBJ leadership, JEDC board, DBA board, Juneau Chamber board) and the other at the wider community. Both surveys were available from early November 2018 until March 2019.

Overall, the respondents rank Juneau in the quadrant designated for "developing" destinations. Key challenges include rallying the community to work together towards a realistic vision and strategy, building community recognition and acceptance that transformative change is needed, and implementing the strategy with limited resources. The following graphs are taken from the stakeholder section of the results workshop.

## Destination Strength Rankings – Juneau, AK

DESTINATION  
**NEXT**



|  |                                 | Relative Importance | Perceived Performance |
|--|---------------------------------|---------------------|-----------------------|
|  | Mobility & Access               | 1 <sup>st</sup>     | 6 <sup>th</sup>       |
|  | Air Access                      | 2 <sup>nd</sup>     | 9 <sup>th</sup>       |
|  | Convention & Meeting Facilities | 3 <sup>rd</sup>     | 10 <sup>th</sup>      |
|  | Brand                           | 4 <sup>th</sup>     | 1 <sup>st</sup>       |

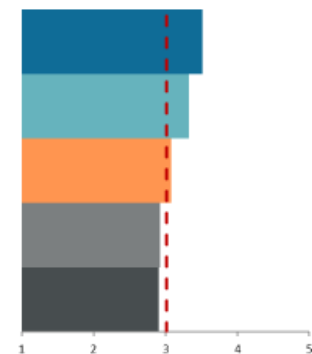
Juneau, AK DestinationNEXT Assessment | 9

The following tables show perceptions of Juneau benchmarked (dashed vertical line) against the other 190 destinations who have participated in the DNEXT project.

## Mobility & Access

DESTINATION  
**NEXT**

- Has great directional signage and highways that make it easy to get around
- Known as a walkable destination
- Provides good access and mobility for those with disabilities
- Has adequate public transportation that makes it easy for visitors to get around
- Is a bicycle-friendly destination with easy, well-marked bike routes

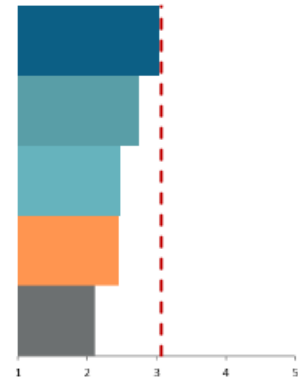


Juneau, AK DestinationNEXT Assessment | 12

## Convention & Meeting Facilities

DESTINATION  
NEXT

- Has good, unique off-site venues for special events
- Has the necessary convention, meeting, and trade show facilities to compete today
- Convention center meeting and networking space is well branded
- Offers an abundance of professional and experienced convention services suppliers
- Has the necessary convention, meeting and trade show facilities to compete for the next 10 years

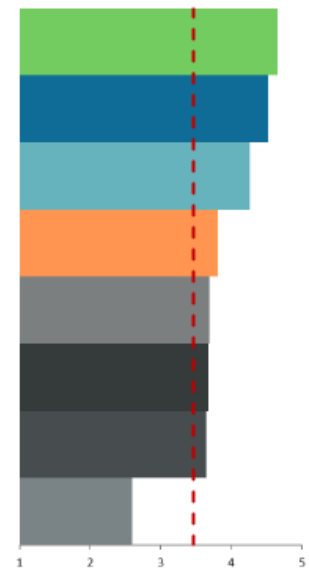


Juneau, AK DestinationNEXT Assessment | 14

## Brand

DESTINATION  
NEXT

- Known as being healthy and an outdoor, active destination
- Known for having a lot of things to see and do
- Appeals to a wide range of visitors
- Tourism industry uses and leverages social media to support the brand
- Has an established brand that is simple, memorable and market-tested
- Known for being safe, clean and secure for visitors
- Known for being an environmentally conscious and sustainable destination
- Known as a high-tech, innovative destination



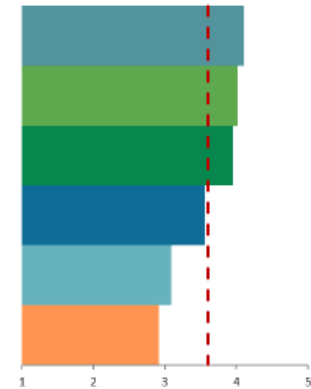
Juneau, AK DestinationNEXT Assessment | 15



## Attractions & Entertainment

DESTINATION  
NEXT

- Has the type of famous attractions that cause people to stay an extra day in the destination
- Has an assortment of authentic and unique attractions and entertainment opportunities
- Has high-quality and wide-ranging arts and cultural attractions
- Has unique and high-quality dining options
- Has unique and vibrant neighborhoods that are attractive and accommodating to visitors
- Destination offers diverse and high-quality shopping opportunities

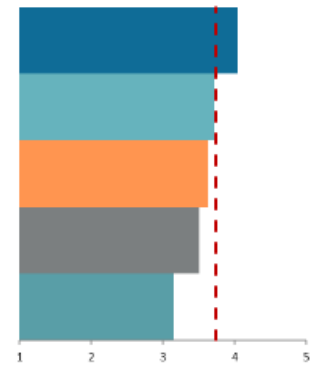


Juneau, AK DestinationNEXT Assessment | 17

## Destination Performance

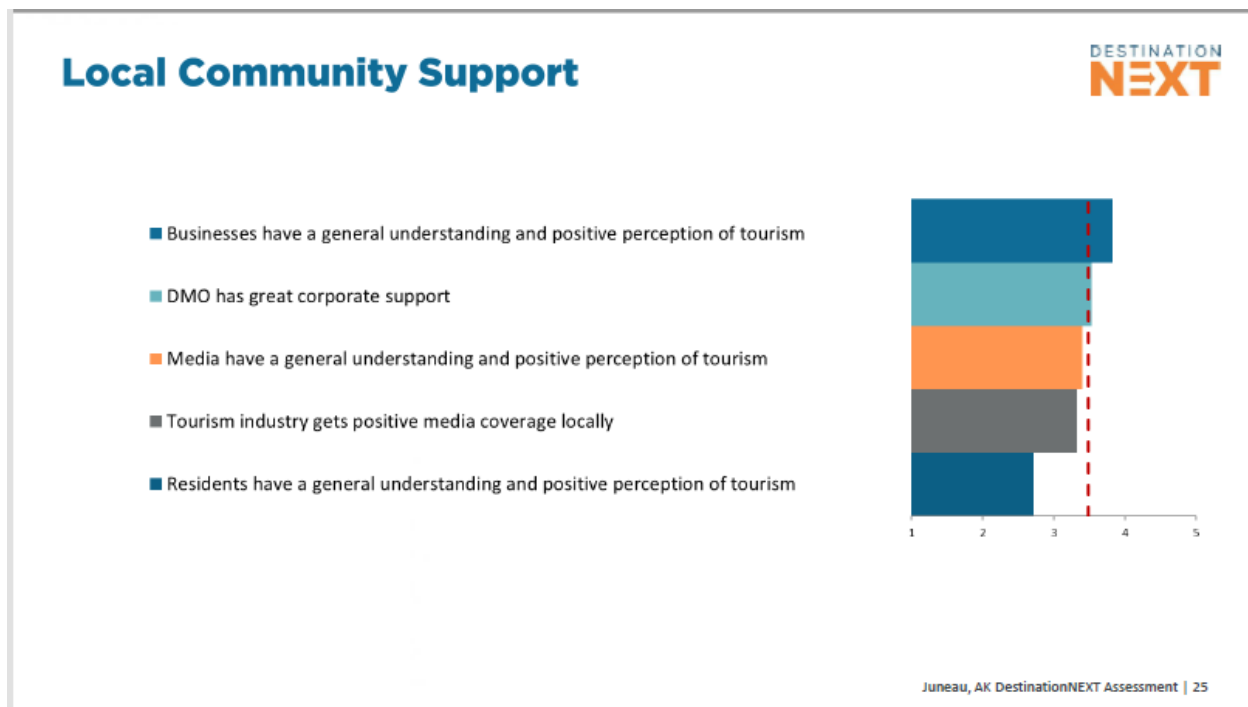
DESTINATION  
NEXT

- DMO adequately measures and tracks the performance of our tourism industry
- Successfully converting leads for meetings and conventions
- DMO does a good job at communicating the economic impact of our tourism industry
- Seeing a positive growth in overnight visitation
- Hotels are performing well



Juneau, AK DestinationNEXT Assessment | 18

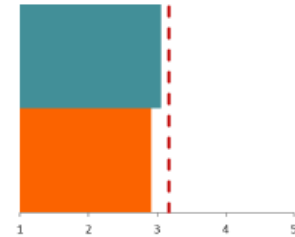
Respondents also ranked community support for the DMO (10 options):



## Funding Support & Certainty

DESTINATION  
NEXT

- DMO has sufficient revenue sources to fund their strategies and initiatives today
- DMO revenue sources are stable and sustainable for the future

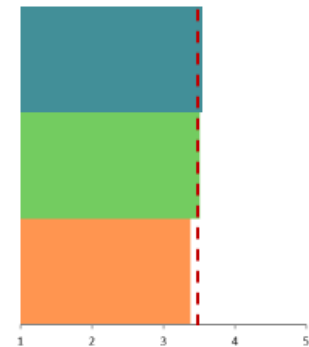


Juneau, AK DestinationNEXT Assessment | 26

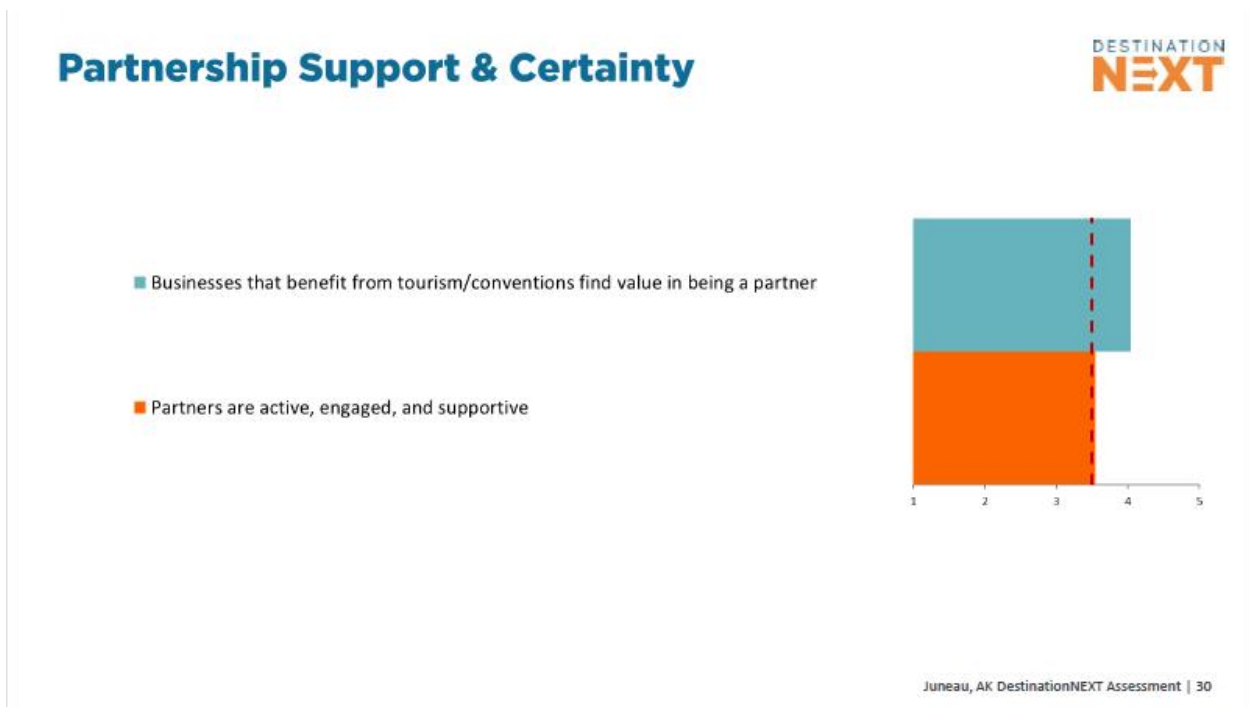
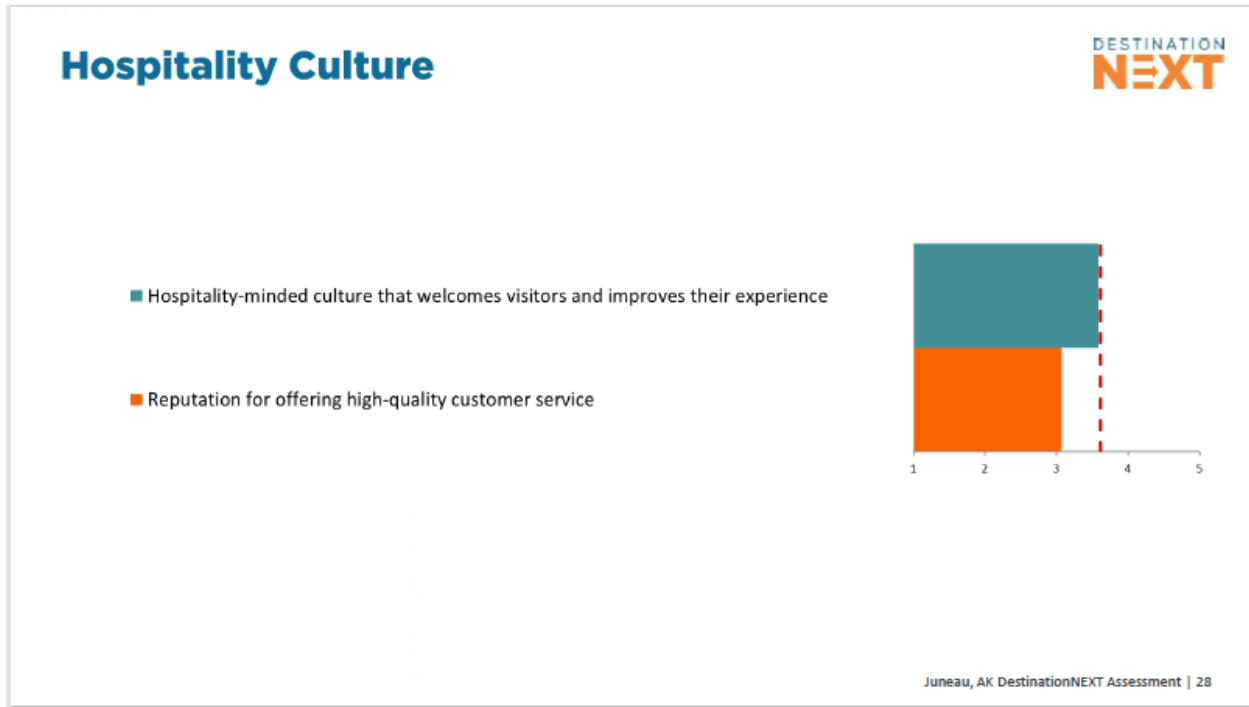
## Effective Advocacy Program

DESTINATION  
NEXT

- Local government relies on DMO for input on destination management
- Local government is supportive of DMO programs and the tourism industry
- Advocacy program is successful in educating/informing government policy



Juneau, AK DestinationNEXT Assessment | 27



The community/public survey mirrors these results. Both sets of results can be found in the DestinationNEXT slide deck at <https://www.traveljuneau.com/about-travel-juneau/>.

## **Proposed FY2020 Budget**

### Revenues:

Travel Juneau's proposed FY20 budget was approved by the Board of Directors at the March 28, 2019 regular meeting. In planning the budget, Travel Juneau consulted with CBJ's Finance Director, who calculated the grant amount at \$885,000.

The \$325,460 Marine Passenger Fee Grant was included in the City Manager's recommendation and funds the downtown crossing guard program. An additional MPF request for \$148,300 provides partial support for Travel Juneau's Visitor Services program, which includes two regular FTE, the recruitment, training and management of our 140-person volunteer corps, seasonal staff, and visitor materials distributed primarily at the two downtown visitor information centers.

Travel Juneau again anticipates increasing its earned revenues through its efforts in partnership sales, ad sales, and listings sales.

For FY20, Travel Juneau requests \$120,000 in incremental funding from the Hotel Bed Tax Fund Reserve to support new and enhanced marketing initiatives. No portion of the requested increment will support operations.

## **Strategic highlights for FY20**

- Completing the goal of a KPI-focused internal marketing plan to better track and report important metrics of success.
- Participating in planner trade shows as a sponsor to develop strategic relationships with meeting planners in the western US.
- Continuing to increase the production and roll-out of video and social media campaigns, continuing the shift from print to online marketing, and increasing TJ's social media presence for both the Destination Marketing and Convention Sales departments.
- Partnering with the Alaska Travel Industry Association for a sales mission to Australia designed to engage travel agents and tour operators in this growing market.

Data from the research projects and observed trends in destination marketing will inform Travel Juneau's development and implementation of fresh campaigns to bring independent travelers and meetings to town. We thank the Assembly for its continued support of our role in bringing long-term economic benefit to our community.

## TRAVEL JUNEAU

FY20 BUDGET - APPROVED BY BoD 3/28/19

1  
4/15/2019

| Line              |   | Description & Notes                          | Convention Sales (1) | Dest Mkt (2) | Vis Svc (3) | Partner Svc (4) | Admin (5) | Special Projects & Pass-throughs (6) | Proposed FY20 | Approved FY19 | Requested FY 20 Increment from HBT Fund Res |
|-------------------|---|--|----------------------|--------------|-------------|-----------------|-----------|--------------------------------------|---------------|---------------|---|
| REVENUES & INCOME |   |  |                      |              |             |                 |           |                                      |               |               | 120,000                                     |
| 4000              | Hotel Bed Tax - CBJ Grant                   | General funding across all classes           | 233,465              | 351,372      | 80,366      | 4,928           | 214,869   |                                      | 885,000       | 860,000       |   |
|                   | Approved increment                          |  | 44,000               | 76,000       |             |                 |           |                                      | 120,000       |               |   |
| 4001              | Partnership Sales                           | Partnership Tiers base - 240 @\$400          | 4,402                | 16,733       | 15,240      | 51,234          | 8,391     |                                      | 96,000        | 92,000        |   |
| 4010              |   |  |                      |              |             |                 |           |                                      |               |               |   |
| 4025              |   |  |                      |              |             |                 |           |                                      |               |               |   |
|                   |   |  |                      |              |             |                 |           |                                      |               |               |   |
|                   |   |  |                      |              |             |                 |           |                                      |               |               |   |
| 4100              | Ad Sales & Media Expense Recovery           |  |                      | 10,000       | 11,000      | 15,000          |           |                                      | 36,000        | 36,000        |   |
| 4200              | Website Add'l Listings                      | From Partner Svc @ \$                        |                      |              |             | 7,500           |           |                                      | 7,500         | 7,500         |   |
| 4250              | Travel Planner Add'l Listings               | From Partner Svc @ \$                        | 1,500                |              |             | 4,500           |           |                                      | 6,000         | 4,500         |   |
| 4350              | Travel Fair Vendors                         | Vendor tables - Travel Fair                  |                      |              |             | 7,500           |           |                                      | 7,500         | 7,500         |   |
| 4400              | Annual Mtg                                  |  |                      |              |             | 350             |           |                                      | 350           | 350           |   |
| 4450              | Marketing Momentum                          | Ticketed event                               |                      |              |             | 2,250           |           |                                      | 2,250         | 2,250         |   |
|                   |   |  |                      |              |             |                 |           |                                      | 0             |               |   |
| 4500              | Booth Share                                 | Show booth partners                          |                      | 3,000        |             |                 |           |                                      | 3,000         | 3,000         |   |
|                   |   |  |                      |              |             |                 |           |                                      | 0             |               |   |
| 4550              | Mtg Planner Event Vendors                   | Vendor tables at MP breakfasts or receptions | 0                    |              |             |                 |           |                                      | 0             |               |   |
| 4600              | Interest                                    | Savings/Money Mkt interest                   |                      |              |             |                 | 125       |                                      | 125           | 125           |   |
| 4650              | MPFs for Visitor Services                   | For personnel & vol training                 |                      |              | 148,300     |                 |           |                                      | 148,300       | 135,600       |   |
| 4675              | Label Sales                                 |  |                      |              | 300         |                 |           |                                      | 300           | 300           |   |
| 4700              | Other revenue & income                      |  |                      |              | 100         |                 | 350       |                                      | 450           | 450           |   |
| 4750              | Pass-through and Special Projects - Class 6 |  |                      |              |             |                 |           |                                      |               |               |   |
|                   | Crossing Guard Program - MPFs               | 10% Admin fee for pass-through               | 2,959                | 16,052       |             | 13,535          |           | 292,914                              | 325,460       | 237,500       |   |
|                   | TBMP stipend                                | Omit for FY20                                |                      |              |             |                 |           |                                      |               | 450           |   |
| 4770              | Carry-over                                  |  |                      |              |             |                 |           |                                      |               | 84,460        |   |
| TOTAL REVENUES    |   |  | 286,326              | 473,157      | 255,306     | 106,797         | 223,735   | 292,914                              | 1,638,235     | 1,471,985     | 120,000                                     |

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| Line |   | Description & Notes    | Convention Sales (1) | Dest Mkt (2) | Vis Svc (3) | Partner Svc (4) | Admin (5) | Special Projects & Pass-throughs (6) | Proposed FY20 | Approved FY19 | Requested FY 20 Increment from HBT Fund Res |
|------|---|------------------------|----------------------|--------------|-------------|-----------------|-----------|--------------------------------------|---------------|---------------|---|
|      | <b>DESTINATION MARKETING</b>                |                        |                      |              |             |                 |           |                                      |               |               |   |
| 6600 | Travel Writer Expenses/PR                   |                        |                      | 38,000       |             |                 |           |                                      | 38,000        | 27,000        | 10,000                                      |
| 6700 | Consumer Shows                              |                        |                      |              |             |                 |           |                                      |               |               |   |
|      | All shows to 6400                           |                        |                      |              |             |                 |           |                                      |               |               |   |
| 6710 | Destination Print Advertising               |                        |                      | 20,000       |             |                 |           |                                      | 20,000        | 20,000        |   |
| 6720 | Destination Digital Advertising             |                        |                      | 60,000       |             |                 |           |                                      | 60,000        | 35,000        | 15,500                                      |
|      | incl AK Seaplanes - YXY promos              | At CBJ Request - \$10K |                      |              |             |                 |           |                                      |               |               |   |
| 6725 | Destination Photos, Video, & Graphic Design |                        |                      | 40,980       |             |                 |           |                                      | 40,980        | 9,000         | 27,500                                      |
| 6730 | Destination Social Media Promotion          |                        |                      | 8,500        |             |                 |           |                                      | 8,500         | 7,500         |   |
| 6735 | Social Media Specialist                     | Contract               | 17,750               | 17,750       |             |                 |           |                                      | 35,500        | 8,000         |   |
| 6740 | Travel Guide Production                     | Holding place          |                      |              |             |                 |           |                                      |               |               |   |
| 6750 | Website Hosting & Maintenance               |                        |                      | 64,150       |             |                 |           |                                      | 64,150        | 60,800        |   |
|      | <b>VISITOR SERVICES</b>                     |                        |                      |              |             |                 |           |                                      |               |               |   |
| 6810 | AKA Fulfillment (bulk mail)                 |                        |                      |              | 15,000      |                 |           |                                      | 15,000        | 15,000        |   |
| 6815 | Storage                                     |                        |                      |              | 2,650       |                 |           |                                      | 2,650         | 2,650         |   |
| 6820 | Volunteer - Training                        |                        |                      |              | 5,000       |                 |           |                                      | 5,000         | 5,000         |   |
| 6825 | Volunteer Recognition                       |                        |                      |              | 6,000       |                 |           |                                      | 6,000         | 4,500         |   |
| 6830 | Summer Assistants                           |                        |                      |              | 20,000      |                 |           |                                      | 20,000        | 21,000        |   |
| 6840 | Parking - Seasonal                          |                        |                      |              | 650         |                 |           |                                      | 650           | 500           |   |
|      |   |                        |                      |              |             |                 |           |                                      |               |               |   |
| 6845 | Travel Guide Dist - Interior                |                        |                      |              | 2,500       |                 |           |                                      | 2,500         | 2,500         |   |
| 6850 | Visitor Site Supplies                       |                        |                      |              | 3,000       |                 |           |                                      | 3,000         | 3,500         |   |
| 6852 | Copy/Printing - Dept Specific               |                        |                      |              | 2,500       |                 |           |                                      | 2,500         | 5,000         |   |
| 6855 | DT Walking Map                              |                        |                      |              | 25,680      |                 |           |                                      | 25,680        | 23,000        |   |
| 6860 | Visitor Retention                           |                        |                      |              |             |                 |           |                                      |               |               |   |
| 6865 | Cruise Calendar Prod                        |                        |                      |              | 600         |                 |           |                                      | 600           | 600           |   |



| Line | Description & Notes                              | Convention Sales (1) | Dest Mkt (2)   | Vis Svc (3)    | Partner Svc (4) | Admin (5)      | Special Projects & Pass-throughs (6) | Proposed FY20    | Approved FY19    | Requested FY 20 Increment from HBT Fund Res |
|------|--|----------------------|----------------|----------------|-----------------|----------------|--------------------------------------|------------------|------------------|---|
|      | <b>PARTNER SERVICES</b>                          |                      |                |                |                 |                |                                      |                  |                  |   |
| 6910 | Travel Fair                                      |                      |                |                | 5,950           |                |                                      | 5,950            | 5,582            |   |
| 6925 | Partnership Education                            |                      |                |                | 2,500           |                |                                      | 2,500            | 3,000            |   |
| 6940 | Election   |                      |                |                |                 |                |                                      |                  |                  |   |
|      | Annual Meeting & Annual Rpt                      |                      |                |                |                 |                |                                      |                  |                  |   |
| 6945 |  |                      |                |                | 4,200           |                |                                      | 4,200            | 4,100            |   |
| 6950 | New Partner Recruitment                          |                      |                |                | 500             |                |                                      | 500              | 500              |   |
| 6965 | Decals   |                      |                |                | 475             |                |                                      | 475              | 460              |   |
| 6970 |  |                      |                |                |                 |                |                                      |                  |                  |   |
| 6975 | Dining Guides                                    |                      |                |                | 4,500           |                |                                      | 4,500            | 4,800            |   |
|      |  |                      |                |                |                 |                |                                      |                  |                  |   |
|      |  |                      |                |                |                 |                |                                      |                  |                  |   |
|      | <b>ADMIN</b>                                     |                      |                |                |                 |                |                                      |                  |                  |   |
| 7010 | Rent   | 1,875                | 1,875          | 3,755          | 1,875           | 39,620         |                                      | 49,000           | 47,130           |   |
| 7015 | Property Insurance                               | 242                  | 242            | 484            | 242             | 240            |                                      | 1,450            | 1,450            |   |
| 7020 | Liability Insurance                              | 450                  | 450            | 900            | 450             | 450            |                                      | 2,700            | 2,700            |   |
| 7025 | Employee Dishonesty Insurance                    |                      |                |                |                 | 475            |                                      | 475              | 475              |   |
| 7030 | Fees & Taxes                                     |                      |                |                |                 | 5,800          |                                      | 5,800            | 5,800            |   |
| 7040 |  |                      |                |                |                 |                |                                      |                  |                  |   |
| 7050 | Board of Directors                               |                      |                |                |                 | 4,211          |                                      | 4,211            | 5,481            |   |
| 7070 | Accounting                                       |                      |                |                |                 | 9,800          |                                      | 9,800            | 7,900            |   |
| 7080 | DestNEXT - DMO evaluation                        |                      |                |                |                 |                |                                      |                  | 12,000           |   |
|      |  |                      |                |                |                 |                |                                      |                  |                  |   |
| 7090 | Non-Designated Reserve                           |                      |                |                |                 |                |                                      |                  |                  |   |
|      | For capital purchases (e.g., new rental space or |                      |                |                |                 |                |                                      |                  |                  |   |
|      | From earned income                               |                      |                |                |                 |                |                                      |                  |                  |   |
|      |  |                      |                |                |                 |                |                                      |                  |                  |   |
|      |  |                      |                |                |                 |                |                                      |                  |                  |   |
| 8100 | <b>SPECIAL PROJECTS - CLASS 6</b>                |                      |                |                |                 |                |                                      |                  |                  |   |
|      | Crossing Guard Program (MPF)                     |                      |                |                |                 |                |                                      |                  |                  |   |
|      |  |                      |                |                |                 |                |                                      |                  |                  |   |
|      | \$325,460 - 10% Admin Fee                        |                      |                |                |                 |                | 292,914                              | 292,914          | 230,375          |   |
|      | Pt 2 - Visitor Survey                            |                      |                |                |                 |                |                                      |                  | 41,230           |   |
|      | Pt 2 - Convention Survey                         |                      |                |                |                 |                |                                      |                  | 7,125            |   |
|      | <b>TOTAL EXPENSES</b>                            | <b>286,326</b>       | <b>473,157</b> | <b>255,306</b> | <b>106,797</b>  | <b>223,735</b> | <b>292,914</b>                       | <b>1,638,235</b> | <b>1,471,985</b> | <b>120,000</b>                              |

[illegible]



**Wednesday, April 17, 2019**

**Additional Funding Options for CBJ Assembly for JEDC FY20 Budget**

**The Juneau Economic Development Council requests funding for FY20 of \$415,000.**

There are opportunities and challenges ahead for city, region and state. The JEDC Board would like to keep focused on a set of strategic actions tailored to this specific moment to help Juneau's economy prosper during difficult economic times in Alaska. In addition to core funding in FY19, JEDC was awarded one-time funding of \$75,000 of the \$165,000 we requested to focus on four strategic investments, listed below. In FY20, we are requesting the \$90,000 balance of the \$165,000 to advance our efforts in these areas. We are not asking for resources to take on additional new tasks, but to complete the work started in FY19 in each of these areas.

**Core Funding: \$325,000 for FY19 and FY20**

JEDC appreciates the increase to our core support in this two-year budget cycle of \$25,000 to return to core funding levels in FY13 and FY14. We are not seeking a change to our funding budgeted for FY20 of \$325,000. Core funding supports the execution of JEDC's annual Board approved budget and work plan, which is in alignment with the Juneau Economic Plan. The core funding allows JEDC to deliver on its mission through its five areas of focus: 1) Help Make Juneau a Great (Capital) City, 2) Strengthen Key Regional Industries, 3) Develop Talent, 4) Promote Entrepreneurship and Small Businesses, and 5) Deliver Economic Development Services. Core resources are leveraged significantly, historically bringing in twice or more of direct additional resources to JEDC to deliver economic development programming. The stability of the core funding allows JEDC to maintain basic infrastructure, pursue long-term goals and invest in developing and retaining talented staff.

**Additional Strategic Investments: \$90,000, balance of FY19 request of \$165,000 (FY 19 award was \$75,000).**

**1. Invest in Juneau's Entrepreneurial Capacity**

**Main Activities:**

- Organize and host a second Juneau Start-Up Weekend
- Implement second Alaska Angel Conference. First ever Angel Conference was developed with three "leads", one each in Anchorage, Fairbanks and Juneau. Through this process in FY19, we have six active Juneau investors directly participating (including JEDC) and two companies from Southeast participated in the pitch process. We intend to host in Juneau in FY20 or FY21.
- Create networking opportunities for entrepreneurs, create more content for entrepreneurs in Innovation Summit and link entrepreneurs in Juneau to networks, programs, competitions, and resources across Alaska.

- Metrics: # of (potential) entrepreneurs engaged; # of new businesses created; # of new products launched; # of new investors identified; # of partnerships; and investment \$.

## 2. Pursue Innovation in Mariculture and Ocean Industries

(Included in the JEP).

Main Activities:

- Position Juneau as a/the center of a growing mariculture industry in Alaska. The JEDC Ocean Products Cluster Working Group members identified mariculture as a potential \$1 billion industry in Alaska several years ago. In February 2018, the Governor's Alaska Mariculture Development Plan reaffirmed the potential of mariculture in Alaska and anticipates it to grow to be a \$100 million industry in 20 years, from the current level of just a few million. As this industry grows, investments will coalesce around communities that provide strong support. UAS has world-class expertise in seaweed cultivation and has research assets at Auke Bay. JEDC will identify private firms interested in developing this industry and encourage them to partner with UAS and/or locate in Juneau. JEDC will work closely with NOAA research, UAS and UAF, State agencies and private firms to encourage investment in our region with economic benefit to our community.
  - Potential Metrics: research dollars; firms investing or doing business in Juneau; research partnerships.
- Ocean Cluster. With federal funding support, JEDC successfully supported the activities of the Southeast Ocean Products industry through a Cluster Working Group. While we continue to see the incredible importance and potential of the ocean economy to our region, our work with an Ocean Products Working Group in Southeast has been limited by access to resources. JEDC would like to deepen our efforts to support the Ocean Products Industry in our region. The Bering Sea Fishermen's Association has been actively supportive of creating an Alaska Ocean Cluster. JEDC is a member of their advisory group. JEDC will use our experience and expertise in cluster work to support inclusion of Southeast Alaska into this initiative. JEDC will continue to promote increased utilization of ocean products and link our firms with resources and markets outside of Alaska.
  - Metrics: issues important to the maritime/ocean products industry in Juneau/Southeast considered at Alaska Ocean Cluster; initiatives developed that support Southeast ocean product development; # of businesses from our region participating in collaborative industry development.

## 3. Attract Talent to Juneau: Choose Juneau

(Included in the JEP)

This effort has progressed successfully to date, but a more sustained effort is needed. Over the past few years, JEDC has created a web presence, active FB page, collaboration with human resource managers, presentations to

organizations around Juneau, short video clips and a growing awareness of the opportunity that exists in attracting talent to our community.

As work becomes more mobile and more people can choose where to live while making a living remotely, it is paramount that Juneau fully understand and anticipate this trend. We have good reason to believe that Juneau offers a very attractive life-style for a remote worker. But how best to attract them to Juneau? And what types of workers would be most attracted to Juneau? What conditions do we need to better develop in Juneau so that workers Choose Juneau? How do we most effectively and efficiently reach these people?

To date, we have made modest investments to create Choose Juneau tools: website, Facebook page, Instagram account, some marketing materials, etc. Many places would also like to promote their communities in the same way. It is clear to us at JEDC that doing this half-heartedly will produce little impact. We propose a higher level of investment so that we can better understand the potential and pursue specific opportunities.

Actions include:

- Create a suite of better tools and have a more polished and meaningful presence that will meet the needs of most of Juneau's human resource recruitment departments (and save them all time and resources collecting and sharing information about living in Juneau).
- Better understand the market of potential workers that might be willing to work remotely from Juneau.
- Better understand the market of potential workers that might be willing to relocate to Juneau, including their families.
- Identify companies (like Seattle-based Tune Inc.), to consider locating employees in Juneau.
  - Potential metrics: # of HR Departments using Choose Juneau; # of investments informed by Choose Juneau; # of persons moved to Juneau to work.

#### **4. Visitor Industry Growth—Ensure Growth in Tourism is Positive for Juneau** (Included in the JEP)

Juneau is Alaska's most visited community during summer. That fact is the result of the wonderful characteristics of Juneau and the growing demand for cruise travel experiences. In 2018, Juneau received a record number of visitors via the cruise industry. That number will increase by about 15% in 2019 to over 1.3 million. In the summer of 2020, we expect additional growth of 4 or 5%. While the pace of future growth can be debated, there is every indication that visitor growth in Juneau will continue.

JEDC has successfully supported the Visitor Products industry through a cluster working group over the past 7 years. Although outside federal funding for this

effort ended a few years ago, JEDC has supported these efforts through our core budget and fundraising efforts. There have been many meaningful positive outcomes of this work. Newer efforts in recent years have focused on the emerging needs and opportunities of the small cruise industry. A hallmark of this effort has been the open engagement by non-industry stakeholders as well as individual firms.

At the February 2019 Innovation Summit, we dedicated considerable time to raising awareness amongst attendees and the public about the acceleration of growth over the next few years and the resulting opportunities (as well as some challenges) in the visitor products industry. We brought the CEO of the Iceland Tourism Cluster to Juneau to participate in the Innovation Summit. Iceland is one of the few northern locations experiencing more rapid growth in tourism than Juneau. This experience has led to deeper insights into managing growth.

By engaging with Tourism Best Management Practices (TBMP), the Visitor Products Cluster Working Group, and with community members, we have also become more aware of concerns within the community about impacts of the growing industry. Several of these issues will be further explored with participants at a community workshop entitled Tourism Growth and Juneau, scheduled for late April.

JEDC would like to continue to assist Juneau to pro-actively “ensure growth in tourism is positive for Juneau.” Through collaboration with members of the Visitor Products Cluster Working Group, TBMP and other stakeholders, we would like to:

- Influence growth so that we achieve maximum positive impacts on Juneau’s economy, such as increased winter tourism, local business formation and expansion, increased investment, enhancements of adjacent sectors (such as the arts, entertainment, retail, health care, etc.), dual benefit infrastructure, etc.;
- Anticipate and address potential negative impacts;
- Support review of current TBMP (Tourism Best Management Practices) and consider areas of enhancement over the next 1 to 3 years; and,
- Explore longer-term (10+ years) growth scenarios to ensure Juneau’s visitor carrying capacity and tourism growth are widely supported and anticipated.
  - Potential Metrics: public understanding regarding growth in the visitor products industry; initiatives identified to ensure growth is positive.

# Utility Rates



# Water and Wastewater Utility Rates

- Wastewater and Water utilities are currently in a good financial position from an annual cash flow and fund balance perspective
- On July 1, 2018, the last utility rate increase for the five year period approved by the Assembly became effective
- The current revenue projections are sufficient to cover projected annual operating expenses and allow a modest investment in CIP needs for the next couple of years
- We have developed a 10 year CIP Needs List and will continue to refine that as we move forward. Through this process it is obvious that there are more capital infrastructure needs than there are resources available.
- Our challenge remains to prioritize these needs to be pro-active and keep the utility system in a state of good repair. This will allow essential services to be provided to the community at a reasonable cost



# Utility Infrastructure

## Water

- 180 miles of pipe
  - From JD Treatment Plant to Cohen Dr.
  - Downtown Douglas to just before North Douglas Highway Boat Launch
- 1,450 hydrants
- More than 9,700 water connections
- 37 pressure reducing valves
- 9 pump stations

## Wastewater

- 3 wastewater treatment plants
- 140 miles of pipe
  - From JD Treatment Plant to Wadelich Creek on Glacier Highway except the Mendenhall Peninsula
  - Downtown Douglas to Bonnie Brae on North Douglas
- More than 7,150 sewer connections
- More than 2,775 manholes
- 45 lift stations

# Utility Advisory Board Recommendation

- Past history shows a lack of consistent and predictable rate adjustments that resulted in necessary rate increases that were large, creating “rate shock” for customers
- At the March 14, 2019 UAB meeting, the UAB voted 5-1 to recommend a 4% increase to both Water Utility and Wastewater Utility rates for each of the next 5 years
- The UAB also recommends a \$5 million annual CIP investment in both utilities for a total \$10 million CIP investment annually in utility infrastructure
- This level of rate increase and CIP investment provides sufficient revenues to fund the annual operations budget, address reasonable deferred maintenance and replacement needs and maintain a financial reserve in the Enterprise Fund
- This rate increase recommendation is based on the expectation that future special 1% sales tax approvals by the voters will result in similar allocations to utility CIP needs. The allocation of sales tax revenues mitigates the need for larger rate increases

# CBJ Water Utility Updated Rate Model UAB Recommendation

## REVENUE

## EXPENSE

| Fiscal Year | Starting Fund Balance | Water Utility Revenues | DEC Grants | DEC Loans   | Sales Tax* | Passenger Fees | Additional Rate Revenue | CIP Spending | Debt Service | Operating Costs | Ending Fund Balance** |
|-------------|-----------------------|------------------------|------------|-------------|------------|----------------|-------------------------|--------------|--------------|-----------------|-----------------------|
| FY14        |                       | 4,266,924              | 50,000     | 200,000     |            |                | -                       | 850,000      | 162,531      | 3,095,804       | 3,444,685             |
| FY15        | 3,444,685             | 4,530,440              | 3,000,000  | 7,800,000   | 465,000    | 1,200,000      | -                       | 12,785,000   | 183,409      | 2,645,424       | 4,803,462             |
| FY16        | 4,803,462             | 4,966,182              | 3,000,000  |             | 1,527,000  |                | -                       | 5,857,000    | 173,816      | 2,705,053       | 5,755,118             |
| FY17        | 5,755,118             | 5,246,935              | -          | (5,270,000) |            |                | -                       | (4,380,000)  | 244,596      | 2,483,587       | 7,627,325             |
| FY18        | 7,627,325             | 5,609,662              | -          |             |            |                | -                       | 2,500,000    | 73,977       | 2,548,696       | 7,665,101             |
| FY19        | 7,665,101             | 5,682,911              | -          |             | -          |                | -                       | 1,600,000    | 74,573       | 2,820,772       | 8,852,667             |
| FY20        | 8,852,667             | 5,727,645              | -          |             | 1,000,000  |                | 99,520                  | 5,050,000    | 72,600       | 2,452,750       | 8,104,482             |
| FY21        | 8,104,482             | 5,763,288              | -          |             | 1,000,000  |                | 406,042                 | 5,213,000    | 210,936      | 2,504,258       | 7,345,618             |
| FY22        | 7,345,618             | 5,808,562              | -          |             | -          |                | 621,323                 | 5,105,000    | 232,624      | 2,556,847       | 5,881,032             |
| FY23        | 5,881,032             | 5,848,305              | -          |             | -          |                | 845,216                 | 5,212,205    | 229,662      | 2,610,541       | 4,522,145             |
| FY24        | 4,522,145             | 5,888,780              | -          |             | -          |                | 1,078,065               | 5,321,661    | 226,699      | 2,665,362       | 3,275,267             |
| FY25        | 3,275,267             | 5,937,503              | -          |             | 1,000,000  |                | 1,320,227               | 5,433,416    | 156,250      | 2,721,335       | 3,221,996             |
| FY26        | 3,221,996             | 5,987,093              | -          |             | 1,000,000  |                | 1,354,862               | 5,547,518    | 154,300      | 2,778,483       | 3,083,650             |
| FY27        | 3,083,650             | 6,036,080              | -          |             | 1,000,000  |                | 1,576,442               | 5,664,016    | 152,350      | 2,836,831       | 3,042,976             |
| FY28        | 3,042,976             | 6,022,000              | -          |             | 1,000,000  |                | 1,805,777               | 5,782,960    | 150,400      | 2,896,405       | 3,040,988             |
| FY29        | 3,040,988             | 6,022,000              | -          |             | 1,000,000  |                | 2,043,139               | 5,904,402    | 148,450      | 2,957,229       | 3,096,046             |

### Assumptions:

|   |       |
|---|-------|
| Future Rate Increase (FY20 January-June): | 4.00% |
| Future Rate Increase (FY21 thru FY25):    | 4.00% |
| Future Rate Increase (FY26 thru FY29):    | 3.50% |

|   |   |
|---|---|
| Operational Cost Inflation (FY21 thru FY29):                              | 2.10%   |
| CIP Contribution Base Amount (FY22 thru 5,105,000 \$5 mil inflation adju: | CIP Spending Inflation(FY22 thru FY29): 2.10% |

|                               |           |
|-------------------------------|-----------|
| Sales Tax 1% (FY25 thru FY29) | 1,000,000 |
|-------------------------------|-----------|

\*Special Sales Tax Funding FY19-24 \$2.0M

\*\*Should have 3-4 months of operating expenses available (approx. 1-1.5 million)

\*\*\*Financial Reserve (Operational \$1M+ Capital \$2M) Target = \$3 million

# CBJ Wastewater Utility Updated Rate Model UAB Recommendation

| REVENUE     |                       |                     |            |            |                |                         | EXPENSE      |              |                 |                       |
|-------------|-----------------------|---------------------|------------|------------|----------------|-------------------------|--------------|--------------|-----------------|-----------------------|
| Fiscal Year | Starting Fund Balance | WW Utility Revenues | DEC Loans  | Sales Tax* | Passenger Fees | Additional Rate Revenue | CIP Spending | Debt Service | Operating Costs | Ending Fund Balance** |
| FY14        |                       | 9,572,483           | 1,150,000  | -          | -              | -                       | 1,500,000    | 587,305      | 8,214,378       | 8,265,804             |
| FY15        | 8,265,804             | 10,088,393          | 23,400     | -          | -              | -                       | 23,400       | 645,387      | 8,333,707       | 9,552,206             |
| FY16        | 9,552,206             | 11,417,877          | 10,000,000 | -          | -              | -                       | 13,940,000   | 581,582      | 8,218,974       | 8,646,719             |
| FY17        | 8,646,719             | 11,976,034          | 10,000,000 | -          | -              | -                       | 10,550,000   | 566,790      | 8,508,830       | 11,558,616            |
| FY18        | 11,558,616            | 13,111,961          | -          | -          | -              | -                       | 4,815,000    | 507,848      | 7,780,229       | 10,519,920            |
| FY19        | 10,519,920            | 13,442,927          | -          | 2,000,000  | -              | -                       | 5,845,000    | 513,100      | 10,388,650      | 9,216,097             |
| FY20        | 9,216,097             | 13,080,012          | -          | 2,600,000  | -              | 248,360                 | 5,825,000    | 506,300      | 9,643,900       | 9,169,269             |
| FY21        | 9,169,269             | 13,040,033          | -          | 1,500,000  | -              | 1,013,309               | 8,915,000    | 1,778,213    | 9,846,422       | 4,182,977             |
| FY22        | 4,182,977             | 13,045,761          | -          | 3,700,000  | -              | 1,550,561               | 5,105,000    | 1,776,893    | 10,053,197      | 5,544,209             |
| FY23        | 5,544,209             | 13,050,467          | -          | 3,200,000  | -              | 2,109,304               | 5,212,205    | 1,754,822    | 10,264,314      | 6,672,638             |
| FY24        | 6,672,638             | 13,038,839          | -          | 500,000    | -              | 2,690,396               | 5,321,661    | 1,628,752    | 10,479,864      | 5,471,596             |
| FY25        | 5,471,596             | 13,040,258          | -          | 2,000,000  | -              | 3,294,732               | 5,433,416    | 1,504,958    | 10,699,942      | 6,168,269             |
| FY26        | 6,168,269             | 13,044,682          | -          | 2,000,000  | -              | 3,381,164               | 5,547,518    | 1,344,898    | 10,924,640      | 6,777,059             |
| FY27        | 6,777,059             | 13,018,000          | -          | 2,000,000  | -              | 3,934,135               | 5,664,016    | 1,328,053    | 11,154,058      | 7,583,067             |
| FY28        | 7,583,067             | 13,018,000          | -          | 2,000,000  | -              | 4,506,459               | 5,782,960    | 1,311,219    | 11,388,293      | 8,625,054             |
| FY29        | 8,625,054             | 13,018,000          | -          | 2,000,000  | -              | 5,098,815               | 5,904,402    | 1,294,364    | 11,627,447      | 9,915,656             |

## Assumptions:

|   |       |
|---|-------|
| Future Rate Increase (FY20 January-June): | 4.00% |
| Future Rate Increase (FY21 thru FY25):    | 4.00% |
| Future Rate Increase (FY26 thru FY29):    | 3.50% |

|   |   |
|---|---|
| Operational Cost Inflation (FY21 thru FY29)               | 2.10%   |
| CIP Contribution Bas 5,105,000 \$5 mil inflation adjusted | CIP Spending Inflation(FY22 thru FY29): 2.10% |

|                               |           |
|-------------------------------|-----------|
| Sales Tax 1% (FY25 thru FY29) | 2,000,000 |
|-------------------------------|-----------|

\*Special Sales Tax Funding FY19-24 \$13.5M

\*\*Should have 3-4 months of operating expenses available (approx. 3-4 million)

\*\*\*Financial Reserve (Operational \$3M+ Capital \$4M) Target = \$7 million

# City Manager's Recommendation

- **Adjusting utility rates to mitigate the affects of inflation provides stable and predictable rate increases for customers and provides stable and predictable revenues for utility staff to plan, design and construct necessary infrastructure improvements to maintain service levels and asset conditions**
- **A 2% rate increase each year for the next 5 years will provide this level of revenue and will allow utility staff to develop projects from the 10 year CIP Needs List in a prioritized and efficient manner**
- **This will result in a sustainable CIP base investment of \$4 million annually for each utility while continuing to meet operational budget needs and maintain a reasonable fund balance**
- **The first increase should be effective in January 2020. This will coincide with the removal of the \$4 household hazardous waste fee on utility bills. A 2% rate increase for a typical single family residential customer (water and wastewater) would be \$3, resulting in a slightly lower combined utility bill**
- **The second increase should occur in July 2021. This provides 18 months between each of the last three increases, softening the impacts to customers. Subsequent increases would be effective in July 2022-2024**

# CBJ Water Utility Updated Rate Model

## REVENUE

## EXPENSE

| Fiscal Year | Starting Fund Balance | Water Utility Revenues | DEC Grants | DEC Loans   | Sales Tax* | Passenger Fees | Additional Rate Revenue | CIP Spending | Debt Service | Operating Costs | Ending Fund Balance** |
|-------------|-----------------------|------------------------|------------|-------------|------------|----------------|-------------------------|--------------|--------------|-----------------|-----------------------|
| FY14        |                       | 4,266,924              | 50,000     | 200,000     |            |                | -                       | 850,000      | 162,531      | 3,095,804       | 3,444,685             |
| FY15        | 3,444,685             | 4,530,440              | 3,000,000  | 7,800,000   | 465,000    | 1,200,000      | -                       | 12,785,000   | 183,409      | 2,645,424       | 4,803,462             |
| FY16        | 4,803,462             | 4,966,182              | 3,000,000  |             | 1,527,000  |                | -                       | 5,857,000    | 173,816      | 2,705,053       | 5,755,118             |
| FY17        | 5,755,118             | 5,246,935              | -          | (5,270,000) |            |                | -                       | (4,380,000)  | 244,596      | 2,483,587       | 7,627,325             |
| FY18        | 7,627,325             | 5,609,662              | -          |             |            |                | -                       | 2,500,000    | 73,977       | 2,548,696       | 7,665,101             |
| FY19        | 7,665,101             | 5,682,911              | -          |             | -          |                | -                       | 1,600,000    | 74,573       | 2,820,772       | 8,852,667             |
| FY20        | 8,852,667             | 5,727,645              | -          |             | 1,000,000  |                | 49,760                  | 5,050,000    | 72,600       | 2,452,750       | 8,054,722             |
| FY21        | 8,054,722             | 5,762,957              | -          |             | 1,000,000  |                | 201,030                 | 5,213,000    | 210,936      | 2,501,805       | 7,092,968             |
| FY22        | 7,092,968             | 5,814,004              | -          |             | -          |                | 304,571                 | 4,080,000    | 232,624      | 2,551,841       | 6,347,078             |
| FY23        | 6,347,078             | 5,858,796              | -          |             | -          |                | 410,182                 | 4,161,600    | 229,662      | 2,602,878       | 5,621,916             |
| FY24        | 5,621,916             | 5,903,726              | -          |             | -          |                | 517,906                 | 4,244,832    | 226,699      | 2,654,935       | 4,917,082             |
| FY25        | 4,917,082             | 5,956,264              | -          |             | 1,000,000  |                | 627,784                 | 4,329,729    | 156,250      | 2,708,034       | 5,307,117             |
| FY26        | 5,307,117             | 6,008,978              | -          |             | 1,000,000  |                | 739,860                 | 4,416,323    | 154,300      | 2,762,195       | 5,723,137             |
| FY27        | 5,723,137             | 6,061,867              | -          |             | 1,000,000  |                | 854,177                 | 4,504,650    | 152,350      | 2,817,439       | 6,164,743             |
| FY28        | 6,164,743             | 6,022,000              | -          |             | 1,000,000  |                | 970,781                 | 4,594,743    | 150,400      | 2,873,788       | 6,538,593             |
| FY29        | 6,538,593             | 6,022,000              | -          |             | 1,000,000  |                | 1,089,716               | 4,686,638    | 148,450      | 2,931,263       | 6,883,959             |

### Assumptions:

|   |       |
|---|-------|
| Future Rate Increase (FY20 January-June): | 2.00% |
| Future Rate Increase (FY21 thru FY25):    | 2.00% |
| Future Rate Increase (FY26 thru FY29):    | 2.00% |

|   |       |
|---|-------|
| Operational Cost Inflation (FY21 thru FY29):                | 2.00% |
| CIP Contribution Base Amount (FY22 thru 4,080,000 inflation |       |
| CIP Spending Inflation(FY22 thru FY29):                     | 2.00% |

|                               |           |
|-------------------------------|-----------|
| Sales Tax 1% (FY25 thru FY29) | 1,000,000 |
|-------------------------------|-----------|

\*Special Sales Tax Funding FY19-24 \$2.0M

\*\*Should have 3-4 months of operating expenses available (approx. 1-1.5 million)

\*\*\*Financial Reserve (Operational \$1M+ Capital \$2M) Target = \$3 million

# CBJ Wastewater Utility Updated Rate Model

| REVENUE     |                       |                     |            |            |                |                         | EXPENSE      |              |                 |                       |
|-------------|-----------------------|---------------------|------------|------------|----------------|-------------------------|--------------|--------------|-----------------|-----------------------|
| Fiscal Year | Starting Fund Balance | WW Utility Revenues | DEC Loans  | Sales Tax* | Passenger Fees | Additional Rate Revenue | CIP Spending | Debt Service | Operating Costs | Ending Fund Balance** |
| FY14        |                       | 9,572,483           | 1,150,000  | -          | -              | -                       | 1,500,000    | 587,305      | 8,214,378       | 8,265,804             |
| FY15        | 8,265,804             | 10,088,393          | 23,400     | -          | -              | -                       | 23,400       | 645,387      | 8,333,707       | 9,552,206             |
| FY16        | 9,552,206             | 11,417,877          | 10,000,000 | -          | -              | -                       | 13,940,000   | 581,582      | 8,218,974       | 8,646,719             |
| FY17        | 8,646,719             | 11,976,034          | 10,000,000 | -          | -              | -                       | 10,550,000   | 566,790      | 8,508,830       | 11,558,616            |
| FY18        | 11,558,616            | 13,111,961          | -          | -          | -              | -                       | 4,815,000    | 507,848      | 7,780,229       | 10,519,920            |
| FY19        | 10,519,920            | 13,442,927          | -          | 2,000,000  | -              | -                       | 5,845,000    | 513,100      | 10,388,650      | 9,216,097             |
| FY20        | 9,216,097             | 13,080,012          | -          | 2,600,000  | -              | 124,180                 | 5,825,000    | 506,300      | 9,643,900       | 9,045,089             |
| FY21        | 9,045,089             | 13,039,232          | -          | 1,500,000  | -              | 501,687                 | 8,915,000    | 1,778,213    | 9,836,778       | 3,556,017             |
| FY22        | 3,556,017             | 13,048,685          | -          | 3,700,000  | -              | 760,081                 | 4,080,000    | 1,776,893    | 10,033,514      | 5,174,377             |
| FY23        | 5,174,377             | 13,055,264          | -          | 3,200,000  | -              | 1,023,643               | 4,161,600    | 1,754,822    | 10,234,184      | 6,302,677             |
| FY24        | 6,302,677             | 13,043,711          | -          | 500,000    | -              | 1,292,475               | 4,244,832    | 1,628,752    | 10,438,868      | 4,826,412             |
| FY25        | 4,826,412             | 13,043,283          | -          | 2,000,000  | -              | 1,566,685               | 4,329,729    | 1,504,958    | 10,647,645      | 4,954,049             |
| FY26        | 4,954,049             | 13,043,806          | -          | 2,000,000  | -              | 1,846,379               | 4,416,323    | 1,344,898    | 10,860,598      | 5,222,414             |
| FY27        | 5,222,414             | 13,018,000          | -          | 2,000,000  | -              | 2,131,666               | 4,504,650    | 1,328,053    | 11,077,810      | 5,461,568             |
| FY28        | 5,461,568             | 13,018,000          | -          | 2,000,000  | -              | 2,422,660               | 4,594,743    | 1,311,219    | 11,299,366      | 5,696,900             |
| FY29        | 5,696,900             | 13,018,000          | -          | 2,000,000  | -              | 2,719,473               | 4,686,638    | 1,294,364    | 11,525,353      | 5,928,018             |

## Assumptions:

|   |       |
|---|-------|
| Future Rate Increase (FY20 January-June): | 2.00% |
| Future Rate Increase (FY21 thru FY25):    | 2.00% |
| Future Rate Increase (FY26 thru FY29):    | 2.00% |

|   |       |
|---|-------|
| Operational Cost Inflation (FY21 thru FY29)                 | 2.00% |
| CIP Contribution Bas 4,080,000 4 mil adjusted for inflation |       |
| CIP Spending Inflation(FY22 thru FY29):                     | 2.00% |

|                               |           |
|-------------------------------|-----------|
| Sales Tax 1% (FY25 thru FY29) | 2,000,000 |
|-------------------------------|-----------|

\*Special Sales Tax Funding FY19-24 \$13.5M

\*\*Should have 3-4 months of operating expenses available (approx. 3-4 million)

\*\*\*Financial Reserve (Operational \$3M+ Capital \$4M) Target = \$7 million

Dear Assembly:

The Utility Advisory Board (UAB) recommends that both the Water and the Waste Water Utility rates be raised 4% each of the next 5 years. The UAB understands the concerns about the rising cost of living in Juneau and while Juneau's Utility rates are relatively high there are historical and current reasons for this. Understanding that the cost of the utility is part of the city's responsibility the UAB is tasked to advise the Assembly on how to maintain a financially sound Utility run as a standalone enterprise. The assembly may decide to finance the Water and Wastewater utility using other resources besides rate adjustments and that is their prerogative. The UAB's recommendation is based on the assumption that the utilities will receive at least the same sales tax allocation in FY25 – FY29 as they are receiving in the current cycle. This rate model also does not fund an average of \$7 million annually that would be needed to fully fund the 10 year anticipated CIP needs list.

A brief narrative of the History leading up to this point is necessary to understand the context of why the UAB recommends this increase. In 2003 a Utility consulting firm (FCS Consulting) was hired to create a financial model of the Juneau Utilities. This model revealed that the Water and Waste Water utility were in dire financial straits. The Utility had been operating at a net loss of \$25 million during the prior 20 years, had not funded depreciation during this period and **had not made a rate adjustment for 15 years**. Because the Utilities had not incorporated Depreciation in its rates, the long-term replacement and maintenance provisions needed were not funded. In 2004 the assembly raised rates 39% for Waste water and 19% for Water. These increases only got the Utility on an operational cost recovery basis. However, because of fear of rate shock these increases did not address the past lapse of replacement and maintenance preparation. Ten years later another study was performed in 2013, **again there had been yet another stretch of years without a rate increase**, so the assembly acted with rate increase of 8.5% and 6% for the Waste Water and water utility **but this time instituted a five-year plan that included rate adjustments each of the next five years.**

We are now in 2019 and the rate plan to cover the water and wastewater utility ends this July. The UAB believes consistent rate adjustments based upon the Rate Model are central to keeping the water and wastewater utility department financially healthy without the need for the rate shocks of the past. The goals of the past five-year plan were accomplished, and the results are that the CBJ Utilities are on better financial footing. Setting a rate schedule allows the Utility Staff to better plan. That said we have yet to fully address the maintenance and replacement needs of the Water and Wastewater Utilities in Juneau stemming in part from past actions that did not fund depreciation. However, we have started!

The UAB proposes that the assembly adopt a rate plan again to cover the next period of five years. Concurrently, the Utility Staff will focus on a ten-year plan to address the long-term issue of deferred maintenance and the replacement needs of the Water and Wastewater Utility of the CBJ. The UAB will continue to work with staff to monitor and understand imbalances in the financial plan and will keep the assembly apprised annually.

Future assembly actions can change these proposed rates during the next five-year period. The model we have used is guiding the operations financially, yet we still face long deferred maintenance issues within the complex infrastructure of the water and wastewater utilities. The UAB will continue to act and advise the assembly into the future. The UAB meets frequently with staff and are diligent in their commitment to be efficient and frugal in the management of this vital component of our community.

We recommend you adopt a five-year plan that includes a 4% rate increase for each of the Water and Wastewater Utilities. Thank you for your time and consideration.

UAB



# MEMORANDUM

CITY/BOROUGH OF JUNEAU

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

Rorie.Watt@juneau.org

Voice (907) 586-5240

Fax (907) 586-5385



DATE: March 28, 2019

FROM: Duncan Rorie Watt  
City and Borough Manager

SUBJECT: FY20 Passenger Fee Proceeds Recommendations - DRAFT

Based on our latest projection of passengers expected to visit this summer, the amount of revenue available in FY20 is anticipated to be \$6,000,000. Attached to this cover are the recommendations for funding. A few notes on changes from past years and next steps that I intend to pursue:

1. Due to the impact of the legal fees on this year's allocation, the Port Operations and Port Building costs are allocated to Port Development Fee. I expect this to revert back to Marine Passenger Fee in FY21.
2. In accordance with MOA with CLIAA, we will perform a cost allocation plan to evaluate the budgeting of indirect costs.
3. A new idea is the Congestion Mitigation Pilot project. Cruise industry and tourism members support an attempt to minimize heavy truck traffic during peak tourism activity times. The details are not worked out on this idea. I am unsure if this pilot idea may be able to be put in place this summer. Conceptually, staff and AML are attempting to come up with a pilot project that would reduce conflict between the trucking of goods and busy tourist times. There are many details that would have to be resolved, including whether this program would be available to other shippers.
4. Now that the litigation has been completed, we have several projects that will get greater attention:
  - a. Role of public fund for capital improvements at the private docks. In FY19 we provided funds for "Public/Private Port Infrastructure Planning."
  - b. "Small Cruiseship Moorage Master Planning." Funding was also provided in FY19.
5. Exactly related to 4A above, I have included some level of funding for infrastructure at the two private docks in this year's proposed allocation. This is a change from recent years. This recommendation will similarly trigger the conversation on the role of the public fees at the private docks.

## **FY20 Draft Marine Passenger Fee Request & Recommendation**

### **Operational Services:**

|  | <b><u>Provider:</u></b>   | <b><u>Requested</u></b> | <b>Funding Recommendations for FY20</b> |                   |
|--|---------------------------|-------------------------|---|-------------------|
|  |                           |                         | <b><u>MPF</u></b>                       | <b><u>PDF</u></b> |
| Tourism Best Management Program                | TBMP                      | 15,000                  | 15,000                                  |                   |
| Crossing Guards                                | Travel Juneau             | 325,460                 | 325,460                                 |                   |
| Downtown Police Foot/Bike Patrol               | CBJ                       | 197,378                 | 197,378                                 |                   |
| Downtown Restrooms                             | CBJ                       | 105,000                 | 105,000                                 |                   |
| Visitor Information Services                   | Travel Juneau             | 148,300                 | 148,300                                 |                   |
| Downtown Cleaning                              | CBJ                       | 103,400                 | 103,400                                 |                   |
| Downtown Security Program                      | DBA                       | 65,000                  | 65,000                                  |                   |
| Additional BLS Ambulance                       | CBJ                       | 226,600                 | 226,600                                 |                   |
| Port Operations                                | Docks Enterprise          | 225,000                 | 0                                       | 225,000           |
| Port/Customs Building                          | Docks Enterprise          | 133,500                 | 0                                       | 133,500           |
| Pay Phones                                     | CBJ                       | 10,000                  | 10,000                                  |                   |
| Seawalk Maintenance                            | CBJ                       | 45,000                  | 45,000                                  |                   |
| Weather/Current Monitoring                     | Marine Exchange of Alaska | 30,000                  | 30,000                                  |                   |
| Program Services Overhead/Full Cost Allocation | CBJ                       | 1,400,000               | 1,400,000                               |                   |
| Shipping Congestion Mitigation (Pilot Project) | Contract                  | 30,000                  | 30,000                                  |                   |
| Updated Cost Allocation Plan                   | Contract                  | 50,000                  | 50,000                                  |                   |
| Legal Fees to CLIA                             |                           | 1,500,000               | 1,500,000                               |                   |
| Legal Fees to CBJ (Transfer to Statter)        |                           | 450,000                 | 450,000                                 |                   |

|  |                         |                         |
|--|-------------------------|-------------------------|
| <b><u>Total Operational Services Requests:</u></b> | <b><u>5,059,638</u></b> | <b><u>4,701,138</u></b> |
|--|-------------------------|-------------------------|

### **Capital Projects/Grants to Private Docks:**

|  |                        |           |         |  |
|--|------------------------|-----------|---------|--|
| Seawalk Major Maintance                                    | CBJ                    | 85,000    | 85,000  |  |
| Seawalk Permitting/Planning/Design                         | CBJ                    |           | 46,062  |  |
| Seadrome Shore Power                                       | Goldbelt Seadrome Dock | 300,000   | 0       |  |
| Large Berth Shore Power Feasibility/System Impact Analysis | Docks Enterprise       | 3,500,000 | 250,000 |  |
| Powerlift Gurney   | CBJ                    | 45,000    | 45,000  |  |
| Electric EMS Response Vehicle                              | Docks Enterprise       | 25,000    | 25,000  |  |
| Dock Face Guardrail  | Docks Enterprise       | 2,000,000 | 0       |  |
| Security Checkpoint Queuing Structure Phase II             | Docks Enterprise       | 200,000   | 200,000 |  |
| Ship Security/Safety/Training                              | AJ Dock                | 139,800   | 139,800 |  |
| Mooring Bollard Addition                                   | AJ Dock                | 2,950,000 | 0       |  |
| Response Boat Operations                                   | AJ Dock                | 19,600    | 19,500  |  |
| Safety Fencing   | AJ Dock                | 68,500    | 68,500  |  |
| Security and Screening Facility (Architecture/Design)      | AJ Dock                | 300,000   | 0       |  |
| Restrooms  | AJ Dock                | 25,000    | 25,000  |  |
| Dock Security  | Franklin Dock          | 85,000    | 85,000  |  |
| Restrooms  | Franklin Dock          | 25,000    | 25,000  |  |
| Dock Maintenance & Refurbishment                           | Franklin Dock          | 39,000    | 0       |  |
| Dock Maintenance & Upgrade (Big Fender Reimbursement)      | Franklin Dock          | 285,000   | 285,000 |  |
| Shore Power Infrastructure Upgrades                        | Franklin Dock          | 290,000   | 0       |  |
| Seawalk/Staging Area Maintenance                           | Franklin Dock          | 30,000    | 0       |  |

|  |                          |                       |
|--|--------------------------|-----------------------|
| <b><u>Total Capital Projects/Grant Requests:</u></b> | <b><u>10,411,900</u></b> | <b><u>358,500</u></b> |
|--|--------------------------|-----------------------|

|   |                          |                           |                         |
|---|--------------------------|---------------------------|-------------------------|
| <b><u>Grand Total all Requests:</u></b> | <b><u>15,471,538</u></b> | <b><u>\$6,000,000</u></b> | <b><u>\$358,500</u></b> |
|---|--------------------------|---------------------------|-------------------------|

## **OPERATIONS**

### **Tourism Best Management Practices Support**

This provides funding for printing, public notices, advertisements, and a contractual amount to the Tourism Best Management Practices (TBMP) effort. TBMP is a voluntary industry-managed program, designed to provide services to vessel passengers and address impacts, including safety issues, of tourism on local residents. Travel Juneau administers the program with the funding provided by Marine Passenger Fee proceeds.

### **Travel Juneau - Crossing Guards**

The purpose of this program is to facilitate safe traffic flow in the downtown area, encourage pedestrians to stay on the sidewalks, increase pedestrian safety, and control the crossing locations where summer pedestrians can cross the streets. This will fund crossing guards during the summer visitor season and during peak traffic times. The crossing guards will staff the Cruise Ship Terminal, People's Wharf, Marine Park Plaza, and at Taku Smokeries. This funding also provides for some limited equipment purchases, general training, scheduling, and deployment of the crossing guards. This program is currently administered by Travel Juneau.

### **JPD - Downtown Foot/Bike Patrol**

This provides additional foot and bike patrol presence by Juneau Police Department (JPD) officers in the downtown area during the summer. JPD's presence is important to ensure the safety of visitors, provide assistance and direction, and mitigate problems that can occur between some of the regular downtown locals and summertime visitors.

### **Downtown Restroom Maintenance**

This provides contractual services (labor and materials) required to increased and/or seasonal cleaning of the public restrooms in City Hall, Marine Parking Garage, Juneau Library, Overstreet Park and the Downtown Transportation Center, seven days a week, six times per day, for five months during the summer.

### **Visitor Information Program**

Travel Juneau provides summer visitors with information, directions, and assistance. Program expenses include administrative support for training and supervision of 130 volunteers, managing the cruise ship terminal visitor center and Marine Park kiosk, two paid seasonal visitor information positions, and printed materials.

### **Downtown Road Cleaning and Maintenance**

Due to heavy summer use by visitors, the downtown sidewalks require extra cleaning and litter/garbage removal to keep them clean and safe. This funding provides for two summer seasonal employees to keep the sidewalks clean, empty downtown garbage containers and perform other services as needed on a daily basis to maintain the downtown core area in a presentable manner for our visitors.

### **Downtown Security Program - Downtown Business Association**

Funding for this program supports two uniformed security officers that patrol the downtown area on foot from May through September. These security officers assist visitors with information, directions, and patrol the downtown area for loitering, panhandling, public intoxication, and other

public nuisances potentially impacting summer visitors and local residents. With regard to public safety issues and infractions of the law, the security officers refer these issues to JPD to handle. This program is provided through a private contract administered by the Downtown Business Association.

#### **CCFR - Seasonal BLS/Firefighter Program**

This funding pays for six seasonal EMTs from April to October. This funds the seasonal EMT's and the safety equipment, uniforms, fuel costs, consumable medical supplies, and training for the seasonal employees.

#### **Port of Juneau - Port Operations**

The Docks and Harbors Board has requested funding to offset the costs and impacts of providing area wide services and support to cruise ship passengers. The Board reviewed its budget and apportioned expenses associated with those services and estimated that approximately 9% of the annual docks budget will be attributed to providing area wide service to cruise ship passengers.

#### **Customs Building Maintenance**

The Port-Customs building will be occupied by the Department of Homeland Security-Customs Border Protection year-round and Docks and Harbors staff from April through October. Funding for this project also includes support for the new Visitors Center, which will be managed by the Travel Juneau. Docks and Harbors is responsible for the year-round maintenance and operation of the facility, which includes all utilities, alarm monitoring, winter snow removal, janitorial, maintenance of the parking lot, and general maintenance of the facility.

#### **Downtown Pay Phones**

To meet telephonic communications demands from cruise ship passengers and cruise ship crew, the City and Borough of Juneau (CBJ) continues to maintain pay telephones in the downtown corridor. We believe that this practice may end in the next couple years, but the phones still get used.

#### **Seawalk Maintenance**

This provides partial support for Parks and Facilities Maintenance to maintain the waterfront park grounds, empty trash, maintain the park and seawalk structures.

#### **Weather/Current Monitoring System Operations and Maintenance**

This funding would provide annual operations and maintenance for valuable real time weather and water current information to mariners that access the downtown Juneau waterfront including the four cruise ship berths (private and public), and the Taku Dock (serving Taku Fisheries). The system provides wind and current monitoring sensors at various locations to offer real time information for navigation purposes. The system disseminates via a phone app, internet, or other public media commonly available to mariners in the immediate area.

#### **Program Services Overhead/Full Cost Allocation Identified Government Operations**

In 2000, the Assembly Finance Committee approved a formula that reflects cruise ship passenger impacts on specific government services and is used to determine an amount of Marine Passenger Fee (MPF) proceeds to be used in support of identified government operations. As part of the settlement of the CLIAA litigation, CBJ and CLIAA have agreed that there would be no objection

to continuing to use the historic formula for another year and that CBJ would revisit the cost allocation after this season and implement the results in the coming years.

### **Shipping Congestion Mitigation (Pilot Project)**

Truckers, tour operators and dock operators are concerned about the ability to efficiently move people through town during the peak congestion periods. This project would fund a pilot project to experiment with off-peak hour trucking to alleviate some of the congestion issues. There are many details that would have to be worked out, but CBJ should decide whether to intervene or not in this area and if so whether to do so by regulation or by inducements.

### **Updated Cost Allocation Plan**

In accordance with the CLIAA/CBJ MOA, these funds would be used to revisit CBJ's cost allocation approach.

### **Legal Fees**

In accordance with the CLIAA/CBJ MOA, these funds would be used to partial funding to both parties legal fees. CBJ's portion would be redirected to the Statter Harbor Passenger for hire project.

## **Capital Projects/Grants**

### **Waterfront Seawalk: Major Maintenance**

This CIP would be used to battle the ongoing settlement issues that occur at the interface of the seawalk and the land. The seawalk is pile supported and does not settle, but adjacent filled land areas on public and private property continue to settle, causing potential tripping hazards. Installation of landscaping barriers provides one solution to this problem.

### **Waterfront Seawalk: Continued Planning/Permitting**

Funds will be used for continued efforts on next phase(s) of the seawalk. Activities will include surveying, geotechnical investigations, property appraisals and negotiations, cost estimating, permitting and preparation of conceptual and detailed design plans. CBJ's goal continues to be a seawalk from the rock dump to the bridge.

### **Large Berth Shore Power Feasibility/System Impact Analysis**

These funds would be used to determine the feasibility of the installation of more shore power connections at the CBJ docks and/or the AJ Dock. Currently, the Franklin Dock is the only cruise ship dock that is equipped for shore power. These funds would accomplish the Assembly goal of figuring out the necessary steps to connect more ships to shore power.

### **Powerlift Gurney**

These funds would be used to purchase a powerlift gurney for CCFR. The gurney would allow two people to safely move a patient into an ambulance, without risk of dropping the person or injury to CCFR staff. This gurney will reduce the practice of deploying the fire engine to medical calls.

**Electric EMS Response Vehicle**

These funds would be used to purchase an electric emergency medical service response vehicle. The vehicle would be used in tandem with the powerlift gurney, allowing for more efficient transfers of patients into the ambulances.

**Port of Juneau – Security Checkpoint Queuing Structure Phase II**

These funds would be used for the construction of a security structure at the top of the gangway at the CBJ berths. Recent upgraded Homeland Security protocols require the CBJ to monitor the flow of passengers as they return to the cruise ships.

**AJ Juneau Dock, LLC – Security and Safety: Training, Equipment/Maintenance, Etc.**

This project includes training, equipment, supplies, maintenance, signage, credentials, exercises and operations related to the safety and security of the cruise ship facility. This request will fund annual security cost requirements and enhancements to achieve compliance with the U.S. Coast Guard required/approved facility security plan as well as facility safety, spill response, incident management, drills and exercises.

**Juneau Port Security and Short-Range Response Boat**

The Department of Homeland Security awarded the AJ Dock with a port security and short range response boat that conducts port security patrols, at-sea deliveries to cruise ships in port (some items cannot go across the docks for security reasons). It is designed to accommodate medevacs, spill response, salvage operations, and on-scene support for emergency or law enforcement issues when ships are at anchor or at sea. This request is solely to cover the manning, maintenance, and operational expenses related to this vessel.

**AJ Dock Safety Fencing**

These funds would be used to support the cost of upgrading barrier fencing at the AJ Dock. Fencing is required as part of the Dock's port security requirements.

**AJ Juneau Dock, LLC - Restroom Cleaning and Maintenance**

This provides funding for restroom cleaning and maintenance supplies for cruise ship passenger public restrooms located at the AJ Dock.

**Franklin Dock Enterprises, LLC - Dock Security**

Security exercises and training for all personnel with security related duties and security related expenses, along with security personnel enclosures/equipment to achieve compliance with US Coast Guard required/approved security plan.

**Franklin Dock Restroom Cleaning and Maintenance**

This provides funding for restroom cleaning and maintenance supplies for cruise ship passenger public restrooms located at the Franklin Dock.

**Franklin Dock Maintenance/Upgrade Bigger Fender Reimbursement)**

These funds would be used to reimburse the purchase of 10' wide yokohama fenders that are necessary to allow berthing of the larger vessels that are being deployed to the Juneau market.

**Pending  
Amount Not in  
Base Budget**

| Item  | Expenditure Description | Base Budget |
|---|-------------------------|-------------|
| <b><u>Other Operating Pending Items (Not included in Manager's Base Budget)</u></b> |                         |             |
| 1   |                         | -           |
| <b>Total Operating Exp - Per AFC action</b>   |                         | <b>\$ -</b> |

|                                   |  |                   |   |
|-----------------------------------|--|-------------------|---|
| <b>aa</b>                         | CIP Airport Funding - Sales Tax (AFC request to assist LEEDS Cert) | 300,000           | 1 |
| <b>bb</b>                         | Marine Passenger Fee Priorities of CIP Resolution 2845             | 581,100           | 1 |
| <b>Total CIP - per AFC Action</b> |  | <b>\$ 881,100</b> |   |

## 1 One-Time

**City and Borough of Juneau**  
**Increased Funding Requests for the FY20 Revised Budget**  
**April 15, 2019**

**Requested Increments Not Included In Manager's FY20 Revised Budget**

|                 | <b>Program/Service/Idea</b>          | <b>Requestor</b>   | <b>How Often</b> | <b>FY20<br/>Requested<br/>Increment</b> | <b>Existing<br/>Assembly<br/>Grants</b> | <b>Notes</b>   |
|-----------------|--------------------------------------|--------------------|------------------|---|---|--|
| 1               | Juneau Festival Committee            | JFC                | Ongoing          | \$ 8,700                                | \$ 31,300                               | \$5K - 1 x for used Conex, \$2.7K recurring increase.  |
| 2               | Juneau Commission on Aging           | JCOA               | Ongoing          | \$ 10,000                               | \$ -                                    | Funding may go to JEDC for administration  |
| 3               | Juneau Commission on Aging           | JCOA               | 1-Time           | \$ 22,000                               | \$ -                                    | To update Senior Citizens Survey   |
| 4               | Youth Activities Board (YAB)         | YAB                | Ongoing          | \$ 17,500                               | \$ 332,500                              | Request to return to historical funding level of \$350k  |
| 5               | SE Conference                        | SE Conf            |                  | \$ 20,000                               | \$ -                                    | AMHS program development work  |
| 6               | Mental Health/Substance Abuse        | JCF                |                  | \$ 45,000                               | \$ -                                    | Year 2 of 2 year study   |
| 7               | seaaeyc - HEARTS Program             | seaaeyc            | Ongoing          | \$ 89,800                               | \$ 90,200                               | Non-profit operating budget increment request.   |
| 8               | JEDC                                 | JEDC               | Ongoing          | \$ 90,000                               | \$ 325,000                              |  |
| 9               | The Glory Hall (TGH)                 | Glory Hall         | Ongoing          | \$ 150,000                              | \$ -                                    | Non-profit operating budget increment request (TGH currently receives ~\$62k in CBJ funding via JCF) |
| 10              | Land for Senior Housing              | Manager            | 1-Time           | \$ 1,512,000                            | \$ -                                    | Land for Potential Assisted Living Project   |
| 11              | Contract Negotiations                | Manager            | Ongoing          | \$ -                                    | \$ -                                    |  |
| 12              | New & Enhanced Marketing Initiatives | Travel Juneau (TJ) | 1-Time           | \$ 120,000                              | \$ 1,358,700                            | TJ scheduled to receive \$885K in CBJ funds + MPF Funding of \$474K.                                 |
| <b>Subtotal</b> |                                      |                    |                  | <b>\$ 2,085,000</b>                     | <b>\$ 2,137,700</b>                     |  |

**Other Unfunded Concepts**

|                 | <b>Program/Service/Idea</b> | <b>Requestor</b>     | <b>How Often</b> | <b>Requested<br/>Increment</b> | <b>Existing<br/>Assembly<br/>Grants</b> | <b>Notes</b>                             |
|-----------------|-----------------------------|----------------------|------------------|--------------------------------|---|--|
| A               | New JACC                    | New JACC             | 1-Time           | \$ -                           | \$ -                                    |  |
| B               | New City Hall               | Manager              | 1-Time           | \$ -                           | \$ -                                    | Forward funding portion of New City Hall |
| C               | Downtown Parking Solution   | Manager              |                  | \$ -                           | \$ -                                    | Build more parking capacity              |
| D               | Pre K & Day Care            | Child Care Committee | Ongoing          | \$ -                           | \$ -                                    | Committee work underway                  |
| <b>Subtotal</b> |                             |                      |                  | <b>\$ -</b>                    | <b>\$ -</b>                             |  |



## Assembly Finance Committee (AFC)

FY20 Revised Budget Calendar and Key Dates – as of 4/15/19

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

### APRIL 2019

- 3<sup>rd</sup> Special Assembly Meeting – 5:30pm –Followed by Assembly Finance Committee**  
Special Assembly Meeting to Introduce FY20 Revised budget, immediately Followed by Assembly Finance Committee meeting, Chambers
- A. Introduction of the general operating (CBJ) budget ordinance
  - B. Introduction of the general operating School District budget ordinance
  - C. Introduction of the mill levy ordinance
  - D. Introduction of the CIP resolution
- 3<sup>rd</sup> AFC Meeting #1 – 5:30pm - Immediately following Special Assembly Meeting**
- A. Distribution of the Operating Budget, Capital Budget and Capital Improvement 6-Year Plan
  - B. FY20 Revised Budget Overview
  - C. School District Budget Presentation
  - D. Capital Improvements Projects Program Budget/Plan
- 10<sup>th</sup> AFC Meeting #2**
- A. Juneau International Airport (Patty Wahto, Airport Manager)
  - B. Docks & Harbors (Carl Uchytel, Port Director)
  - C. FY20 Budget Overview – Round 2
  - D. Capital Improvements Projects Program Budget/Plan – For Action
- 17<sup>th</sup> AFC Meeting #3**
- A. Travel Juneau (JCVB) (Liz Perry, President/CEO)
  - B. JEDC (Brian Holst, Executive Director)
  - C. Water & Wastewater Utility Rate Update
  - D. Marine Passenger Fee Recommendations – For Review
- 24<sup>th</sup> Special Assembly Meeting at 5:30pm - Followed by Assembly Finance Committee**  
Within 30 days after receipt of the (school) budget, the assembly shall determine the amount to be made available from local sources for school purposes, and shall furnish the School board with a statement (motion) of the amount to be made available for FY20 School District operations. (Charter Section 13.6 (b))
- The following actions must be completed by May 1, per Charter Section 9.6.
- A. Public hearing on the CBJ operating budget ordinance
  - B. Public hearing on the School District operating budget ordinance
  - C. Public hearing on the capital improvement program resolution
  - D. Public hearing on the on the mill levy ordinance
- 24<sup>th</sup> AFC Meeting #4 (Immediately following Special Assembly Meeting)**
- A. Youth Activities Board (YAB) Presentation (Tom Rutecki / Dave Pusich)
  - B. Bartlett Regional Hospital (Kevin Benson, CFO)
  - C. Proposed Mill Rate Presentation
  - D. Debt Service Presentation
  - E. School District - Funding “outside the cap” discussion
  - F. School Operating Budget – For Action
  - G. Pending Items List

**Assembly Finance Committee (AFC)**

**FY20 Revised Budget Calendar and Key Dates – as of 4/15/19**

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

**MAY 2019**

- 1<sup>st</sup> BREAK – No meeting unless needed for critical items.**
- 8<sup>th</sup> AFC Meeting #5**  
A. *Waste Management / Recycleworks Program Revenue*  
B. *Requested Budget Increments*  
C. *Marine Passenger Fee Recommendations – For Action*  
D. *FY19 Supplemental Ordinance*  
E. *Pending Items List*
- 13<sup>th</sup> Regular Assembly Meeting – Monday – 7pm**  
A. *Adoption of the School District’s general operating budget ordinance*
- 15<sup>th</sup> AFC Meeting #6**  
A. *Fund Balance Overview – Review Fund Balance*  
B. *Pending Items List*  
C. *Final FY20 Revised Budget Decisions –*  
a. *Mill Levy Ordinance 2019-05*  
b. *General CBJ Operating Ordinance 2019-06*
- 22<sup>nd</sup> AFC Meeting #7 – If Necessary**  
*Meeting for overflow items or new requests that come up during budget process.*

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

**JUNE, 2019**

- 3<sup>rd</sup> Regular Assembly Meeting – Monday – 7pm**  
A. *Adoption of the general operating (CBJ) budget ordinance*  
B. *Adoption of the CIP resolution*  
C. *Adoption of the mill levy ordinance*
- 12<sup>th</sup> AFC Meeting – If Necessary**

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

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