

**City and Borough of Juneau**  
**Minutes - Assembly Finance Committee Meeting**  
**Zoom Webinar & Facebook Live Stream**  
**Wednesday, July 8, 2020**

**The AFC meeting convened immediately following a Special Assembly Meeting beginning at  
5:00 PM**

**I. CALL TO ORDER**

The AFC meeting was called to order at 5:29 PM by Loren Jones, Chair.

**II. ROLL CALL**

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

Committee Members Absent: Carole Triem

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

Others Present Virtually: Max Mertz, Economic Stabilization Task Force Co-Chair; Linda Thomas, Economic Stabilization Task Force Co-Chair, Kara Hollatz, Outreach Coordinator, Airlift Northwest

**III. APPROVAL OF MINUTES**

- a. The June 17, 2020 minutes were approved as presented.

**IV. ITEMS FOR DISCUSSION**

**a. Allocation of CARES Act Funds**

Mr. Watt described the new pie chart of actual expended and potential expenditures of CARES Act funding. CBJ has appropriated \$26.1 million and a number of other programs are in the queue. Mr. Watt brought the Assembly's attention to the Business Relationship Diagram, explaining that if there is an area of support that has not been contemplated, now is the time for the Assembly to ask either the Economic Stabilization Task Force (ESTF) to work on what that program might be, or staff through the Manager's Office. Mr. Watt reminded the Assembly of the expenditure deadline for the CARES Act funds of December 30, 2020.

Ms. Hale expressed concerns for Juneau's vulnerable population and residents that live paycheck to paycheck. She stated that the earlier PFD disbursement may mean that residents aren't using the funds to fill their oil tanks for the

## **Minutes - Assembly Finance Committee Meeting Wednesday, July 8, 2020**

winter. She expressed her concern about Juneau's population staying warm, fed, and sheltered during the winter. She would like to see more focus on a food security program.

Mr. Watt responded to committee questions.

Ms. Gladziszewski expressed concerns about getting kids back to school safely, and inquired about personal protective equipment (PPE) to aid in doing this.

Mr. Watt responded to committee questions.

Chair Jones stated that the school has purchased PPE for teachers with the school's available CARES Act funding, but does not believe PPE has been purchased for students. If it is determined that students are also required to wear PPE, the school may be looking for additional funds to cover these costs.

Mr. Smith expressed concerns about the pie being seemingly quite served. He stated the unemployment bonus and eviction moratorium prohibitions will be going away at the end of the month, and is wondering what that will look like in August and September. He inquired about the ESTF, or someone else, doing a needs assessment in the community.

Mr. Watt reiterated that if there's an area in the community that is not being worked on, we need to start working on it now. He discussed further programs being considered that are meant to address community needs.

### **V. ITEMS FOR ACTION**

#### **a. Business Grant Program Phase 2/3**

Mr. Watt explained that the ESTF and JEDC are working together on recommendations for the phase 2/3 grant program. This item is not ready for Assembly action, as recommendations have not yet been finalized. Mr. Watt recommended that this item be continued.

**Motion: by Ms. Gladziszewski to keep the Business Grant Program Phase 2/3 in the Finance Committee until the Assembly hears from the ESTF.**

**No objection, motion passed unanimously.**

## **Minutes - Assembly Finance Committee Meeting Wednesday, July 8, 2020**

### **b. Non-Profit Grant Program**

Mayor Weldon presented the draft ordinance for the non-profit grant program, stating that the grant administrator for this program would be the Juneau Community Foundation (JCF).

Mayor Weldon responded to committee questions.

Linda Thomas, ESTF Co-Chair, responded to committee questions.

### **c. Airlift Northwest Request for Support**

Mr. Watt explained that Kara Hollatz with Airlift Northwest submitted a request to the ESTF, who tendered it over to the Manager's Office. Mr. Watt communicated with the region, determining that President Peterson with Central Council already provided \$1.0 million of support to keep the plane in Juneau. Additional letters of support have come in including from Mr. Jones from the ER, JEMA Practice, and Southeast Conference. Mr. Watt recommended that the Assembly consider \$500,000 of CARES Act funding provided that Airlift Northwest keep the plane in Juneau for the remainder of the calendar year. He stated that LifeMed has also made a request for CARES funding which the ESTF is reviewing tomorrow. Mr. Watt clarified that since Airlift Northwest is an entity of the University of Washington Medicine, they are ineligible for most of the available CARES Act funding.

Mr. Watt responded to committee questions.

Ms. Hollatz responded to committee questions, explaining that the PC 12 turboprop plane is unique in the sense that it can land on shorter runways to support many of Southeast Alaska's smaller communities. Additionally, it can be configured to hold up to two passengers at a time, and accommodates bariatric patients up to 450 pounds, while performing longer range flights, if needed. She further explained that a consequence of the plane leaving Southeast Alaska would be delayed patient care. With President Peterson's pledge, Airlift Northwest's plan is to keep the plane in Juneau until the end of the summer.

Mr. Watt explained to the Assembly that on his call with the other communities, he told them that Juneau's Assembly would want to know what other communities are doing. Mr. Watt encouraged the other communities to support the request with funds if indeed it was important to them.

## **Minutes - Assembly Finance Committee Meeting Wednesday, July 8, 2020**

**Motion:** by Mayor Weldon to have the attorney draft an appropriating ordinance for \$500,000 to Airlift Northwest of CARES Act money, and then it can be discuss it as it moves slowly forward as the Committee looks at the other requests.

**No objection, motion passed unanimously.**

*The meeting recessed at 6:30 PM.*

*The meeting reconvened at 6:40 PM.*

### **d. Consideration of Building Purchase for Sheltering**

Mr. Watt presented the memo from Mr. Ciambor about emergency cold weather shelter use background costs and point-in-time count numbers. Purchase of a building for this purpose would be eligible for CARES Act funding because it allows the purchase of a building for sheltering of vulnerable populations. Generally, CARES Act funds cannot be spent on the construction of a new building, but it could not be built quickly enough to be “necessary”. Mr. Watt requests that the Assembly does not object to a solicitation for building purchases that can be brought before the Assembly for consideration.

Mr. Watt responded to committee questions.

**Motion:** by Mayor Weldon to direct the City Manager to solicit available properties that could be acquired to meet the needs of operating a cold weather shelter and using CARES Act funding to do so.

**No objection, motion passed unanimously.**

### **e. Infrastructure Bond**

Mr. Watt explained that the ESTF has identified that finding ways to stimulate the economy is very important early on, and has therefore proposed an infrastructure bond package. The goal is economic activity in the construction trades and professional services trades. Mr. Watt cautioned the Assembly that the timeline for the bond package is very short, an ordinance would have to be introduced to get the bond package on the ballot and up for public hearing by August 3<sup>rd</sup>. Mr. Watt suggested that a good starting point for the bond package would include \$5 million for school roofs, \$5 million for parks, and \$5 million for the West Douglas Pioneer Road.

Mr. Rogers presented the debt service model to the Assembly. He explained that the absence of school bond debt reimbursement will require over \$5 million of General Fund support in FY21 to prevent the Debt Service Fund from going

## **Minutes - Assembly Finance Committee Meeting Wednesday, July 8, 2020**

negative. The status quo debt service mill rate model assumes that CBJ will receive 100% of the school bond debt reimbursement in FY22 – FY25. Mr. Rogers presented that any reimbursement percentage below 100% will cause the debt service mill rate to increase from the current rate without additional General Fund support. Through the model, Mr. Rogers further explained that between FY21 – FY23, about \$12 million of General Fund support is required to keep the debt service mill rate flat. This does not include the infrastructure bond package under consideration. Mr. Rogers concluded that yes, the City has debt capacity, but the question is what is the Assembly's tolerance in regards to the mill rate, how much does CBJ believe will be reimbursed for school bond debt, and how much is the Assembly willing to contribute to the Debt Service Fund from the General Fund, not really to pay debt costs but to deal with the fact that the State is not reimbursing for school bond debt.

Mr. Rogers and Mr. Watt responded to committee questions.

Hs. Hale expressed that she would like the Aurora Harbor improvements added to the list for consideration for the bond package.

Mr. Edwardson requested that evidence be provided to the Assembly that infrastructure does indeed stimulate the economy.

Ms. Gladziszewski inquired about utility projects being added to the list to reduce pressure on increasing utility rates.

Mr. Rogers explained that there are State loan programs that are preferable for utility projects as they come with lower interest rates. He also explained that the Assembly could consider taking out revenue bonds against future passenger fee or utility fee revenues.

The Assembly discussed options of refinancing the school construction bond debt and amortizing it over a longer period of time to reduce the stress on the Debt Service Fund. Mr. Rogers explained that the Assembly could also choose to buy down the mill rate through additional contributions of general funds to the Debt Service Fund. Mr. Watt explained that contributions of general funds will require additional use of reserves or further reductions to the Capital Improvement Plan.

Chair Jones stated that the Assembly may also want to consider the Augustus Brown Pool capital improvement project for the infrastructure bond, as sales tax revenues may not generate enough funding to complete this project in the short term. The Assembly is also already looking at a potential increase to the mill rate in FY22 for childcare. Mr. Jones stated further that the City only has three more

## **Minutes - Assembly Finance Committee Meeting Wednesday, July 8, 2020**

years of school construction bond debt, and it doesn't make sense to refinance it for an additional 25 years to avoid not paying it for the next three years.

Ms. Gladyszewski cautioned the Assembly that the infrastructure bond projects need to be widely supported and uncontroversial if the package is going to pass a public vote.

*The meeting recessed at 7:48 PM.*

*The meeting reconvened at 8:00 PM.*

**Motion: by Mayor Weldon to direct the City Manager to prepare a bond ordinance for introduction at a Special Assembly meeting on July 20<sup>th</sup>, which would include \$15 million for improvements to schools, parks, and extension of the West Douglas Pioneer Road to the water.**

**No objection, motion passed unanimously.**

### **f. Arts/Culture Grants**

Ms. Hale introduced the ESTF's recommendation for a 2020 Juneau ArtWorks Program to the Assembly, to be administered by the JAHG.

Ms. Hale responded to committee questions.

Chair Jones stated that the Committee did not have any objections to Ms. Hale drafting an ordinance and bringing it back in front of the Assembly when available.

### **g. Grants for Personal Protective Equipment and COVID Mitigation**

Mr. Palmer presented Ordinance 2020-37 to the Committee. He explained that the ordinance stitches together two concepts, the first being a reimbursement program for PPE for businesses, and the second to provide a financial incentive to businesses that require employees and customers to wear masks, or provide a disinfectant station.

Ms. Hale provided additional detail about the grant program.

Mr. Palmer and Ms. Hale responded to committee questions.

Ms. Gladyszewski inquired as to why this program concept couldn't be added to the Business Sustainability Grant Program that's already being administered.

Mr. Mertz, ESTF Co-Chair, stated that the Committee may not want to limit applicant participation to folks that have 20% or more harm from COVID.

## **Minutes - Assembly Finance Committee Meeting Wednesday, July 8, 2020**

Perhaps CBJ doesn't want to limit it to that and instead have the program be broader.

### **VI. INFORMATION ITEMS**

#### **a. Staff Update on Bond Refinancing**

Mr. Rogers explained that the bond refinancing that was performed in June saves the CBJ about \$300,000. The amount represents a future debt payment CBJ will not have to pay.

### **VII. NEXT MEETING DATE**

- a. Wednesday, August 5<sup>th</sup>, 2020

### **VIII. ADJOURNMENT**

*The meeting was adjourned at 8:29 PM.*