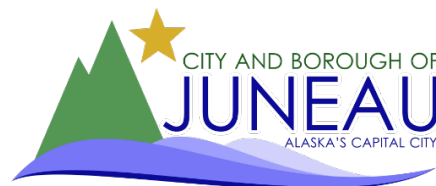


# ASSEMBLY WORKSESSION-ANNUAL RETREAT MINUTES

December 02, 2023 at 8:30 AM



## JNU Airport Alaska Room

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*This annual Assembly Worksession was an in-person meeting only being held from 8:30a.m. - 4:30p.m. at the Juneau International Airport Alaska Room. There was no Zoom webinar offered and no public testimony taken during this event.*

### A. CALL TO ORDER

*Mayor Weldon called the Assembly Annual Retreat/Worksession to order at 8:30a.m.*

### B. LAND ACKNOWLEDGEMENT

Ms. Woll shared the following land acknowledgement: We would like to acknowledge that the City and Borough of Juneau is on Tlingit land and wish to honor the indigenous people of this land. For more than ten thousand years, Alaska Native people have been and continue to be integral to the well-being of our community. We are grateful to be in this place, a part of this community, and to honor the culture, traditions, and resilience of the Tlingit people. *Gunalchéesh!*

### C. ROLL CALL

**Assemblymembers present:** Mayor Beth Weldon, Deputy Mayor Michelle Hale, Assemblymembers Greg Smith, Wade Bryson, Alicia Hughes-Skandijs, Christine Woll, 'Wáahlaal Gídaag (Barbara Blake), Paul Kelly, and Ella Adkison

**Staff present:** City Manager Katie Koester, Deputy Manager Robert Barr, City Attorney Robert Palmer, Municipal Clerk Beth McEwen, Human Resources/Risk Management Director Dallas Hargrave, Finance Director Angie Flick, Parks & Recreation Director George Schaaf, Airport Manager Patty Wahto, Community Development Director Jill Maclean, Emergency Planning Manager Tom Mattice, Eaglecrest Manager Dave Scanlan, Engineering/Public Works Director Denise Koch, Lands Manager Dan Bleidorn, Tourism Manager Alix Pierce, Assistant Attorney Sherri Layne, Assistant Attorney Nicole Lynch, Assistant Attorney Emily Wright, Law Office Manager Deb Senn

### D. APPROVAL OF AGENDA

*The agenda was approved as presented.*

### E. AGENDA TOPICS

#### 1. Introduction/Goals of the Retreat/Team Building/Visioning

Mayor Weldon had everyone in the room introduce themselves. She then explained the first part of the retreat was going to be led by Juneau Economic Development Council Executive Director Brian Holst providing economic and demographic forecasts and leading everyone in future planning scenarios. Following that, City Manager Koester would provide a framework for discussing Housing issues followed by lunch, and the afternoon will have discussions on giving budget direction to the City Manager followed by Tourism and finishing up with going over the Assembly goals.

#### JEDC Director Brian Holst presentation and scenario workshop

Mr. Holst provided demographic and population forecasts highlighting where Juneau stands today vs. the predictions for what it will look like in 2035.

Mayor Weldon broke the room up into four groups for a table top exercise for the scenarios provided by Mr. Holst.

**Scenario A** asked the table groups to provide a plan for what CBJ would look like in 2035 if the Department of Labor's prediction of population holds true at 30,813 with more seniors and fewer students/youth, and working age adults.

**Scenario B** then asked the table groups to provide a plan for what CBJ would look like in 2035 if we were to maintain our current population with the same or more students/youth, and working age adults.

Some of the highlights that came out of those scenarios included the following:

- Increase Affordable Housing;
- Look at facilities that enable aging in place;
- Incentivize Apartment Building;
- For CBJ to create a Model Land Trust;
- Look at increased density & affordability and use of more manufactured and/or tiny homes;
- Look at road blocks/hurdles that prohibit access to the most buildable land;
- For the Assembly & public to trust that staff knows what they are doing;
- Focus on land that CBJ owns.

The table groups then reported out some of the below challenges and solutions as related to the above ideas:

- Staff turnover: How do we build career ladders to keep current workers while also attracting and retaining new employees? One suggestion was to develop a program similar to the Tlingit-Haida 477 program which is a federally funded program that provides grant funding for hiring and providing on the job training for individuals getting back into the workforce.
- Focus on quality of life in Juneau which includes addressing housing, child care, and health care. Also need to look at larger structural changes at the state and federal governmental levels and addressing unfunded mandates.
- Build partnerships with UAS to attract more youth to Juneau.
- Look at building senior village areas that would include spaces for children and youth programs as well so elders and youth could interact organically.
- Develop Telephone Hill – is Juneau ready to make change to attract youth and families to live here?
- Build the second crossing.
- Installation of bigger internet pipe to attract youth and families to live in Juneau to working in technology jobs while being able to pursue the rich quality of life activities available in Juneau.
- Get the cost of living under control.
- Subsidize child care and work with the Juneau School District (JSD) on possibly converting some school space into child care facilities.
- Invest in sewer/water infrastructure improvements.

## **2. Housing Discussion**

CDD Planning Manager Scott Ciambor gave a presentation on the status of Housing in Juneau as well as facts and figures related to the Affordable Housing Fund. Mr. Ciambor showed the members how they can navigate the Housing Plan Tracker.

He noted that the Riverview Senior Housing project is now operational and will start to use its 12-year tax abatement starting January 1, 2024.

The Affordable Housing Fund dashboard showed they have used \$4.4 million in the program on 198 total units, 7 of which have been completed so far. Of those 198 units, 45 are slated for affordable housing units and the remaining units are to be sold at fair market value.

The Housing Needs Summary sheet showed 1,374 units needed by 2043 with a total of 1,635 units needed if the USCG Icebreaker was located in Juneau. The summary sheet was split into three main categories on the housing spectrum:

- Housing for Lower to Moderate income households (\$27,038-\$72,101) < 80% AMI
- Housing for Moderate to Upper Middle Income households (\$72,102-\$108,151) 80-120% AMI
- Housing for Upper Middle Income to High Income households (\$108,151-\$162,227+) >120% AMI

Mr. Ciambor then polled the Assemblymembers on what type of housing CBJ should be focusing upon out of the three categories above.

The consensus from Assemblymembers was that they wanted to consider all types of housing with an emphasis on the lower to middle income households and to stress emphasis on housing that promotes home ownership over rentals. They wanted to provide CDD with a regulatory 'magic wand' with the goal to permit as many units as possible whether that was through greater density of housing via zoning, doing a full rewrite of Title 49 and/or provide funding and incentives to help churn large family dwellings that are currently occupied by one or two seniors into homes available for bigger families if desirable senior housing could be incentivized. They also discussed inch-worming CBJ land sales to then reinvest those monies from the sale of land back into infrastructure to support additional land sales. Assemblymembers also acknowledged that many of these solutions will likely cost additional money on a continuous basis taking the form of creating some additional staff positions, either for a specific project based period of time or through the creation of one or more permanent positions (i.e. Deputy Lands Manager).

In discussing ongoing efforts vs. potential efforts, they categorized the City-led development/potential housing projects/partnerships that they would like to look at pursuing in the future as follows:

#### **Ongoing Efforts**

Money/Position Deputy Lands Manager  
2<sup>nd</sup> & Franklin Lot (CBJ land only)  
Pederson Hill – Phase 2  
Telephone Hill

#### **Potential Efforts**

Auke Bay  
2<sup>nd</sup> & Franklin Lot overall project  
Pederson Hill overall project  
Telephone Hill  
Mayflower Island  
450 Whittier St.  
Evaluate CBJ property that needs utilities

Following the discussion on housing issues, CDD Director Jill Maclean provided the following updates regarding the Title 49 rewrites and the Comprehensive Plan. She noted that their previous Administrative Officer Minta Montalbo has been hired into the Senior Planning position and will be taking the lead on the Comprehensive Plan project management. Director Maclean explained that the first piece will involve extensive public engagement that will eventually lead to zoning changes that the Assembly will receive for consideration and culminating with the adoption of the updated Comprehensive Plan and a Title 49 rewrite.

### **3. Budget Discussion**

Following a lunch break, Finance Director Angie Flick provided information about the current state of the city's finances. She referred to the November 29, 2023 memo in the retreat packet that outlines the budget direction staff is looking for from the Assembly.

The first question she asked the Assembly was to provide direction on what their preferences are with respect to revenue forecasting on a spectrum spanning quite conservative to very aggressive. In the middle of that spectrum would be a neutral number which would mean they would be willing to be off by approximately \$1 million dollars on either side due to the large size of the Fund Balance. She explained that since the pandemic, finances worldwide, and in Juneau in particular, have been very dynamic and that makes revenue forecasting quite challenging. The factors involved include human behavior, inflation, and local economic drivers.

Each Assemblymember weighed in on where they landed on the spectrum with the majority choosing a neutral forecast but with each of them providing comments. It was a consensus that if they have to spend more money on the services they want to provide, they want the option to do so.

Additional discussion took place about how the Assembly felt about the current level of services offered by CBJ and if there were need for more or less services. That then led to conversations about the recent recruitment and retention efforts that were implemented this year and the filling of vacant positions. When asked if there were any vacant positions that we could do without in the long term, Manager Koester and Deputy Manager Barr said there were not, that all of the vacant positions that could have been eliminated have already been eliminated.

Assemblymembers asked if any Fund Balance monies could be used towards hiring staff to accomplish specific goals such as the Title 49 rewrite (2 positions), Child Care, insurance reduction (since we are self-insured), increasing the Affordable Housing Fund, a Deputy Lands Manager position. They also discussed bus routes and the status of driver positions and that they want to eventually look at funding expanding a feeder circulator route in the valley along Riverside Driver as well as downtown. There was discussion about looking at CIP projects for energy efficiencies and possibly matching the revenue forecasts to the inflation rate or if they might decide to dial back projects if rates are too expensive due to inflation. Manager Koester explained that they do look at all CIP projects individually and the inflation impacts on each of those as they are bringing them forward. She noted that some projects had been added due to the increased revenues such as the Augustus Brown Swimming Pool. They briefly discussed the topic of ownership and maintenance of the Douglas Cemeteries but they decided to take up that topic further at a future Committee of the Whole meeting instead.

Manager Koester and Director Flick then asked the Assembly to provide direction regarding how they would like staff to manage the Debt Service Mill Rate and Bond Capacity. There is currently a \$31Million Fund Balance and they are holding \$9Million as savings as the bottom line to cover operational expenses. That then leaves \$22Million in the Fund Balance available but it does not include any current projects. Manager Koester noted that there is currently \$5Million in matching funds needed for active grant applications if all those grants are awarded. In addition to the current Fund Balance, they will have Bonding Capacity at \$75Million.

AFC Chair Woll provided information that the Debt Service Mill rate has been kept at 1.2 mills and they could look at a couple of scenarios related to that. Options might include: paying off the debt early, or don't pay off the debt early but let the mill rate fall lower, or keep the debt service at the 1.2mill rate and add more projects.

When asked about the debt on the 16B dock project, it was clarified that those came from a revenue bond and that debt is being repaid from Marine Passenger Fees (MPFs).

Director Flick said that the options they may want to look at are:

- 1) Keep the debt service mill levy at 1.2 mills;
- 2) Let the mill rate fall;
- 3) Put a question on the ballot to the voters to add one or more projects (resulting in a mill levy increase); or
- 4) Do a hybrid of options 2 & 3 above.

Each of the Assemblymembers weighed in on what their preferences would be regarding the debt service with many comments being a mix of the three options. The majority of the members agreed that they wished to keep the 1.2 mill rate but possibly pay things down to reduce debt faster while keeping the debt capacity available for possible projects on the ballot.

Manager Koester then polled the members on their comfort levels in spending fund balance on operations, increasing revenues and/or decreasing services. The top two answers that many members agreed with were to do some strategic spending of the fund balance on operations, use it on capital projects to reduce future expenditures. Other answers included looking at projects on a case by case basis, keeping the mill rate flat and not increase spending which might put them in a downward spiral, looking at alternative revenue sources such as Sales Tax and Property Tax Exemptions, and discuss what they will do with any surplus Sales Tax revenues.

Director Flick noted that they had discussed a number of assumptions during the November 29 Assembly Finance Committee meeting and she asked if there was anything different from that discussion that they wished to provide direction to staff about. There was nothing different brought up at this time.

#### **4. Tourism discussion**

Tourism Manager Alexandra (Alix) Pierce provided an update with some of the data from the most recent 2023 tourism season as well as an overview of the anticipated 2024 and future tourist seasons. CBJ has been approaching the tourism management aspects through negotiated agreements. Ms. Pierce has been working with the industry on the scheduling of the 2024 cruise ships and due to the 5-ship limit starting in 2024, that will be the first year we haven't seen tourism growth increase other than the years of the pandemic. Unfortunately, the 5-ship limit does not preclude private dock owners from hot berthing and they are the companies that control the cruise ship schedule locally. Ms. Pierce explained that the Assembly has two main options to choose from: Option 1) Negotiated Agreements, or Option 2) Taking legal action.

City Attorney Palmer then provided an overview of the legal landscape and noted that the packet included the two memos; one from former City Attorney John Corso and a memo from Mr. Palmer that were both provided to the Visitor Industry Task Force. He noted that while some things have not changed from the time this was discussed at the VITF, other things have. Both Ms. Pierce and Mr. Palmer then provided additional information to the members asking for feedback on what levers the Assembly might want to utilize in the future. They also asked for any guidance/feedback from members about those ships that came early in April & stayed into late October and that aspect of the scheduling conversation.

Feedback from the Assembly was in favor of negotiated agreements over legal action. The consensus of members was that they wanted to include a moratorium on hot berthing within the negotiated agreement. Out of the nine Assemblymembers, four members supported ships staying later in October and two members supported the earlier ships in April.

#### **5. Assembly Goals**

Deputy Manager Barr provided an overview of the process for reviewing and finalizing the goals this year. The packet contained the 2023 Goals with an updated status listed for each Implementing Action (IA). The packet also contained new and/or edited Assembly proposed goals as submitted by individual Assemblymembers Woll and Kelly. Using the 2023 Goals as the basis, the following list is a summary any changes, i.e. *additions (italicized)*, deletions (~~striketroughs~~), or replacement language (underlined), that were agreed upon by consensus. Goals/Implementing Actions that were kept as they appeared in the 2023 goals are noted as \*.

##### **\*Goal 1: Housing – Assure adequate and affordable housing for all CBJ residents**

##### **Implementing Actions:**

**NEW IA** *1A: Measure and monitor short-term rental trends and evaluate feasibility of short-term rental regulation.*

Removed ~~1A: Revised and improve Title 49 to facilitate housing~~

\*1B: Continue to monitor and track progress towards advancing the goals of the Housing Action Plan

\*1C: Continue aggressive use of the Affordable Housing Fund, tax abatement, and other loan and grant programs (comment from members that they need to add more money to the AHF.)

\*1D: Evaluate and revise current CBJ systems associated with managing land and revising Title 49 in order to get big things done fast.

\*1E: Continue planning and implementation of (re)development of Telephone Hill, Pederson Hill, and the 2<sup>nd</sup>/Franklin property. (Mr. Kelly had suggesting adding the following note: "Apply for historic status for Telephone Hill properties. There is speculation that they do or don't qualify. Let the federal government make that determination." After discussion of this note, it was decided not to include this in the 2024 goals.)

\*1F: Reduce barriers to downtown housing development

**\*Goal 2: Economic Development – Assure Juneau has a vibrant, diverse local economy.**

**Implementing Actions:**

2A: Update the Comprehensive Plan *and Title 49*

2B: ~~Draft a resolution adopting the long term goals of the VITF, establish contractual relationships with private dock managers, analyze existing passenger fee structure, and explore methods to create a pathway towards functional municipal management of the waterfront.~~ (The Resolution mentioned in this IA has been completed, the contract with CLAA has also been completed. Assemblymembers gave direction to staff on possibly rewording this implementing action).

2C: Implement project strategy for Juneau Economic Plan, including revitalizing downtown, with regular updates. (Members discussed updating the JEP but did not decide upon any final language to include in this IA.)

\*2D: Explore financing for the Capital Civic Center. (This topic was scheduled on the December PWFC agenda.)

2E: Support Eaglecrest's objective of becoming self-sufficient. (*Add clarifying language as to self-sufficiency for operational funds vs. Gondola and other CIP projects.*)

\*2F: Pursue and plan for West Douglas and Channel Crossing.

~~2G: Explore options for redeveloping under used downtown property.~~ (Assembly consensus was to remove this IA)

Paul Kelly's new Goal 2 IA: Improve childcare options and reduce cost for parents. – there was consensus not to include this IA in the new goals.

**New IA 2G:** Collaborate with USCG and other partners on homeporting the icebreaker and to clear hurdles.

**\*Goal 3: Sustainable Budget and Organization – Assure CBJ is able to deliver services in a cost efficient and effective manner that meets the needs of the community**

**\*\*3A:** Develop strategy for fund balance and protect restricted budget reserve. (Assemblymembers discussed 3A & 3C and Christine Woll and Michelle Woll were tasked with rewriting 3A and that 3C was being eliminated.)

3B: Continue to evaluate sales tax structure including equity ~~and evaluate removing sales tax on food~~

~~**\*\*3C:** Long term strategic planning for CIPs.~~ (See note under 3A above. This task is already part of the routine PWFC work.)

~~3D: Reduce mill rate as appropriate~~ (7 in favor of removing this AI, 2 against)

~~3E: Allocate resources to implement Assembly goals~~ (removed by consensus)

3F: Maintain Assembly focus on deferred maintenance including BRH and JSD; *including adding building efficiencies.* (new language added by consensus)

3G: Examine social service funding levels and process. (Keep IA but with possible wording changes from Christine Woll who will work with staff on new language.)

Possible new 3 IA from Paul Kelly re: tying the budget to the CPI. After discussion, Paul withdrew this suggestion.

**Goal 4: Community, Wellness, and Public Safety – Juneau is safe and welcoming for all citizens.**

4A: Acknowledge and honor Juneau's indigenous culture, place names, naming policy, and recognize Elizabeth Peratrovich Day. (The naming policy is currently being worked on by the PRAC and will go to Lands next. The renaming of Heritage Way and the implementation of the Totem Trail were accomplished in 2023. HRC Chair Greg Smith will be working with HR Director Dallas Hargrave on the issue of "recognizing" Elizabeth Peratrovich or

Indigenous People's Day but there is a need to determine what the term "recognize" means as it relates to establishing a CBJ holiday or other forms of recognition.)

4B: ~~Explore~~ government to government relations with tribes. (It was decided this IA needed some wordsmithing and Christine Woll and Michelle Hale will work on that with staff.)

4C: ~~Explore fully subsidizing transit and eliminating fares.~~ (It was decided, by a vote of 6 in favor and 3 against, to remove this IA as it has already been discussed in PWFC and it was made moot by the lack of drivers during this past summer.)

New 4 IA proposed by Paul Kelly: Take over the deeds and management of cemeteries on Douglas where the ownership cannot be traced. (This was not made into a Goal IA but was referred for additional discussion at a future COW meeting.)

New 4 IA proposed by Paul Kelly: Index the senior property tax exemption to inflation (This was removed from consideration due to legal restrictions.)

New 4 IA proposed by Paul Kelly: Explore options for protecting our residents from the natural hazards we face in Juneau including, avalanches, glacier outburst floods, and landslides (Not included in the goals since there is a pending ordinance related to this matter.)

New 4 IA proposed by Paul Kelly: Work with our partners in the Juneau Housing Coalition to create a strategic plan with clear goals and benchmarks. (The Juneau Housing & Homeless Coalition are already doing this and Mr. Kelly was the only one in favor of adding it to the Assembly goals so it was left off.)

***New 4 IA proposed by Paul Kelly: Negotiate a multi-year contract with a non-profit to operate a cold weather shelter by Spring 2024. (Discussion took place on rewording this to "Ensure a Stable Cold Weather Emergency Shelter" and it was decided that Paul, Greg and 'Wáahlaal Gídaag will be rewording this for addition as a new IA.)***

New 4 IA proposed by Paul Kelly: Explore options for recruiting firefighters and police (there were only two votes in favor of adding this so it was not added to the goals.

**Goal 5: Sustainable Community – Juneau will maintain a resilient social, economic, and environmental habitat for existing population and future generations.**

Mayor Weldon pointed out that copies of the Juneau Commission on Sustainability letter were available to members for additional reference.

5A: Develop a zero waste or waste reduction plan (There has been lots of movement and discussion on this as well as action. They will be getting an update at PWFC on this topic. Wade Bryson, Michelle Hale, and Denise Koch will work on wordsmithing some new language for this IA.)

5B: ~~Develop strategy to measure, track and reduce CBJ energy consumption.~~ (Removed current 5B language and replace it with the following language suggested by JCOS) *Identify and prioritize the most cost-effective energy efficiency and electrification upgrades in the General Government facilities.*

\*5C: Implement projects and strategies that advance the goal of reliance on 80% of renewable energy sources by 2045. (Paul Kelly's proposed new IA about Goals 5B & 5C: "Install EV chargers in all CBJ parking lots and all CBJ enterprise parking lots. Install heat pumps in all city owned buildings" already falls under 5C and they decided to leave the language of 5C as is.)

5D: Prepare a changing climate hazards mitigation/resilience strategy. (Alicia Hughes-Skandijs will be working on redoing the wording on this IA related to "Developing a Clear Picture".)

\*5E: Develop strategy to reduce abandoned/junked vehicles (This IA was left in as is. This topic has been and will be continued to be worked on in PWFC.)

New 5 IA proposed by Paul Kelly: Update study on establishing a new landfill (This matter is already being worked on by PWFC and was left out of the goals/IA.)

After discussion, it was determined that the remaining two New 5 IAs proposed by Paul Kelly: “Find out how we maximize how many vessels use shore power” and “Increase the availability of renewable electricity in Juneau” fit in other places and did not need to be added to the IAs for Goal 5.

Mr. Barr noted that after today’s retreat work, he would take the notes back, work with those members who have been tasked with wordsmithing and finalize the goals to be brought back to the Assembly at a future meeting for review and approval.

**G. ADJOURNMENT**

There being no further business to come before the Assembly, the retreat was adjourned at 5:10p.m.

Signed: \_\_\_\_\_

Elizabeth J. McEwen  
Municipal Clerk

Signed: \_\_\_\_\_

Beth A. Weldon  
Mayor