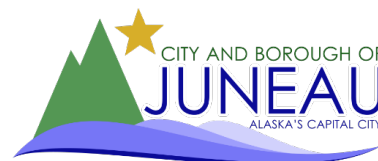


ASSEMBLY FINANCE COMMITTEE MINUTES

January 04, 2023 at 6:00 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 6:00 pm by Chair Triem.

B. ROLL CALL

Committee Members Present: Carole Triem, Chair; Michelle Bonnet-Hale; Wade Bryson; Greg Smith; Alicia Hughes-Skandijs; Wáahlaal Gídaak

Committee Members Present Virtually: Christine Woll

Committee Members Absent: Mayor Beth Weldon; Maria Gladziszewski

Staff Members Present: Rorie Watt, City Manager; Robert Barr, Deputy City Manager; Jeff Rogers, Finance Director; Adrien Speegle, Budget Manager; Dallas Hargrave, Human Resources/Risk Management Director; Katie Koester, Engineering and Public Works Director

Others Present: Dan Robinson, Research Chief, Alaska Department of Labor and Workforce Development; Liz Perry, President and CEO of Travel Juneau

C. APPROVAL OF MINUTES

1. November 30, 2022

The minutes were approved as presented.

D. AGENDA TOPICS

2. Declining Workforce in Alaska

Rorie Watt, City Manager, reviewed the information on packet pages 7-26. The data presented explained trends in Alaska's declining workforce and was provided by Dan Robinson, Research Chief for the Alaska Department of Labor and Workforce Development, who was present in the audience.

Primary discoveries during their research found that the labor force has experienced an increase in the number of people retiring and an increase in the number of people between the ages of 30 to 39 no longer in the workforce. Mr. Watt also discussed packet page 16 reflecting data regarding the outmigration of Alaska that has been trending since 2013.

Mr. Watt discussed packet page 26, which provided a historical comparison of CBJ employee tenure in 2011, 2016, 2021, and 2022. The data shows that CBJ is experiencing an increase in the number of new employees annually and a decrease in the number of employees who have been with CBJ for ten or more years. Historically, CBJ has had fewer new employees and more long-term employees.

Mr. Robinson responded to a question from Assemblymember Bryson, stating solutions to this problem can be challenging, and encouraged CBJ and the Assembly to try new ideas that will lead to better

recruitment and retention. Robert Barr, Deputy City Manager, discussed the newly adopted CBJ telework policy in response to Assemblymember Hughes-Skandijs' question.

In response to Assembly questions, Mr. Robinson stated that there needs to be more specific research about climate change influencing migration and recruitment to Alaska, but stated that it is an issue that should be continuously discussed. Mr. Robinson also suggested increased flexibility to keep older workers and to remove unnecessary minimum qualifications from job descriptions because both negatively impact recruitment and retention in these hard-to-recruit times.

3. Employee Recruitment and Retention Proposals

Mr. Watt introduced recruitment and retention proposals detailed in a memo on packet pages 27-29 by Dallas Hargrave, Human Resources and Risk Management Director, who was present in the audience for questions from the Assembly. The memo proposes creating a robust sign-on bonus program and implementing a flexible dependent care spending account funded by employer contributions.

The first proposal will create a sign-on bonus program directed toward difficult-to-fill positions determined by the City Manager. The proposal offers up to a \$40,000 sign-on bonus and requires a commitment to stay employed with CBJ for a specific period of time, depending on the position and size of the bonus. Bonuses would be funded by lapsing personnel service funds in department operating budgets. Mr. Hargrave and Mr. Watt responded to questions from the Assembly, providing additional details about how the City will navigate sign-on bonuses and determine difficult-to-fill positions, and briefly discussed retention methods for existing personnel.

Assemblymember Woll disclosed that her spouse is a CBJ employee.

Motion: by Assemblymember Hughes-Skandijs directing staff to develop proposed changes to the personnel rules that provides the City Manager authority to implement sign-on bonuses for difficult to fill positions for up to \$40,000 and up to a four-year commitment.

Motion passed by unanimous consent.

Robert Barr, Deputy City Manager, introduced the dependent care proposal discussed on packet pages 28 and 29. CBJ's current childcare spending account allows employees to contribute a portion of their income to a flexible spending account (FSA) for dependent care. The proposal will add an employer payment of up to \$5,000 to the FSA if employees meet specific criteria. Because there is already a childcare spending account, adding the employer contribution requires a change in the dependent care FSA plan to include this new contribution.

Motion: by Assemblymember Hughes-Skandijs directing staff to develop the proposed changes to the CBJ dependent care FSA plan and include the estimated cost in the FY24 budget.

Motion passed by unanimous consent.

4. Deferred Compensation Match Proposal

Jeff Rogers, Finance Director, introduced a deferred compensation retirement plan employer match proposal as outlined on packet pages 30-32. CBJ currently offers a deferred compensation package to employees, but the compensation package does not include an employer match. The current program operates under section 457 of the IRS tax code, allowing employees the opportunity to defer a portion

of their current income toward retirement. The proposed changes presented by Mr. Rogers will modify CBJ's current 457 deferred compensation package to include an employer match for employees who are part of Alaska's PERS Tier IV. Tier IV will be the focus of this benefit change because Tier IV is a defined contribution retirement plan, while tiers I, II, and III are defined benefit plans. In addition, Tier IV does not incentivize longevity as tiers I/II/III do. The intention of the proposal discussed by Mr. Rogers will focus on assisting employees to have more available funds at retirement and incentivizing employees to remain working for CBJ.

Motion: by Assemblymember Hughes-Skandijs directing staff to develop a deferred compensation matching program, build the cost of such a program into the Manager's Proposed FY24 Budget, and engage collective bargaining units in discussion of auto-enrollment.

Objection: by Assemblymembers Woll and Smith to confirm motion details. Mr. Watt confirmed that this proposal will allow staff to begin detailing the program and that CBJ staff will return to the Assembly for final program approval. Mr. Rogers stated that he will discuss the opportunity to extend additional benefits to lower end wage earners with legal counsel. Assemblymember Wáahlaal Gíidaak requested that the final plan presented to the Assembly include graphs indicating the costs that will be incurred by CBJ.

Assemblymember Woll and Assemblymember Smith removed their objections.

Motion passed by unanimous consent.

5. Travel Juneau Hotel-Bed Tax Increment Request

Mr. Rogers introduced and endorsed Travel Juneau's Hotel-Bed Tax mid-year increment request on packet pages 33-37. The proposed Ordinance 2022-06(b)(AG) on packet page 37 would appropriate \$93,336 to Travel Juneau. This amount was requested due to higher than anticipated Hotel-Bed Tax receipts. In quarter one of FY2023 (July-Sept), CBJ received \$1.36 million in Hotel-Bed Tax, which was 65% of the entire FY23 Hotel-Bed Tax projection. Based on the Assembly resolution that directs 4% of every 9% of Hotel-Bed Tax to Travel Juneau, Travel Juneau would have been granted more funds. The proposed ordinance would grant Travel Juneau additional funding that they would have otherwise received had the increased revenue been projected.

Liz Perry, President and CEO of Travel Juneau, explained that some of the requested funds would be used to conduct an economic analysis to better understand the economic impact Ironman Alaska 2022 had on Juneau's economy. In response to Assemblymember Smith and Assemblymember Hughes-Skandijs' questions, Ms. Perry explained that current economic impact data does not include quantitative data from local businesses. Through the proposed research, the collected data would provide a comprehensive understanding of the impact Ironman Alaska 2022 had on the economy and will be used for cost-benefit analyses when determining if similar events should be hosted in Juneau in the future.

Motion: by Assemblymember Hale directing staff to move Ordinance 2022-06(b)(AG) forward to the Assembly for public notice and hearing.

Objection to Motion: by Assemblymember Smith for the purpose of an amendment.

Amendment: by Assemblymember Smith directing staff to create two ordinances for Travel Juneau's request. One ordinance for \$75,836 for reimbursement for Ironman AK expenses, and a second

ordinance for \$17,500 to conduct an economic analysis determining the comprehensive impact Ironman Alaska 2022 had on the Juneau economy.

Objection to Amendment: by Assemblymembers Bryson, Woll, and Hale.

Roll Call Vote on Amendment:

Ayes: Smith, Hughes-Skandijs

Nays: Bryon, Hale, Woll, Wáahlaal Gíidaak, Triem

Amendment failed. Two (2) Ayes, Five (5) Nays.

Objection to Original Motion: by Assemblymember Woll.

Roll Call Vote on Original Motion:

Ayes: Hale, Hughes-Skandijs, Bryson, Wáahlaal Gíidaak, Smith, Triem

Nays: Woll

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

6. Dock Electrification Revenue Bond

Mr. Rogers introduced the revenue bond request for CBJ dock electrification. The bond will allow for \$5M in revenue bonds to be sold to facilitate the procurement and installation of two LTC transformers for the docks owned by CBJ at Alaska Steamship and Cruise Ship Terminal. Mr. Rogers explained that with this revenue bond, CBJ Docks and Harbors will be able to proceed to the next steps of the dock electrification process.

In response to Assemblymember Smith's request, Mr. Watt stated that a future year plan for passenger fees will be provided to the Assembly at a later date.

Motion: by Assemblymember Hughes-Skandijs directing staff to prepare necessary legislation to bring a \$5M revenue bond forward to facilitate procurement and installation of two LTC transformers for CBJ Docks and Harbors.

Motion passed by unanimous consent.

7. BRH Management of Wildflower

This agenda item was not discussed. A supplemental memo was provided as information only.

8. FY22 CBJ Audit Status

Mr. Rogers introduced packet page 40, which notified the Assembly of a delay in the completion of CBJ's FY2022 Annual Comprehensive Financial Report (ACFR) and the subsequent audit performed by Elgee Rehfeld. The delay has been caused by multiple factors including staff turnover and position changes. Once the ACFR is complete, Elgee Rehfeld is expected to finalize the audit by mid-February. This delay is in violation of CBJC 57.05.070 which requires the audit to be completed within 210 days of the end of the preceding fiscal year.

9. Information Only: River Road Junked Vehicle Cleanup

Mr. Watt informed the Assembly that Ordinance 2022-06(b)(Z) will be introduced during the Regular Assembly meeting on January 9, 2023. To date, 103 vehicles have been removed from the River Road property, and approximately 228 vehicles remain. To complete the project, the Manager requires additional funds to complete the remediation work. Ordinance 2022-06(b)(Z) will appropriate \$250,000 to the Manager for junk vehicle cleanup and remediation at River Road.

E. SUPPLEMENTAL MATERIALS

10. FY2024 Legislative Priorities

Katie Koester, Engineering & Public Works Director, introduced the upcoming fiscal year's ranked Legislative Priorities for CBJ capital projects, stating that the items will be discussed in-depth at the next Assembly Committee of the Whole meeting. Ms. Koester noted that the municipal composting item on the list recently received \$2.5M in congressionally directed spending. Although some funding was received, Ms. Koester recommended that the item remains on the list to ensure additional funding is allocated for aspects of the project that are not covered by the funds already awarded.

11. Dock Electrification Revenue Bond August Memo

This memo replaced the memo on packet page 39 and had already been discussed.

12. Info Only: BRH Management of Wildflower

This memo was provided as information only and was not discussed.

F. NEXT MEETING DATE

13. February 1, 2023

G. ADJOURNMENT

The meeting was adjourned at 8:25 pm

ADA accommodations available upon request: Please contact the Clerk's office 36 hours prior to any meeting so arrangements can be made for closed captioning or sign language interpreter services depending on the meeting format. The Clerk's office telephone number is 586-5278, TDD 586-5351, e-mail: city.clerk@juneau.org.