

ASSEMBLY FINANCE COMMITTEE MINUTES

May 3, 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

The meeting was called to order at 5:32 pm by Chair Triem.

B. ROLL CALL

Committee Members Present: Chair Carole Triem; Maria Gladyszewski; Michelle Hale; Greg Smith; Wáahlaal Gíidaak; Alicia Hughes-Skandijs; Wade Bryson

Committee Members Present Virtually: Mayor Beth Weldon, Christine Woll

Staff Members Present: Rorie Watt, City Manager; Robert Barr, Deputy City Manager; Jeff Rogers, Finance Director; Adrien Speegle, Budget Manager; Cassee Olin, Juneau School District Administrative Services Director

Others Present: Joan O'Keefe, Southeast Alaska Independent Living Executive Director; Brian Holst, Juneau Economic Development Council Executive Director; Mariya Lovishchuk, Juneau Housing First Collaborative (JHFC) Executive Director; Paul Walker, JHFC Project Architect; Bruce Denton, JHFC Co-Chair; Joyce Niven, JHFC Co-Chair, Amy Skilbred, Juneau Community Foundation Executive Director; Wayne Jensen, The Alaska Committee Chair; Andy Romanoff, Alaska Heat Smart (AHS) Executive Director; Steve Behnke, AHS President; Lori Sowa, AHS Treasurer; Tristan Knutson-Lombardo, Juneau Nordic Ski Club Business Manager

C. APPROVAL OF MINUTES

1. April 26, 2023

The April 26, 2023 minutes were approved as presented.

D. AGENDA TOPICS

2. Update on FY24 Revenue Forecast

Jeff Rogers, Finance Director, discussed the memo on page 12 of the packet which details the lower than projected remote sales tax filings for the months of January and February. Mr. Rogers cautioned the Committee about the nature of these findings in the FY24 revenue forecast, stating that it could indicate the effects of inflation on discretionary spending.

Mr. Rogers answered Committee questions stating that the next several months will be very telling about the effects of inflation on spending. Mr. Rogers noted that he will provide the Committee an update on FY23 Quarter 3 sales tax returns at the May 10, 2023 meeting.

3. School District Budget - For Action

Mr. Rogers reviewed for the Committee the Juneau School District (JSD) budget ordinance as well as the request for additional outside the cap funding found on pages 13-15 of the packet. Mr. Rogers stated

that the Committee must take action on these items tonight, as the School District budget ordinance is up for public hearing and adoption during the May 8, 2023 Assembly meeting.

Motion: by Assemblymember Bryson to move Ordinance 2023-15 appropriating funds from the Treasury for FY24 school district operations to the full assembly and asked for unanimous consent.

Objection: by Assemblymember Hale for the purpose of clarifying the amount of outside the cap funding that is stated in the ordinance.

Mr. Rogers clarified for the Committee that the Special Revenue amount under the Transfers In section of the ordinance of \$2,275,000 is the amount included for outside the cap in the Manager's proposed budget. He further clarified that JSD has requested that that amount be amended to include additional funding, bringing the total outside the cap funding request to \$2,575,000. Mr. Rogers clarified that the current motion does not include the additional \$300,000 in outside the cap funding requested.

Objection: by Mayor Weldon for the purpose of asking what the status is of moving RALLY and Community Schools to Parks and Recreation.

Robert Barr, Deputy City Manager, stated that there are meetings to discuss this potential change, however they are not able create a plan yet to bring to the Committee for this upcoming budget cycle.

Amendment #1: by Assemblymember Woll to change the amount in the special revenue line of the ordinance from \$2,275,00 to \$2,575,000.

Objection to Amendment #1: by Assemblymember Bryson, stating that JSD has continually made additional funding requests and that he does not want to see the additional outside the cap amount continue to grow.

Committee discussed the increased funding request by JSD.

Cassee Olin, JSD Administrative Services Director, answered Committee questions on how the additional funding could be allocated. She answered Committee questions regarding the increase in the state funding that is expected to be approved for FY24, stating that the JSD built its FY24 budget on an anticipated \$430 increase to the base student allocation.

Roll Call Vote on Amendment #1:

Ayes: Hale, Wáahlaal Gíidaak, Hughes-Skandijs, Woll

Nayes: Smith, Weldon, Triem, Gladziszewski, Bryson

Amendment #1 failed. Four (4) Ayes, Five (5) Nayes.

Amendment #2: by Assemblymember Woll to change the amount of the special revenue line of the ordinance from \$2,275,000 to \$2,475,000 for the purpose of funding RALLY and transportation.

Objection: by Assemblymember Bryson, Mayor Weldon, and Assemblymember Smith.

Roll Call Vote on Amendment #2:

Ayes: Hale, Wáahlaal Gíidaak, Hughes-Skandijs, Woll

Nayes: Smith, Weldon, Triem, Gladziszewski, Bryson

Amendment failed. Four (4) Ayes, Five (5) Nayes.

The original motion passed by unanimous consent after previous two amendments failed.

4. Assembly Grants & Community Requests

Chair Triem stated that before the community requests are presented, there are motions that are to be made.

Motion: by Mayor Weldon to suspend the rules to address the items that did not make it to the pending list at the previous meeting and allow the next two decisions to go forward as a simple majority vote.

Objection: by Assemblymember Gladziszewski for the purpose of stating that she does not like repeating decisions already made. She removed her objection.

Motion passed by unanimous consent.

Motion: by Mayor Weldon to add the Downtown Business Association and Juneau Arts and Humanities Council community requests to the pending list that didn't make it to the pending list at the April 26, 2023 Assembly Finance Committee meeting and asked for unanimous consent.

Motion passed by unanimous consent.

Motion: by Mayor Weldon to move the Sealaska Heritage Institute (SHI) request to the pending list and asked for unanimous consent.

Wáahlaal Gíidaak recused herself from the vote due to a conflict of interest of serving on the SHI Board of Trustees.

Motion passed by unanimous consent.

Motion: by Assemblymember Woll to move the 4th of July Fireworks request to the pending list and asked for unanimous consent.

Motion passed by unanimous consent.

Motion: by Assemblymember Woll to move the Rock Dump request to the pending list.

Objection: by Assemblymember Gladziszewski for the purpose of stating that the Rock Dump has not shown due diligence in seeking out alternative funding for the project.

Roll Call Vote:

Ayes: Triem, Hale, Wáahlaal Gíidaak, Woll, Hughes-Skandijs

Nayes: Weldon, Gladziszewski, Smith, Bryson

Motion passed. Five (5) Ayes, Four (4) Nayes.

Community Request #1 - Dimond Park Field House Elevator (Southeast Alaska Independent Living)

Joan O'Keefe, Executive Director of Southeast Alaska Independent Living (SAIL), introduced the request from SAIL for the purpose of installing an elevator in the Dimond Park Field House. The total for this funding request is \$1,020,000 and the elevator would allow full access to the field house facility. Ms. O'Keefe stated that currently the fieldhouse is not ADA compliant and there are many community members that cannot use the field house track and second floor.

Assemblymember Bryson asked regarding the type of elevator that is being proposed and raised the question of seeking a different type of elevator or lift to serve the needs that would be less expensive. Ms. O'Keefe stated that the proposed lift is a full elevator and that it is the best option to meet the needs of the community.

Assemblymember Bryson further questioned what the result would be if this funding request was not able to be made in the FY24 budget and suggested funding this project through the Capital Improvement Plan (CIP) process.

Ms. O'Keefe stated that the elevator request has been on the CIP list for several years and not completed and that is why the request is being brought forward in this way. SAIL is coming to the Committee from a point of advocacy and hopes the Committee will strongly consider the request.

Rorie Watt, City Manager, responded to Committee questions regarding the status of the elevator being put on the CIP list. Mr. Watt stated that the elevator is on the CIP list, however it is not scheduled to be funded in FY24. He further stated that the Committee has several options available to them for funding this project but affirmed that determining costs are hard before the process of securing bids to complete the project.

Ms. O'Keefe clarified for the Committee that the need is for both providing access to the second floor as well as access to the track, which has six (6) steps leading up to it. Mayor Weldon raised the question of providing a ramp to go from the second floor of the field house to the track itself.

Mr. Watt stated to the Committee that under ADA requirements the ramp would have to be quite long, however it could decrease the cost of the elevator due to requiring only one stop instead of two.

The Committee asked for information to be brought to the next meeting for the proposed different options discussed in this meeting. The Committee further thanked Ms. O'Keefe for her efforts to bring this issue to the Committee's attention.

The Committee recessed at 6:42 pm.

The Committee reconvened at 6:47 pm.

Community Request #2 – Juneau Commission on Aging

Assemblymember Hale stated that the Juneau Commission on Aging removed their funding request and will instead work with CBJ staff throughout the year on any needed support.

Community Request # 3 - Juneau Housing First Collaborative

Assemblymember Bryson stated that he serves on the board of the Juneau Housing First Collaborative but stated he does not believe this will impact or bias his decision regarding this funding request.

Assemblymember Gladziszewski stated that she believes serving as a board member of an organization requesting funds from the Assembly may present a conflict of interest. Chair Triem deferred the decision whether Assemblymember Bryson has a conflict of interest and therefore must recuse himself to a future meeting, as there is no vote to be taken on this request tonight.

Mariya Lovishchuk, Executive Director of the Juneau Housing First Collaborative (JHFC), introduced the Forget-Me-Not-Manor Phase III plan and request to the Committee found on pages 30-31 of the packet. She stated the need that the Juneau community has for housing, particularly for those with lower incomes.

Paul Walker, JHFC Project Architect, presented the project site plan found on pages 32-37 of the packet and stated there are 28 additional units to be built in Phase III. He further stated that because this project is an extension of the current facility, the site is already ready for construction, therefore the turnaround for the project is short.

Bruce Denton, JHFC Board Co-Chair, stated the impact of the Forget-Me-Not-Manor is significant for the community and that there is still a need for further expansion of the services that are provided.

Joyce Niven, JHFC Board Co-Chair, stated to the Committee that there is a timing need for this request. She explained that there are several grants that are pending and the requested CBJ contribution will help the potential for those grants to be awarded.

Amy Skilbred, Executive Director of Juneau Community Foundation, expressed full support for the project from the community. She stated that Juneau is different from many communities in that there is widespread support for these types of community projects.

Ms. Lovishchuk answered Committee questions stating that the impact of the Forget-Me-Not-Manor cannot be understated. She further stated that the grants that are needed are very competitive, and this request being brought to the Committee is essential in securing the grants that are needed.

Ms. Lovishchuk answered Committee questions and clarified that the grants that they are seeking for the project have application processes and requirements to receive funding. The request of \$1.4 million is needed in FY24 to meet qualifications to receive additional funding from various grants and foundation contributions.

Assemblymember Hale asked regarding the possibility of allocating funds that have already been set aside for the affordable housing initiative to fund this request. Chair Triem stated that it is possible to use the funds set aside for that initiative.

Community Request #4 - The Alaska Committee

Wayne Jensen, Chair of the Alaska Committee, presented a request for funding of \$336,000 to Gavel Alaska for the purpose of replacing outdated server equipment. He stated that the purpose of Gavel Alaska is to increase access to the state legislative meetings for the public and brings the activities of the State Capitol to almost every part of Alaska.

Mr. Jensen answered Committee questions regarding other potential funding sources.

Community Request #5 - Juneau Economic Development Council

Garrett Schoenberger, Juneau Economic Development Council (JEDC) Chair, introduced Brian Holst, Executive Director of JEDC. Mr. Holst introduced the request for a \$70,000 increase in funding for FY24 separated into two parts. \$40,000 to address inflation and \$30,000 in funding for the Regional Visitor Industry (RVI) work that JEDC does. He stated that \$30,000 is the required match for a United States Forest Service grant relating to RVI work.

Mr. Holst addressed Committee questions regarding the RVI funding, stating that the goal of the work is to strengthen the visitor industry in Southeast Alaska and create further opportunities to strengthen visitor interest in outdoor activities.

Mr. Holst answered Committee questions.

Community Request #6 - Alaska Heat Smart

Steve Behnke, President of the Alaska Heat Smart (AHS) Board, introduced the funding request of \$235,094 for FY24, an increase of \$92,894 from the FY23 request. Mr. Behnke stated this increased request is due to strong increases in demand leading to higher personnel costs as well as inflation. He stated that AHS provides a great service for the community and leads to increases property value and energy efficiency for homes that install heat pumps.

Mr. Behnke stated to the Committee that there are struggles that AHS faces in securing funding to support operations every year, leading to the current FY24 request being substantially increased. He stated that they have investigated the alternative options of charging fees for services as well as securing support from various foundations but neither option have yielded results.

Andy Romanoff, Executive Director of AHS, answered Committee questions regarding how services for the community are funded. He stated the importance of the Inflation Reduction Act, which gives potential rebates to those who install heat pumps into their homes.

Mr. Romanoff answered Committee questions.

Lori Sowa, AHS Treasurer, emphasized the importance of CBJ funding in AHS operations.

Community Request #7 - Juneau Nordic Ski Club

Tristian Knutson-Lombardo, Juneau Nordic Ski Club (JNSC) Business Manager, thanked the Committee for their consideration of the \$25,000 funding request to purchase new snow grooming equipment. Mr. Knutson-Lombardo reviewed the equipment in question on packet page 105 as two new machines and the plowing equipment to go with them. There are a rising number of trails that will need to be plowed this coming winter in FY24, and several additional trails, including Montana Creek and Salmon Creek.

Mr. Knutson-Lombardo stated that there is a steady rise in the popularity of Nordic skiing in Juneau and he believes that the need will only increase in the future, pushing the need for plowing services higher and higher. Mr. Knutson-Lombardo stated that many of the people in Juneau that benefit from plowing services that JNSC provides on trails are senior and need a safe, flat space to walk, ski and continue to recreate.

Mr. Knutson-Lombardo answered Committee questions.

Assemblymember Bryson declared a conflict of interest since he owns a business that provides ski rentals and recused himself from voting on any Committee decisions with JNSC.

5. Overview of Increments Included in Manager's FY24 Proposed Budget

Mr. Barr introduced the increments in the FY24 revised managers budget for immediate action found on pages 107-110 of the packet. He stated that the increments listed on these pages are supplemental to the amounts from the previous fiscal year and are to address increased complexity of operations that require increased staff as well as updates for existing equipment. He requested immediate action on two separate items in the proposed increment increases.

Mr. Barr discussed with the Committee the increment increase found on page 108 of the packet to add two 0.5 FTEs to Human Resources' budget for consultant and technician positions. He stated that the HR workload has increased over the past several years and this increment increase is to respond to that need. He stated that the reason that he is requesting action tonight is that there is an excellent candidate that is interested in the position that he is seeking to retain for the position.

Mr. Barr discussed with the Committee the increment increase found on page 109 of the packet for two FTE additions for public defenders. He stated that in previous years CBJ has contracted out public defender work with one attorney, however that attorney is no longer interested in continuing the contract. Despite having the solicitation open for several months now, there has been little interest.

In response to Committee questions, Mr. Barr clarified that contracted attorneys are usually expected to work into overtime to fulfill the legal needs they have agreed to perform. Because of this, in-house attorneys performing the work will cost more, as two will be needed to cover the workload instead of one. The pool of attorneys in Alaska is relatively small, and many do not wish to work the expanded hours for contractual services.

Mr. Barr stated that current Public Defenders workload is very high and cannot be expected to be done by a single attorney in the future. For this reason, the increment request contains a 2.0 FTE increase for the public defender that will report directly to the Manager's Office, totaling a \$230,000 increase in FY24.

Mr. Barr clarified for the Committee that this amount is an increase over the \$170,000 that is currently in the budget for the contracted public defender. He further stated the risk of only having one public defender is that if the one attorney has a conflict of interest in the case, there is no back up to take that case, creating a need to contract an additional attorney which is not always possible.

The Committee discussed additional items on the FY24 Revised Managers Budget increment increases.

Mr. Barr responded to questions regarding the warming shelter increment increase, stating that FY24 is expected to see greater demand for services. In addition, the space previously used for the warming shelter may not be available in FY24, therefore it will need to be determined where to operate this coming winter.

Mr. Barr answered additional Committee questions.

Motion: by Assemblymember Hughes-Skandijs that the Finance Committee direct the City Manager to begin recruitment for the 1.4 FTEs in Human Resources and the 2.0 FTEs for public defenders.

Objection: by Assemblymember Gladziszewski for the purpose of asking what the efforts in recruitment for public defenders have been.

Mr. Barr stated that the solicitation has been posted online in numerous places, word of mouth recruitment by the city attorney's office has taken place and various other efforts have been made to solicit interest. If the Assembly approves the in-house FTEs, he will begin recruitment for those immediately.

Assemblymember Gladziszewski removed her objection.

Motion passed by unanimous consent.

Agenda Topics #6 - #11 were moved to the May 10, 2023 Assembly Finance Committee meeting for discussion.

E. NEXT MEETING DATE

6. May 10, 2023

F. ADJOURNMENT

The meeting was adjourned at 8:51 pm.