

## ASSEMBLY FINANCE COMMITTEE MINUTES

April 16, 2025, at 5:30 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 5:32 pm by Chair Woll.

### B. ROLL CALL

Committee Members Present: Chair Christine Woll; Paul Kelly; Maureen Hall; Neil Steininger; Ella Adkison; Alicia Hughes-Skandijs; Wade Bryson

Committee Members Present Virtually: Greg Smith

Committee Members Absent: Mayor Beth Weldon

Staff Members Present: Robert Barr, Deputy City Manager; Angie Flick, Finance Director; Adrien Wendel, Budget Manager

Staff Members Present Virtually: Katie Koester, City Manager

### C. APPROVAL OF MINUTES

#### 1. April 5, 2025

The April 5, 2025 minutes were approved as presented.

### D. AGENDA TOPICS

#### 2. School Bonds

Katie Koester, City Manager, presented the memo on page fifteen of the packet. She stated that the Assembly had given direction to the Juneau School District Facilities Committee and the Board of Education to prepare a tiered list of possible bond projects. These projects are shown at \$5 million, \$10 million, and \$15 million tiers. She stated that the Board-approved list was included in tonight's meeting packet. These projects are all considered major maintenance projects.

Ms. Koester reminded the Body that a major factor for the Assembly to consider before putting a bond on the ballot in the fall was the likelihood of school debt bond reimbursement being extended by the State. She discussed details of a model in the memo that shows what the \$15 million bond option would look like. She shared that any bond would put pressure on the debt service mill rate.

Assemblymember Smith asked, if a 2025 City bond was approved by the voters in Fiscal Year (FY) 2026 and the moratorium expired, when CBJ may expect debt reimbursement from the State of Alaska.

Angie Flick, Finance Director, replied that a possible reimbursement could be seen in FY27 or FY28 depending on whether appropriations for the reimbursement were included in the State budget.

Assemblymember Adkison asked for confirmation if the 1.08 debt service mill rate set during last year's budget cycle was needed to cover the current bond obligations or if it covered above that level.

Ms. Flick answered that the debt service mill rate set last year paid off two bond maturities early to maintain a higher debt service mill rate to cover the two bonds that ended up passing last fall. These bonds are for the public safety infrastructure and wastewater. She stated that the 1.08 debt service mill rate will be used to cover them.

Staff answered further Committee questions.

Assemblymember Adkison expressed the need to move forward with the intent to put school bonds on the ballot whether the Body believed the moratorium would be extended or not. She also stressed the need to put wastewater and water utility bonds on the ballot due to potential upcoming rate increases.

Assemblymembers Kelly and Hall expressed support for the minimum \$5 million school bond.

Assemblymember Bryson stressed the importance of utilizing a school bond for school building maintenance. He stated that a more modest bond amount might be more attractive to the voters.

Assemblymembers Hughes-Skandijs, Smith, and Steininger expressed support to hold the topic in committee for further discussion before the Body would make a decision.

Chair Woll reiterated Assemblymember Bryson's sentiment that all these needs will have to be paid for by the City at some point in the future. She shared that the goal was to find the right funding mechanisms.

### **3. Visitor Industry Revenue Options**

Ms. Flick stated that the goal in this meeting was to seed ideas from the provided scenarios in the memo on packet pages 18-20, so that the Body had an opportunity to think more deeply on them. She shared that permits and fees could be explored, including dockage fees and commercial use fees. She mentioned another implementing action of looking at real or business property exemptions and making sure the intention of the Assembly was being met.

Ms. Flick discussed details on the topic of how sales tax would work on visitor tours. She stated that if a tour operator is conducting business within and outside of City jurisdictions, they must estimate how much of the ticket price is related to the inside the Borough portion of the tour versus the outside portion. She stated that these tour businesses need to collect and remit sales tax on the portion of the ticket that is attributable to the activities inside the Borough.

Assemblymember Steininger asked how much time the City spends auditing tour sales that have sales tax associated with them.

Ms. Flick answered that after the time spent dealing with merchant filings, delinquent filers, and sales tax estimations, CBJ tries to fit in as much auditing as possible. She clarified that there's currently not enough bandwidth for the full audit needs.

Assemblymember Bryson asked for clarification on why this topic was up for discussion and what possible actions could be taken.

Ms. Flick clarified that this information was brought up to answer past questions about how sales tax on visitor tours works and what the requirements are. She said there was no action needed on this topic at this meeting.

Assemblymembers Hall and Hughes-Skandijs expressed interest in changing the code on sales tax on visitor tours to make the process simpler for merchants to follow.

Staff answered further Committee questions.

Ms. Flick discussed details on the potential for implementing a seasonal sales tax. She mentioned that other Southeast Alaskan communities are already implementing seasonal sales tax. She brought up some questions for the Committee to consider, including whether they want to consider exempting basic food from sales tax, as well as exempting sales tax on utilities.

Ms. Flick pointed the Body to page 19 of the packet which shows basic foundational facts about sales tax in Juneau. She shared that, in FY24, the one percent sales tax brought in \$13 million and that currently CBJ has a five percent sales tax. One percent of the tax goes towards permanent operations. She described the temporary three percent sales tax being used for various projects and grants, streets, and utilities under the streets. She shared that this three percent would expire on June 30<sup>th</sup> of 2027. She mentioned that if the State added its own sales tax that would complicate the process and could pose some risk to the voters' likelihood of approving future temporary sales tax ballot measures.

Ms. Flick presented potential seasonal sales tax scenarios to help aid the Committee conversation. She mentioned that the scenarios outlined in the memo collect a total of \$65 million worth of sales tax for a year while figuring in seasonal shifts from higher sales tax in the summer to lower in the winter. She discussed the shift of the sales tax burden from residents to the visitors and described this calculation as an imperfect extrapolation from the available data. In the graph on page twenty of the memo, she explained that the portion underneath the red line covered sales attributable to residents and noted how the visitor portion above that line jumped up during the summer months. She discussed the details of the different scenarios and showed how visitor paid sales tax would shift from the residents' portion based on the various seasonal tax percentages.

Assemblymember Kelly mentioned that concerns had been brought up that this seasonal sales tax would go into effect during the busy construction season in the summer. He asked Ms. Flick if she could address the concerns.

Ms. Flick replied by sharing that individuals doing work on their homes can utilize required building permits as a sales tax exemption on the materials needed for the project.

Assemblymember Adkison asked Ms. Flick what types of utilities were included under the utilities section of the chart in the memo.

Ms. Flick replied that water, wastewater, electricity, heating oil, and waste disposal were the major utilities included in the assumptions of the chart.

Ms. Flick answered further Committee questions.

Assemblymember Bryson stated that, as a local business owner, ninety percent of his sales happen during the summer and a big swing in those taxes could be disadvantageous for his business. He expressed support for a modest sales tax increase during the summer months.

A majority of assemblymembers expressed support for pursuing a seasonal sales tax, with many stating they would like to see exemptions for food and utilities to help ease the burden on local residents.

Assemblymember Hughes-Skandijs expressed interest in looking at options to grow revenue and potentially increase funding from passenger fees.

Chair Woll stated that the mission to educate the public on the seasonal sales tax topic, before the fall ballot, would be a massive undertaking.

*The Committee recessed at 6:49 pm.*

*The Committee reconvened at 7:06 pm.*

#### **4. Assembly Grants & Community Request**

Chair Woll pointed the Body to page 21 of the packet which shows the list of FY26 Assembly sponsored community request. She described details of the process and shared that this meeting's discussion would cover Assembly information needs based on the proposals provided in the packet. She stated that no decisions on requests would be made in this meeting. She asked the assemblymembers to introduce proposals for the groups they were choosing to sponsor.

##### *Association of Education for Young Children*

Assemblymember Kelly introduced the proposal for the Association of Education for Young Children (AEYC) funding request for the Juneau Child Care Apprenticeship Program. He explained the apprenticeship program and stated that one of its goals was to help students from the University of Alaska obtain work experience in childcare centers and obtain licenses. He explained that this gap funding would help AEYC continue with the program as they seek additional funding sources in the future.

Assemblymember Adkison asked Robert Barr, Deputy City Manager, which childcare program that CBJ currently provides funding for was working the best to improve the childcare situation in Juneau.

Mr. Barr shared details of the various programs CBJ helps fund such as the apprenticeship program, the per employee stipend program, and the per child stipend program. He shared that the \$1.55 million spent on stipends is the most important CBJ funding for childcare.

Assemblymember Smith asked how many people the funding request could potentially train in the program.

Assemblymember Kelly replied that in the request application it described five students who could be trained in the apprenticeship program.

##### *American Legion Auke Bay Post 25*

Assemblymember Adkison introduced the proposal for funds to cover renting Centennial Hall for two Veterans Day related events, coordinated by the American Legion. The events would be the Alaska National

Guard Day veteran's dinner and the Veterans Day ceremony. She explained that this funding would help free up some of the Legion's funds in other areas such as housing and food assistance for veterans.

Assemblymember Bryson asked, that because this request is for a minimal amount of funds, could it be possible to make a decision during this meeting so it would not have to be brought up in further discussion.

Chair Woll asked Staff how this could be achieved and could the fees to rent Centennial Hall simply be waived instead of granting the funds to cover them.

Mr. Barr explained that Centennial Hall has two rates, one for everyone and one for local nonprofits. He stated that CBJ generally provides funding to help cover the portion of costs that exceed the local nonprofit discount rate for events open to the public. He explained that funding would still be needed to cover the full costs of the events.

Assemblymember Smith expressed that he would like more information regarding Centennial Hall rates for non-profits, the number of applications, and how much CBJ is currently contributing to provide the discounted rates.

Chair Woll stated that the point of this meeting was not to decide whether or not requests were to be funded. She suggested the Committee move on to the next item.

#### *Coastal Alaska Avalanche Center*

Assemblymember Smith introduced the proposal for Juneau's Backcountry Avalanche Forecast from the Coastal Alaska Avalanche Center. He shared that he agreed to sponsor this proposal because of the growing number of people who are using Juneau as a recreation hub and because of the important safety implications for winter recreation. He described how this funding would help the organization develop their own avalanche forecasting on their website. He stated that the ask was for \$10,000 each year for three years. He expressed that avalanche forecasting available online could help grow winter tourism.

Assemblymember Adkison asked how this request would help fill a need that the City was not already providing in its own avalanche forecasting.

Mr. Barr addressed the question by stating that the City's avalanche forecasts focus on the urban population areas, whereas the Coastal Alaska Avalanche Center would focus on backcountry forecasts.

Assemblymember Hall asked if there would be any overlap with other agencies that are already doing backcountry avalanche forecasting for other Southeast Alaska communities.

Assemblymember Smith replied that to his knowledge Coastal Alaska Avalanche Center would be the only group doing backcountry avalanche forecasts in the Juneau area.

#### *Downtown Business Association*

Assemblymember Bryson introduced the proposal for the Downtown Business Association (DBA) Family-Friendly Capital City program. He explained that his support for the \$75,000 reoccurring request came from his recognition for the importance of family events to help attract families to move and stay in Juneau.

Assemblymember Hughes-Skandijs asked for more clarity on the Light Up Juneau bullet point in the proposal and what costs the \$25,000 covers.

Assemblymember Smith asked for details on how DBA has been generating revenue to help fund some of their projects. He shared that he would be more likely to support the proposal if he felt the organization was doing their part to increase their funding from other sources. He requested to see DBA's revenue history for the last few years and asked if there was any funding for them in the FY26 Manager's Proposed Budget.

Adrien Wendel, Budget Manager, stated that there was no funding for DBA in the FY26 Manager's Proposed Budget. She shared that there was also no funding for DBA in the Tourism Manager's Passenger Fee Proposal. Mr. Barr stated that no funding was included for DBA in the Manager's Proposed Budget due to the FY25 approved funding levels being one-time in nature.

#### *Friends of the Marie Drake Planetarium*

Assemblymember Kelly introduced the proposal for the Planetarium Upgrade with Auxiliary Portable request through Friends of the Marie Drake Planetarium. He explained that the request was to upgrade aging equipment and to buy new equipment to make aspects of the planetarium experience mobile, to bring it to different schools.

Assemblymember Smith asked if the proposer had requested funding for the project from other sources.

Assemblymember Kelly stated that he would reach out to the organization for those details.

#### *Juneau Arts and Humanities Council*

Assemblymember Bryson introduced the proposal for the Juneau Arts and Humanities Council (JAHC) funding request for major grants and inflationary increase. He stated that the investment the City had made to the program last year generated \$30 million in grant revenue. He shared that this is an excellent avenue to help the arts industry and community in Juneau.

Assemblymember Smith asked who last year's grant recipients were through the program.

Assemblymember Adkison responded that last year the regranting amount was increased substantially. She shared that one grant recipient who was in partnership with the Juneau School District (JSD) was Juneau Music Matters and that many people in the community expressed gratitude for that expansion.

#### *Juneau Community Foundation*

Assemblymember Hall introduced the proposal for increased funding to the Juneau Hope Endowment/CBJ Social Service Grant program through the Juneau Community Foundation (JCF). She shared that JCF is requesting \$500,000 on behalf of over twenty direct service nonprofit providers and that CBJ has entrusted JCF's Hope Endowment and CBJ's Social Service Grant program with determining \$1.6 million in grants and \$47,500 in utility waivers. She stated that the grant program's efficiency and effectiveness had filled the need for a CBJ social service department. She stated that the priorities of the program were to help alleviate homelessness, mental health issues, and substance misuse. She explained some of the negative outcomes for the community if funding for the program was lacking.

Assemblymember Hughes-Skandijs asked if the sponsor could get more details from the organization on the areas where they've experienced funding cuts.

Assemblymember Hall stated that she had not heard of any federal funding cuts but that the increase was requested due to the growing population who find themselves in need of those services.

*The League of Women Voters Juneau*

Assemblymember Kelly stated to the Body that he wished to disclose a potential conflict of interest with the topic because his fiancé is currently on the League of Women Voters Juneau Board. He shared that, after speaking with the City Attorney, he believes that there is not a conflict because there is no financial interest involved.

Assemblymember Smith introduced the proposal for funding request for the Capital Students-Capital Visits program. He shared that the program's goal is to get eighth graders in Alaska to visit the Dimond Courthouse, to see the different branches of government and learn how they function. He stated that many volunteers help to make this program possible but that there was a need for a key person to facilitate and run the program and that was what the \$10,000 funding request would cover.

Assemblymember Hughes-Skandijs asked for details on the organization's fundraising efforts and requests for funds from other organizations.

Assemblymember Smith replied that he would follow up with the applicant to obtain those details.

*REACH, Inc.*

Assemblymember Bryson introduced the proposal for funding request for the group home heat pump installations and seven passenger van purchase. He explained how REACH, Inc. takes care of the vulnerable population in Juneau and that this request would help get heat pumps into group homes, which aligns with the Assembly's sustainability goals. He explained that the passenger van portion of the request would help to transport people in need to and from work.

Assemblymember Smith asked if the proposer had reached out to the JCF for funds to help with the program.

Chair Woll responded that this request would not be eligible under the JCF funding program because it is for capital expenses.

Assemblymember Smith asked if there are other programs, such as Alaska Heat Smart, that could help with these costs, and where else the organization has looked for funding.

*Southeast Alaska Food Bank*

Assemblymember Adkison introduced the Strengthening Food Security Through Program Expansion and Collaboration for the Southeast Alaska Food Bank proposal. She shared that half of the \$150,000 recurring funding would go to increase food reserves, with the other half going to add an assistant manager position. She stated that the need for the added position was due to the increase in work as a result of the growing hungry population throughout Southeast Alaska. She shared that the food bank intended to buy more food as back stock in the case of instability or unforeseen crisis.

Assemblymember Smith asked if the organization had applied for funding through the JCF social service grant process.

Assemblymember Adkison answered that there was no current application for the request submitted with the JCF.

Chair Woll asked Mr. Barr if he knew if this request would be eligible through the JCF grant funding program and if so, what was the decision if it was already looked at.

Mr. Barr stated that he is currently a member of the JCF Professional Advisory Committee, which advises the director of the JCF Board. He shared that this program is eligible for JCF funding and that the Professional Advisory Committee recommended that the JCF fund the food reserves portion of the request, while seeking clarification on the operational side of the request.

Chair Woll requested that the organization provide justification for not going through the JCF grant process and instead coming to the Assembly with this funding request.

*Trail Mix, Inc.*

Assemblymember Bryson declared a conflict of interest on this topic, stating that his daughter works for Trail Mix, Inc. He recused himself from participation in the conversation.

Assemblymember Steininger introduced the proposal for the funding request for the Eaglecrest Biking and Hiking Trail Construction and Improvements project. He shared that this request resulted from the organization's recent reduction in federal funding from \$600,000 last year, to about \$70,000 this year. Because of this significant reduction in funding, the organization brainstormed solutions to keep it afloat. He shared that this request would not cover that funding gap but instead help the organization focus on a project that would add value to the City and draw more interest and support for Juneau's trails. He shared that this project aligns with the Assembly's intent on building infrastructure to allow for summer operations at Eaglecrest.

No assemblymembers had any questions on this proposal.

*United Way of Southeast Alaska*

Assemblymember Hughes-Skandijs introduced the proposal for the Working Together to Prepare for and Recover from Disasters program from United Way of Southeast Alaska. She explained how the request was a result of last year's glacial outburst flooding event and that the funding would help coordinate volunteer and nonprofit efforts in future disaster events. She shared that this program would be a nonprofit version of the emergency response that the City conducts.

Assemblymember Hall asked how this proposal overlaps with what Red Cross already does in the event of disasters.

Chair Woll asked if this is something that United Way is commonly organizing in other locations.

Assemblymember Hughes-Skandijs stated she would reach out to the organization for those details.



**5. Info Only: FY26 Pending List**

Assemblymember Hughes-Skandijs explained that she felt the Pending List was unrealistically long. She stated it would be more appropriate for the CBJ internal funding requests to be included in the Manager's Proposed Budget.

Chair Woll shared that it would be advantageous to identify on the list which items came from community request and which items came from Staff.

Assemblymember Smith asked why the Pending List did not list the equivalent mill rate increase for recurring items.

Ms. Flick shared that during last year's budget cycle the equivalent mill rate increase for recurring items was added on later iterations of the list as the budget cycle progressed and that the Body was still early in that process this year. She stated that Staff would be happy to adjust the Pending List if the Assembly so wished.

Assemblymember Bryson shared that the Pending List had been improved on for many years and he felt that this year's version was well organized when considering its history.

**6. Info Only: AFC Budget Calendar**

Ms. Flick explained that on the AFC Budget Calendar there were two meetings on April 30<sup>th</sup> starting at 5:30 pm and that the Special Assembly meeting for the public hearing on the budget would start first, with the AFC meeting following immediately after. She shared that the July AFC meeting had been moved to the second week of July, so it would not fall on the week of the Fourth of July holiday.

**E. NEXT MEETING DATE**

**7. April 30, 2025**

**F. SUPPLEMENTAL MATERIALS**

**H. ADJOURNMENT**

*The meeting was adjourned at 8:20 pm.*