

ASSEMBLY FINANCE COMMITTEE MINUTES

May 7, 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 5:30 pm by Chair Woll.

B. ROLL CALL

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

Staff Members Present: Katie Koester, City Manager; Robert Barr, Deputy City Manager; Angie Flick, Finance Director; Adrien Wendel, Budget Manager; Catherine Melville, Juneau Public Libraries Director; Joe Wanner, Bartlett Regional Hospital Chief Executive Officer; Alexandra Pierce, Tourism Manager

C. APPROVAL OF MINUTES

1. April 30, 2025

The April 30, 2025 minutes were approved as presented.

D. AGENDA TOPICS

2. Manager's Proposed Increments & Budget Amendments – For Action

Chair Woll pointed the Committee to the memo on page two of the packet, as well as the list of the increments proposed in the Manager's Proposed Budget on page three. She mentioned that the intent for this meeting was for the Committee to ask questions on these items instead and then take action on the list.

Library – Restore Funding from Loss of IMLS Federal Funding

Assemblymember Smith asked for an explanation of what interlibrary loans were and what impact the elimination of federal funding for them would have on the average library patron.

Catherine Melville, Juneau Public Libraries Director, explained that interlibrary loan services is a system that enables local libraries to reach out to other libraries within a larger network, throughout the country, to get a hold of a specific item that a patron desires to check out. She explained that it makes up for gaps in the local library's collection.

Assemblymember Adkison asked for details about the library's reduction of staff due to federal spending cuts. Ms. Melville replied that the cuts would result in new funding needed for staff to cover the State program that would replace the interlibrary loan service and other programs.

Mayor Weldon asked for an estimate of how many residents in Juneau use the interlibrary loan service.

Ms. Melville answered that in the previous fiscal year there were around 390 requests for the service.

Ms. Melville answered further Committee questions.

Robert Barr, Deputy City Manager, explained the current challenging situation Juneau libraries were in. He described the difficulty in restarting these programs that could potentially see cuts from federal funding and mentioned that the amount of effort it would take to rehire and train staff, as well as resubscribe to services, could be substantial. He stated that even in the best-case scenario, the current volatility at the federal level gave no assurances that steady funding would continue in the future.

Assemblymember Kelly asked if it would be appropriate to make funding the library for either funding scenario conditional on whether the federal grants are eventually received or not.

Katie Koester, City Manager, stated that in any situation where grant funding was to be received, that funding would supplant the use of the general funds. Because a surplus would lapse into the general fund, there was no need to care for a case where funding might be applied twice.

Ms. Melville answered further Committee questions.

Streets – Fish Creek Road Eaglecrest Winter Maintenance (Grader Equipment Purchase)

Mayor Weldon asked, for the Fish Creek Road Eaglecrest Winter Maintenance request to purchase grader equipment, why the funding wasn't coming out of the fleet replacement budget.

Ms. Koester explained that departments pay into the fleet replacement account over time to fund future purchases and in this case there were no past contributions made to afford the purchase of a new grader.

Assemblymember Smith asked if the City took over maintenance of Fish Creek Road, would that technically mean that the City would be receiving funds from Eaglecrest as well as from the Alaska Department of Transportation. He asked if it was possible to use the Fleet Reserve Fund and have Eaglecrest pay back those funds back into the Fleet Reserve Fund over three to four years.

Angie Flick, Finance Director, explained that this funding scenario would not work because department fleet reserve funds are not setup to take money out from the fund for purchases of new equipment. These funds are instead setup and tied to the useful life of current equipment, paid into by appropriate amounts over time, so that when replacement equipment is needed those reserves can be drawn from. She shared that a better way to look for one time funding for new equipment would be through a Capital Improvement Plan (CIP).

Assemblymember Hughes-Skandijs asked Ms. Koester if foregoing a piece of equipment or tapping into General Fund balance would be the best case when looking for an alternate funding source for this item.

Ms. Koester replied that two alternative approaches would need to be discussed with Engineering and Public Works. She explained that foregoing an equipment purchase would be difficult. She stated that looking at the CIP projects and allocating funding from that category would be the other approach.

Cold Weather Emergency Shelter Facility Modifications (Bathrooms + Sprinklers + Cots/Bedding)

Assemblymember Kelly asked Mr. Barr if he could elaborate on the risks he identified in the memo on page five of the packet.

Mr. Barr replied that the first risk was the potential need for more room in the shelter. He stated that the second risk was tied to the capacity of the operator being able to staff operations at the level needed. He shared that the third risk was the challenge in going through the Request for Proposal process to find a replacement operator if the current operator discontinued running the program.

Assemblymember Smith asked for details to understand the need to increase staffing for park patrols due to issues from homelessness.

Mr. Barr explained that these park ranger patrols happen on parks, playgrounds and Parks & Recreation managed land. The park rangers engage with people camping in park spaces to maintain cleanliness and connect those people with services when needed.

CCFR – Sobering Center – Operations Relocated to Bartlett

Assemblymember Hall asked if there were any updates from Staff on the plan to relocate the Sobering Center to Bartlett Regional Hospital.

Mr. Barr shared that there were funds currently allocated to Saint Vincent de Paul that would be recovered for CIP's cited in the memo on page four of the packet, under option three. These projects included replacing carpet with hard surfacing, installing some new doors, and installing some security devices. He shared that he didn't anticipate the need for new capital funding under option three.

Assemblymember Steininger informed the Body of a potential conflict of interest, as he currently sits on the Finance Committee for Saint Vincent De Paul. He shared that the City Attorney confirmed that engagement in conversation on this item was permissible.

Assemblymember Hall informed the Body of a potential conflict of interest, as she currently sits on the Board of Saint Vincent De Paul. She stated that the City Attorney confirmed that there was no conflict if she were to engage in conversation on this item.

Joe Wanner, Bartlett Regional Hospital (BRH) Chief Executive Officer, outlined the short-term and long-term plans for the facility space Rainforest Recovery Center used to occupy on the hospital campus. He shared that there had been conversations with two specialty groups for services needed in Juneau (dermatology and cardiology) in the short-term. He stated that these services had potential to bring additional revenue to BRH, mostly through lab revenue.

Mr. Wanner explained that in the long term the facilities would need to be updated and that the last operating room updates were twenty years ago. He shared that operating rooms are the lifeblood of hospital revenue and support non-revenue producing services.

Assemblymember Adkison stated that she recalled Juneau had difficulty obtaining a cardiology unit in the past because the community didn't have the population to support it. She asked what changed to make this a possibility now.

Mr. Wanner replied that a cardiology group from Anchorage was interesting in coming to Juneau and that this group was driving the ongoing conversation.

Mayor Weldon asked if the Sobering Center were to be renovated, was there another location for it to be temporarily held.

Mr. Wanner stated that the Rainforest Recovery Center building could be used to hold the Sobering Center during renovations.

Motion: by Mayor Weldon to move to approve the Manager's Proposed Increments to the FY26 Budget besides item one and item three and ask for unanimous consent.

Motion passed by unanimous consent.

Motion: by Assemblymember Smith to move that the Assembly direct Staff to find a short-term location using BRH facilities for the Sobering Center, and work with BRH to find a long-term solution that may be located at BRH and may be funded in whole or in part by BRH.

Motion passed by unanimous consent.

Motion: by Assemblymember Smith to move item three and change the funding source by Staff finding a CIP or alternative funding source to provide for the \$423,000.

Ms. Flick asked the maker of the motion that, if Staff were able to bring more options next week, would it be more appropriate to move the \$423,000 funding to the Pending List and address it at the next Finance Committee meeting.

Assemblymember Smith withdrew his motion.

Motion: by Assemblymember Smith to move item three to the Pending List with a request to Staff to find an alternative funding source.

Motion passed by unanimous consent.

The Committee recessed at 6:22 pm.

The Committee reconvened at 6:31 pm.

3. Capital Improvement Plan Amendments

Chair Woll stated that for the CIP discussion the floor would be opened for questions. After discussion there would be a motion and a potential for amendments to that motion.

Assemblymember Adkison asked what the total project cost for the Manager's Office tenant improvements plan would be.

Ms. Koester answered that there was about \$14.5 million in existing City Hall accounts as well as the \$3.3 million in CIP funds for the project proposed in the budget.

Mayor Weldon asked why the Statter Harbor new office roof item was struck out in the memo on page twelve of the packet.

Ms. Flick answered that an ordinance coming in May 2025 would transfer funds for the project within Fiscal Year (FY) 25, so those funds would not be needed for FY26.

Assemblymember Smith asked for an explanation of the \$750,000 funding for Information Technology.

Mr. Barr explained that this expense was due to the system wide software implementations currently planned for the Community Development Department and the Assessor's Office.

Motion: by Mayor Weldon to move the amended CIP Resolution 3090 to the full Assembly.

Objection: by Assemblymember Adkison to make an amendment on the motion.

Amendment: by Assemblymember Adkison to move to amend Resolution 3090 by striking the \$3.3 million for tenant improvements.

Assemblymember Adkison spoke to her amendment sharing that, due to the uncertainty in the economy, it would be more advantageous to move the \$3.3 million to the Pending List with the intent of putting it into the Restricted Budget Reserve.

Objection: by Mayor Weldon for the purpose of stating that those funds are needed to move forward with office space improvement at the Burns Building.

Assemblymembers Steininger, Hughes-Skandijs, Bryson, and Smith expressed support for the amendment, citing that the funds would be better put in the Restricted Budget Reserve to be reallocated at a later time.

Mayor Weldon removed her objection.

The amendment to the motion passed by unanimous consent.

The motion as amended passed by unanimous consent.

4. School District Budget – For Action

Ms. Flick pointed the Body to page fifteen of the packet which shows the Juneau School District (JSD) FY26 funding request. She stated that there was a \$75,000 increment above the cap funding related to food service and community schools requested by JSD. She stated that the expectation was for action to be taken on Ordinance 2025-02, as shown on page sixteen of the packet, at the May 19th meeting.

Motion: by Mayor Weldon to move ordinance 2025-02 to the full Assembly.

Motion passed by unanimous consent.

Motion: by Mayor Weldon to move the outside of the cap \$2,115,000 JSD funding to the full Assembly.

Assemblymember Smith asked, if the Assembly approves funding outside cap, would the Manager's Proposed Budget in future years include that funding increase as JSD's baseline.

Ms. Flick answered that normally the Manager's Proposed Budget would include that as an operational increase. The Assembly can decide to give the City Manager direction at the Winter Retreat whether to make the increase status quo or a one-time increase. She shared that operational funds are typically treated as recurring.

Motion passed by unanimous consent.

5. Passenger Fee Plan – For Action

Chair Woll clarified to the Committee that this was the last opportunity for questions and conversation on the Passenger Fee Plan topic and action was needed on it in this meeting.

Motion: by Mayor Weldon to move the Passenger Fee proposal to the full Assembly.

Mayor Weldon asked for an explanation from Alexandra Pierce, Tourism Manager, of the total amounts on page twenty of the packet.

Ms. Pierce explained that when the initial Passenger Fee budget was presented to the Committee the Assembly had not made some of the operational decisions related to the Communications Department. She shared that this initial budget equaled the total amount of passenger fees that were expected to be taken in but now included an addition of around a couple \$100,000 over the original projected amount.

Assemblymember Adkison asked if her assumption was correct that the Clean Technology Revolving Loan program hadn't found an organization to administer the program.

Ms. Pierce answered that those funds were already appropriated last year and because they weren't used, the funds lapsed back. She stated that the funds are being reappropriated and that there was ongoing conversation between Staff and the Visitor Industry Task Force to discuss the terms of the Clean Technology Revolving Loan program.

Mayor Weldon shared that due to last year's Crossing Guard program contract not being fulfilled, she has asked Ms. Pierce to work with Travel Juneau to look at the FY25 accounts to see if any funds for that program had lapsed.

Objection: by Assemblymember Hughes-Skandijs.

Amendment to the Motion: by Assemblymember Hughes-Skandijs to move to amend the Passenger Fee Proposal by striking AJ Dock and Franklin Dock funding allocations for access control security and restroom maintenance.

Objection: by Assemblymember Bryson for the purpose of supporting the original motion.

Assemblymember Bryson stated that the five dollars collected on each cruise ship visitor are to be spent on services for all cruise ship visitors no matter which dock their ship used. He shared that it did not seem fair to strike AJ Dock and Franklin Dock funding from the proposal.

Objection: by Mayor Weldon for the same justification as Assemblymember Bryson.

Objection: by Chair Woll for the purpose of a question.

Chair Woll asked Ms. Pierce, based on previous Assembly direction, if this was the last year the private dock restroom maintenance and access control security funding requests would be included in the Passenger Fee Proposal.

Ms. Pierce confirmed that to be correct based on her understanding of the direction given by the Assembly.

Chair Woll expressed that she was comfortable funding these items for FY26 but would not support funding them in the future.

Assemblymember Smith asked if there was any legal risk to not funding these items for private docks within the context of the settlement agreement with the Cruise Line International Association (CLIA).

Ms. Pierce stated that to the best of her knowledge, based on a previous ruling in a lawsuit between CBJ and CLIA, it is legal to provide passenger fee funding to private docks but not a requirement.

Roll Call Vote on Amendment to the Motion

Ayes: Hughes-Skandijs, Kelly, Adkison

Nays: Bryson, Mayor Weldon, Steininger, Hall, Smith, Chair Woll

Amendment failed. Three (3) Ayes, Six (6) Nays.

Objection: by Assemblymember Smith for the purpose of a question.

Assemblymember Smith asked Ms. Pierce what the Passenger Fee Fund balance would be at the end of FY26, if the original proposal were to be approved.

Ms. Pierce stated that the Passenger Fee projection shows a fund balance of \$1.4 million at the end of FY26.

Objection: by Mayor Weldon for the purpose of a question.

Mayor Weldon asked for the breakdown of the funding request for the Downtown Business Association (DBA) Ambassador program.

Ms. Pierce stated that she didn't have a breakdown of that funding request in front of her but that it did total \$75,000 for the program.

Amendment to the Motion: by Assemblymember Smith to move to amend the Passenger Fee Proposal by adding \$75,000 for the DBA Ambassador Program, with the intent that the program seeks to reduce impacts on City staff regarding tourism questions at the Cash Office and Downtown Transit Center.

The Committee took a brief at-ease.

Assemblymember Steininger declared a potential conflict of interest as his partner sits on the DBA Board. He shared that after speaking with the City Attorney it was found that he could legally participate in the conversation on this item.

Objection: by Chair Woll for the purpose of a question.

Chair Woll asked Ms. Pierce if she could confirm that part of her role was to monitor whether these tourism programs were needed in future years and did not rely entirely on Assembly direction to include them in funding requests or not.

Ms. Pierce confirmed that Chair Woll's assessment was true.

The amendment to the motion passed by unanimous consent.

Amendment to the Motion: by Assemblymember Hughes-Skandijs to move to amend the Passenger Fee Proposal by striking the \$70,000 allocation for the covered bus stop at Mendenhall Loop Road.

Objection: by Assemblymember Adkison in support of funding the covered bus stop.

Assemblymember Kelly expressed support for Assemblymember Adkison's objection.

Mayor Weldon expressed support for the amendment to strike the covered bus stop funding.

Assemblymember Steininger asked for confirmation that there is currently \$300,000 in a CIP for covered bus stops in Juneau.

Ms. Flick confirmed in the affirmative and that these funds were allocated for covered bus stops borough wide.

Roll Call Vote on Amendment to the Motion

Ayes: Hughes-Skandijs, Mayor Weldon, Bryson, Chair Woll

Nays: Adkison, Kelly, Smith, Steininger, Hall

Amendment failed. Four (4) Ayes, Five (5) Nays.

The motion as amended passed by unanimous consent.

Motion: by Assemblymember Smith to move that the Assembly direct the Manager and Staff to use passenger fees in the FY27 Budget and program them as they see fit for the Capital Civic Center project.

Objection: by Assemblymember Hughes-Skandijs and Assemblymember Adkison.

Motion: by Mayor Weldon to move to postpone this discussion until next week.

Objection: by Assemblymember Smith.

The Committee discussed the motion.

Mayor Weldon withdrew her motion.

Chair Woll expressed that she would not be supporting Assemblymember Smith's motion because she would only support appropriation of passenger fees for the Capital Civic Center if it were coupled with deappropriation of general funds from the project. The general funds were appropriated to act as grant match for federal funding, but the possibility of future federal funding seems unlikely in the current federal administration.

Roll Call Vote on the Motion

Ayes: Smith, Mayor Weldon, Bryson, Kelly

Nays: Adkison, Steininger, Hall, Hughes-Skandijs, Chair Woll

Amendment failed. Four (4) Ayes, Five (5) Nays.

Chair Woll explained that a few assemblymembers had expressed they had changes they wanted to make to the Pending List before the FY26 Budget was finalized. She shared that two committee chairs had motions made in their committees' meetings this week and that those were going to be formally moved to the Pending List in this meeting.

Motion: by Assemblymember Bryson to move a \$1 million allocation for Tlingit Haida childcare tenant improvements to the Pending List.

Motion passed by unanimous consent.

Chair Woll handed the gavel to Assemblymember Hughes-Skandijs to act as chair.

Motion: by Assemblymember Woll to move to the Pending List \$735,000 for the Dzantik'i Heeni playground project site preparation.

The Committee took a two minute at-ease.

Assemblymember Kelly stated that the City Attorney had advised him to declare that his stepson would no longer be a student at the school and he was no longer in conflict for discussion on this topic.

Motion passed by unanimous consent.

Acting Chair Hughes-Skandijs handed the gavel back to Assemblymember Woll.

Motion: by Assemblymember Adkison to move to the Pending List an appropriation of \$3.3 million from the General Fund to the Restricted Budget Reserve and ask for unanimous consent.

Motion passed by unanimous consent.

6. Information Only

Ms. Flick directed the Committee to page 37 of the packet which shows the Pending List. She stated that changes from the actions taken on that list would be shown in the next meeting's packet. She shared that on page 39 of the packet the General Fund balance based on the actions from previous meetings was shown. She discussed updates to the AFC budget calendar. She stated that in next week's meeting the intention was to start the meeting with an Executive Session related to the collective bargaining agreements.

E. NEXT MEETING DATE

7. May 14, 2025

F. SUPPLEMENTAL MATERIALS

8. April 30, 2025 Minutes

9. Downtown Ambassador Program Clarification Memo

10. Info Only: Other Fund Balances Available for Appropriation

11. Info Only: AFC Budget Calendar – *updated May 7, 2025*

H. ADJOURNMENT

The meeting was adjourned at 7:56 pm.