

ASSEMBLY FINANCE COMMITTEE MINUTES

April 6, 2024, at 8:30 AM

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 8:30 am by Chair Christine Woll.

B. ROLL CALL

Committee Members Present: Chair Christine Woll; Mayor Beth Weldon; Michelle Hale; Paul Kelly; Ella Adkison; Alicia Hughes-Skandijs; Wade Bryson

Committee Members Present Virtually: Greg Smith

Committee Members Absent: Wáahlaal Gíidaak

Staff Members Present: Katie Koester, City Manager; Robert Barr, Deputy City Manager; Angie Flick, Finance Director; Adrien Wendel, Budget Manager; John Bohan, CBJ Chief Engineer; Denise Kock, Engineering and Public Works Director; Alexandra Pierce, Tourism Manager; Ian Worden, Bartlett Regional Hospital (BRH) CEO; Joe Wanner, (BRH) CFO; Frank Hauser, Juneau School District Superintendent; Matthew Creswell, CBJ Docks and Harbors Harbormaster; Dave Scanlan, Eaglecrest General Manager

Others Present: Deborah Johnston, BRH Board of Directors Vice President

C. APPROVAL OF MINUTES

1. March 6, 2024

The March 6, 2024 minutes were approved as presented.

D. AGENDA TOPICS

2. Budget Summary & Overview

Chair Woll stated that the Assembly had until June 15th to approve a budget. She directed the Committee to the printed budget book and noted the City Manager's budget message at the beginning which outlined a high-level overview along with charts and tables in the Executive Summary and front schedules of the book that can be referenced throughout the budget season.

Chair Woll expressed her desire to start this year's budget process by writing down agreements that the Assembly and Staff would follow. She invited Assemblymembers to vocalize the things they wanted to see from Committee members during this process.

Assemblymembers and Staff took turns expressing what they wanted to see during this process while Angie Flick, Finance Director, wrote them down to be hung up in the Assembly Chambers during the budget season.

Ms. Flick directed the Committee to the Manager's Proposed Budget presentation, on page seven of the packet, and outlined the budget summary topics of the day.

Katie Koester, City Manager, acknowledged Staff for their professionalism in researching and putting together the FY25 Budget Review packet. She stated she would not be taking any action on recommendations from today but that she wanted to solicit responses from the Assembly to the question: if you had the opportunity to unilaterally change one thing in the Manager's Proposed Budget, what would you change? She stated that this was a chance for the Assembly to give the public context on their current priorities, and that they could think about this question as she summarizes the budget, and the Committee could provide responses later in the day. She stated that during the Assembly retreat there was no direction from the Assembly to either increase or decrease City services, so this budget maintained current services. She stated that the Assembly's desire at the retreat was to keep a flat mill rate for FY25. She shared that in order to maintain status quo budget projections she looked at position vacancy-rates and identifiable one-time expenditures.

Ms. Koester continued by stating that other guidance Staff received from the Assembly was to fund a rewrite of Title 49 as one-time funding with \$3 million allocated in the Manager's Proposed Budget, as well as continuing to fund affordable housing options.

Ms. Flick pointed to the charts, starting on page eleven of the packet, that showed the span of Assembly funding control. She stated that the Revenue Budget as proposed was roughly \$440 million, and the largest portion of this was made up of charges for services. She pointed to the taxes portion on the chart as well as State support, with the Juneau School District (JSD) being one of the largest recipients. She shared that departments were asked to look back at expenditures, how much revenue was expected from their services, and how this was reflected in their charges for services. She stated that expenditures for the proposed FY25 budget were \$459 million, including one-time spending.

Mayor Weldon asked if expenditures were \$459 million and revenue was \$440 million, did one-time use of fund balance make up that difference.

Ms. Flick confirmed that was correct.

Ms. Flick continued to the next chart showing CBJ staffing in full-time equivalents (FTE) including JSD and Bartlett Regional Hospital (BRH). She pointed out that there was an overall decrease from FY24 to FY25 of about 30 FTE's, largely due to the staffing cuts made at JSD.

Assemblymember Bryson stated that the Juneau Police Department (JPD) was most likely the greatest example of staffing shortage and asked Ms. Flick if she could elaborate on the fourteen unfilled officer positions.

Ms. Flick responded that the savings percent for vacancies in the FY25 budget went anywhere from one percent to four percent amongst the most affected departments. She clarified that this vacancy factor should not impact JPD's regular recruiting and filling process. She said if any budget authority issues came up for these departments a conversation with the Manager's Office would need to take place. She expressed that Staff felt this was a reasonable change that allowed them to stay within the Manager's and Assembly retreat guidelines.

Ms. Koester began discussing the organization chart on page fourteen of the packet and pointed to the boxes in green which represented CBJ departments which the Manager's Office oversaw directly. She stated that this column on the chart could be thought of as mostly funded through taxpayer dollars. She explained that

there was an increase of about \$2 million in general government spending which equaled just under two percent of the overall budget.

Assemblymember Hale asked how confident Staff was in a reasonable outcome from funding a \$1 million lapse and using the higher vacancy rate.

Ms. Koester replied that these proposed funding amounts were conservative in nature. Staff prepared a more conservative budget, as it would be illegal for the City Manager to go grossly over budget. Overspending in the budget should only occur for justifiable reasons, such as Juneau experiencing a large winter storm and the cost of plowing and snow removal exceeding original budgeted estimates.

Ms. Koester introduced the FY25 CBJ Administration budget overview which included the City Manager's Office, City Clerk, Lands & Resources, Information Technology (IT), and Emergency Management. She described the importance of these divisions and the services they provide, and shared that capital budget requests from some of these divisions aren't reflecting on the slide, but are included in the Capital Improvement Plan (CIP) resolution as part of the Manager's Proposed Budget.

Robert Barr, Deputy City Manager, added that the Manager's Office unofficially serves as the Assembly's special project managers for community priorities that aren't necessarily called out in the organizational structure. He stated that these goals of the Assembly include management of a warming shelter, childcare funding, and affordable housing. He pointed to the next slide on page sixteen of the packet which showed an FY24 to FY25 Manager's Proposed Budget decrease of about three percent. He stated that Staff was excited to move into a new world of Enterprise Resource Planning (ERP) software that should significantly streamline the work of both the Assessor's Office and Community Development (CDD).

Ms. Koester continued the discussion, moving onto the FY25 CDD budget overview found on page seventeen of the packet. She mentioned the addition of a Permit Center Manager position that was created due to the increased volume of permit requests.

Assemblymember Smith asked if the Assembly would see more details on the CDD budget increases and added FTE in an upcoming AFC budget meeting.

Ms. Flick stated that this detail was provided in the budget summary found in the back of the budget book on page DOC-1. She stated that if the Assembly found it useful, Staff could go through this detail with them line by line in a future discussion.

Ms. Koester continued with the FY25 Engineering & Public Works Department budget overview which included the Engineering, Transit, Streets, Fleet Maintenance, Water and Wastewater divisions. She discussed some of the services they provide.

Ms. Koester stated that the Engineering Department manages Capital Improvement Projects across the city, including for BRH and JSD. She discussed some details of CBJ Water and Wastewater divisions, stating 1.3 billion gallons of sewer was treated at three treatment plants last year. She said the Assembly would see a request in the next year for rate increases at the utility as well as a bond package request to address aging facilities. She stated that Alaska Department of Environmental Conservation loans are a good source of funding for some of these projects.

Ms. Koester answered Committee questions.

Ms. Flick introduced the FY25 Finance Department budget overview on page twenty of the packet which included the Accounting, Assessor, Budget, Payroll, Purchasing, and Treasury divisions. She mentioned the Sales Tax Office, Cash Office, and Assessor's Office as being quite active with daily interaction with residents. She mentioned that the position count will increase by one FTE to create the higher-level accountant position that would be tasked with helping JSD with financial management and oversight. She mentioned a one-time funding request for ERP software that could be used by multiple divisions.

Assemblymember Hale asked why the JSD accounting assistance required an extra position to be created instead of using the existing Finance Department accountant team.

Ms. Flick answered that the Finance Department accountant team had seen a lot of vacancies over the last year and didn't have the bandwidth or expertise to help JSD in that capacity.

Mr. Barr introduced the FY25 Capital City Fire and Rescue (CCFR) budget overview on page 21 of the packet. He stated CCFR had seen an overall increase of 2.6% to their budget due to commodities and services, with a large portion related to fleet replacement. He discussed the details of CCFR services and how they work with other departments in the city such as JPD and the airport.

Mr. Barr answered Assemblymember questions.

Mr. Barr introduced the FY25 Human Resources (HR) and Risk Management (RM) budget overview on page 22 of the packet. He stated there was about a 4.9% decrease in the HR budget from FY24 to FY25 which was mostly due to HR no longer renting their previous space on the first floor of the Municipal Way building. He mentioned that there was also a decrease in the RM budget from FY24 to FY25.

Ms. Koester introduced the FY25 Law budget overview on page 23 of the packet. She pointed out that the budget book showed that Law usually spends 45% of their time enforcing the law, 40% of their time explaining the law, and 15% of their time drafting the law.

Mr. Barr summarized the FY25 Libraries and Museums budget overview on page 24 of the packet, stating that they provide access to shared resources and programs for the community with a goal of collecting the shared history of Juneau and Douglas.

Mr. Barr introduced the FY25 Parks and Recreation budget overview on page 25 of the packet. He mentioned that two of the facilities maintenance FTE increase shown on the slide were related to maintaining the three buildings the JSD will be relinquishing back to CBJ on July 1 due to school consolidation and closures.

Mr. Barr answered Committee questions.

Mr. Barr introduced the FY25 Police budget overview on page 27 of the packet and stated that JPD saw an increase of 3.8% from FY24 to FY25 due to wage increases, an added position transitioned from IT, and fleet replacement costs.

Ms. Koester introduced the FY25 Mayor and Assembly budget overview on page 28 of the packet. She mentioned that a large share of this budget was in the Assembly grant process. She reminded the Assembly that part of that process involved the need for organizations to find an Assemblymember sponsor and that Assemblymembers must submit the request form to Chair Woll by April 10th.

Ms. Koester answered Committee questions.

Ms. Koester introduced the FY25 Education budget overview on page 30 of the packet and stated that this budget did include the one-time funding of \$1.65 million that had already been appropriated to assist the School District with non-instructional costs.

Ms. Flick pointed to the slide on page 31 of the packet and explained how it showed the State's portion of JSD's basic need funding decreasing, causing CBJ's portion of this funding to increase. She stated that JSD's overall basic need funding level did not change. This shift in cost from State to local sources is a result of higher borough-wide assessed property valuations in recent years.

Ms. Koester introduced the FY25 Eaglecrest budget overview on page 32 of the packet. She mentioned that this budget was not balanced and had a \$416,000 deficit. She stated that a loan would be discussed in the afternoon to cover that gap.

Ms. Koester spoke on the FY25 significant one-time funding including the expenditures for the public safety communication infrastructure project, the Title 49 re-write, and JSD cost sharing. She noted the General Fund was also being reimbursed \$2.5 million in passenger fees for the Triangle Project.

Ms. Flick discussed the FY25 debt service, stating that the Manager's Proposed Budget reflected a 1.2 debt service mill rate per guidance from the Assembly's discussion at the retreat to maintain a flat debt service mill rate by paying off general obligation bonds early.

Assemblymember Smith asked what the current debt service mill rate was assuming no debt was paid off early.

Ms. Flick answered that this was .76, a .44 difference from the Manager's Proposed Budget debt service mill rate.

Ms. Flick discussed revenue sources including sales tax and mentioned that one of the greatest drivers of this revenue was summer tourism. She shared that because Juneau was expecting the same number of cruise ship passengers this year as last year, sales tax was going to be a more stable place to forecast from. She discussed details of revenue from other sales related taxes such as tobacco, marijuana, liquor, and hotel bed taxes.

Ms. Flick discussed assessed property valuations and shared that there was a bill being worked on at the legislature to put in guardrails around the function of the Assessor's Office. She stated that if that bill passed the Assessor's Office was already well positioned so that nothing would fundamentally need to change in their valuation process. She shared that there was very little growth overall in assessed valuations going into FY25 from FY24.

Ms. Koester discussed the mill rate and stated that the guidance from the Assembly was to keep the mill rate at a flat 10.16. She explained that the Manager's Proposed Budget mill rate increased from 10.16 to 10.32 as a result of CBJ needing to maintain the three buildings that will be relinquished from JSD back to CBJ on July 1. She summarized packet page 42-43, stating that the FY25 projected ending Unrestricted Fund Balance was roughly \$15.5 million. She shared that there had been growth in revenue reflected in the projection. She stated that all funds should maintain at least three months of operating revenue in fund balance per standard policy.

Ms. Flick gave a brief overview of the Hotel-Bed Tax Fund and Affordable Housing Fund.

Mayor Weldon asked if the \$2.3 million, shown in the Affordable Housing Fund Balance on page 45 of the packet, included repayment of loans.

Ms. Flick confirmed that it did not include repayment of loans.

Ms. Koester discussed the summary slide on page 46 of the packet and reminded the Assembly that they have a few levers to use including one-time funding, debt service mill rate, and cutting or growing city services.

Committee recessed at 10:30 am.

Committee reconvened at 10:40 am.

3. Capital Improvement Plan

John Bohan, CBJ Chief Engineering, introduced the FY25 Capital Improvement Plan (CIP) found on page 49 of the packet. He stated that this was a high level six-year plan for CBJ's public infrastructure, and that the Assembly would hold public comment on the resolution at the regular Assembly meeting on April 29. He discussed the CIP timeline and funding categories. He noted that the unscheduled funding section of the resolution was speculative funding from other sources such as grants. He stated that the FY25 CIP primarily allocated funds for maintenance of existing CBJ infrastructure.

4. Passenger Fee Plan

Alexandra Pierce, Tourism Manager, presented the Manager's Passenger Fee Proposal on packet page 64. She discussed the details of the recent funding requests the Assembly had received regarding projects to improve the impact on local infrastructure from the summer cruise ships. Ms. Pierce noted that the Cruise Line Industry Association submitted a letter to CBJ in opposition to some of the proposed uses of passenger fees in the FY25 budget. This letter is featured on packet page 306. Ms. Pierce stated that both she and the city manager responded to this letter, and she recommended the Assembly proceed with the Manager's proposed uses of passenger fees.

Ms. Pierce answered Committee questions.

5. Bartlett Regional Hospital

Deborah Johnston, the Bartlett Regional Hospital (BRH) Board of Directors Vice President, introduced herself and described her experience witnessing significant financial pressures on BRH over the years. She described how the organization has adapted to ensure the services they provide meet the needs of the community. She introduced Dr. John Raster, BRH Board member; Ian Worden, BRH CEO; and Joe Wanner, BRH CFO. She discussed some details of the financial struggles BRH had been dealing with in recent years and stated that today's presentation was an important step to receive guidance from the Assembly regarding community health service priorities.

Mr. Worden introduced himself and talked about the importance of BRH as a community asset, stating that they serve a population of around 55,000 people, including Juneau and the surrounding areas. He explained that because BRH is an Enterprise Fund it is very important for them to remain self-sustaining and generate enough excess revenue over expenses to be able to refund their fund balance. He stated that this presentation was meant to demonstrate the financial issues they are dealing with.

Mr. Wanner introduced the graph on page six of the supplemental materials that showed the increasing financial pressures on BRH from decreasing cash flow over the last few years. He reviewed the expenditures of the BRH FY25 budget. He stated that there was a small inflationary adjustment to account for changes to personnel costs as they worked through union negotiations. He presented another version of the BRH FY25 budget, found on packet page 319, which broke down expenses and revenue data by various BRH programs. He elaborated on some of those programs and explained how they were operating at a loss.

Mr. Worden stated that BRH was not sustainable at the large facility in the way they had been funding the other entities and programs. He shared that their rate structure was not increasing at the same pace as their cost structure and that the changing demographics of Juneau was adding to their challenges. He expressed that BRH was looking for guidance from the Assembly in addressing their financial struggle as they navigate difficult decisions.

Mr. Worden answered Committee questions.

Chair Woll stated that at this time the Assembly might not be able to make major decisions, such as on cuts to services, before the end of the budget process. She expressed the need for further conversation with the BRH Board on what programs the community needed, what residents were and were not willing to pay for. She asked Mr. Worden exactly what guidance BRH needed from the Assembly at this time.

Mr. Worden explained how most of his recent work had been to identify specifics of these programs, to be able to bring good data to the Assembly when that conversation was to be held. He stated that the direct cost of certain BRH entities would never be self-sustaining.

Mayor Weldon stated that the gravity of the situation may call for a funding request in the form of a tax proposal brought to the voter, to gauge the will of the community and what programs they deemed most important.

Assemblymember Hale thanked the BRH Board members for bringing this data to the Assembly and pleaded with them to involve the Assembly at the time any decisions to cut programs needed to be made.

The Committee took a two-minute recess.

Motion: by Mayor Weldon to move to accept the BRH budget as presented.

Objection: by Assemblymember Hughes-Skandijs for the purpose of comment. She expressed concern for BRH's financial situation, stating that the Assembly might not be comfortable with major cuts at this time but that they should consider the fact that action might be needed at a later time this year, instead of waiting for an update during next year's budget process. She then removed her objection.

Motion passed by unanimous consent.

Chair Woll stated now would be a good time to revisit the city manager's question: if you had the opportunity to unilaterally change one thing in the Manager's Proposed Budget, what would you change?

Assemblymember Kelly stated that he found seeing the FTE's listed in the various budgets very helpful. He shared that he would also like to see the mill rate impact between the current and previous fiscal year shown on each program budget.

Mayor Weldon stated that she would like to see the Assembly work to keep the mill rate at 10.16, despite CBJ having inherited the three buildings from JSD, which resulted in the Manager's Proposed Budget calling for a 10.32 mill rate.

Assemblymember Smith expressed his desire for the Assembly to not over collect on property tax, noting a reduction of the debt service mill rate as a mechanism to accomplish this.

Assemblymember Hughes-Skandijs shared that, if she could, she would include big one-time housing spending and do less aggressive forecasting.

Assemblymember Adkison expressed her desire to see the mill rate go back to 10.16.

Assemblymember Bryson asked, because the budget process involved a two-year cycle, if the second year could be covered in fewer meeting time because the heavy lifting had already been done in the first year.

Assemblymember Hale stated that she'd like to see the mill rate lowered from 10.16 to gain credibility with the public, instead of prioritizing paying off debt quicker.

Chair Woll agreed that she would also like to look at the debt service mill rate in order to reduce the total mill rate.

The Committee recessed at 11:56 am.

The Committee reconvened at 12:45 pm.

Chair Woll announced that the agenda item order would be changed and that the next agenda item would be the Juneau International Airport.

6. Juneau International Airport

Mr. Barr introduced the FY25 Juneau International Airport budget overview and stated that the Airport Board approves a significant portion of the operating budget related to rate setting, as shown on the graph at the bottom of page 276 of the packet. He explained that this graph also showed the difference between what the Airport Board had seen and approved and what the Assembly was being asked to approve. Mr. Barr has requested that the Airport Board approve the full budget moving forward.

Motion: by Mayor Weldon to move that the Assembly approve the airport budget as reflected by the expenditure table at the bottom of the memo from Mr. Barr.

Motion passed by unanimous consent.

Chair Woll stated that the Assembly would move back to agenda item number six which was the FY25 Juneau School District (JSD) budget overview, found on page 206 of the packet.

7. Juneau School District

Frank Hauser, JSD Superintendent, introduced himself and began discussing the FY25 JSD budget overview. He discussed the drivers of the JSD budget deficit, including decreasing enrollment over the years and stagnant public education funding from the State. He gave an overview of the meetings and conversations that had been held over the previous months which led to identifying the difficult decisions that needed to be made to overcome the deficit.

Mr. Hauser stated that the JSD Board's adoption of the school reconfiguration and consolidation plan reduced the initial FY25 projected deficit by nearly 50%, approximately \$5 million. He stated that the FY25 budget was built on a static level of State funding to the base student allocation (BSA) and that CBJ had historically provided the maximum local contribution as allowed by the State, which in FY25 totals \$34,432,039.

Mr. Hauser answered Committee questions.

Mr. Hauser continued by presenting the FY25 operating fund proposed revenue and compared it with FY24. He stated that he believed this was the first time in JSD history that local contribution by CBJ was larger than the revenue from the State. He shared that no meaningful increase to the BSA from the State had been passed since 2014.

Mr. Hauser expressed that it would take a combination of solutions to resolve the long-term effects of JSD's financial position. He stated that immediate cuts to current operations and larger structural changes to reduce costs were required to provide ongoing savings and balance the budget, while JSD worked to maintain as much support for its students as possible. He stated that JSD would be closing and releasing the Marie Drake, Floyd Dryden, and District Office buildings back to CBJ on July 1.

Mr. Hauser answered Committee questions.

Mr. Hauser spoke to the details of meeting the demands of a balanced budget. He stated that in order to make efficient use of the school facilities, the pupil-teacher ratio needed to rise at all grade levels. He stressed that with the consolidation of the two high schools, JSD was committed to providing the same level of access for students wishing to participate in activities and was requesting the same funding level for high school activities in FY25 as was funded in FY24.

Mr. Hauser answered Committee questions.

Assemblymember Smith stated that he would like to consider providing additional support to JSD if the State Legislature does not pass a BSA increase for FY25.

Motion: by Assemblymember Smith to put JSD additional non-instructional shared services on the Assembly Pending List in the amount of \$2,272,382.

Motion passed by unanimous consent.

Motion: by Mayor Weldon to move the Juneau School District instructional budget to the Full Assembly for approval, funding it to the cap.

Motion passed by unanimous consent.

Motion: by Mayor Weldon to move to accept the non-instructional program funding for JSD, outside the cap, of \$2,040,000.

Objection: by Assemblymember Hughes-Skandijs for the purpose of clarification.

Mayor Weldon removed her motion for the purpose of stating a new motion.

Motion: by Mayor Weldon to move the outside the cap non-instructional funding amount of \$2,040,000 to the Pending List.

Motion passed by unanimous consent.

8. Docks and Harbors

Matthew Creswell, CBJ Docks and Harbors (D&H) Harbormaster, introduced the FY25 D&H budget overview, on page 259 of the packet. He introduced D&H Board members and their organization chart, showing the full-time, part-time, and seasonal positions. He shared that while D&H still had a few positions to fill, they were in the best staffing shape they had seen since 2019. He offered details on D&H facilities including their function and needed maintenance. He mentioned their internship program with the University of Alaska Southeast, stating D&H was going to provide a minimum of three paid internships for students pursuing careers in the marine trades.

Mr. Creswell expressed gratitude to the Assembly for the Marine Passenger Fee support which had helped fulfill the new security mandates they've had to undertake. He explained that after the pandemic years D&H was seeing revenue come back to exceed its expenditures. He shared that their fund balance was growing, which would assist with future infrastructure needs. He stated that D&H was preparing an application for dock electrification through the EPA Clean Ports Grant.

Mr. Creswell answered Committee questions.

Mr. Creswell discussed details of the D&H CIPs found on page 274 of the packet which included Aurora Harbor, Downtown Waterfront Improvements, Seawalk Improvements, Statter Harbor Improvements, Echo Cove, Taku Harbor, and Wayside Float.

Mr. Creswell answered Committee questions.

Motion: by Mayor Weldon to move to accept the Docks and Harbors budget as presented.

Motion passed by unanimous consent.

The Committee recessed at 2:23 pm.

The Committee reconvened at 2:40 pm.

9. Eaglecrest

Dave Scanlan, Eaglecrest General Manager, introduced the FY25 Eaglecrest budget overview, found on page 288 of the packet. He reflected back on the conversation that was held at the Assembly Retreat with regards to Juneau's changing demographics, labor shortages, and other major issues for the community. He expressed how important Eaglecrest was for families in the community. He discussed details of the 2023-2024 season pass sales, growing snowmaking operations, and trail development. He explained how trends across the ski industry show ski areas struggling with staffing as the cost of ski operations continue to rise. He stated that this had caused many ski areas to leverage the use of summer operations.

Mr. Scanlan discussed the details of rising ticket prices and showed a comparison chart, on page 294 of the packet, of the average prices of ten comparable resorts. He stated that Eaglecrest prices were on par, if not slightly lower than the average of these comparable resorts. He described the Eaglecrest staffing challenges and stated that Eaglecrest was fourteen percent below average wages before factoring in Juneau cost of

living. He shared that the J1 employment program had been a success with 21 employees coming to work at Eaglecrest from outside the country last season.

Mr. Scanlan mentioned that Eaglecrest was bound by restrictions from the Land and Water Conservation Fund which only allowed Eaglecrest to conduct outdoor recreation activities. He stated that he did receive confirmation from that fund that Eaglecrest could build staff housing onsite and remain compliant. He discussed details of a plan to find a private partner in this project and split the rooms up by staff housing and visitor room rentals.

Mr. Scanlan answered Committee questions.

Mr. Scanlan spoke to the increasing costs of Eaglecrest's status quo operations. He stated that while they had increased revenue over the years there was still a lot needed to close the cost gap. He mentioned that Eaglecrest summer operations were expected to generate significant revenue in the future, which would eventually lead to finishing and opening the gondola.

Mr. Scanlan introduced a breakdown of Eaglecrest funding requests on page 296 of the packet. He stated that he believed it was possible to fund these requests through the General Fund with a loan, similar to the loan approved for JSD. He presented data that showed if they were able to secure and move forward with this General Fund loan concept, FY26 would show Eaglecrest moving back into a positive fund balance.

Mr. Scanlan answered Committee questions on the details of the proposed summer walking tours from the Hooter chairlift and how that revenue, along with a General Fund loan, would lead to the installation and operation of the gondola in a future season.

Chair Woll stated that she wanted to ensure data was available to the Assembly to see Eaglecrest revenue projections alongside the terms of a potential loan, to help the Assembly determine the right amount of funding Eaglecrest would need to achieve their goals in a sustainable way.

Mr. Barr asked Mr. Scanlan whether Eaglecrest would still need a loan in FY26 if the FY25 loan of \$885K was issued. Mr. Scanlan stated he did not believe they would need a loan in FY26.

Ms. Flick clarified that Mr. Scanlan's proposal was to pursue a loan from the General Fund to fill the deficit in FY25 and cover additional costs associated with ramping up summer operations.

10. Info Only: Budget Calendar

Chair Woll asked Ms. Flick to design a chart for feedback by drawing a large cross and adding a plus sign on the upper left-hand side of the large hanging paper and a triangle on the upper right-hand side. She asked Assemblymembers to add sticky notes under the two columns to provide feedback for Staff of things that they appreciate, on the left side, and things that they'd like to see changed, on the right side.

E. NEXT MEETING DATE

11. April 17, 2024

G. ADJOURNMENT

The meeting was adjourned at 3:42 pm.