

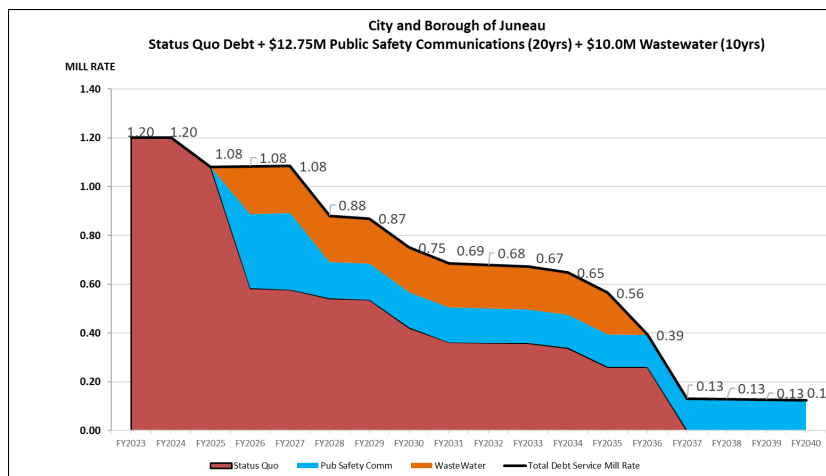


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TO: Deputy Mayor Hale and Committee of the Whole  
 FROM: Katie Koester, City Manager  
 DATE: May 30, 2024  
 RE: Proposed FY25 Bond Projects

The Assembly discussed potential bond projects to put before the voters at the [May 1](#) Assembly Finance Committee Meeting. At the May 1 meeting the body moved to initiate a bond for \$11.75 million for public safety infrastructure and \$10 million for wastewater infrastructure and requested additional discussion at the committee level. Since the May 1 meeting, the public safety communications infrastructure bond amount has been increased to \$12.75 million.

The request I brought you on May 1 was for \$10 million in wastewater infrastructure, split between two projects: a new roof at the Juneau Douglas (JD) Treatment Plant (\$7M) and structural improvements at the Mendenhall Plant (\$3M). Since May 1, PnD Engineering performed an updated assessment cost estimate of the JD Treatment Plant and determined that the clarifier building needs far more than a new roof. The clarifier building houses large settling tanks that separate solids; it is a very corrosive environment exacerbated by the gaseous byproduct produced and lack of ventilation. The structural steel has degraded beyond repair and engineers are recommending a new building. Worst case scenario - this more than doubles the cost estimate to \$14.7M. Further engineering analysis is underway to see if that estimate can be mitigated by repurposing elements of the building. I propose using the full \$10M in bond authority for the JD clarifier building and removing improvements to the Mendenhall Plant from the bond package. Any amount not covered by the bond will need to come out of Wastewater Utility Fund balance.<sup>i</sup> Voter approval of these two bond measures would leave room in the debt service mill rate for future debt.



**Recommendation:** Move to introduce two bond Ordinances at the June 17 regular meeting: 1) \$12.75M for Public Safety Communications Infrastructure and 2) \$10M for Clarifier Building Replacement at the Juneau Douglas Wastewater Treatment Facility. Structure the debt to fully utilize the 1.08 Debt Service mill rate through FY27

<sup>i</sup> FY25 ending fund balance for the Wastewater Fund is \$6.4M. If the project comes in at the top of the estimate, it would require an additional \$4.7M over the bond amount of \$10M and draw that number down to \$1.7M, below the GFOA minimum recommendation of two months operating budget for a fund balance.