

ASSEMBLY COMMITTEE OF THE WHOLE

DRAFT MINUTES

August 07, 2023, at 6:00 PM



Assembly Chambers/Zoom Webinar

The Assembly Committee of the Whole Worksession will convene immediately following adjournment of the Special Assembly Meeting. (No public testimony will be taken during the COW Meeting.)

<https://juneau.zoom.us/j/95424544691> or 1-253-215-8782 Webinar ID: 954 2454 4691

A. CALL TO ORDER

Deputy Mayor Maria Gladziszewski called the Assembly Committee of the Whole meeting to order at 7:04p.m.

B. LAND ACKNOWLEDGEMENT

Mr. Greg Smith provided the land acknowledgement.

C. ROLL CALL

Assemblymembers Present: Deputy Mayor Maria Gladziszewski, Greg Smith, 'Wáahlaal Gídaag, Wade Bryson, Michelle Hale, Alicia Hughes-Skandijis, Loren Jones, and Mayor Beth Weldon (via Zoom)

Assemblymembers Absent: Christine Woll

CBJ Staff Present: City Manager Rorie Watt, Deputy City Manager Robert Barr, Acting Municipal Attorney Sherri Layne, Municipal Clerk Beth McEwen, Engineer/Public Works Director Katie Koester, Assistant Attorney Emily Wright, Community Development Director Jill Maclean, Port Director Carl Uchytel, Deputy Clerk Andi Hirsh, Deputy Clerk Diane Cathcart, Parks and Recreation Director George Schaaf, Public Information Officer Meredith Thatcher, Deputy Parks and Recreation Director Michele Elfers, Senior Planner Irene Gallion

D. APPROVAL OF AGENDA

The agenda was approved as presented.

E. APPROVAL OF MINUTES

1. November 28, 2022, Assembly COW Draft Minutes
2. February 13, 2023, Assembly COW DRAFT Minutes

Hearing no objection, the minutes were approved as presented.

F. AGENDA TOPICS

3. Energy Loan Concepts (JEDC, OBF, etc...)

Presenters

Chris Rose, Renewable Energy Alaska Project
Stuart Cohen, Co-Chair, Alaska Interfaith Power and Light
Jonathan Moscatello, Daikin Comfort Technologies
John-Michael Cross, The Environmental and Energy Study Institute

Mr. Cohen introduced all the presenters and their affiliations. Each presenter provided information about their particular organization and their role in the energy sector with an emphasis on renewable energy programs. They spoke about what implementing an On-Bill Financing Program, to finance and install heat pumps might do to improve renewable energy usage within the community. They spoke about the benefits of switching to heat pumps to reduce the use of heating fuel oil.

They suggested that Alaska law allows for On-Bill Financing to be added to the CBJ water and wastewater utility billing. As stated by Mr. Rose, “If Juneau sets up an On-Bill Financing program, it is a win, win, win scenario. 1) Individuals in Juneau, including low- and moderate-income consumers will save enough money on heating every month that they will have more than enough money to repay their loans. 2) Millions of dollars will stay in Juneau and provide a boost to the local economy. 3) An On-Bill Financing of heat pumps will provide good paying jobs for the installation of those devices.”

Mr. Cohen explained that the average heat pump pays for itself in savings, approximately 3 years after installation. Over the 20-year life of the heat pump, the total savings over the life of the loan are approximately \$27,000. He then went on to outline how a rapid adoption program works to bill and extracts payments from an On-Bill Financing program. Each of the presenters discussed the On-Bill Financing Program, the partnership, program delivery, and financing features/options.

Presenters then answered questions from Assemblymembers.

In answer to questions from Assemblymembers Mr. Cohen provided that their program is not the same type of model as that used by Alaska HeatSmart. Their proposed program would have two teams consisting of 1 electrician and 1 installer. He noted that they would start with one team and eventually, build up to a second team. He anticipates that one team can do approximately 400-500 installations per year after the first year.

Mr. Bryson asked what the rebate was that Daikin was offering, what would the interest rate to customers be and what would the repayment period be. Mr. Cohen answered that the loans would be at a 5% interest rate for a 7-year repayment period. The average payments would be approximately \$104/per month. Mr. Moscatello said they often offer a consumer rebate program at approximately \$100-\$200 per sale and those funds would go towards supporting any marketing and outreach program.

‘Wáahlaal Gídaag asked Mr. Watt if they wanted to consider this proposal, what would the process look like, would it first go to the Assembly Public Works & Facilities Committee (PWFC).

Mr. Watt answered that he believes that the Public Works and Facilities Committee (PWFC) and the Utility Advisory Board (UAB) would be good places for this proposal to be looked at. This proposal in question though is different in that it links an energy loan to the Water and Sewer Bill, and he has some trepidation on the city’s only recourse in the event of non-payment would be to turn off potable water and he sees that as not a great cross between potable water and an energy investment. He noted that however good the economics may be, there are other issues that would be better settled and worked on in the Public Works and Facilities as well as the Utility Advisory Board.

Ms. Gladziszewski relayed some questions from the Mayor which included: Where does the money come from to start this? Where does the money come from that they said they’d have to help when folks default?

Mr. Cohen said they are on a parallel track and are currently looking for the right platform for the program and that’s something they’ve talked about with several different organizations. He stated one possible funding source they are looking into is a “Rest Loan” – which is a zero-interest loan from the US Government Department of Agriculture Rural Energy Savings Program. It is loaned at 0% for 20 Years, for which, they are then allowed to loan it out at 5%. They are also speaking to another organization that has the funds to capitalize the loans and to provide the start-up capital which they assume will be \$200,000. They have calculated that after a few years the program will break even.

Mr. Cohen then went on to answer differences about this program compared to the business model for HeatSmart. He spoke to who the target market is for this program and that many of the questions asked by Assemblymembers will be addressed during the “Rule Making Phase” for On-Bill Financing.

Mr. Bryson pointed out that he didn’t see any representatives from AEL&P present and felt they are an imperative party to this type of program. Mr. Cohen said that he is not an expert in AEL&P’s business but if AEL&P were to

choose to, they could reach out to multi-family homes by offering On-Bill financing on their electricity bill. He noted that their team could even work with AELP to find those families and finance them. He said that from anecdotal conversations with AEL&P employees as well as from the 10-year power planning report they submitted by AEL&P to the Assembly 2 years ago, they don't have plans in developing "New Generation" energy sources in the next 8-years. Mr. Cohen said that he could not speak for AEL&P but when he spoke with Alec Mesdag approximately 5 years ago, AEL&P did not have much interest in offering a rapid adoption program and that AEL&P was not interested in creating an On-Bill Financing program for the 85% people in Juneau who use oil heat.

Ms. Hughes-Skandijs said that since CBJ is not in charge of the electrical system in Juneau, tying the heat pump program to the water billing is something she doesn't quite connect in her mind. She asked about the letter in the packet related to Ft. Collins, CO, and if Ft. Collins, CO was a public utility and if so, did they specifically include On-Bill Financing on their utility bills and are they also an electric utility company. Mr. Cohen said he believed Ft. Collins also offers it on the electric bill for single-family homes. He commented that they are not providing electricity, rather, they are providing the heating appliance that uses electricity. He also pointed out that in those letters, On-Bill Financing is offered by many different entities, including the Gems Program in Hawaii, which is not a municipality or a utility, it is a state organization that was set up to facilitate the conversion to renewable energy. Fort Collins is a Municipality. He said that OPALCO is a utility and they "Do a bunch of stuff because they are a small town like us." Mr. Cohen said that it is often offered by electric utilities because it's a way for them to increase the number of people using their product, but he doesn't feel it should be limited to that. He noted that it was simply a great tool for meeting the Assembly's goals for helping people save money and use renewable energy options.

The presenters then continued to answer questions from Assemblymembers, including the complexities of how rental units might or might not be good candidates for this type of program. Mr. Cross stated that there is no good way to improve the energy efficiency of rental units and it is something we are grappling with nationwide. He noted there are many organizations that are working on those issues but that if they want to include rental units in the mix, it is something that must be baked into the program's design and it cannot be an after-thought.

Ms. Hughes-Skandijs said she would like additional information about how the program would work and what the program would do and be responsible for vs. what CBJ would be responsible for. She specifically would be interested in the cyber security issues related to how the program would interface with the CBJ utility billing systems. Mr. Cohen then stated that he had a conversation with CBJ IT Systems Operations Manager James Zuelow who informed Mr. Cohen that it was something they could work on in-house and there would be no interaction with financial software from outside of the City's system.

Mr. Watt stated that mechanically, something like this is resolvable but there are policy issues that the Assembly needs to consider as well. He stated that staff could fill them in on other efforts that are on-going, so Assemblymembers have full context. He noted that JEDC is applying for a rural energy savings program funding, specifically that would provide commercial entities loans and businesses boost energy costs. Spruceroot, a 501(c)(3) non-profit created with seed money by Sealaska, is a community development financial institution and they are looking to establish a region wide "Green Bank." As a CDFI they are eligible for EPA Greenhouse Gas Reduction Funds, and they've asked for a resolution of support and other communities of Southeast Alaska have also provided them. He noted that with respect to policy, the Assembly will need to wade through all the various programs with respect to who provides the capitol, who provides the technical advice, who provides the loan qualifying, who provides the loan servicing, who provides the installation etc... He noted they all have their own slightly different pros and cons, and it would be good to look at all those in follow-up committee meetings, including a nexus with the utility. Mr. Watt noted that the PWFC and UAB committees would be good forums to start to flesh those things out.

Ms. Gladziszewski noted that since this is creating more complex questions relating to technology and policy, she asked Mr. Smith to offer a motion if the Assembly is interested in working on this further.

MOTION by Mr. Smith for staff to work on the topic of On-Bill Financing (OBF), to get more details and identify further concerns and for staff to report back to the Public Works and Facilities Committee (PWFC) so they can make a more informed decision and he asked for unanimous consent.

Hearing no objection, the motion passed by unanimous consent.

Ms. Gladziszewski thanked the presenters for attending and providing this information.

4. Accessory Dwelling Unit (ADU) Grants 8:02p.m.

Mr. Watt noted that the packet contained a memorandum on Accessory Dwelling Units (page 26). He noted that this has been through committee meetings and there are two possible paths and staff is asking the Assembly to approve one of the two possible paths at this meeting. The first concept is that Tier 1 grants are expanding from the original \$6,000 up to \$13,500 because of inflation and because of the cost of construction and they are trying to encourage more apartments to be built.

With respect to the Tier 2 grants, staff are asking the Assembly not to do anything with those at this time. He said that in trying to figure out a way to try to implement affordability with the loan program, they saw some issues that they couldn't ensure that kind of program would not be mis-used. It has a much higher loan amount and there was no way to control people from making inside deals and them not offering the apartments to the public and it may be difficult to track for quite some time.

Ms. Gladziszewski noted that this matter had been heard in the Lands, Housing, Economic Development Committee as well as the COW. She asked members if they had any questions for staff.

Mr. Bryson said that he understands why the staff is not recommending increasing Tier 2 but asked if Tier 2 could stay in place. Ms. Gladziszewski said that Tier 2 is not entirely off the table or going away, it is just that staff is not recommending any increases to the dollar amounts awarded to Tier 2 applicants.

Ms. Hale spoke to the language in the memo that states "A goal of the ADU Grant program is to provide grants for the creation of quality housing units at a rental level affordable to Juneau's workforce..." She noted that she could not find that language in the resolution and she said that she thinks Tier 2 is so complicated because it is trying to do too much. She said that she would be interested in possibly scaling back Tier 2 but imposing restrictions to try to make it affordable housing, that causes problems. She said she would like to identify the goals more clearly.

Ms. Gladziszewski noted that Tier 2 is something that will need more work and they are trying to just decide whether to move the changes to Tier 1 tonight forward. They will take up the topic of Tier 2 in a future discussion.

Ms. Hughes-Skandijs agreed and asked the Manager whether the conversation on Tier 2 would be held in the LHED Committee or the COW. Mr. Watt noted that staff would discuss it with the Chairs of both bodies and determine where it would best be taken up.

MOTION by Ms. Hale that the COW forward the Resolution to the full Assembly for the continuation of the Accessory Dwelling Unit Grant Program for Tier 1 grants in the amount of \$13,500 and that the Assembly, through the COW further discuss the Tier 2 grant concept so that all members of the Assembly can participate in the discussion.

Mr. Jones objected for the purposes of questions. He said that he didn't read the LHED materials, but he is assuming that the deed restrictions are legal. He also assumes that this is a grant program which grants to persons with likely one and possibly two bank mortgages and it raises a lot of legal issues in his mind.

Ms. Gladziszewski asked Ms. Layne if Law had reviewed these and if they had any concerns. Ms. Layne stated that Law did review these, and the committee addressed it and it should be fine, she said that it is not necessarily the

best idea but legally, it is fine. Mr. Watt noted that like all the various housing programs, this is not suited for everyone. It would be primarily for applicants who would be situated to accept those kinds of restrictions.

Mr. Jones removed his objection.

Hearing no further objection, the motion passed by unanimous consent.

5. Tourism Update - Title 3

Mr. Watt explained that they did a tourism update during the last Assembly meeting in July. Since the COW meeting in the middle of July had been rescheduled, he took the memo in the packet and the Title 3 update to the Docks & Harbors (D&H) Board. The full D&H Board sitting in committee had a good discussion and agreed to come back later in August working on a more specific proposal. He noted that this portion of the discussion is trying to navigate the divide and authority between the Tourism Manager and the Docks & Harbors Board and the Port Director. He said that he thinks they are on a good discussion path with the D&H Board. He noted that he has a few other tourism update matters but wanted to pause here in case they had any questions related to the Title 3 Tourism Manager topic.

Ms. Hughes-Skandijs noted that there were many D&H staff members and board members in the audience at the meeting and she was interested in what their response to this proposal was. Mr. Watt said the D&H Board was very interested in this matter and if we make a change, it needs to make sense and be functionally good for the port and the harbor system. He said that the way the D&H Board looks at tourism differently than he and the Tourism Manager look at it from a policy standpoint. He said that he doesn't think there is necessarily a big divide, but he expects the board to be fully engaged and have a chance to work on any legislative drafts.

Mr. Smith asked if Mr. Watt anticipated any significant changes with the governance structure. Mr. Watt said that yes, he has laid a lot on the table with this proposal and he isn't pre-disposed to any one path but mainly that they lay this out with the most functional organization that we can have, recognizing that with the growth in visitation, there will be a lot of focus on the Assembly setting the goals with respect to the tourism industry. He said that he doesn't think the D&H Board is as focused on that as they are focused on some other things such as the health of the department and the operations of the facilities.

Ms. Gladziszewski asked the body if they agreed with moving the Title 3 piece forward and keeping the Title 85 piece in committee for further work.

MOTION by Ms. Hale to forward the Title 3 changes to the Assembly for Public Hearing and adoption. She also moved to keep Title 85 for continued discussion with the Docks & Harbors Board and to potentially consider scheduling a joint meeting with the Docks & Harbors Board and the Assembly to discuss this further, and she asked for unanimous consent.

Objection by Mr. Jones for purposes of a question. He noted that as he followed the budget process, in looking at page 33 and the budget, his recollection was that the Tourism Manager was only one staff member working out of the Manager's Office. He said that this looks like additional staff and since the fiscal year just began on July 1 if they still have just the one Tourism Manager and no one else, if he was anywhere other than the Assembly, he would like to see a fiscal note for this and asked what the impact would be.

Mr. Watt said that there is no proposal to increase staff under the Tourism Manager. There is just one FTE under the Manager's Office, and the working approach is to fund projects through the CIP structure for whenever there is a planning project or infrastructure project, but the goal is not to add any staff to grow that program.

Ms. Gladziszewski noted that any amendment to Title 85 would also have to take that into account.

Mr. Jones said that in looking to the next phase, which is not part of the motion, it seems to accomplish this with just one person. He said that the expertise of the Port Director, the D&H staff and board will need to be used to assist the Tourism Manager in getting their job done. He asked that more information be provided in a future packet on how all those things might be coordinated between the Tourism Manager and the D&H Board and staff. Those are serious questions that will need to be addressed. He then removed his objections.

Hearing no further objection, motion carried by unanimous consent.

Mr. Watt then provided a Tourism Update that wasn't related to the Title 3/Title 85 discussion.

Mr. Watt explained that there is a memo in the packet from Ms. Pierce that followed up on the questions Assemblymembers posed at the July meeting when they received the most recent update. He noted that Ms. Pierce was currently meeting with industry officials and could not be present at this meeting.

Mr. Watt said they recently met with U.S. Forest Service about their permit process for glacier visits. He said they appealed to the USFS about being more engaged with the community so that tour operators can't create the kind of problems that they created this summer by overselling early during the summer season. The USFS has agreed to engage with the operators and Mr. Watt said he anticipates the USFS will be convening a meeting with the tour operators sometime during the next month to start to work on some ideas. He said that he knows that there were some frustrations on this topic has gone up the channels to even involve the U.S. Congressional Delegation and he is trying to get the USFS to look at this in a different way that will help look at these issues.

Ms. Hale said that she is glad they are engaging and was sorry to see the disconnect when they impacted the use of Capital Transit by locals. She asked Mr. Watt if he had any updates on the Capital Transit situation and on how many people are being left behind.

Mr. Watt said that was his next topic. He said that Ms. Pierce's memo did provide an update. He said that Capital Transit has been having to drop a few people but, in those instances, they are also sending out a secondary bus for those routes/times when they have drivers available. He said they are seeing big numbers of people, such as 20 or more people waiting at the bus stop at the Back Loop Road waiting to get on the bus to come back to the docks. He said that the Manager's Office has received emails from people saying they are planning on coming to Juneau and have a family of 15 and wanting to know how to ride the bus to the glacier. He said we are trying to do the best we can through the rest of the summer and that Capital Transit is trying to send out relief vehicles when they have maxed out capacity on buses and they are starting to lose people. He said that he has a little more info on the circulator study planning but would like to leave that matter alone in case there were any more questions about Capital Transit.

Ms. Hale thanked Mr. Watt and added that these are great big, worldwide companies that should have figured this out and it has now coalesced into CBJ's problem down to it impacting the residents' ability to ride the bus to get to work.

Ms. Hughes-Skandijs echoed Ms. Hale's disbelief and she is frustrated that we are doing the best we can to triage the situation, but we aren't getting the cooperation and coordination from those entities. She said that it is great that we are sending out extra buses when we have drivers available but that is the key, we have a hurting transit system because we don't have enough drivers. Where are the bus companies and cruise industry in providing the support? She said they have a variety of bus shapes and sizes, and she would love to see one of those following the city bus and if someone is left off, taking them where they need to go. She asked if CBJ had made that request.

Mr. Watt said they discussed that with the industry and the industry's response was that they could provide buses but that they didn't have drivers either. He said the truth of the matter is that the cruise lines themselves are not in the transportation business. The tour operators, for the most part, are Juneau-based businesses that over-sold the permits early. The problem is not predictable or schedulable. When we get a pulse of the numbers of tourists on the city buses, it is in that moment, and there is no one but CBJ who could dispatch a bus and do anything about it and it will likely be that through the remainder of the cruise ship season.

Ms. Gladyszewski asked what the numbers look like, is it once a day, one or two people or multiple times a day with larger quantities of individuals left behind.

Mr. Watt said that Ms. Pierce provided those numbers during the last Assembly meeting, but he didn't see that information in this current memo.

Ms. Gladziszewski said with respect to the TBMP hotline that she didn't know if the public was aware of the hotline anymore. She said that she doesn't think it is well advertised or the public is not feeling heard, so they don't even bother calling the hotline. She said from an Assemblymember viewpoint, the temperature of the feedback they are receiving through email and other communications is much hotter than last year. She asked if there was any more outreach about the hotline.

Mr. Watt said that since the last update at the Assembly meeting, the number of calls to the hotline has shot up and he thinks that is a result of the media coverage saying there weren't that many calls received via the TBMP hotline. He said they are getting more calls now and focused primarily on tour operations where CBJ residents traditionally recreate. Ms. Gladziszewski said she would like to see more CBJ outreach efforts to inform the public about the hotline.

Ms. Hughes-Skandijs asked about the whale watching situation. She said that Ms. Pierce provided an update on the rate study. She asked if we needed an affirmative step to get the data commercial whale watching tours going out of CBJ owned harbors vs. those that are going out from private docks.

Mr. Watt said that he said that the whale biologist who tracks this program has data, and it is our understanding that Juneau has most of the whale watching that occurs in the state. He said they can provide data/statistics on the facilities from Statter Harbor, Fisherman's Bend, and the private docks by the ferry terminal. Ms. Hughes-Skandijs said that she would like to hear again from the NOAA representative about this issue and would like to receive an update of what those numbers look like.

She said that Travel Juneau, NOAA and CBJ were involved in the meeting with the whale watch owners. She said that it looks like the work that they are doing is primarily a public outreach campaign. She asked if that addresses any of the issues and if Mr. Watt could speak with any of those pieces.

Mr. Watt said that Ms. Pierce, working with the whale watching companies and captains, has clearly expressed the public feedback that we are getting around the activity. He said those operators have formed a workgroup and they are struggling with how to self-regulate but that is necessarily the first step. He said that one of the conclusions is that no one is telling their story. He said that what it looks like from shore, may be completely compliant with NOAA regulations. He said there may be other whale watching impacts that we hear from the public such as noise of the vessels, wakes impacting fishing boats or private property. He said that one of the outcomes is to try to tell their story.

Mr. Smith asked about the flightseeing numbers and helicopter noise. He said the biggest complaint that he continues to hear is about helicopter noise in the valley and if they take the same flight path. Mr. Watt said that the issue is fraught and has been around a long time. One thing to keep in mind is that on clear days, the flights are flying higher, and the noise is less, but on overcast days, they are flying lower, and the noise is more noticeable. He said that early in the summer, there were more overcast days. Aircraft noise re: flightseeing is highly specific to where one lives and how they feel about it, and it is a difficult issue for sure. Ms. Gladziszewski spoke to the flightseeing paths that are set and shared about the study that was done approximately 20 years ago that measured the decibel levels and how the flight paths and routes were established. She said that one of the conclusions was that while you can measure decibels, you can't measure annoyance levels, i.e. a person may not be as annoyed by a helicopter doing a search and rescue as they would be for a flightseeing helicopter.

Ms. Hale invited Mr. Smith to come to her house since she is centrally located between the routes and she understands all the routes and they are very methodical in trying to minimize the impacts of those flights. She commented that she would like to talk about over capacity. She said they are all hearing greater dissatisfaction about tourism everywhere within the community that we have gone past previous years and that we as a community are over capacity on our tourism impacts. She said that she appreciates all the work that went into negotiating the 5 large ship limitation starting in 2024, since we own two docks, we can decide what size ships are at our docks. She asked if this might be able to allow us as a city to limit the number based on use of city owned docks by the ships with smaller capacities.

Mr. Watt said those are some of the exact conversations that have been occurring. He said that there are some things that CBJ can do to reduce overall numbers and stated that they are rather blunt and clunky, there are potential levers that CBJ can use. He provided an example of tying them to the scheduling functions such that they might limit the size of a ship at anchor. The ship at anchor lighters to one of our cruise ship terminals and creates a lot of congestion at that location. He said by managing the number and size of ships at anchor, they have appealed to the companies to think about scheduling differently to lessen some of the impacts that are happening all at once. He said that we own two docks and at some point, we can talk about utilization of those docks to manage capacity. He said that they are having those conversations more frequently than they have in the past. Right now, staff is working with the direction from the Assembly through the VITF recommendations that were made during a 1.3 million visitor timeframe with a prediction that it would cap at 1.5 million and we have now blown past that this year. He said there is a lot of conversation on this topic, but he doesn't have any demonstrable action to report on that topic. He said he has other information to cover in his update that will touch on that if they might hold any additional questions until he is done with his report.

Mr. Watt said they are wrapping up the circulator study which recommends some ideas and improvements. That will be coming to the Assembly in the future with recommendations related to Passenger Fees to the Capital Transit system with some changes. He said that even if the tour operators are doing a great job, finding a \$2 bus ride on a cell phone is just too easy and CBJ will need to adapt its transit system to adjust; this will be part of our future.

Mr. Watt said they have been talking with phone providers about internet and data capacity and other communities, such as Sitka, have been experiencing similar issues. Disney offered some of their engineers and counseled CBJ on how they deal with data surges in their parks.

Mr. Watt said they have been in contact with individuals from communities such as Bar Harbor, ME; Monterey, CA; and Key West, FL who are reaching out to ask about what communities are doing to restrict or contemplating restricting cruise activity from communities. He said that with respect to Bar Harbor, ME, there was a citizens' initiative to limit the total to 1,000 passengers/day. He said in Bar Harbor, they do not have any cruise ship docks, the ships anchor and lighter their passengers to a private dock. He said that case is in federal court and that judge is expected to make a ruling in November. He said in answer to a question from Ms. Hale that the key control mechanism is to own the facility in the first place if they want to influence the volume. Owning the facility or controlling somehow through lease language is important if they don't want to be in a laissez faire mode.

Mr. Watt then provided an update that the Huna Totem dock proposal was at the Planning Commission last month and they received a partial approval. The Planning Commission broke the project in two parts and gave them a partial approval. They are back at the Planning Commission for the second piece. On Friday, CBJ received an appeal of the first conditional use permit and the Assembly will be seeing that at its meeting on August 21. He reminded members of the memo of January 2021 where he recommended that the Assembly engage in the topic but in the event of an appeal, he recommended they assign it to a hearing officer so that discussion will need to take place at that August 21 meeting.

Ms. Gladyszewski asked Ms. Layne to advise if/how the Assembly may be talking about that conditional use permit.

Ms. Layne said that the Assembly at this point should not discuss that unless and until they get direction from Assistant Attorney Emily Wright who will be advising the Assembly on that appeal.

Mr. Smith asked if there were plans for another visitor survey this year. Mr. Watt said that they conduct those surveys annually.

Mr. Watt then answered questions from Assemblymembers about the Commercial Recreational Use RFP referenced in the packet on page 36 along with a conversation about some of the historical aspects on how the tourism industry has developed in Juneau over the years. Mr. Bryson pointed out that it took 30 years to get to the tourism levels from 2019 and then they were turned off for two years during the pandemic. He explained the

challenges for turning on the tourism industry full force following the pandemic and how that has impacted staffing for CBJ bus drivers and all other aspects of the industry.

The committee discussed possible levers the Assembly may have in its toolkit to be able to do what they can to mitigate the impacts of the cruise industry such as possibly having some of the smaller ships at the CBJ owned docks if the Assembly felt that was necessary.

Ms. Hale thanked Ms. Layne for reminding them, and the public, about their limitations to not talk about the Huna Totem dock until after the appeal is finished. She said that while she understands the need for those constraints, it can also be frustrating to Assemblymembers and their constituents.

Ms. Hughes-Skandijs said that she would like to eventually have an update and broader conversation about the Whale Watching issue and what the Assembly powers/jurisdictional restraints are related to that issue.

G. INFORMATION ITEMS

Ms. Gladyszewski noted there were some additional informational items on the agenda and asked staff to provide a brief update on those since it was getting late in the evening at this time.

6. JSD Funding Update (Outside the Cap)

Mr. Watt referenced the memos in the packet and introduced the new Juneau School District (JSD) Superintendent Frank Hauser to the Assembly and invited Mr. Hauser to address the letter sent to the state from the School Board related to the issue of funding outside the cap.

Mr. Hauser introduced himself to the Assembly and his history with education in Alaska. Mr. Hauser said that he has been an educator in Alaska for 25 years, previously serving as the Superintendent of the Sitka School District. Before that, he was the principal of one of the largest high schools in the state of Alaska for five years and a graduate of Alaska public schools from the Mat-Su Valley. He shared that one of the principals that has guided all his decisions in his education career is asking "What is best for the kids?" That question informs every single decision that he makes and will make as a Superintendent of the Juneau School District. He said he believes strongly in transparency, collaboration, and open communication. He noted that he was here mainly to introduce himself and answer any questions. He said in moving forward, if the Assembly has any questions about school funding or wants to know what's going on in the school district, to please reach out and ask him.

Mr. Hauser said that in October, he'll be hosting for new school board members and Assemblymembers an opportunity to visit the schools and see first-hand all the wonderful things that are taking place and going on in our schools. He said he is looking forward to working with the Assembly in the partnership of educating our students. On a personal note, he noted that he and his have really been enjoying the Juneau weather and loving the sun. He said he is looking forward to working with all the Assemblymembers.

Ms. Hale asked for clarification about the memo/letter in the packet where the school board indicated that they would be budgeting with the money outside of the cap that the Department of Education and Early Development (DEED) said they could not.

Mr. Hauser said that there is some uncertainty as to what the letter in the packet from DEED and sent to JSD on June 29, 2023, was really saying and so that was what the board response letter of July 28 was addressing and asking for further clarification. He said the bulk of the money being used in the ordinance is for pupil transportation which is excluded from the state and federal disparity test. He said he believes DEED's concerns have to do with the feds driving this and that DEED is concerned about failing the disparity test. He then went into detail about the state's record with the disparity test over the past few years and that JSD is waiting for clarification pupil transportation, RALLY, and all the community uses of the schools should not count based on regulations that the US Department of Education has around the impact of local aid. In short, he said JSD is waiting for clarification because those items should not count towards the revenues and expenditures related to the "funding cap."

7. Childcare Update

Mr. Barr noted that they are planning to introduce the appropriation ordinance for Childcare funding at the next assembly meeting. He said that in brief, they last talked about childcare in April. While they haven't received the final documents, they are confident that CBJ will receive a \$2,000,000 grant from the state that they told the Assembly they would be applying for back in April. This will supplement and allow CBJ to greatly enhance the Assembly's childcare programs for this fiscal year and next fiscal year. That grant must be entirely spent in the current fiscal year (FY24), assuming we get it. And that's the reason for the de-appropriation ordinance so that they can move local money into FY25 and have a smooth increased 2-year program rather than a gigantic one-year program that falls off a cliff in FY25.

Ms. Gladziszewski congratulated them for applying for and getting that grant.

Mr. Smith asked for clarification on the timing and asked Mr. Barr that what this means is that they will be able to double the amount of funding to the childcare programs in FY24 and FY25 but then there would not be any additional funding available in FY26. Mr. Barr said that was correct.

‘Wáahlaal Gídaag apologized if she missed this during a meeting she had missed. She said that her recollection when they were appropriating this, was that the Mayor had brought up whether school facilities and the RALLY program might be brought into this process.

Mr. Barr said he would be happy to take other direction but that his recollection of the Assembly direction given during the last discussion they had on this was to look at the other programs in town and see if there was a kind of fairness or equity reason to pull those programs that aren't currently included into this program. That would essentially be to look at the playing field and see what levels those different programs were compensating at. He said they did that and currently are this program is still targeting those entities, generally in the private sector, that are only able to pay the lowest wages to their staff.

Ms. Gladziszewski, piggybacking on what ‘Wáahlaal Gídaag said, asked where they were with the RALLY issue. She said the school district has been talking about RALLY for at least the last three years about doing something different and we're still doing RALLY. She asked what the status of that conversation was.

Mr. Barr said they do have another meeting scheduled with the school district. He said they had one meeting with the school district on this topic before Mr. Hauser started and that conversation was focused on Community Schools. He said they still have a lot of work to do on both of those topics.

H. STAFF REPORTS

I. NEXT MEETING DATE

8. NEXT MEETING DATE: AUGUST 28, 2023; 6:00P.M.

J. SUPPLEMENTAL MATERIALS

K. ADJOURNMENT

There being no further business to come before the Assembly COW, the meeting adjourned at 9:01p.m.