



DATE: February 27, 2025

TO: Assembly Finance Committee

FROM: Christine Woll, Assembly Finance Committee Chair
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SUBJECT: Topic and Goal Priorities

The purpose of this memo is to provide information regarding several finance-related topics in order to have the Assembly Finance Committee (AFC) determine the timing and priorities for addressing them. There are several stated Assembly Goal Implementing Actions, as well as other ongoing topics to be considered included in this memo. The packet for the tonight's AFC Meeting includes the draft FY26 Budget Calendar and Key Dates which will be referenced through this memo.

Assembly Goal 3.A. – Fund Balance

[The Implementing Action reads: Develop policies for all fund balances.](#) A comprehensive grouping of fund balance policies addressing the various types, and perhaps some specific, funds will take some time to draft. If public participation is desired, then additional time will need to be incorporated into a plan to achieve this action.

Assembly Goal 3.B. – Eaglecrest

[The Implementing Action reads: Develop funding and management strategy for the next three years of Eaglecrest's capital and operations needs.](#) This action is underway with presentation and conversation at the January 27, 2025 Committee of the Whole as well as the Joint Assembly – Eaglecrest Board meeting being held March 5, 2025. Eaglecrest, along with the other empowered boards and the school district, will present their FY 2026 budget at the April 5, 2025 AFC meeting. A decision regarding Eaglecrest's approved FY 2026 budget is necessary in this budget cycle.

Assembly Goal 3.C. – Empowered Boards

[The Implementing Action reads: Review and evaluate governance structure of empowered boards.](#) The Assembly Human Resources Committee (HRC) is reviewing the various boards and committees. In the budget meeting schedule, there are some dates available for joint meetings or discussion in an AFC or COW setting as needed. Specifically, April 9 and 23 as well as May 28 we hope to release as not needed for specific FY 2026 budget work.

Assembly Goal 3.D. – Visitor Activity Revenue

[The Implementing Action reads: Evaluate ways to increase revenue from visitor activity.](#) This implementing action is a broad in scope and may splinter into several topical streams. Depending on the will of the body, outcomes may be completely in the control of the Assembly or may need to be presented to voters. Additionally, some revenue may be generated through the next implementing action which changes exemptions. Staff will need to receive more specific direction on types of fees, licenses, permits, new taxes, etc. the Body wants to consider in order to bring back meaningful information for deliberation.

There has been some information conversation around the implementation of a seasonal sales tax model, as well as other potential modifications. Changes in the sales tax would require voter approval, thus putting it in a similar timeline for action as bond initiatives with latest an Assembly ordinance could be introduced is June 9 with public hearing and approval by July 28 with the current calendar.

Only 1% of the current sales tax is permanent (FY26 amount of \$13.4M). The 3% temporary sales tax which is usually split between General Government operations, road/sidewalks CIP projects and general CIP, community grants and other public services (\$40.2M) will expire on June 30, 2027. The last 1% of our sales tax is also temporary and funds projects outlined in the ballot initiative (\$13.4M) will expire on September 30, 2028.

Assembly Goal 3.E. – Exemptions, Credits and Other Foregone Revenue

[The Implementing Action reads: Examine purpose and effectiveness of city tax code and policies resulting in tax exemptions, tax credits, or any foregone revenue.](#) Changes to real or business personal property tax exemptions impact the value of a property as of January 1st. If the Body enacts changes in this area, the financial impact will be realized in the FY 2027 budget with valuation notices issued in March 2026, and property tax bills mailed July 2026.

Assembly Goal 4.D. – JCF Grant Recipients

[The Implementing Action reads: Consider review of Juneau Community Foundation grant recipients.](#) The JCF is considered a partner agency which means their base amount is included in the Manager's proposed budget. If the intent of the review includes adjusting funding, the budget cycle may be a natural time for this action.

Utility Rates

The process of adjusting the utility rates for residential customers has been following the normal Assembly Committees and public process. The intended new rates are planned for July 2025, if approved. The FY 2026 budget will include the current rates until formal action taken by the Assembly is complete.

Bond Initiatives for October 2025

The AFC has been discussing potential bonding initiatives since the December 2024 Retreat. Final public hearing and Assembly approval is required no later than the July 28, 2025 Assembly meeting in order to be included on the October 2025 ballot.

Biennial Budget

The CBJ has a practice of presenting a Biennial Budget. FY 2026 is year 2 of the FY25-26 Biennial Budget. In practice, the budget is developed annually and considered by the Assembly each year. There is no code or charter provision that requires an annual vs. a biennial budget.

ACTION

The FY 2026 Budget Calendar provides opportunity for the prioritized topics on April 16 and April 30 which have Assembly grant requests as the primary topic for both meetings. Currently April 9 and April 23 are planned off nights for the AFC; but could be utilized for prioritized topics or joint meetings with other boards. During May, there are three meetings (May 7, 14 and 21) planned to make decisions on the budget. Actions on these nights include decisions on the pending list, approval of the capital budget, marine passenger fee plan, school district budget, setting of the mill rate and final budget referred to the Assembly for action. Currently May 28 is planned to be an off night, assuming all budget decisions are complete. The number of items to be funded (length of the pending list) and robustness of discussion around the other actions will determine how much time is actually needed.

The requested action: determine which of the above items are prioritized for inclusion in the budget schedule.