

## ASSEMBLY FINANCE COMMITTEE MINUTES

November 1, 2023, at 6:00 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 6:15 pm by Chair Wáahlaal Gíidaak.

### B. ROLL CALL

Committee Members Present: Chair Wáahlaal Gíidaak; Mayor Beth Weldon; Michelle Hale; Paul Kelly; Alicia Hughes-Skandijs; Wade Bryson

Committee Member Present Virtually: Christine Woll; Ella Adkison

Committee Members Absent: Greg Smith

Staff Members Present: Katie Koester, City Manager; Robert Barr, Deputy City Manager; Angie Flick, Finance Director; Adrien Speegle, Budget Manager; Beth McEwen, City Clerk; Robert Palmer, City Attorney; Nicole Lynch, Assistant Municipal Attorney.

### C. APPROVAL OF MINUTES

#### 1. September 6, 2023

The September 6, 2023 minutes were approved as presented, noting a small error correction.

**Motion: by Assemblymember Hughes-Skandijs to move Agenda Item #6 to the top of the agenda making it the first item for discussion.**

**Motion passed by unanimous consent.**

### D. AGENDA TOPICS

#### 2. Assembly Grant Process

Angie Flick, Finance Director, introduced pages 20-32 of the packet which provides an overview of previous Committee discussions on the Community Grants process. She stated that as directed by the Committee, staff have prepared supplemental information on Option 1 of establishing a pre-budget process for grant application and review.

Ms. Flick stated that difficulties in the FY24 Assembly Grant process highlighted the need for Committee discussion and for consideration of an update on the process to be made.

Ms. Flick provided an update on previous Committee request for organizations that applied for Community Grant funding in the FY24 budget cycle and stated that all organizations and community groups have been notified of the potential for a shift in the grant process for FY25. Ms. Flick stated that both Alaska Heat Smart and Travel Juneau responded to staff notices and provided their insight, included on packet pages 33-38.

Ms. Flick reviewed organizations that received Community Grant Funding in FY24 and stated that it is helpful to consider Community Grants by separating organizations into groups depicted on pages 22-23 of the packet. Ms. Flick stressed that doing so paints a clearer image for the Committee to determine what is being asked by each grant request.

Ms. Flick reviewed the status quo grant process whereby the Manager includes recurring grant awards into the proposed budget and every community organization, including those that receive recurring funding, presents their grant request to the Committee during the budget process. Ms. Flick stated the current process does not contain public announcements or deadlines for grant requests and stressed the importance of including these elements in an update to the grant application process.

Ms. Flick reviewed changes to the grant process proposed in Option 1 and stated that under this option there would be no change to how Marine Passenger Fee grants are determined and grants awarded to ongoing and partner agencies would be included in the Manager's proposed budget during the budget cycle. She further stated that Option 1 proposes establishing a defined process for soliciting grant applications, including a fixed deadline for submissions, public comment period, and full Committee review of all grant applications received. Ms. Flick reviewed a proposed timeline in the application requirements found on pages 26-27 of the packet.

Ms. Flick answered Committee questions and clarified that if Option 1 is approved by the Committee that staff would open the grant application per the timeline proposed. She further stated that staff would work with community organizations wishing to make a grant request to assist in meeting any requirements needed.

Ms. Flick answered further Committee questions.

Assemblymember Hughes-Skandijs raised concerns about the burden the proposed process would place on staff time and asked for an estimate of the additional burden for staff members.

Katie Koester, City Manager, stated that this process would add not only staff time but would also require time from Committee members but stated the benefits of the option proposed would be allow for greater clarity in grant applications. She stated that an additional benefit of having an established set of requirements and deadlines for the community is greater clarity for those wishing to make requests because the expectation is clear.

Ms. Flick stated that, in the current process, a significant amount of staff time is used that that the proposed process change would not add an insurmountable burden upon staff.

Assemblymember Woll asked how the Manager would include grant amounts in their proposed budget if the proposed option was adopted.

Robert Barr, Deputy City Manager, stated that staff would use historic data for awards issued to partner and community organizations to project anticipated grant award amounts to include in the proposed budget. Mr. Barr answered further questions from Committee on past award processes and stated that a good portion of the current process comes down to knowing when it was time to submit a grant request, which the proposed option would address.

Beth McEwen, City Clerk, clarified past processes for the Committee and stated that the Community Grants process has been evolving since the Juneau Community Foundation took over the Social Services Advisory Board Grants and has led to the current grant process as it operates today.

Assemblymember Bryson asked if there are criteria for grant requests included in the option proposed, and further asked how that criteria is determined.

Ms. Koester clarified that determining which community grant requests to grant is a difficult process and will inevitably face the painful result that not all requests are able to be funded. She further stated that it might be helpful to determine a community grant budget amount that would aid in making granting decisions. She further stated that making a public allotment for grant amounts would aid in transparency in the event of multiple grants not being able to be funded in a budget cycle.

Assemblymember Hughes-Skandijs expressed support in having an open grant process and while she also supports having a clear process established, she supports having that process be as transparent as possible.

**Motion:** by Assemblymember Hughes-Skandijs to direct staff to go forward with Option 1, making the modifications requested by the Committee, such as moving the timeline earlier.

**Objection:** by Assemblymember Woll for the purpose of stating she supports maintaining the status quo and believes needed improvements can be made to that process.

**Objection:** by Mayor Weldon for the purpose of stating that Option 1 will require large amounts of staff time and that it does not provide enough avenues to meet all community grant needs.

**Objection:** by Assemblymember Kelly for the purpose of stating that the timeframe for getting a new process established and communicated to the public is very narrow and would support having more time to develop. He further stated his support for the second option of having a predetermined budget established for Community Grants.

Assemblymember Hale and Bryson expressed their concerns for the new grant process being rushed and voiced their support for continuing refinement of the process.

Assemblymember Hughes-Skandijs removed her motion.

**Motion:** by Mayor Weldon to move forward with Option 3, maintain the status quo, and allow the Finance Chair to tweak and improve the process.

**Objection:** by Assemblymember Kelly.

**Roll Call Vote on Motion**

**Ayes:** Hughes-Skandijs, Hale, Adkison, Mayor Weldon, Bryson, Woll, Chair Wáahlaal Gíidaak

**Nays:** Kelly

**Motion passed. Seven (7) Ayes, One (1) Nay.**

*Assemblymember Hughes-Skandijs left the meeting at 7:04 pm*

### **3. JEDC/COVID Small Business Loans Update**

Ms. Flick introduced the memo found on page 7 of the packet which discusses the status of the Juneau Economic Development Council (JEDC) COVID Emergency Loan Program which provided \$3.0 million in short-term loans to small business owners in Juneau during the unprecedented years of COVID.

Ms. Flick stated that the program provided 173 loans and that 143 have been paid back in full and accounts for \$2,728,00 of original capital supplied for the program by CBJ. She emphasized that the loaned amount returned exceeded expectations for the program and attributed the success to the strong business culture in Juneau.

Ms. Flick reviewed efforts made to collect remaining loan amounts by JEDC, including sending invoices as well as phone and email follow-ups with borrowers. Five borrowers are currently working with JEDC to repay their loans and are on a payment plan for their loans. The remaining borrowers not working with JEDC will have their loans transferred back to CBJ for collection efforts at the end of the program period on December 31, 2023.

Mayor Weldon expressed her support of the program and the positive impact it had on small businesses in Juneau during the uncertain time COVID created.

### **4. Update to Purchasing Code – Ordinance 2022-60**

Ms. Flick introduced the memo found on page 8 of the packet which outlines the proposed updates to the CBJ purchasing code. She stated that this ordinance addresses updates requirements and language of purchasing code to meet the current needs of the CBJ.

Ms. Flick reviewed changes in Section 2, which updates definitions contained in the purchasing code, and stated that in large measure they are being proposed to modernize purchasing code requirements to match modern procurement standards and needs unique to Juneau.

Ms. Flick reviewed changes in Section 3, which updates purchasing methods for contracts and professional services to adjust for market needs in Juneau for services needed by CBJ.

Ms. Flick reviewed changes in Section 4 which proposes an update of wording for the requirement that bids be open publicly removing the requirement that bids be opened in person and allow for bids to be opened via Zoom or other similar video conference service. She reviewed further changes that increase thresholds for Assembly approval of operational and capital improvement project bid awards.

Ms. Flick reviewed changes in Section 5 which proposes narrowing of exemptions to the competitive process for professional services and creation of guidelines for the request for exemptions by the City Manager.

Ms. Flick answered Committee questions.

Mayor Weldon asked for clarity on the proposal in Section 4(e)(1) which raises the threshold for Assembly approval requirement of operational contracts from \$100,000 to \$1 million, stating that it was a large jump.

Ms. Flick stated that the threshold increase is in response to inflation in addition to minimizing the number of approval requests coming to the Assembly for basic operational costs needed by various departments in the CBJ.

Mayor Weldon asked for clarity on the proposal in Section 5(q) which allows for exemption to purchasing requirements for situations wherein the Manager determines a written best interest finding, and asked what the limits are for these approvals.

Mr. Barr clarified that a Modification Request (MR) is used for any case when the competitive process is not being used, such as when there is only one provider available for a good or service. He stated there are many circumstances where an MR is needed and is often the only method to procure these contracts.

Robert Palmer, City Attorney, stated that the two constraints that limit purchasing authority for MRs are the budget authority and the provision in place on Section 4(e)(1) which provides a limit of \$100,000 that is being requested to be raised to \$1 million.

**Motion: by Assemblymember Kelly to move Ordinance 2022-60 to the full Assembly.**

**Objection: by Assemblymember Kelly for the purpose of an amendment.**

**Amendment: by Assemblymember Kelly to amend Ordinance 2022-60 Section 5(q) to include “Notice of the written finding and authorization shall be prominently posted in a public place at the offices of the purchasing officer” at the end of this section of the ordinance.**

**Objection: by Mayor Weldon for the purpose of asking if MRs are currently posted publicly and what the burden would be of a requirement to do so.**

Ms. Koester stated that MRs are not currently posted but are public documents that are available if requested. She further stated concern for a requirement to post procurements publicly and stated that it would damage the integrity of some city services such as database security and police department contracts.

Assemblymember Kelly stated his intent for the amendment is to create increased transparency in procurement and to create increased barriers in contracts being made outside of the standard procurement process.

**Objection: by Assemblymember Bryson for the purpose of stating concerns for an increased burden on staff and delay in public process if the proposed amendment is adopted.**

**Assemblymember Kelly removed his amendment.**

**Amendment: by Mayor Weldon to reduce the amount on page 6 of 8 for Ordinance 2022-60 Section 4(e)(1) from \$1 million to \$500,000.**

**Objection: by Assemblymember Woll and Hale for the purpose of stating support of the original amount proposed.**

**Roll Call Vote on Amendment**

**Ayes:** Kelly, Mayor Weldon, Bryson, Chair Wáahlaal Gíidaak

**Nayes:** Hale, Woll, Adkison

**Motion failed. Four (4) Ayes, Three (3) Nays.**

**Amendment:** by Mayor Weldon to reduce the amount on page 6 of 8 for Ordinance 2022-60 Section 4(e)(1) from \$1 million to \$750,000 and expressed further concern for allowing \$1 million to be authorized without Assembly approval.

**Objection:** by Assemblymember Woll.

**Roll Call Vote on Amendment**

**Ayes:** Kelly, Hale, Mayor Weldon, Bryson, Chair Wáahlaal Gíidaak

**Nayes:** Adkison, Woll

**Amendment Passed. Five (5) Ayes, Two (2) Nays.**

**Original motion as amended passed by unanimous consent.**

*Committee recessed at 7:40 pm*

*Committee reconvened at 7:45 pm*

**5. FY2023 Q4 Sales Tax Update**

Ms. Flick introduced the memo found on pages 18-19 of the packet and reviewed the status of FY23 sales tax collections which had fallen short of the forecast in Q3 of FY2023, producing concerns for the remaining FY23 and the FY24 forecast amounts. Ms. Flick stated that these concerns did not play out and that the FY23 sales tax collection amount exceeded the forecast by \$1.1 million.

Ms. Flick further reviewed other sales related tax collection amounts and emphasized the growth in Remote Sellers Tax and attributed the growth to the success in obtaining online vendor participation in tax collection.

Ms. Flick answered Committee questions.

**E. SUPPLEMENTAL MATERIALS**

**6. Assembly Grant Process**

*Item previously discussed as the first Agenda Topic.*

**F. NEXT MEETING DATE**

November 29, 2023

**G. ADJOURNMENT**

*The meeting was adjourned at 8:00 pm.*