

City and Borough of Juneau
Minutes - Assembly Finance Committee Meeting
Meeting was scheduled to convene after Special Assembly Meeting beginning at 5:30 p.m.
Wednesday, April 3, 2019, 5:30 p.m.

I. Call to Order

The meeting was called to order at 5:39 PM by Loren Jones, Chair.

II. Roll Call

Committee Members Present: Loren Jones, Chair; Maria Gladziszewski, Alicia Hughes-Skandijs, Wade Bryson, Michelle Bonnet Hale, and Rob Edwardson.

Committee Members Participating Telephonically: Mary Becker, Carole Triem, and Mayor Beth Weldon.

Committee Members Absent: None.

Clerk's Note: At 6:17 PM Mary Becker excused herself from the meeting for the remainder of the evening.

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; Jill Maclean, CDD Director; George Schaaf, Parks & Recreation Director; Lindsay Foster, Parks & Recreation; Dallas Hargrave, Human Resources Director; Robert Barr Library Director; Ed Mercer, Chief of Police; David Campbell, Deputy Chief of Police; Rich Etheridge, Fire Chief; Greg Chaney, Lands & Resources Manager; Dave Scanlan, Eaglecrest Manager; Beth McEwen, City Clerk; Scott Ciambor, Chief Housing Officer; Sam Muse, Controller; and Elisabeth Jensen, Budget Analyst.

Others Present: Bridget Weiss, Superintendent, Juneau School District; Sarah Jahn, Administrative Services Director, Juneau School District; and Brian Holst, President, Juneau School Board..

III. Approval of Minutes

The March 13, 2019 minutes were approved as presented.

IV. Distribution of FY20 Revised Biennial Budget Documents

Budget Books handed out to AFC members and posted online at:

<https://beta.juneau.org/budget>.

Rorie Watt, City Manager, presented information regarding the FY20 Revised Budget. Mr. Watt emphasized the importance of the budget process as the most important undertaking each year, and recognized the hard work of all the CBJ departments, the Assembly and the public in their efforts to create the budget. He said the City by in large is in a good position,

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and is in a good position on purpose. For many years, the City has benefited from prudent decision making by Assemblies, Managers, Directors and employees. We have saved, balanced the desires for public services with the ability to pay for them. It is a beautiful process. It is a puzzle. Some call it a Rubik's Cube. The public like the public services the City provides and continue to request more services. We always have more requests for services than the money to pay for all of the requests. We also have confidence from the public to weigh the risks and exposures that we have.

The State budget process will likely roll down hill and we will need to sort that out. This is by far the most interesting State budget process we have seen. The CBJ and JSD have budgeted assuming that there will not be big changes from the State budget outcome. It would be unwise to predict what the State may do. We will not be surprised if we finalize the CBJ budget and then have to react to the impacts from the State's adopted budget later this year.

V. FY20 Revised Budget Overview

Supplemental Packet Handout provided to AFC members and posted online at:

<https://packet.cbjak.org/MeetingView.aspx?MeetingID=955&MinutesMeetingID=-1&doctype=Agenda>.

Bob Bartholomew, Finance Director, presented information regarding the FY20 Revised Budget found on pages 2-18 of the handout. He said that the goal was to provide the information at a higher level, giving everyone an opportunity to review details in the coming week and future AFC meetings of the season.

The total funding sources for the FY20 Revised budget is \$356 million, which is \$6.3 million higher than last year. We are using some savings to balance this budget. It is healthy to use a little savings, but it can turn around quickly, and cannot go on for the long term.

Mr. Bartholomew discussed the General Government budget for CBJ departments and support to the school district. There are budget increases proposed but he did not try to anticipate the impact of State decisions that have yet to be made during the current Legislative session.

There are additional proposed increments in the list on page 17 of the handout that are not included in the base budget. These items will be addressed over the next 8 weeks.

We are right on the precipice of having a sustainable budget versus not having a sustainable budget. The outlook is that it will be tougher to fund the budget moving forward. We do not believe the departments will be able to absorb decreases and maintain all existing programs/services moving forward.

Mr. Bartholomew responded to questions from the Assembly members.

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The meeting recessed at 6:38 PM.

The meeting reconvened at 6:44 PM.

VI. School District Budget Presentation

PowerPoint Presentation displayed on overhead during meeting is available online at: <https://packet.cbjak.org/MeetingView.aspx?MeetingID=955&MinutesMeetingID=-1&doctype=Agenda>.

Dr. Bridget Weiss, Superintendent, Juneau School District; Sarah Jahn, Finance Director, Juneau School District introduced Brian Holst, President, Juneau School Board.

Dr. Weiss and Ms. Jahn presented the FY20 Juneau School District budget, passed by the Board of Education at its March 26, 2019, meeting.

Dr. Weiss thanked the Assembly for providing the current level of funding to the cap. The FY20 Budget anticipates expenses of \$71,122,800, revenue of \$70,243,200 and a drawdown of \$879,600 of fund balance.

The Key Assumptions of the School budget include:

Resources

- 1.) State Foundation Payment - \$37,953,500
 - Assumes flat base student allocation – assumes 4,577 students – assumes 85 intensive needs students
- 2.) CBJ Support - \$26,497,800
 - Assumes full support to the cap

District Funding Request to CBJ

	Amount	Increase/(Decrease)
General School Operations	\$26,497,800	(\$37,500)
Outside the cap*	\$1,676,500	\$120,000
TOTAL	\$28,174,300	\$82,500

*Uncertain Student Transportation revenue

Dr. Weiss and Ms. Jahn responded to questions from the committee.

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VII. Capital Improvements Program Presentation

Mike Vigue and John Bohan presented the Capital Improvements Program plan found on pages 25 – 31 of the meeting packet.

The Public Works and Facilities Committee (PWFC) reviewed the last rendition of the CIP Resolution on March 18, 2019. Changes in the memo on pages 25 – 26 of the meeting packet outline the recommendations of the PWFC and further staff review, incorporated into the resolution found on pages 32 – 37 of the handout packet.

Discussion will continue during the AFC meeting on April 10, 2019.

VIII. Information Items

Mr. Watt debunked sensationalized media reports related to the potential State budget impact on operating and capital funding for Juneau's Housing First.

IX. Next Meeting Date

Wednesday, April 10, 2019

X. Adjournment

Meeting was adjourned at 7:46 PM