

City and Borough of Juneau
Minutes - Assembly Finance Committee Meeting
Wednesday, April 28, 2021

I. CALL TO ORDER

The meeting was called to order at 5:34 pm by Loren Jones, acting Chair.

II. ROLL CALL

Committee Members Participating Virtually: Mayor Beth Weldon; Loren Jones, acting Chair; Alicia Hughes-Skandijs; Wade Bryson; Maria Gladziszewski; Greg Smith; Christine Woll

Committee Members Absent: Carole Triem; Michelle Bonnet-Hale

Staff Present Virtually: Rorie Watt, City Manager; Mila Cosgrove, Deputy City Manager; Jeff Rogers, Finance Director; Adrien Speegle, Budget Analyst; Rich Etheridge, Capital City Fire and Rescue Chief

Others Present Virtually: Brian Holst, Juneau Economic Development Council Executive Director; Garrett Schoenberger, Juneau Economic Development Council Board Chair; Joy Lyon, Association for the Education of Young Children Executive Director; Blue Shibler, Association for the Education of Young Children Human Resource Manager

III. APPROVAL OF MINUTES

The April 21, 2021 minutes were approved as presented.

IV. BUDGET PRESENTATIONS

a. Juneau Economic Development Council

Brian Holst, Juneau Economic Development Council (JEDC) Executive Director, and Mr. Schoenberger, JEDC Board Chair, presented their FY22 funding request in the amount of \$400,000 to the Committee. Mr. Holst stated that in FY21 JEDC voluntarily reduced funding from CBJ by \$75,000, as JEDC anticipated reduced city resources as a result of the pandemic. In FY22, JEDC is requesting that funding return to its pre-pandemic level. Mr. Holst stated that JEDC has managed several projects throughout the pandemic, including CBJ's emergency loan portfolio, distributing AK CARES funding, and administering other CBJ grant programs. Mr. Holst stated that JEDC has been working to address needs in the Juneau community as they arise, including producing economic data, launching a series to encourage entrepreneurship, and developing a local frequency application.

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Mr. Holst responded to committee questions.

Motion: by Ms. Gladyszewski to approve JEDC's \$400,000 funding request in the FY22 budget.

The motion passed by unanimous consent.

b. Grant Support for Childcare

Ms. Cosgrove presented a memo on packet page four to the Committee, stating that based on increasing enrollments in 2021, the Association for the Education of Young Children (AEYC) is requesting an additional \$225,000 of funding outside the \$400,000 included in the Manager's FY22 Proposed Budget. Ms. Cosgrove reminded the Committee that in the FY21 budget, CBJ granted AEYC \$1,057,000 of federal CARES Act funding to support childcare during the COVID-19 pandemic through December 30, 2020. The FY21 budget also included a \$400,000 grant to AEYC for childcare for the period starting January 1, 2021 through June 30, 2021. At the direction of the Assembly during the FY21 budget process, the Manager's FY22 proposal includes \$400,000 for childcare, knowing that an additional increment was likely since this amount would not cover childcare stipends for the full fiscal year.

Joy Lyon, AEYC Executive Director, stated that 20 out of 26 childcare programs in Juneau were awarded grants based on their tuition and enrollment. Blue Shabler, AEYC Human Resource Manager, described the Child Development Academy to the Committee, a program in which licensed child care programs are required to have a minimum number of staff with a national child development credential, or at least twelve university credits in early childhood education. Ms. Shabler stated that this program has been very effective in better preparing and training childcare providers in the Juneau area.

Ms. Lyon and Ms. Cosgrove responded to committee questions.

Motion: by Mr. Smith to appropriate the requested \$625,000 for childcare stipends in the FY22 budget, and to use this amount as the base grant amount for next year's budget.

Motion passed by unanimous consent.

The committee recessed at 6:21 PM.

The committee reconvened at 6:30 PM.

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c. CCFR Sleep Off Program Expansion/ Mobile Integrated Health Program

Ms. Cosgrove drew the Committee's attention to a memo on packet page nine. This memo requests funding of \$347,000 for an expanded sleep off program and \$149,600 for the establishment of a Mobile Integrated Health (MIH) program in Capital City Fire and Rescue's (CCFR) FY22 budget. Ms. Cosgrove stated that the sleep off program used to be operated by Bartlett Regional Hospital (BRH), but was transferred to CCFR on July 1, 2019. At the time of the transfer, hours were reduced from 24 hours a day to 12 hours a day, which has proven to be insufficient support for the needs of the program. The MIH program was established in response to the COVID-19 pandemic, but Ms. Cosgrove believes there is long-term community value in funding this program, including keeping pressure off the hospital's emergency department and ambulance services. The intent of the MIH program is to enable healthcare professionals to care for patients in their home or other location, rather than requiring an ambulance for transport. Services that are supported by the MIH program include delivering welfare checks, assisting with telemedicine appointments, COVID testing, and wound care and dressing changes. Mr. Etheridge, CCFR Chief, stated that these programs are proactive and instrumental in bettering community health.

Mr. Etheridge responded to committee questions.

Motion: by Mayor Weldon to approve the Manager's FY22 increment request for the sleep off and MIH programs, to be funded with \$321,600 of general funds and \$175,000 of liquor tax receipts that are currently going towards BRH.

The motion passed by unanimous consent.

d. Manager's Passenger Fee Proposal

Mr. Rogers presented the FY22 passenger fee proposal to the Committee. Mr. Rogers stated that it is unlikely Juneau will receive any large cruise ship visitors in the summer of 2021, however the 2022 cruise season has potential to show record high numbers. In a memo on packet page 16, Mr. Watt proposed that CBJ expends passenger fees in FY22 only on debt service and costs of core city services. Though there are some staffing reductions to individual departments, many city services such as CCFR, the Juneau Police Department, and Docks and Harbors must remain funded regardless of tourist numbers.

Mr. Rogers explained the Marine Passenger Fee Fund is anticipated to have a negative fund balance at the end of FY22. In the circumstance of a fund going negative, by default, it borrows from a different fund until the balance is restored.

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Mr. Rogers recommended that the Committee take no action on the proposal at this time, as it will be reviewed again at a future committee meeting.

e. **Hotel-Bed Tax Funding Overview**

Mr. Rogers introduced a memo on packet page 55 regarding FY22 Hotel Bed Tax funding levels and associated expenditures. He stated that the Manager's FY22 Proposed Budget forecasts \$1.25 million of hotel bed tax revenue. The current hotel bed tax is 9%, of which 4% is allocated to Travel Juneau for tourism promotion, 3% to Centennial Hall operations, and 2% to assist in funding future capital improvements to Centennial Hall. In FY22, Travel Juneau's funding request exceeds the available 4% of hotel bed tax revenues. If the Committee chooses to fund Travel Juneau's full request of \$625,000, \$69,400 will need to be appropriated from general funds. Similarly, Centennial Hall's FY22 operating costs exceed the available 3% of hotel bed tax revenues, requiring a general fund subsidy of \$173,100. The 2% of hotel bed tax revenues intended for Centennial Hall improvements has been included in the Manager's proposal as a transfer to the Debt Service Fund to support the new \$7 million bond for Centennial Hall renovations. Mr. Rogers stated that the Downtown Business Association has also requested \$75,000 in funding in FY22. Prior to FY21, this request was funded with excess hotel bed tax receipts, however due to depressed revenues in FY21, the \$75,000 was funded by general funds. Mr. Rogers recommended that the Committee treat this request similarly to other Assembly grants, and in the future fund it with general funds rather than hotel bed tax receipts.

Mr. Rogers stated that Travel Juneau and the Downtown Business Association's funding requests are on the pending list for consideration later in the budget process, and no action is needed on them at this time.

Mr. Rogers responded to committee questions.

Motion: by Mayor Weldon to approve the General Fund subsidy of \$173,100 for Centennial Hall operations in the FY22 budget.

The motion passed by unanimous consent.

f. **Full Cost Allocation Overview**

Referring to packet page 58, Ms. Speegle provided an overview of CBJ's Full Cost Allocation Plan to the Committee.

Ms. Speegle responded to committee questions.

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V. INFORMATION ITEMS

a. Pending List Preview

Mr. Rogers provided a preview of the FY22 budget pending list on packet page 64. He stated that the Committee will begin its work on the pending list at the next Assembly Finance Committee (AFC) meeting on May 5, 2021.

b. Revised Budget Calendar

Mr. Rogers presented the Revised Budget AFC Calendar on packet page 66.

VI. NEXT MEETING DATE

- a. Wednesday, May 5, 2021

VII. ADJOURNMENT

The meeting was adjourned at 7:30 pm.