

ASSEMBLY FINANCE COMMITTEE MINUTES

March 6, 2024, at 6:30 PM

Assembly Chambers/Zoom Webinar



<https://juneau.zoom.us/j/93917915176> or 1-253-215-8782 Webinar ID: 939 1791 5176

A. CALL TO ORDER

The meeting was called to order at 6:30 pm by Chair Christine Woll.

B. ROLL CALL

Committee Members Present: Chair Christine Woll; Mayor Beth Weldon; Michelle Hale; Greg Smith; Paul Kelly; Ella Adkison; Wáahlaal Gíidaak; Alicia Hughes-Skandijs; Wade Bryson

Committee Members Present Virtually: None

Committee Members Absent: None

Staff Members Present: Katie Koester, City Manager; Angie Flick, Finance Director; Adrien Wendel, Budget Manager

Others Present: Phil Huebschen, Juneau Arts & Humanities Council Executive Director; Amy Skilbred, Juneau Community Foundation Executive Director

C. APPROVAL OF MINUTES

1. February 7, 2024

The February 7, 2024 minutes were approved as presented.

D. AGENDA TOPICS

2. Partner Agency Program Updates

Juneau Arts and Humanities Council

Phil Huebschen, Juneau Arts & Humanities Council (JAHC) Executive Director, introduced page 15 of the packet that outlined the future direction of JAHC. He shared that the Margaret A. Cargill Philanthropies grant enabled JAHC to host in-classroom programs at Juneau School District (JSD) schools, as well as other activities outside of the classroom for Juneau's youth. He stated that this grant would carry through to August 2025 and expressed the importance of creating sustainable education infrastructure to keep those activities continuing beyond that grant period.

Mr. Huebschen continued that, in-line with supporting JSD's difficult financial situation, JAHC's focus was to bolster the existing JAHC education programs including professional skill building workshops, teaching writing grants, building portfolios, and other skills. He stated that JAHC was exploring opportunities for future programs with community partners to deliver cross cultural and intergenerational arts education. He shared that one of the goals was to spread art experiences throughout Juneau and outside of the downtown area.

Mr. Huebschen stated the importance of a thriving art scene including how it would make Juneau more attractive to visitors and potential future residents, as well as how it would boost the local economy. He stressed that JAHC can't control partner funding but that they could make it clear to their partner organizations that they're prioritizing education initiatives in the grant application process. He shared some of the local success stories that came out of the major grant process, which were shown on page 17 of the packet.

Mr. Huebschen stated that in 2023 JAHC was only able to fund \$115,000 out of the \$260,000 requested. He stated that seventeen partner groups turned this \$115,000 funding into \$19 million in revenue, \$7 million of which went to local payroll and which ended up being a huge payoff for the local economy. He pointed to page 18 of the packet which laid out the strategy of the JAHC moving forward.

Assemblymember Hale asked if Mr. Huebschen had touched based with leadership at JSD to figure out how JAHC could help Juneau schools with their arts education programs.

Mr. Huebschen replied he had not had that conversation with JSD yet but that it was his intent to soon.

Assemblymember Smith asked if JAHC had the data on the amount of funds that the arts grants could leverage, in context with CBJ's contribution.

Mr. Huebschen answered that he had limited data from FY23 but more data would come from the funding request applications they were due to receive near the application deadline at the end of April.

Juneau Community Foundation

Amy Skilbred, Juneau Community Foundation (JCF) Executive Director, shared an overview of the funds JCF received from CBJ to provide social service grants. Since 2016 they had received \$8.2 million and provided \$8.6 million, which in total was about \$16 million that went into social services organizations in Juneau. She pointed to page 21 of the packet which showed the 2023 Juneau Hope Endowment and CBJ Social Service grants. She explained that organizations had asked JCF for funding throughout the years to provide community assistance with homelessness, mental health, suicide prevention, substance abuse, and adult education.

Ms. Skilbred continued by describing the process JCF used to fund programs, which started with an initial conversation with their partners to identify the needs within the community where programs could help. She stated that the next step in the process was the submission of a letter of interest, which was due from the applicants in early January. She explained that these letters of interest helped JCF identify the amount of funds in total needed compared to the amount they had available to allocate.

Ms. Skilbred pointed to pages 22-27 of the packet which showed the 2023 funding impact on Juneau Housing First Collaborative dba The Glory Hall, the Weekend Student Food Bags program by Douglas Methodist Church, senior services by Catholic Community Service, mental health support through Juneau Alaska Mental Health Institute (JAMHI), adult education services through Southeast Regional Resource Center, and families experiencing homelessness through Family Promise.

Assemblymember Smith expressed gratitude for the work JCF did for the extremely minimal administrative fee, stating that this fee was roughly 1.6% of the \$3 million in grants JCF funded.

3. 2024 Assessed Property Valuations

Angie Flick, Finance Director, directed the Assembly to page 30 of the packet which showed a memo that described the preliminary property assessment values. She explained that the 2024 property assessment notices had been sent out in the mail on March 1, which started the thirty-day appeal period. She expressed that the demand for appeals in the Assessor's Office had so far been significantly lower compared to previous years.

Ms. Flick stated that the data in the memo did not include the various exemptions. She explained how the two most popular exemptions (for senior citizens and disabled veterans) were applied and verified each assessment year and stated that these applicants were due to apply by March 31.

Ms. Flick continued that the appeal process would affect assessed values as new information was shared concerning the condition of physical structures in Juneau. She stated her desire to bring this information to the Assembly early and that the assessed property valuations role would not be certified until June 1.

Assemblymember Bryson asked if there was anything this year that could significantly change the amount of taxable property value compared to last year.

Ms. Flick answered that she did not foresee any significant changes this year. She reminded the Assembly that Juneau does have an aging population which meant that more seniors would be eligible for the senior citizen exemptions in the coming years.

Mayor Weldon asked when the next Assessed Property Valuation Lunch and Learn would be.

Ms. Flick stated that this would occur on March 15th in the Assembly Chambers and would be recorded live on Zoom. She planned to present a condensed overview of the assessment process discussed in the first Lunch and Learn, while spending most of the hour discussing the appeal process. She planned to share examples of different appeal experiences and whether they were successful or unsuccessful for the property owner.

Assemblymember Hughes-Skandijs asked what spurred the Finance Department to conduct the Assessed Property Valuation Lunch and Learns and if they had plans to host Lunch and Learns on other topics for the public.

Katie Koester, City Manager, responded that there had been a lot of questions and misinformation around the assessment process and that this process was complex and could be confusing. She stated this was the motivation behind doing the Lunch and Learn and that Staff was open to other topics and the possibility that it could become a more regular practice.

Assemblymember Kelly asked if Staff knew the total number of people that attended the last Lunch and Learn in person and on Zoom.

Ms. Flick answered that there had been 25 people on Zoom and several others physically present.

Chair Woll asked how accurate the previous estimate of property value increase from 2023 to 2024 was now that the property values had been released.

Ms. Flick stated that the estimated percentage of property value increase used at the Assembly retreat was two and a half percent, which was higher than the actual increase the current data showed.

4. FY23 CBJ/BRH/JSD Audit

Ms. Flick stated that the financial statement audit for JSD, Bartlett Regional Hospital, and all CBJ departments was still in process. She shared that this process was behind the normal schedule due to past accountant vacancies in the Finance department and the Governmental Accounting Standards Board's (GASB) decision to introduce two new significant requirements including how to account for leases and software-based information technology agreements (SBITAs).

Ms. Flick explained that GASB's goal was to create standards so financial statements across governmental bodies used a common framework. The introduction of these new standards also slowed down the auditors' review. She stated that she expected the State Single Audit and the regular audit of the financial statements to be complete by the end of March, at which time the Assembly would receive those reports. She stated that Elgee Rehfeld would attend the June Assembly Finance Committee (AFC) meeting to talk about their audit and any findings they had. She expected findings from JSD and Bartlett to carry over to the CBJ wide audit, as well as any findings regarding leases and SBITAs.

Assemblymember Hughes-Skandijs asked if there were current Finance department vacancies.

Ms. Flick responded that the Controller division was currently fully staffed but that there had been some recent notices of resignations.

Chair Woll reminded the Assembly that discussion on the audit would happen on a future date after the audit was completed.

5. Assembly/Community Grants & Budget Calendar

Ms. Flick shared that the next AFC meeting would be on Saturday, April 6 at 9 am. She stated it would be a full day with several presentations. She directed the Committee to page 31 of the packet that showed the plan for the Assembly meetings during the upcoming budget process. She pointed out that the April 3, 10, and 24 AFC meetings would be skipped according to the revised schedule.

Ms. Flick reminded the Assembly that the deadline to get community funding requests to Chair Woll was April 10 and that they would be presented in a packet and discussed on April 17. She introduced the new section of the CBJ website for Assembly Grants that showed historical information on Assembly approved grants.

Assemblymember Hale asked Ms. Flick if she believed that past grantees were familiar with the new grant process.

Ms. Flick shared that Staff had sent out communications to past grantees describing the change in the process.

Mayor Weldon asked on what date the Assembly needed to communicate the minimum local funding contribution they would approve for JSD.

Ms. Flick answered that this communication was due to occur at the April 29 Regular Assembly meeting.

6. Export Manufacturing Exemptions

Ms. Flick introduced page 32 of the packet which showed the applications for the export manufacturing exemption. She explained that this action was taken every year and that if the Assembly desired to approve these applicants they would need to do so tonight. She continued that they would also need to request it go to the Full Assembly for final approval.

Motion: by Mayor Weldon for the purpose of approving the export manufacturing exemptions for Alaska Glacier Seafoods, Alaskan Brewing Company, Forbidden Peak Brewery, and Devil's Club Brewing Company and move them to the Full Assembly for approval.

Motion passes by unanimous consent.

E. NEXT MEETING DATE

8. April 6, 2024

G. ADJOURNMENT

The meeting was adjourned at 7:30 pm.