

ASSEMBLY FINANCE COMMITTEE MINUTES

APRIL 12, 2023, 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

This meeting was called to order at 5:37 pm by Chair Triem.

B. ROLL CALL

Committee Members Present: Carole Triem, Chair; Mayor Beth Weldon; Michelle Bonnet-Hale; Christine Woll; Alicia Hughes-Skandijs; Wade Bryson

Committee Members Present Virtually: Wáahlaal Gíidaak; Greg Smith

Committee Members Absent: Maria Gladziszewski

Staff Members Present: Jeff Rogers, Finance Director; Adrien Speegle, Budget Manager; Dr. Bridget Weiss, Juneau School District Superintendent; Cassee Olin, Director of Administrative Services; Dave Scanlan, Eaglecrest General Manager; John Bohan, Chief CIP Engineer; Katie Koester, Engineering and Public Works Director

Others Present: Deedie Sorensen, Board of Education President

C. APPROVAL OF MINUTES

1. April 5, 2023

The April 5, 2023, minutes were approved as presented.

D. AGENDA TOPICS

2. Juneau School District FY24 Budget Presentation

Jeff Rogers, Finance Director, introduced Dr. Bridget Weiss, Juneau School District (JSD) Superintendent; Deedie Sorensen, JSD Board President; Cassee Olin, JSD Director of Administrative Services.

Dr. Weiss thanked the Committee for its contribution of nearly \$30 million in general operation support up to the funding cap for FY23. Dr. Weiss further thanked the Committee for its outside-the-cap funding which supported Food Service, Transportation, Community Schools, Rally, the Learn to Swim Program, and other various student activities. She further expressed hope that the Committee will continue its commitment in funding JSD in FY24.

Dr. Weiss reviewed JSD's budget process as outlined on page 28 of the packet. She discussed with the Committee the struggles that JSD has faced, specifically in the past three years,

expressing the loss of learning that has occurred for students as a result of the pandemic. Dr. Weiss reminded the Committee that ESSER funding, the last of the federal aid from COVID relief programs, will run out by September 2024.

Dr. Weiss reviewed the sources of funding available to JSD in FY24 on page 30 of the packet. She further described for the Committee the importance of enrollment projections when it comes to making budget assumptions. Funding that comes from the State is calculated using the Base Student Allocation (BSA), which provides a framework for funding based on the number of students JSD is anticipating to enroll.

Dr. Weiss reviewed the relationship between state funding and local required funding, stating that in FY23 the calculation that determines the minimum required and optional allowable local contribution from CBJ has changed from being based on enrollment to being based on millage of assessed property values, as a result of significantly higher assessed valuations borough-wide. Mr. Rogers directed the Assembly to packet page 81, which displays a chart that breaks down the local and state contributions for education. The table on page 82 reflects how the increase in CBJ's minimum required local contribution offsets state funding, resulting in no funding loss for JSD. The table reflects nearly a \$1 million increase in revenue for JSD if the Assembly chooses to fund up to the maximum allowable amount for instructional purposes in FY24.

Dr. Weiss reviewed FY24 highlights for the Committee on page 34, discussing the pupil to teacher ratio, or the class size. This ratio determines the total amount of staffing needed to run JSD operations, and the ratio remains largely unchanged from FY23 to FY24. Dr. Weiss noted that JSD's Property Liability Insurance has increased significantly in recent years, rising from \$260,000 in FY21 to \$1.2 million in FY24.

Dr. Weiss answered Committee questions regarding JSD's FY24 budget.

Assemblymember Smith asked Dr. Weiss about the nature of funding to the cap and the reliance on local contribution to fund operations. Dr. Weiss stated the School District doesn't have much capability to raise revenue themselves, and reviewed how much the programs that JSD operates mean to the community.

Dr. Weiss answered committee questions regarding the Community Schools Program, and whether this program could not be better managed by CBJ's Parks and Recreation Department.

Motion: by Mayor Weldon to have staff bring back information to the Finance Committee regarding the operations of Community Schools moving to Parks and Recreation.

Motion passed by unanimous consent.

Motion: by Assemblymember Bryson to have staff work with JSD to look into removing the burden of RALLY from the School District, perhaps through a Request for Proposal (RFP) process.

Motion passed by unanimous consent.

Dr. Weiss answered committee questions regarding charter school funding allocations from JSD.

The Committee recessed at 6:40 pm.

The Committee reconvened at 6:50 pm.

3. Juneau School District FY23 Supplemental Funding Request

Dr. Weiss introduced the request for additional funding for FY23 found on pages 37-45 of the packet and discussed the reasons for the timing of the funding request coming to the Committee at this time. She stated that the FY22 audit brought to light significant fund deficits across all funds, and that this funding request corrects prior year deficits as well as anticipated current year shortfalls in the non-operational components. She stated that as part of JSD's corrective action plan for the audit, they have implemented an additional review of the budget in the spring going forward, in addition to the fall review that takes place.

Dr. Weiss stated that the deficits include Community Schools, RALLY, and Student Transportation. The historical buildup of deficits for these programs starting in FY19 are shown on pages 39, 41 and 43, respectively.

Dr. Weiss stated the Community Schools program deficit was largely acquired during FY21 and FY22 and was a direct result of COVID-19 shutting down schools and the ability to generate revenue from renting out facility space. JSD made the decision to retain Community Schools program employees and instead redirected these staff members to meet remote schooling needs. The total requested amount for the Community Schools program is \$226,884 and will cover prior year deficits and anticipated shortfalls in FY23.

Dr. Weiss reviewed current RALLY program deficits, stating many of the issues being faced were due to COVID stopping and then limiting the operations of RALLY for the community. This reduction in revenue for JSD led to a large deficit in FY21. Dr. Weiss stated that in order to avoid layoffs in the community to reduce expenditures, RALLY program staff were used in other ways. The total requested amount for the RALLY program is \$750,000.

Dr. Weiss reviewed the current student transportation deficits and stated that the largest reason for the deficit is stagnant funding from the State to cover these costs. She stated that the amount provided by the State for FY23 is the same amount as FY15, despite rising costs to provide this service. Dr. Weiss and Deedie Sorenson, JSD Board President, affirmed that JSD has a firm commitment to provide transportation for elementary students within a half mile, which does create a larger transportation cost for JSD. Ms. Sorenson stated that the potential safety concerns of having elementary students walking in the road as a result of sidewalks plowed over with snow is not one that the JSD board will allow. The total requested amount for student transportation is \$1,283,853.

Motion: by Assemblymember Hale to forward Ordinance 2022-06(b)(AR) to the full Assembly.

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

Amendment: by Assemblymember Hughes-Skandijs to change the amount of the appropriating ordinance to \$2,260,737, eliminating the \$80,000 line item for new wrestling mats for JSD and asked for unanimous consent.

Objection to the Amendment: by Assemblymember Hale and Mayor Weldon.

Roll Call Vote on Amendment:

Ayes: Hughes-Skandijs, Triem

Nays: Hale, Woll, Weldon, Bryson, Wáahlaal Gíidaak, Smith

Amendment failed. Two (2) Ayes, Six (6) Nays

The Committee recessed at 7:50 pm to consult with legal counsel.

The Committee reconvened at 7:53 pm.

Assemblymember Hale rescinded her original motion, as the ordinance was already set for public hearing on the consent agenda at the time of introduction.

Motion: by Mayor Weldon to move Ordinance 2022-06(b)(AR) to the full Assembly for public hearing, then bring the ordinance back to committee for further review.

Objection: by Assemblymember Woll.

Roll Call Vote on Motion:

Ayes: Bryson, Weldon, Triem

Nays: Woll, Smith, Hale, Wáahlaal Gíidaak, Hughes-Skandijs

Motion failed. Three (3) Ayes, Five (5) Nays

Wáahlaal Gíidaak left the meeting at 8:00 pm.

The Committee recessed at 8:00 pm.

The Committee reconvened at 8:10 pm.

4. Eaglecrest FY24 Budget Presentation

Dave Scanlan, Eaglecrest General Manager, reviewed 2022-2023 season highlights, giving praise to improvements to snowmaking, contributing to a total of 94 operational days. FY23 had a record 70,000 skier days logged. Eaglecrest faced a difficult year in recruitment, resulting in some loss in revenue for base operations.

Mr. Scanlan reviewed efforts to secure higher recruitment levels, including a 2% seasonal bonus for returning employees, and a free meal for those who worked two days or more in the week. Other efforts to secure recruitment presented by Mr. Scanlan include partnerships with ski areas in Australia for H2B work visas.

Assemblymember Smith asked Mr. Scanlan about housing for these potential employees. Mr. Scanlan responded that it is possible to build housing at Eaglecrest, and that it is an option

Eaglecrest is considering going forward. The Juneau Economic Development Council is also looking into workforce housing in Juneau.

Mr. Scanlan reviewed seasonal product sales on page 49-52 of the packet, showing steady growth for Eaglecrest over the past several years. Mr. Scanlan reviewed sales for the Snowsport School program which showed steady numbers, however Mr. Scanlan stressed that Eaglecrest would have been able to give more lessons to the community if they had been able to secure more staffing.

Mr. Scanlan presented a new program that Eaglecrest started this year to provide community school groups with access to the Eaglecrest ski school. This program is sponsored by private donations into the Eaglecrest Fund, with school groups coming from various areas of Southeast Alaska including Sitka and Hoonah.

Mr. Scanlan reviewed plans for generating additional revenue for Eaglecrest on page 57 of the packet, all focused on summer revenue options.

Mr. Scanlan stated the Eaglecrest pricing strategy compares to other ski areas of similar size, and across the board Eaglecrest is cheaper than every other area as shown on page 59 of the packet. Costs of operations are increasing due to inflation and Mr. Scanlan stressed the importance of generating revenue in the summer months going forward, in order to keep winter operations as cheap as possible.

Mr. Scanlan addressed the importance of maintaining the affordability of Eaglecrest for the community and that it is one of his largest goals as general manager. Mr. Scanlan presented Eaglecrest's FY24 increment request of \$158,800 on page 60. The steady rise in the cost of clearing the road to Eaglecrest is a large issue going into FY24 and the future.

The Committee discussed the options for addressing this rising cost.

Mr. Scanlan reviewed the remaining line items in the funding request and answered additional committee questions.

Mr. Scanlan addressed future challenges facing Eaglecrest, putting emphasis on rising operational costs due to inflation and the continuous struggle of recruitment. He also highlighted the opportunities that Eaglecrest has in developing additional summer recreation expansion. Mr. Scanlan affirmed that the Gondola is still on track to be up and running in the summer of 2025.

The Committee gave appreciation to Mr. Scanlan and the efforts that are being made to create the best community experience at Eaglecrest.

Motion: by Mayor Weldon to accept Eaglecrest's FY24 budget, as proposed by the city manager.

Motion passed by unanimous consent.

Motion: by Mayor Weldon to accept Eaglecrest's FY24 increment request of \$158,800, minus the \$33,300 full cost allocation, for a total increment request of \$125,500.

Objection: by Chair Triem for the purpose of an amendment.

Amendment: by Chair Triem to move the full Eaglecrest increment request to the Decision List.

Objection to Amendment: by Mayor Weldon and Assemblymember Hale, stating that they would like to make the decision tonight.

Roll Call Vote on Amendment:

Ayes: Triem

Nays: Woll, Bryson, Hale, Weldon, Hughes-Skandijis, Smith

Amendment failed. One (1) Aye, Six (6) Nays

Objection to Original Motion: By Assemblymember Hale and Assemblymember Smith. Assemblymember Hale asked Mr. Scanlan what the consequences would be for not approving the full increment requested by Eaglecrest. Assemblymember Smith stated that he would like to see the full increment request approved for Eaglecrest.

Mr. Scanlan stated that they would find other ways of paying for those costs, such as reducing expenditures in other areas.

Assemblymember Hale withdrew her objection.

Roll Call Vote on Original Motion:

Ayes: Triem, Weldon, Hale, Woll, Hughes-Skandijis, Bryson

Nays: Smith

Motion passed. Six (6) Ayes, One (1) Nay

5. FY24 Capital Improvement Plan and 1% Sales Tax Allocation – For Review

Katie Koester, Engineering and Public Works Director, introduced the FY24 Capital Improvement Plan (CIP) on pages 65-79 of the packet. Ms. Koester briefly reviewed the allocations of the voter approved 1% Sales Tax projects on page 79. Ms. Koester stated committee members can make amendments to the CIP or the 1% schedule on May 3rd.

6. Info Only: AFC Budget Calendar

The Assembly Finance Committee budget calendar was provided for informational purposes only and was not discussed.

E. SUPPLEMENTAL MATERIALS

7. CBJ Contribution to Juneau School District – Diagram and Funding Comparison

This item was discussed under Agenda Topic # 2.

8. Juneau School District FY23 Supplemental Funding Request – Ordinance and Request Detail

This item was discussed under Agenda Topic # 3.

F. NEXT MEETING DATE

9. April 19, 2023

G. ADJOURNMENT

The meeting was adjourned at 9:40 pm.