



ASSEMBLY FINANCE COMMITTEE AGENDA

May 08, 2024 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

B. ROLL CALL

C. APPROVAL OF MINUTES

1. May 1, 2024

D. AGENDA TOPICS

2. Revenue Update

a. three+one Presentation

b. Info Only: Sales Tax Update (No Materials)

3. Manager's Proposed Increments & Budget Amendments

a. See DOC-2 of the Budget Book for all increments included in the Manager's Proposed Budget

4. Capital Improvement Plan Amendments - For Action

5. Passenger Fee Plan – For Action

a. Complete materials available on pages 64-194 of April 6 meeting packet

b. The Partnership, Inc. (Capital Civic Center) Funding Request - For Action

6. School District Budget – For Action

a. Pending List Items #1 and #2 - For Action

7. Pending List – For Action - *updated May 3, 2024*

8. Information Only

a. Fund Balances - *updated May 3, 2024*

b. Budget Calendar - *updated April 26, 2024*

E. NEXT MEETING DATE

9. May 22, 2024

F. SUPPLEMENTAL MATERIALS

10. Info Only: Sales Tax Update (No Materials)

11. Additional Passenger Fee Request Information

a. Downtown Business Association

b. The Partnership, Inc. (Capital Civic Center)

12. CLIA Passenger Fee Plan Feedback

13. Additional Community Grant Request Information

a. Alaska Small Business Development Center

G. ADJOURNMENT

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.gov.

ASSEMBLY FINANCE COMMITTEE MINUTES

May 1, 2024, 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 5:30 pm by Chair Christine Woll.

B. ROLL CALL

Committee Members Present: Chair Christine Woll; Michelle Hale; Greg Smith; Paul Kelly; Ella Adkison; Alicia Hughes-Skandijs; Wade Bryson

Committee Members Present Virtually: None

Committee Members Absent: Mayor Beth Weldon; Wáahlaal Gíidaak

Staff Members Present: Katie Koester, City Manager; Robert Barr, Deputy City Manager; Angie Flick, Finance Director; Adrien Wendel, Budget Manager; George Schaaf, Parks & Recreation Director; Dave Scanlan, Eaglecrest General Manager

Others Present: Gretchen Keiser, Alaska Heat Smart Board President; Andy Romanoff, Alaska Heat Smart Executive Director; David Russell-Jensen, Sealaska Heritage Institute (SHI) Board Secretary and Development Officer; Lee Kadinger, SHI Chief Operating Officer (COO); Mike Satre, Eaglecrest Board President

C. APPROVAL OF MINUTES

1. April 17, 2024

The April 17, 2024 minutes were approved as presented.

D. AGENDA TOPICS

2. Assembly Grants & Community Requests

Chair Woll stated that at the April 17 AFC meeting Assemblymembers heard from the sponsors of each community request and identified the questions they needed to ask in order to fully consider the request. Those questions are provided in the May 1 AFC packet for some of the community organizations to answer at tonight's meeting. She asked Assemblymembers to state which organizations they had questions for tonight.

Alaska Heat Smart

Gretchen Keiser, Alaska Heat Smart Board President, introduced herself and stated that the Assembly goal this funding request was addressing was the goal of advancing Juneau's renewable energy capacity. She explained how Alaska Heat Smart was helping to reduce fossil fuel use and shift to the electrification of heating. She continued explaining how this also helped with the affordable housing goal through the monthly savings their efficient heat pumps would create.

Ms. Keiser addressed the Assembly question of whether there was precedent for people trying to get out of electric baseboard heat and switch to heat pumps. She stated that approximately thirteen percent of their clients have converted to heat pumps from electric baseboard heat. She explained that it was common for builders constructing multi-family housing units to still use baseboard heaters and described different incentives to help these builders to choose heat pumps.

Andy Romanoff, Alaska Heat Smart Executive Director, spoke more on the multi-family housing issue with regards to switching from electric baseboard heat to heat pumps. He stated that they were working with Alaska Electric Light & Power and National Renewable Energy Laboratory on a study of four facilities to see the difference of efficiency from electric baseboard heaters and heat pumps. This study will help identify overall benefits to residents in lower monthly electricity bills.

Assemblymember Smith asked what would happen if the Assembly only approved a third of the three-year funding request, choosing to only fund for one year at this time.

Ms. Keiser stated that Alaska Heat Smart would appreciate any funding from the Assembly. She explained that their goal was to get the most out of a multi-year funding and that this stability would be used as a basis for longer range strategic planning, as well as recruitment and staff retention.

Assemblymember Smith asked if the three-year funding was approved, would Alaska Heat Smart see themselves becoming self-sufficient after three years.

Mr. Romanoff answered that he wasn't sure. He stated that there would be pressure to diversify funding streams in working towards the goal of self-sufficiency.

Sealaska Heritage Institute

David Russell-Jensen, Sealaska Heritage Institute (SHI) Board Secretary and Development Officer, introduced himself and Lee Kadinger, SHI COO.

Assemblymember Smith asked for more clarity on the SHI funding request and what those funds would help to accomplish.

Mr. Kadinger clarified the need for the project outlined in the packet on page thirteen, stating that several of their major partners were pausing funding. He explained that SHI was looking for ways to delay some components of the project until a later time when their partners would start providing funding again. He stated that approximately \$2 million in Federal funds were due to be spent before the end of September of this year, so part of their funding request was to help keep the project moving forward so they could utilize the entirety of the Federal funds.

Chair Woll thanked the community organizations for being present. She stated that work on the Assembly Pending List would begin next week at the May 8 AFC meeting.

Motion: by Assemblymember Hale to move all community requests except for the Capital Civic Center Marine Passenger Fee request to the Pending List and asked for unanimous consent.

Assemblymember Hale clarified that the Capital Civic Center funding request would be addressed as part of the Passenger Fee Plan instead of the Pending List.

Motion passed by unanimous consent.

3. Youth Activity Grant Funding

Angie Flick, Finance Director, directed the Committee to page 64 of the packet. She explained that Youth Activity grant funding was acted on by the Assembly every year and that the request this year was for Assembly approval of the funding recommendations on page 66 of the packet.

Assemblymember Kelly asked for more elaboration on the contingency funding and how it would be used.

George Schaaf, Parks & Recreation Director, answered that the contingency funds were required by the resolution that established the Youth Activities Board and the Youth Activities Grant program, to reserve money for unexpected expenses that grantees have and unexpected program expenses.

Motion: by Assemblymember Hale to move that the Finance Committee approve the funding recommendations on the list on page 66 of the packet and request that the City Manager increase the Youth Activity funding to \$350,000 in the FY26 budget and asked for unanimous consent.

Objection: by Assemblymember Hughes-Skandijs, requesting that the maker of the motion divide it into two separate motions.

Assemblymember Hale withdrew her original motion.

Motion: by Assemblymember Hale to move that the Finance Committee approve the funding recommendations on the list on page 66 of the packet and asked for unanimous consent.

Motion passed by unanimous consent.

Motion: by Assemblymember Hale to request that the City Manager increase the Youth Activity funding to \$350,000 in the FY26 Manager's Proposed Budget.

Assemblymember Hale spoke to her motion stating that since the decrease of \$17,500 in funding ten years ago, the cost of everything has sharply risen and especially more recently due to inflation. Bringing back the funding to the original level would be a start in the right direction for Youth Activity.

Motion passed by unanimous consent.

Motion: by Assemblymember Smith to move to add a funding increase for \$17,500 to the Youth Activity Grant budget in FY25 to the Pending List.

Objection: by Assemblymember Hughes-Skandijs, stating that there were a lot of moving pieces in the Manager's Proposed Budget, important work that had already been done, and it would be best to introduce an increase in funding next year.

Objection: by Assemblymember Hale for the same reasons Assemblymember Hughes-Skandijs stated.

Roll Call Vote on Motion

Ayes: Smith, Kelly

Nays: Hughes-Skandijs, Adkison, Bryson, Hale, Chair Woll

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

4. Eaglecrest

Robert Barr, Deputy City Manager, introduced the memo on page 67 of the packet which shows the amount of General Fund support that Eaglecrest had received for its operations over time and provides information on the request for future operational support.

Mr. Barr explained how the General Fund loan would address the Eaglecrest deficit in the Manager's Proposed Budget and help them ramp up for summer operations. He stated that from the Manager's Office's perspective, the revenue projections prepared by Eaglecrest appear to be ambitious. He explained that the memo discusses different options for the Assembly to consider from a funding perspective.

Mr. Barr noted a typo at the end of the memo, on page 70 of the packet, that states \$810,800 coming from the Restricted Budget Reserve. He clarified that it was supposed to state it would be from the Unrestricted General Fund.

Assemblymember Kelly asked if the six percent pay increase was to help make Eaglecrest more competitive in attracting staff.

Mike Satre, Eaglecrest Board President, answered that that was correct.

Assemblymember Adkison asked for more details on why the loan request was decreased by almost \$74,000.

Dave Scanlan, Eaglecrest General Manager, responded that originally there was funding associated with hiring a ropeway specialist to help install the gondola. They decided to pull that position out of the funding request because it was now going to be funded through the Goldbelt capital improvement project.

Assemblymember Hughes-Skandijs asked Staff for more details and clarification on the different funding options shown in the memo.

Mr. Barr replied that all the numbers on page 69 of the packet, with one exception noted in a footnote, are in addition to the \$930,000 of General Fund support that is in the Manager's Proposed Budget. He explained that the total number shown at the end of each option can be understood to show the combined FY25 and FY26 funding need.

Chair Woll asked if salaries and summer operations weren't being increased in the \$406,700 request, what would explain the deficit.

Mr. Satre explained that because of inflation, the cost of everything from operations to supplies had increased significantly.

Mr. Scanlan stated that other increases were seen in the cost of insurance policies, bank card fees, and wages.

Assemblymember Hale stated that she did not feel adequately prepared to make a decision on this request.

Chair Woll asked the Eaglecrest representatives when they needed to have a decision by the Assembly on how they would support Eaglecrest in starting their summer operations. She asked if they could explain the timing for ramping up to full summer operations with the gondola.

Mr. Satre stated that they were already doing some summer operations with minimal staff and that to increase those operations they would need to increase staff, especially when operating the gondola.

Mr. Scanlan stated that the timing was difficult to project because of the way the fiscal year splits up the summer tourism season. He explained that in this request the timing would have Eaglecrest start summer operations around May of 2025. Having the funding now would help to accomplish the administrative work needed with Human Resources to create the new summer specific staffing positions and recruit for that critical season. He stated that recruitment in the current times was extremely challenging. He shared that Eaglecrest would like to be able to communicate to some of their winter staff that there would be springtime and summer work in the future.

Assemblymember Smith asked what kind of public process had occurred so far on summer operations and its impact on the North Douglas community.

Mr. Satre stated that they had just gone through a Planning Commission conditional use permit process for the gondola and pertinent facilities. He stated that summer operations were on the Eaglecrest Board's agenda every month and that there was outreach from Mr. Scanlan and Eaglecrest staff to the community to work through any issues.

Assemblymember Kelly asked what the potential impact on summer operations would be if the Assembly chose to delay funding.

Mr. Satre explained that the long-term goal was to have the gondola installed and be fully functional for summer operations and that they saw this goal as fitting in with the Assembly's goal of providing a valuable visitor experience while minimizing impacts to the community. He stated that without proper funding the timeline for summer operations would be at risk.

Mr. Scanlan stated that the longer Eaglecrest full summer operations were delayed, the more delayed relationship building with all the major cruise lines would be. He explained that proper funding now would help build the human capital necessary to run a successful summer venture, without putting that burden on the taxpayers or the Assembly. It would allow the summer operations revenue to be reinvested towards Eaglecrest's future success.

Mr. Barr added that if this funding was delayed the impact would be that Eaglecrest would not start realizing revenue that it was projecting to generate starting in 2025. This would mean that unless the Assembly were to direct a different way for Eaglecrest to resolve its current year \$406,700 deficit, that General Fund support need would increase substantially.

Assemblymember Hale requested that Eaglecrest leadership work with Alexandra Pierce, Visitor Industry Director, to reach out to community members for more public discussion.

Mr. Satre stated that they expected the impact of summer operations on non-Eaglecrest users to be almost negligible. He stated that community members would benefit from Eaglecrest summer operations because cruise ship visitors would be more dispersed from high trafficked areas.

Motion: by Assemblymember Hughes-Skandijs to move that the Finance Committee fund Eaglecrest in FY25 at \$518,800, which is the base budget plus six percent pay scale increase, with the understanding this would carry forward to FY26, with funding to be provided by General Fund balance.

Objection: by Assemblymember Smith for the purpose of asking if they could add funding for an additional FTE in FY25 after the Assembly saw more details in the analysis.

Chair Woll confirmed that was correct.

Assemblymember Hale asked Mr. Satre if this motion would be enough for Eaglecrest to continue moving forward as the Assembly figured out its next steps.

Mr. Satre answered that the potential risks were outlined in the memo. He stated that Eaglecrest wanted to work with the Assembly in a collaborative fashion towards full summer operations.

Assemblymember Adkison asked Mr. Barr if he knew how long an independent analysis of revenue projections like the one proposed in the memo might take.

Mr. Barr replied that this was a difficult question to answer. They would need to put together a Request for Proposal for professional services. He expressed that this would impact the Eaglecrest summer operations timeline outlined in the memo.

The Committee recessed at 7:00 pm.

The Committee reconvened at 7:10 pm.

Amendment to the Original Motion: by Assemblymember Kelly to move to add 9.68 FTE in FY26.

Objection: by Assemblymember Hughes-Skandijs, stating that there was not enough backup documentation and details present for her to be comfortable in making decisions about FY26 at this time.

Objection: by Assemblymember Hale.

Assemblymember Kelly withdrew his motion.

Assemblymember Bryson expressed support for Assemblymember Hughes-Skandijs' motion and stated the importance of raising Eaglecrest staff wages to remain competitive.

Chair Woll expressed support for this motion and stated the importance of knowing the cost of making the gondola operational and knowing the exact timeline of making that happen.

Amendment to the Original Motion: by Assemblymember Smith to change the funding source from General Fund balance to a General Fund loan with a zero percent five-year term, with the first year of repayment starting in 2027.

Objection: by Assemblymember Bryson.

Assemblymember Bryson spoke to his objection stating that loaning Eaglecrest funds to help cover staff wages was poor business practice.

The Committee took a brief at-ease.

Assemblymember Hughes-Skandijs stated that while it was not a good business practice to loan funds to cover wages, the date Assemblymember Smith picked was far enough into the future that the Committee could assume Eaglecrest would have a functional gondola, and the revenue that comes with it, by the time repayment of the loan began.

Objection: by Assemblymember Hale for the purpose of expressing interest in loaning at a higher amount later in the budget process.

Objection: by Assemblymember Adkison for the same reasons as Assemblymember Hale’s objection.

All objections were withdrawn.

Amendment passed by unanimous consent.

The original motion, as amended, passed by unanimous consent.

Motion: by Assemblymember Hughes-Skandijs to move that the Assembly place \$50,000 on the Pending List for an independent analysis of Eaglecrest business plans and revenue projections.

Motion passed by unanimous consent.

5. General Obligation Bond Options

Katie Koester, City Manager, presented the memo on page 73 of the packet, stating that the Committee should be aware of timing considerations for placing measures on the ballot. She explained the timeline on the memo and stated that July 1 was the absolute last date to introduce an ordinance to put something on the ballot with passage on July 29. She stated that the Manager’s Office is proposing two bond projects for the October ballot, with the first bond being for the remainder of the needed funding for public safety communication infrastructure. She stated that CBJ had received congressionally directed spending from Senator Murkowski and expressed that this was a mission critical project because of the poor state of the public safety communication infrastructure.

Ms. Koester spoke to the second project proposed by the Manager’s Office for \$10 million in water and wastewater utility improvements. She stated that they anticipated additional bond requests or capital requests for utility projects. She stated that the Utility Advisory Board had been working through a rate request for the Assembly and they had presented on the need to raise rates. Ms. Koester explained that because there was already a rate increase scheduled for July 1, she wanted the Assembly to work through a decision on a future increase outside of the budget cycle.

Assemblymember Kelly asked Staff if it would be possible to show the mill rate impact of each proposal included in future memos.

Ms. Koester directed the Committee to page 74 of the packet which shows details on the debt service mill rate. She explained that one of the assumptions made was that three of these bonds would be twenty-year bonds and the larger bond would be a thirty-year bond.

Assemblymember Hale mentioned that one of the Assembly goals was to reduce the mill rate and that what the Assembly had been doing in the last few years was holding the debt service mill rate flat and paying off debt early.

Assemblymember Smith stated that the Dimond Park Field House elevator was a priority of his and that he had been looking for funding sources. He asked about the threshold for project size in relation to a bond that was, for example, \$1 million dollars.

Ms. Flick replied that if the only bond in consideration was a \$1 million bond she would advise that it was not worth the expense of issuing that bond.

Motion: by Assemblymember Hale to move to direct staff to do what needs to be done to initiate a bond for \$11.75 million for public safety communication infrastructure and \$10 million for wastewater infrastructure and asked for unanimous consent.

Assemblymember Smith stated that he would like to see this topic come back to committee prior to being introduced to the full Assembly.

Motion passed by unanimous consent.

6. Information Only

Ms. Flick directed the Committee to page 75 of the packet which reflected fund balances for various CBJ funds. She stated that the Gastineau Human Services grant had been introduced and was reflected in this update, as a pending item. She directed the Committee to the Pending List on page 77 of the packet which showed all of the community requests in order from largest to smallest dollar amount. She shared a tool built in an Excel spreadsheet that showed the impact on the mill rate when a recurring/operational cost was approved on the Pending List. She clarified the calculated mill rate equivalent was reflected of the areawide mill rate.

Assemblymember Hale asked if the roughly \$12 million at the bottom of the left column on page 75 of the packet included the \$9 million in fund balance that the City Manager had previously recommended as a minimum balance to preserve.

Ms. Flick answered that the \$12 million was the Unrestricted General Fund balance and that it was up to the Assembly to decide the amount of funds to keep as a minimum balance. She shared that it was recommended in the past to keep between \$6 million and \$9 million as a fund balance floor.

Ms. Flick directed the Committee to the calendar on page 79 of the packet. She explained that there were a couple of changes made to the calendar with the intent of letting the public know that the Committee may be ready to take on some of these decisions at the May 8 AFC meeting. She reminded the Assembly that if they had any CIP amendments that they should send those to Staff as soon as possible so they could be added to the packet for the next meeting.

E. NEXT MEETING DATE

7. May 8, 2024

F. SUPPLEMENTAL MATERIALS

6. Assembly Grants & Community Requests

a. Additional Responses to Assembly Information Requests

These materials were discussed as part of Agenda Topic #D (2) above.

G. ADJOURNMENT

The meeting was adjourned at 8:12 pm.



Manager’s Proposed Budget Amendments

Capital City Fire & Rescue – Aerial Ladder Truck
\$498,400 GF One-Time (\$498,400 Capital Outlay)

The voter-approved 1% sales tax initiative from the October 2022 ballot allocated \$1.2 million for the replacement of an aerial ladder truck at the Fire Department. Due to significant cost escalations since the original quote was obtained, the Manager’s Office is seeking approval of an additional \$498,400 above the previously allocated \$1.2 million to fully fund this purchase. Public safety apparatus has experienced significant inflation in a short period of time. For reference, the Fire Department purchased a ladder truck in FY21 for \$1.14 million. The current estimated cost of \$1.7 million represents a 49% inflationary increase over a three-year period. While not all CBJ fleet vehicles and equipment are experiencing this significant level of cost escalation, the Assembly should be prepared for an increasing burden on the General Fund to maintain the same or similar level of equipment as CBJ has historically, at a much higher cost.



DATE: May 2, 2024
TO: Assembly Finance Committee
FROM: Angie Flick, Finance Director
SUBJECT: **FY25 Debt Service Mill Rate**

155 Heritage Way
Juneau, AK 99801
Phone: (907) 586-5215

The purpose of this memo is to provide information and context for potential discussion regarding the Manager’s Proposed Budget and the Debt Service Mill Rate.

Background

In recent years, CBJ has structured new general obligation bond issuances to maintain a level 1.20 Debt Service mill rate. There are a number of reasons an organization would want to keep this element of the mill rate flat and stable, mostly stemming from predictability for the Assembly and tax payers. It also allows new GO bonds to be issued without having to cause an increase to the tax base, assuming one follows the same basic practice.

During the CBJ Assembly Retreat in December 2023, the Body discussed the project needs facing the city and provided general direction to the City Manager to produce a budget that kept the mill rate flat for debt service. Since that time, there have been several discussions regarding projects, use of fund balance and debt/bond capacity.

FY25 Debt Service

In keeping with the direction provided to the City Manager, the debt service mill rate was presented flat (1.20 mills) which allows for all current and regularly scheduled debt service payments (.76 mills) and three maturities of the 2014 Series Three GO Bonds to be paid during FY25 (.44 mills).

There are a couple of option points between 1.20 and .76 mills that could be considered. Please see the breaking points below:

Mill Rate	Mill Rate Change	Dollar Change	Notes
1.20	0.00	\$ 0.1M	FY2025 required debt service plus 3 callable maturities
1.08	- 0.12	\$ - 0.8M	FY2025 required debt service plus 2 callable maturities
0.95	- 0.25	\$ - 1.6M	FY2025 required debt service plus 1 callable maturity
0.76	- 0.44	\$ - 2.8M	FY2025 required debt service

This memo is presented with no recommendation; but rather to provide information for the Body to discuss the various policy choices to be made.



DATE: May 3, 2024
TO: Assembly Finance Committee
FROM: Angie Flick, Finance Director
SUBJECT: **FY25 Capital Improvement Program (CIP) Amendments**

155 Heritage Way
Juneau, AK 99801
Phone: (907) 586-5215

The purpose of this memo is to provide information for discussion regarding the proposed Capital Improvement Program (CIP) for FY25 and potential amendments that have been provided to staff.

The AFC has been provided an overview of the CIP for FY25. This information can be found in the packet for the April 6, 2024 meeting starting on page 48. The full CIP list is available on pages DOC-34 through DOC-37 of the budget book.

Four potential amendments have been shared with staff and are summarized below and in the following pages.

1. Dimond Fieldhouse Elevator – Assemblymembers Hale and Smith have brought this project forward. Please see following pages with a memo from Director Schaaf.
2. North Douglas Plan – Assemblymember Smith is working with Director Lawhorne on an estimated cost for this effort.
3. Playground at Dzantik’I Heeni – Assemblymember Kelly has brought this forward and has had a conversation with Manager Koester. Estimated at \$750,000 which includes \$75,000 of design.
4. Tire Shredder – the Public Works & Facilities Committee (PWFC) has forwarded a request for a tire shredder. The PWFC Memo dated February 26, 2024 is included in the following pages.



TO: Chair Christine Woll, Assembly Finance Committee
FROM: George Schaaf, Parks & Recreation Director
DATE: May 3, 2024
RE: Dimond Park Field House Accessibility

The Field House offers the only indoor track in Juneau that is open to the public. The track is located on the second floor and is not accessible by many people with disabilities because the building is not equipped with an elevator or lift. In FY24, the Assembly appropriated \$150,000 to evaluate options and develop cost estimates to install an elevator or lift provide access to the track. The Parks & Recreation Department worked with staff from the Engineering & Public Works Department, Jensen, Yorba, Wahl Architects, and HMS, Inc. to develop a rough order of magnitude (ROM) estimate for each option. The estimates provided by JYW and HMS provide only construction costs and do not represent total project costs. Of the initial appropriation for this project, \$141,053 is remaining.

Elevator

An elevator would provide a better experience for users, including people who have mobility impairments that do not require the use of a wheelchair or walker. An elevator also would accommodate multiple passengers. Elevators require less space than wheelchair lifts or ramps, and local contractors are available to provide repair and maintenance services. **For an elevator, the total project costs are estimated to be approximately \$1,020,421.** This includes actual construction costs of \$702,621, as well as design, construction management, and contingencies totaling \$317,800.

Wheelchair lifts

Two wheelchair lifts would be required to provide access: One from ground level to the mezzanine, and a second from the mezzanine to the track. This would require more space and limit use of the mezzanine, which currently hosts classes, programs, activities, and birthday parties. Wheelchair lifts typically restrict access only to people with disabilities and require staff assistance, which could be challenging since the DPFH often operates with a single employee. **Wheelchair lifts are estimated to cost approximately \$455,485.** This includes actual construction costs of \$295,452, as well as design, construction management, and contingencies totaling \$160,033.



DATE: February 26, 2024
TO: Wade Bryson, Chair
Public Works and Facilities Committee
THROUGH: Denise Koch, Director Engineering and Public Works
FROM: Dianna Robinson, Environmental Project Specialist
SUBJECT: Tire Shredder

Staff have identified a shredder model through our Sourcewell Cooperative Purchasing Agreement. The shredder they have selected is a Bandit Impaktor 250, which has the following benefits:

- A unique quick change cassette system for switching shafts, which allows:
 - o Simplified maintenance and easy replacement of grinding blades and paddles (a common maintenance task for shredders).
 - o The operator to shred a wider range of materials.
- The shredder is on a track system, which allows us to easily transport it to different sites for different needs.
- It can shred up to 5 tons of tires an hour, and up to 20 tons of wood waste per hour.

At the moment, there is only one single unit for sale through this vendor and it has a cost of \$380,530. Shipping will cost approximately \$20,000; staff are waiting on a more precise figure from the dealer. Total cost to purchase and ship: ~\$400,530. There will also be operational costs to run a tire shredding program. This program would be put out to bid for operation, but at the moment staff do not have a figure for annual operational costs.

There is one unit available now, and the dealer is willing to hold it for six weeks for \$25,000. Due to supply chain issues, if we choose not to purchase this particular unit, we will need to wait 9-18 months for the option to purchase any shredder from this vendor.

Currently there is no CIP for capital expenses to purchase this piece of equipment. Staff recommend waiting until funding is in place before committing to a particular piece of equipment.

If PWFC would like to proceed with a tire shredder, an Assembly member would need to offer an amendment during the budget process for capital and operating expenses and identify a funding source.

Action Requested: Motion of support for both capital and operating costs to operate a tire-shredder.



MEMORANDUM

DATE: May 2, 2024

TO: Assembly Finance Committee

FROM: Alexandra Pierce, Tourism Manager

SUBJECT: Updated: Marine Passenger Fee Philosophy

This memo is an updated version of the one reviewed by the Finance Committee on February 7, and provides an overview of the passenger fee process as well as staff's current philosophy behind passenger fee allocations and our strategic plan for the future. There are three components to what we collectively refer to as "passenger fees": CBJ's \$5 Marine Passenger Fee and \$3 Port Development Fee and the State \$5 Commercial Passenger Vessel Excise Tax (CPV). This is actually a \$34.50 tax, of which Juneau receives a \$5 allocation. Not all ports collect passenger fees, but the first seven ports of call for a ship over 250 passengers receive \$5 in State CPV.

All ports fund tourism infrastructure through a combination of passenger and port fees. When we talk about passenger fees, we tend to lump all these pots of money together, but both the lawsuit and public process focus on MPF only. CBJ's ordinance requires staff to solicit for MPF suggestions in December and then put the proposed budget out for public review before it goes to the Assembly for adoption along with the Manager's budget.

The cruise industry holds a consensus view that Southeast Alaska visitor numbers will stay flat between 2023 and 2025, largely as a result of Juneau's five ship limit. The scheduled lower berth capacity is estimated to be 1.65 million visitors for the summer 2024 season.

Using Passenger Fees under the settlement agreement

The use of Marine Passenger Fees is outlined in the Tonnage Clause of the US Constitution. Essentially the expenditure of fees must support the vessel. Our settlement agreement with CLIA allows us to expend fees to support and provide services to passengers.

Under the settlement agreement, fee usage is dependent on proximity to the ship and determined by a mapped area. We are able to use passenger fees in Zone A for services and infrastructure. In Zone B, we are required to discuss passenger fee usage at an annual meeting with CLIA. Projects outside Zone B are also subject to consultation with CLIA.

The settlement agreement requires us to meet annually to "discuss in good faith any new proposed projects and services for which Fees are sought to be expended in the following Fiscal Year with the ultimate decision resting with the Assembly." We have agreed to settle disputes over expenditures of fees through direct discussions, escalating to non-binding mediation before resorting to mitigation. This meeting took place on January 8.

Funding

Here is how that forecast for visitation translates to passenger fee revenue in FY24 and FY25:

		PAX	MPF	PDF	State CPV*	Total
CY2023 Jul/Aug/Sept	FY2024	990,000	\$ 4,950,000	\$ 2,970,000	\$ 8,250,000	\$ 16,170,000
CY2024 April/May/June	FY2024	660,000	\$ 3,300,000	\$ 1,980,000		\$ 5,280,000
CY2024 Jul/Aug/Sept	FY2025	990,000	\$ 4,950,000	\$ 2,970,000	\$ 8,250,000	\$ 16,170,000
CY2025 April/May/June	FY2025	660,000	\$ 3,300,000	\$ 1,980,000		\$ 5,280,000

**State CPV receipts remitted to CBJ approximately eight months after they are received*

FY24 Passenger Fee Total \$ 21,450,000
FY25 Passenger Fee Total \$ 21,450,000

The absent 2020 cruise season and slow 2021 season still incurred operating and debt service expenses. As a result, we carried a negative fund balance of \$3.2 million into FY23. This was eliminated in FY24 and we will carry a positive fund balance into FY25.

The below chart lists the projects that staff is proposing to fund for FY25. A compilation of all requests received is included in attachments B and C. A more detailed version is included in your packet.

FY25 Passenger Fee Proposal				
	Direct Cost	Overhead	Total	Available Balance in CIP
Debt Service: Juneau Cruise Terminal Docks	\$ 2,026,600	\$ -	\$ 2,026,600	\$ -
CBJ Municipal Services				
Police Support	\$ 1,067,600	\$ 9,800	\$ 1,077,400	\$ -
Ambulance/EMS Support	\$ 656,700	\$ 6,000	\$ 662,700	\$ -
Seawalk, Open Space and Restroom Maintenance	\$ 831,500	\$ 7,700	\$ 839,200	\$ -
Street Cleaning/Repair	\$ 339,200	\$ 3,100	\$ 342,300	\$ -
Capital Transit	\$ 1,000,000	\$ 9,200	\$ 1,009,200	\$ -
D&H - Port Management	\$ 275,000	\$ 2,500	\$ 277,500	\$ -
D&H - Port Customs Office Building Maintenance	\$ 142,000	\$ 1,300	\$ 143,300	\$ -
D&H - Access Control Security	\$ 300,000	\$ 2,800	\$ 302,800	\$ -
Tourism Management	\$ 342,000	\$ 3,100	\$ 345,100	\$ -
Total City Services	\$ 4,954,000	\$ 45,500	\$ 4,999,500	\$ -
Third-Party Visitor Services by Assembly Grant				
Travel Juneau - Downtown Visitor Info Centers	\$ 171,000	\$ -	\$ 171,000	\$ -
Travel Juneau - Crossing guard program	\$ 358,800	\$ -	\$ 358,800	\$ -
Tourism Best Management Practices (TBMP)	\$ 44,200	\$ -	\$ 44,200	\$ -
Downtown Business Association	\$ 90,000	\$ -	\$ 90,000	\$ -
AJ Dock - Access Control Security	\$ 150,000	\$ -	\$ 150,000	\$ -
AJ Dock - Restroom Maintenance	\$ 30,000	\$ -	\$ 30,000	\$ -
Franklin Dock - Access Control Security	\$ 150,000	\$ -	\$ 150,000	\$ -
Franklin Dock - Restroom Maintenance	\$ 30,000	\$ -	\$ 30,000	\$ -
Mobile Data Purchase (Partner TBD)	\$ 100,000	\$ -	\$ 100,000	\$ -
University of Alaska - Whale HEALTH Study	\$ 160,000	\$ -	\$ 160,000	\$ -
NOAA - Statter Harbor Signage	\$ 25,000	\$ -	\$ 25,000	\$ -
Revolving Loan Program	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -
Total 3rd Party Services	\$ 2,219,000	\$ -	\$ 2,219,000	\$ -
Capital Investments				
Shore Power	\$ 5,000,000	\$ -	\$ 5,000,000	\$ 5,379,500
Overstreet Park and Canoe Statue Lighting	\$ 550,000	\$ -	\$ 550,000	\$ -
Downtown Bearproof Garbage Cans	\$ 100,000	\$ -	\$ 100,000	\$ -
Marine Park Improvements	\$ 2,000,000	\$ -	\$ 2,000,000	\$ 1,695,700
Triangle Project (Claw Back)	\$ 2,500,000	\$ -	\$ 2,500,000	\$ -
South Franklin Seawalk Connection Improvements	\$ 200,000	\$ -	\$ 200,000	\$ -
Public Wi-Fi	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -
Archipelago Museum	\$ 500,000	\$ -	\$ 500,000	\$ 500,000
Total Capital Investments	\$ 11,850,000	\$ -	\$ 11,850,000	\$ 7,575,200
Total Proposed FY24 Passenger Fee Expenditures	\$21,049,600	\$ 45,500	\$21,095,100	\$ 7,575,200

Using Passenger Fees:

Passenger fee funding for all CBJ municipal services and the related overhead is calculated by a third-party cost allocation consultant (Matrix Consulting) in compliance with applicable federal standards and industry best practices. Third-party visitor services are funded based on the settlement agreement and on discussions with CLIA as described therein.

Third-Party Visitor Services Highlights:

University of Alaska/NOAA: the blubber cortisol study will use baseline data collected during COVID to assess the effects of boat traffic on whales. NOAA has also requested funding for interpretive signage at Statter Harbor.

Revolving Loan Program: this program would establish a low interest loan for tourism operators to invest in cleaner energy equipment. Examples include low emission bus or boat engine conversions. CBJ successfully implemented a similar program in the early 2000s to convert to quieter float plane engines. This project reimagines that program to help tour operators adopt cleaner technologies. The loans would be administered by a third party like JEDC or Southeast Conference.

Capital Transit: there are two requests for bus service. One to formalize and fund what Capital Transit is currently doing and enhance service to the Valley. This request is included in the budget before the Committee. The second request is for a downtown circulator pilot project. The Assembly has directed staff not to pursue that option.

Capital Investments Highlights:

Shore Power: Staff is recommending \$5 million for shore power. This money may be used to purchase transformers for the 16B docks or may be used as a match for a grant.

Marine Park: We completed design of the Marine Park renovation this summer. This funds construction, the project and funding will be spread over two fiscal years, so the Assembly can expect to see another line item for FY26.

Overstreet Lighting: Parks & Recreation has a project planned to improve lighting along the Overstreet Park Seawalk. The artist who built the canoe sculpture put in a request to light the sculpture; this can be incorporated into the existing Parks & Recreation project.

Triangle Project: This is a passenger fee funded project that was completed using General Funds during the pandemic. The “claw back” makes the general fund whole.

South Franklin Seawalk Connection: This is a simple upgrade project for the Warner’s Wharf alleyway. Warner’s Wharf (next to Pier 49) is a key connection to the Seawalk.

Public Wi-fi: We received many complaints about the issues with internet service with cruise ships in town. Wi-fi throughout downtown is an effort to address those issues and take some of the load off our local network. There is still work to do with the providers, but this is something that CBJ can do quickly to address the problem. There is a memo in your packet from Chris Murray with further details on the project.

Waterfront Museum: Under the current plan, the museum would include public restrooms and some visitor amenities. This line item provides initial funding for the visitor services and restroom component.

Long-Term Projects:

Seawalk: Staff is working with Petro Marine, Franklin Dock Enterprises, and the A.J. Dock on securing easements and agreements for the Franklin to A.J. Seawalk. Staff will approach the Assembly with debt financing options that include this construction, filling of Seawalk “holes” and needed major maintenance once the project has progressed to the stage where we have agreements executed and reasonable cost estimates for all work. The north Seawalk connection is currently on hold pending decisions on the Subport and Coast Guard property.

Shore Power: Staff is currently working with AEL&P on design and seeking external funding through grants. We will come back to the Assembly with debt financing options if these efforts are unsuccessful.

Waterfront Museum: This project has \$500,000 attached to it, and staff is researching other funding sources to develop concepts and estimates for a facility that could include visitor services, restrooms, and port facilities as well as a museum.

Public Wi-fi: This is anticipated to be a two-year project.

Capital Transit: We will need to continue to supplement Capital Transit going forward.

Marine Park: This funds construction for Marine Park. This may be a two year project, or may require a transfer from the Seawalk CIP depending on the final construction cost estimate.

Wake Study:

At the April 6 Assembly Finance Committee Meeting, the Committee discussed adding a line item for a wake study for cruise ships in Gastineau Channel and the impacts to Thane properties. Several years ago, TBMP met with Thane residents and discussed ship speed reductions in Gastineau Channel as a proposed solution. Unfortunately, the pandemic stalled these efforts. In response to the request for a wake study, the Marine Safety Task Force (cruise and marine industry, USCG, pilots) has agreed to commit to these reduced speeds and add them to the Southeast Alaska Voluntary Waterway Guide, which provides navigational guidance throughout Southeast Alaska including speed restricted areas, anchorages, and other navigational direction. Ships will slow down as follows:

- Between Marmion Island and DuPont Dock 16 knots
- Between DuPont Dock and Sheep Creek 12 knots
- Between Sheep Creek and Juneau Harbor 7 knots

I recommend that we implement the reduced speeds for this year and re-evaluate whether they solve the problem or whether we need a study.

Capital Civic Center:

Your packet contains a request for \$4 million for the Capital Civic Center. This will require most of the available MPF fund balance. This is not currently included in the budget but can be added if the Assembly decides to fulfill this request.

Attachments:

Attachment A – FY25 Passenger Fee Funding Breakdown

Attachment B – Combined Passenger Fee Requests Table

Attachment C – Consolidated FY25 Passenger Fee Requests

Attachment D – Memorandum of Agreement (Amendment 1) – settlement agreement between CBJ and cruise lines

Attachment E – Maritime Industry Zones map

Attachment F – Consolidated Passenger Fee Budget Comments

Attachment G – Memo Regarding Public Wi-Fi

Attachment H – Correspondence between CLIA and CBJ Regarding the MPF Budget

Attachment I – Email from Lalanya Downs Confirming Reduced Ship Speeds

Combined Passenger Fee Requests				
		Requested	Funded	Notes
CBJ Tourism	Annual Survey	\$50,000	x	
	Marine Park Construction	\$3,600,000	x	
	Pubic Wi-Fi	\$1,000,000	x	
	Warner's Wharf	\$200,000	x	
	Archipelago Museum	\$500,000	x	
	Revolving Loan Program	\$1,000,000	x	
	Triangle Project (claw back)	\$1,000,000	x	
	Seawalk	\$1,000,000		
CBJ Engineering and Public Works	Capital Transit Valley Service	\$1,000,000	x	
	Downtown Circulator	\$672,000		Held in fund balance
	New Wellhead for Pump	\$1,000,000		
	Wastewater Improvements	\$5,000,000		
CBJ Docks & Harbors	Statter Harbor Phase IIID	\$2,500,000		
	Areawide Port Operations	\$275,000	x	
	Customs & Visitor Center Maintenance	\$142,000	x	
	Dock Safety Rail	\$1,500,000		
	Dock Electrification	\$5,000,000	x	
	Security	\$300,000	x	
	Purchase Archipelago property	\$10,000,000		
	Lone sailor statue	\$1,000,000		
	USS Juneau Memorial	\$3,000,000		
	Rebuild emergency vessel float	\$650,000		
DBA	Downtown Ambassador Program	\$90,000	x	Financial breakdown requested
Franklin Dock	Security	\$130,000	x	
	Restrooms	\$30,000	x	
JEDC	Purchase mobile data	\$100,000	x	Must share with CBJ and other orgs
	Seasonal workforce housing construction	\$23,200,000		
NOAA	Blubber Cortisol Study	\$160,000	x	
	Statter Harbor Signage	\$25,000	x	
Travel Juneau	Visitor Information program	\$171,000	x	
TBMP	Crossing guard program	\$358,825	x	
	TBMP Budget	\$44,150	x	
Douglas Mertz	Dock Electrification		x	
	Maintenance of Park and Seawalk by Whale			
Bruce Denton	Replace Staging Area Tent			
	Downtown Circulator	\$1,200,000		
Catherine Don	Incinerator			
ILWU	Electric Shuttles	\$35,094		
	Food vendor/artist stalls on docks	\$11,036		
Emily Kane	Exercise Equipment on Seawalk			
Katy Ritter				
	Incinerator			
Margo Waring	Dock Electrification		x	
	Park Maintenance			
Laurie Craig	Replace Bear Proof Garbage Cans	\$100,000	x	supported by P&R
LeCreatia Wilson	Lawyer Study to Amend MPF Usage			
	Purchase AJ & Franklin Docks			
	Buy Local Shops to Diversify			
	Purchase AEL&P Building Downtown			
Michael Riederer	Emissions Testing for Buses			
Nathan Teal	Eaglecrest Road Repairs			

Combined Passenger Fee Requests				
Victoria Potter	Childcare			
Nancy Watterman	Dock Electrification			
Renewable Juneau	Dock Electrification	\$10,000,000		
Michael Clemens	Tourism Cost Benefit Study			
Robert Mills	Lighting on Canoe Sculpture	TBC	x	
Thane Neighborhood Assn.	Cruise Ship Wake Study	TBC		
Capital Civic Center Partnership	Capital Civic Center	\$4,000,000		Not currently included in budget

City and Borough of Juneau
Passenger Fees from All Sources
 (\$000 Thousands)
 May 2, 2024

	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
MPF										
Revenue	\$ 5,067	\$ 5,407	\$ 5,991	\$ 4,000	\$ 9	\$ 2,641	\$ 6,988	\$ 8,250	\$ 8,250	\$ 8,250
Unspent MPF returned to Fund	\$ 251	\$ 30	\$ 2,410	\$ -	\$ -	\$ 107	\$ -	\$ -	\$ -	\$ -
Operating Expenditures	\$ (3,953)	\$ (3,337)	\$ (3,189)	\$ (5,424)	\$ (2,408)	\$ (2,963)	\$ (4,638)	\$ (5,053)	\$ (7,239)	\$ (5,958)
Capital Expenditures	\$ (1,303)	\$ (1,869)	\$ (5,385)	\$ (677)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Surplus/Deficit	\$ 62	\$ 231	\$ (173)	\$ (2,101)	\$ (2,399)	\$ (215)	\$ 2,350	\$ 3,197	\$ 1,011	\$ 2,292
Fund Balance	\$ 536	\$ 767	\$ 594	\$ (1,507)	\$ (3,906)	\$ (4,122)	\$ (1,771)	\$ 1,425	\$ 2,437	\$ 4,728
SMPF										
Revenue	\$ 4,600	\$ 4,600	\$ 5,271	\$ 5,971	\$ 2,446	\$ 572	\$ 5,680	\$ 8,250	\$ 8,250	\$ 8,250
Operating Expenditures	\$ -	\$ -	\$ -	\$ -	\$ (351)	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ (2,095)	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Expenditures	\$ (4,600)	\$ (4,600)	\$ (5,000)	\$ (4,500)	\$ -	\$ -	\$ (4,095)	\$ (11,000)	\$ (9,350)	\$ -
Surplus/Deficit	\$ -	\$ -	\$ 271	\$ 1,471	\$ -	\$ 572	\$ 1,585	\$ (2,750)	\$ (1,100)	\$ 8,250
Fund Balance	\$ 295	\$ 295	\$ 566	\$ 2,037	\$ 2,037	\$ 2,609	\$ 4,194	\$ 1,444	\$ 344	\$ 8,594
PDF										
Revenue	\$ 3,015	\$ 3,217	\$ 3,568	\$ 2,367	\$ -	\$ 1,557	\$ 4,171	\$ 4,950	\$ 4,950	\$ 4,950
Operating Expenditures	\$ (6)	\$ (6)	\$ (6)	\$ (363)	\$ (8)	\$ (8)	\$ (8)	\$ (20)	\$ (20)	\$ (20)
Debt Service	\$ (2,093)	\$ (2,095)	\$ (2,097)	\$ (2,095)	\$ -	\$ (1,883)	\$ (2,028)	\$ (2,026)	\$ (2,027)	\$ (2,027)
Capital Expenditures	\$ -	\$ -	\$ (3,700)	\$ -	\$ -	\$ -	\$ -	\$ (4,045)	\$ (2,500)	\$ -
Surplus/Deficit	\$ 916	\$ 1,116	\$ (2,235)	\$ (91)	\$ (8)	\$ (334)	\$ 2,134	\$ (1,142)	\$ 403	\$ 2,903
Fund Balance	\$ 1,732	\$ 2,848	\$ 613	\$ 522	\$ 514	\$ 180	\$ 2,314	\$ 1,173	\$ 1,576	\$ 4,479
TOTAL PASSENGER FEES										
Revenue	\$ 12,682	\$ 13,224	\$ 14,830	\$ 12,338	\$ 2,455	\$ 4,770	\$ 16,839	\$ 21,450	\$ 21,450	\$ 21,450
Unspent MPF returned to Fund	\$ 251	\$ 30	\$ 2,410	\$ -	\$ -	\$ 107	\$ -	\$ -	\$ -	\$ -
Operating Expenditures	\$ (3,959)	\$ (3,343)	\$ (3,195)	\$ (5,787)	\$ (2,767)	\$ (2,971)	\$ (4,646)	\$ (5,074)	\$ (7,259)	\$ (5,978)
Debt Service	\$ (2,093)	\$ (2,095)	\$ (2,097)	\$ (2,095)	\$ (2,095)	\$ (1,883)	\$ (2,028)	\$ (2,026)	\$ (2,027)	\$ (2,027)
Capital Expenditures	\$ (5,903)	\$ (6,469)	\$ (14,085)	\$ (5,177)	\$ -	\$ -	\$ (4,095)	\$ (15,045)	\$ (11,850)	\$ -
Surplus/Deficit	\$ 978	\$ 1,347	\$ (2,137)	\$ (721)	\$ (2,407)	\$ 23	\$ 6,070	\$ (695)	\$ 314	\$ 13,445
Fund Balance	\$ 2,563	\$ 3,910	\$ 1,773	\$ 1,052	\$ (1,355)	\$ (1,333)	\$ 4,738	\$ 4,043	\$ 4,357	\$ 17,802

Adrien Wendel

From: Lalanya Downs <l downs@cruising.org>
Sent: Wednesday, May 1, 2024 5:25 PM
To: Alexandra Pierce
Cc: Renee Limoge Reeve
Subject: Gastineau Channel Speed Limitations

EXTERNAL E-MAIL: BE CAUTIOUS WHEN OPENING FILES OR FOLLOWING LINKS

Hi Alix,

As we discussed, the CLIA AK Ops & Tech group reviewed the request for slowdowns in Gastineau Channel. As you know, there are many considerations which impact Alaska itineraries including whale slowdowns, dock availability and carbon emissions. That all has been taken into consideration and evaluated thoroughly. Though speed reductions will have impacts, this was discussed in 2020 and again on April 24th at the Marine Safety Task Force meeting.

The following voluntary speed limitations have been agreed upon by the Task Force and CLIA member cruise lines, beginning this season but please note that this will need several weeks to implement and filter out to the cruise lines and operations teams. Also note that for safety and certain other circumstances, speeds may be adjusted as necessary.

- i) Between Marmion Island and DuPont Dock 16 knots
- ii) Between DuPont Dock and Sheep Creek 12 knots
- iii) Between Sheep Creek and Juneau Harbor 7 knots

Please let me know if you have any questions.

Lanie

Lalanya (Lanie) Downs

Senior Director, Community Relations & Public Affairs
Cruise Lines International Association Alaska
360 K Street, Suite 300 | Anchorage, AK 99501

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Juneau School District
FY25 Request for Funding
Subject to CBJ Assembly approval

	FY23 Revised Budget	FY24 Approved Budget	FY25 Proposed Budget	Variance +/-
Presented to CBJ Assembly - 4.1.24				
K-12 Instructional Programs				
100 General School Operating Fund	\$ 28,491,200	\$ 30,775,800	\$ 34,432,039	\$ 3,656,239
<i>Maximum Allowable Local Contribution</i>				
Requests Non-Instructional				
Shared Services				
TBD Shared Services Operations & Maintenance	\$ -	\$ 3,922,787	\$ 1,650,405	\$ (2,272,382)
<i>* CBJ Approved on 3/4/2024 Non-Instructional O&M</i>				
K-12 Non-Instructional Programs				
101 High School Activities	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ -
102 Middle School Activities	\$ 105,000	\$ 105,000	\$ 90,000	\$ (15,000)
205 Transportation	\$ 150,000	\$ 150,000	\$ 200,000	\$ 50,000
255 Food Service	\$ 75,000	\$ 75,000	\$ 75,000	\$ -
<i>Total K-12 Non-Instructional Programs</i>				
	\$ 1,530,000	\$ 1,530,000	\$ 1,565,000	\$ 35,000
Other Programs				
TBD Pre-K			\$ 250,000	\$ 250,000
227 Kinder-Ready	\$ 450,000	\$ 450,000	\$ -	\$ (450,000)
215 Community Schools	\$ 95,000	\$ 95,000	\$ 150,000	\$ 55,000
103 Learn to Swim	\$ 50,000	\$ 50,000	\$ 75,000	\$ 25,000
399 RALLY	\$ 150,000	\$ 150,000	\$ -	\$ (150,000)
<i>Total Other Programs</i>				
	\$ 745,000	\$ 745,000	\$ 475,000	\$ (270,000)
Total Non-Instructional				
	\$ 2,275,000	\$ 6,197,787	\$ 3,690,405	\$ (2,507,382)
Total Requests				
	\$ 30,766,200	\$ 36,973,587	\$ 38,122,444	\$ 1,148,857

Presented by: The Manager
 Introduced: April 1, 2024
 Drafted by: Finance

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2024-02

**An Ordinance Appropriating Funds from the Treasury
 for FY25 School District Operations**

Section 1. Classification. This ordinance is a non-code ordinance.

Section 2. Estimated Funding Sources. The following amounts are the estimated funding sources for the City and Borough of Juneau School District, for the fiscal year beginning July 1, 2024, and ending June 30, 2025. It is anticipated that these estimated funding sources will meet the appropriations set forth in Section 3 of this ordinance.

ESTIMATED REVENUE:	
State Support	37,390,200
Federal Support	6,978,100
User Fees, Permits, and Donations	2,907,100
Student Activities Fundraising	1,650,000
Total Revenue	48,925,400
 TRANSFERS IN:	
General Governmental Fund School District Support:	
Operations	34,432,000
Special Revenue	3,690,400
Total Transfers In	38,122,400
Less: Fund Balance Increase	1,650,400
Total Estimated Funding Sources	\$ 85,397,400

Section 3. Appropriation. The following amounts are hereby appropriated for the fiscal year beginning July 1, 2024, and ending June 30, 2025.

APPROPRIATION:	
General Operations	67,827,400
Special Revenue	17,570,000
Total Appropriations	\$ 85,397,400

Section 4. Effective Date. This ordinance shall be effective immediately upon adoption.

Adopted this __ day of _____, 2024.

Beth A. Weldon, Mayor

Attest:

Elizabeth J. McEwen, Municipal Clerk

AFC's Pending List - FY25 Proposed Budget Process
As of May 3, 2024

Section D, Item 7.

Note: Material Page Number References are from Online Meeting Packets

#	Expenditure Description	Proposed in Manager's Budget	Request	GF Request Over FY24 (Recurring)	GF Request Over Manager's	Approved Amount	Mill Rate Equivalent (Recurring)	Status	Decision Date	One-Time or Recurring	Materials			Budget Book
											Meeting Date & Packet Page	Meeting Date & Packet Page	Meeting Date & Packet Page	
CBJ Internal Funding Requests														
1	Juneau School District Non-Instructional Funding ("outside the cap")	2,040,000	2,040,000	(235,000)	-		-			Recurring	4/6/2024 Packet Page 255			Pages 101-103
2	Juneau School District Additional Shared Costs	-	2,272,382	2,272,382	2,272,382		n/a			One-Time	2/7/2024 Packet Pages 143-149	4/6/2024 Packet Pages 237-257		Pages 101-103
3	Eaglecrest FY25 Base Budget + 6% Pay Scale Increase	-	518,800	-	GF Loan	518,800	n/a			One-Time	4/6/2024 Packet Pages 288-303	5/1/2024 Packet Pages 67-72		Pages 97-100
4	Eaglecrest Independent Analysis of Revenue Projections	-	50,000	-	50,000		n/a			One-Time	5/1/2024 Packet Pages 67-72			Pages 97-100
External Funding Requests														
5	(Smith) AEYC Land Purchase for Family Center	-	4,000,000	-	4,000,000		n/a			One-Time	4/17/2024 Packet Pages 26-37			Page 84
6	(Bryson/Hale) Juneau Community Foundation Build Housing for Homeless/Low Income Populations (One-Time)	-	2,000,000	-	2,000,000		n/a			One-Time	4/17/2024 Packet Pages 54-55			Page 84
7	(Bryson/Hale) Juneau Community Foundation Build Housing for Homeless/Low Income Populations (Recurring)	-	100,000	100,000	100,000		0.02			Recurring	4/17/2024 Packet Pages 54-55			Page 84
8	(Bryson/Kelly) Sealaska Heritage Institute STEAM FabLab	-	500,000	-	500,000		n/a			One-Time	4/17/2024 Packet Pages 65-66			Page 84
9	(Adkison) Juneau Arts & Humanities Council Operational Support and Regranting Programs	202,000	420,000	218,000	218,000		0.03			Recurring	4/17/2024 Packet Pages 45-53			Page 84
10	(Woll) Alaska Heat Smart 3-Yr Operational Support (total \$668,799 or \$222,933 per year for three years)	-	668,799	-	668,799		n/a			One-Time	4/17/2024 Packet Pages 4-9			Page 84
11	(Adkison) AEYC 3-Yr Operational Support for Parents as Teachers Program (total \$500,000 or \$166,600 per year for three years)	-	500,000	-	500,000		n/a			One-Time	4/17/2024 Packet Pages 38-40			Page 84
12	(Bryson/Adkison/Smith) Juneau Economic Development Council Choose Juneau Research Project	-	115,000	115,000	115,000		n/a			One-Time	4/17/2024 Packet Pages 56-58			Page 84

AFC's Pending List - FY25 Proposed Budget Process
As of May 3, 2024

Section D, Item 7.

Note: Material Page Number References are from Online Meeting Packets

#	Expenditure Description	Proposed in Manager's Budget	Request	GF Request Over FY24 (Recurring)	GF Request Over Manager's	Approved Amount	Mill Rate Equivalent (Recurring)	Status	Decision Date	One-Time or Recurring	Materials			Budget Book
											Meeting Date & Packet Page	Meeting Date & Packet Page	Meeting Date & Packet Page	
13	(Smith) Travel Juneau Visitor Count Research	-	110,000	-	110,000		n/a			One-Time	4/17/2024 Packet Pages 70-71			Page 84
14	(Kelly/Hale) Juneau Economic Development Council "Scenario Thinking" - Strategic Long-Term Planning Tool	-	80,000	-	80,000		n/a			One-Time	4/17/2024 Packet Pages 59-61			Page 84
15	(Bryson) Downtown Business Association Operational Support and Main Street America Accreditation	-	75,000	35,000	75,000		0.01			Recurring	4/17/2024 Packet Pages 41-43			Page 84
16	(Smith) Juneau Mountain Bike Alliance Thunder Mountain Bike Park Ph. II	-	40,000	-	40,000		n/a			One-Time	4/17/2024 Packet Pages 62-64			Page 84
17	(Bryson) Alaska Small Business Development Center Operational Support	-	28,500	-	28,500		0.00			Recurring	4/17/2024 Packet Pages 10-25			Page 84
			Total Requests		10,757,681		518,800							0.06

Assembly Approved FY2025 Actions		
AHF - One-Time	-	n/a
GF - One-Time	-	n/a
GF - Recurring	-	-
GF - Loan	518,800	n/a
Total	518,800	-

General Fund

	Unrestricted Balance	Restricted Balance	TOTAL
FY2023 Ending Balance	41,144,762	16,030,000	57,174,762
FY2024 Adopted Budget Ending Balance	22,257,367	19,030,000	41,287,367
FY24 Projected Revenue	184,537,622		
FY24 Projected Expenditures	(203,425,017)		
FY24 JEDC COVID Loan Repayment		230,000	
FY24 JSD One-time Loan		(4,100,000)	
FY24 JSD One-time Funding	(3,922,787)		
Affordable Housing Fund	(1,600,000)		
Suicide Basin Monitoring	(28,000)		
Childcare (Deappropriation)	950,000		
Investment Income Above Estimates	2,000,000		
Property Tax Deferral from FY23	977,422		
Community Assistance Program Award Above Estimates	412,594		
Transit State Grant Increase	394,600		
Property Tax Certified Roll True-Up/Flood Impacts	(409,145)		
Sales Tax Revenue Below Estimates	(600,000)		
Anticipated Non-Personnel Services Lapse	1,000,000		
Anticipated Personnel Services Lapse	4,000,000		
Change in Fund Balance	(15,712,711)	(3,870,000)	(19,582,711)
FY24 Projected Ending Balance	25,432,051	15,160,000	40,592,051
FY25 One Time Revenue	2,636,000		
Public Safety Communication Infrastructure	(6,000,000)		
Title 49 Re-Write	(3,000,000)		
FY25 JSD One-Time Funding	(1,650,405)		
Department One-Time Costs	(632,300)		
One-Time Contribution to Parks & Playground CIP	(136,000)		
JSD Facilities Maintenance	(120,000)		
Juneau Festival Committee Equipment Replacement	(14,000)		
FY25 Anticipated Savings	(977,195)		
Change in Fund Balance	(9,893,900)	-	(9,893,900)
FY25 Projected Ending Balance	15,538,151	15,160,000	30,698,151
FY24 Ordinance - North Douglas Crossing Grant Match	(1,213,423)		
FY24 Ordinance - Gastineau Human Services Grant (pending)	(2,000,000)		
Eaglecrest Loan (reduces fund balance until repayment)	(518,800)		
UPDATED FY25 Projected Ending Balance	11,805,928	15,160,000	26,965,928

Updated as of May 3, 2024

Other Fund Balances Available for Appropriation

Minimum fund balances should be maintained in each fund to hedge against revenue forecast volatility; no fund's fund balance should be reduced to \$0.

Unrestricted Funding Sources

Hotel-Bed Tax Fund	145,800
Affordable Housing Fund	2,368,300
Tobacco Excise Tax Fund	436,400
Total Other Unrestricted Fund Balances	2,950,500

Restricted per CLIA Settlement Agreement

Marine Passenger Fee Fund	2,437,000	<i>updated post printing of budget book</i>
Port Development Fee Fund	1,920,800	
Total Other Restricted Fund Balances	4,357,800	

Updated as of May 3, 2024

City and Borough of Juneau
Assembly Finance Committee (AFC)

FY25/26 Proposed Budget Calendar and Key Dates – as of April 26, 2024

April 1st – 7:00 pm – Regular Assembly (Intro)

- A. Mill Levy Ordinance 2024-03
- B. CIP Resolution 3052
- C. CBJ Budget Ordinance 2024-01
- D. School District Budget Ordinance 2024-02

April 3rd – 5:30 pm – AFC Meeting

- A. SKIP

April 6th – 8:30 am – AFC Meeting #1 (~6-8 hrs)

- A. Budget Summary & Overview
- B. Capital Improvement Plan
- C. Passenger Fee Plan
- D. Bartlett Regional Hospital
- E. Juneau School District
- F. Docks & Harbors
- G. Juneau International Airport
- H. Eaglecrest

April 10th – 5:30 pm – AFC Meeting #2

- A. SKIP

April 17th – 5:30 pm – AFC Meeting #3

- A. Assembly Grants & Community Requests
 - a. Assembly Information Needs

April 24th – 5:30 pm – AFC Meeting #4

- A. SKIP

April 29th – 7:00 pm – Regular Assembly (Hearing)

- A. Mill Levy Ordinance 2024-03
- B. CIP Resolution 3052
- C. CBJ Budget Ordinance 2024-01
- D. School District Budget Ordinance 2024-02
- E. Motion to Establish Local Funding for School District Operations

May 1st – 5:30 pm – AFC Meeting #5*

- A. Assembly Grants & Community Requests
- B. Youth Activity Grant Funding
- C. Eaglecrest
- D. General Obligation Bond Options

May 8th – 5:30 pm – AFC Meeting #6*

- A. Manager’s Proposed Increments & Budget Amendments
- B. Capital Improvement Plan Amendments
- C. School District Budget – For Action
- D. Passenger Fee Plan – For Action
- E. Pending List – For Action

May 13th – 7:00 pm – Regular Assembly

- A. Adoption of the School District’s Budget Ordinance 2024-02

May 15th – 5:30 pm – AFC Meeting #7*

- A. TBD

May 22nd – 5:30 pm – AFC Meeting #8*

- A. Pending List – For Final Action
- B. Set Mill Rates – For Final Action
- C. Final FY25 Proposed Budget Decisions
 - a. CIP Resolution 3052
 - b. Mill Levy Ordinance 2024-03
 - c. CBJ Budget Ordinance 2024-01

June 3rd – 6:00 pm – Special Assembly (Adoption)

- A. Mill Levy Ordinance 2024-03
- B. CIP Resolution 3052
- C. CBJ Budget Ordinance 2024-01

June 5th – 5:30 pm – Regular Business AFC

- A. TBD

** These may be consolidated into fewer meetings.
May 29th likely not utilized.*

Public hearings on the budget must be completed by May 1, per Charter Section 9.6

Assembly must determine school district instructional funding and notify district within 30 days of receipt of district budget (Charter Section 13.6(b))

Assembly must appropriate school district funding by May 31 (Charter Section 13.6(b))

Assembly must adopt Operating Budget, Mill Levy, and Capital Improvement Plan by June 15th or the manager’s proposal is deemed adopted (Charter Section 9.7 & 9.8)



April 28, 2024

City & Borough of Juneau
Assembly Member Christine Woll
155 Heritage Way
Juneau, AK 99801

RE: DBA FY25 Request for Use of Marine Passenger Fees for Downtown Ambassador Program

Dear Assembly Member Woll,

We are contacting you in your capacity as the Chair of the CBJ Assembly Finance Committee about our request for marine passenger fees and the status of this request.

Since 2013, the Downtown Business Association (DBA) has managed, on behalf of the City and Borough of Juneau (CBJ), a service funded by marine passenger fees to assist visitors to downtown Juneau during the busy cruise season. This initiative is known as the Downtown Ambassador program and has evolved over the past decade from a focus on security in its early years to our current focus on ensuring an excellent visitor experience. This program, staffed by Juneau residents screened for local knowledge, friendliness, and people skills, helps visitors have a more rich and positive experience in our community. These Downtown Ambassadors add extra sets of eyes on the docks and in the downtown corridor to alert authorities on issues that might impact safety. They also serve as a conduit for feedback from visitors which can be used to improve the downtown experience and to relay notices and announcements from various entities including CBJ, Travel Juneau, TBMP, cruise representatives, and community partners.

Regarding our FY25 request for the use of marine passenger fees to fund this program, our initial application was submitted in January, additional details were provided in March, and there was no related discussion at the CBJ Finance Committee meeting on April 6. We apologize for the delay and for misconceptions about the use of funds. Specifically, the DBA map production is paid for through advertising sales to DBA members and the distribution of 60,000 maps is done through kiosks and DBA member businesses. Marine passenger fees are not used to pay for the DBA's summer map or to deliver these maps to distribution points. While we insist that Ambassadors always have maps on hand to facilitate conversation and answers to questions, they only gift them as needed to visitors. Their assigned task is to be friendly, welcoming, and helpful while answering questions and not to distribute maps.

With the Downtown Ambassador being in jeopardy of not being approved to continue into the next fiscal year, we ask that you please reconsider this program's status. Programs like this are common in cities around the world and serve to enhance the visitor experience. With the downtown core generating \$13M in annual sales tax revenue and this program's alignment with the goals of Blueprint Downtown, our belief is that this is a valuable program for Juneau and is an effective use of marine passenger fees.

Thank you in advance for your consideration.

Kindly,

Veneita Bingham

Veneita Bingham
Downtown Business Association, President

Nimmy Philips

Nimmy Philips
Downtown Business Association, Vice President

DBA FY25 Initiatives: Family Friendly Capital City

Request for CBJ Funding

V's Cellar Door, Owner

Spice Indian Cuisine, Owner

THE PARTNERSHIP

SUPPORTING JUNEAU'S
CAPITAL CIVIC CENTER

May 6, 2024

Christine Woll, Chair
Assembly Finance Committee
City and Borough of Juneau
155 Heritage Way
Juneau, Alaska 99801

Dear Chairwoman Woll:

I write this letter in support of Deputy Mayor Hale's sponsorship of funding for the Capital Civic Center from marine passenger fees.

As you know, The Partnership, Inc. has been working towards the construction of an arts and culture center to replace the aging National Guard Armory Building for more than a decade. While the configurations have changed over that period, the core elements have not. They have all included a 299 seat theater, a versatile event space, conference areas, and a community main hall as well as a café, visual arts gallery, gift shop, office spaces, conference halls and small meeting rooms.

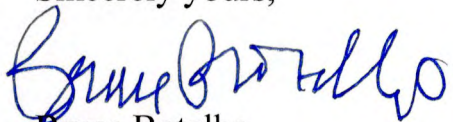
What has changed is our aspiration that the arts and culture center be an integrated part of a **Capital Civic Center** that consists of the newly renovated Centennial Hall, the arts and culture center and a fully-enclosed commons that joins the two buildings. Internally, we have treated the recently completed renovations of Centennial Hall as "Phase I", the arts and culture center as "Phase II" and the commons as "Phase III". Ideally, phases II and III would be completed simultaneously to avoid multiple mobilization and demobilization efforts with the attendant additional costs.

We have been actively, though quietly, accelerating our fund-raising efforts and expect to announce several gift and grant awards in the coming weeks. Other prospective donors are awaiting signals that the project is materially moving forward. In addition, we have retained lobbyists to work alongside Katie Kachel to secure Congressionally Designated Spending in the FY25 federal budget. We also have a pending grant application before the Economic Development Administration.

Our goal in calendar year 2025 is to complete all project design and construction documents and to break ground. We need to have between \$22 and \$24 million in hand or committed before we begin actual construction. We have a high level of confidence that funders will quickly join the project once it is actually underway.

As in the past, federal funding remains a linchpin to advancing this course of action. Appropriating the requested \$4 million of marine passenger fees will reinforce to our Congressional delegation the city's commitment to the project. It will simultaneously spur other donors to action. Further appropriations from the marine passenger fees will coincide with the on-going construction/payment schedule in 2026 and 2027.

Sincerely yours,



Bruce Botelho
Co-Chair



May 2, 2024

Katie Koester, City Manager
Alexandra Pierce, Visitor Industry Director
City and Borough of Juneau
155 Heritage Way
Juneau, Alaska 99801

Dear Ms. Koester and Ms. Pierce,

I am writing in response to your correspondence regarding the City and Borough of Juneau’s (CBJ) proposed passenger fee projects.

Cruise Lines International Association (CLIA) and our member cruise lines greatly value the relationship with have with CBJ. The collaborative and communicative relationship we enjoy stems from a tremendous amount of work done together over the last five years and it is in the best interest of all that we strive to maintain it.

It was our hope that the objections we raised would be considered and that they would be taken in the manner with which they were shared – in good faith. Unfortunately, despite the best of intentions, we reached an impasse. While CLIA maintains that the projects identified clearly fall outside the law, we understand you will be moving forward with them. Please be aware that by continuing to work with the CBJ on fee use issues in an effort to reach consensus, we do not waive our objections or remedies, either now or in the future, regarding the fee uses to which we have objected. We reserve all rights, including our continuing right to question or contest fee uses which we believe fall outside the applicable legal parameters and/or our settlement agreement with the CBJ.

CLIA and our member cruise lines believe that this recent exchange highlights the necessity for CBJ and CLIA to continue a robust, ongoing dialogue to improve the passenger fee project consideration process, for the benefit of the community, municipality and industry. Together, I believe we can adhere to the solution-based process outlined in our settlement agreement (SA) which allows all parties to feel heard and to solve disagreements amicably, even though future mediation of disputed projects may be necessary. As charted in our SA, we would like to work together with the following annual timeline:

1. Annually, the parties will meet in the first quarter of the new year to discuss in good-faith any new proposed projects and services for which fees are sought to be expended in the following Fiscal Year. At the initial meeting, and in no event later than January 15 of each year, the CBJ will submit a written proposal with sufficient detail to enable CLIA



to ascertain whether the proposed uses of passenger fees are lawful, and appropriate under the parties' SA.

2. The parties will meet in subsequent sessions, as necessary, to fully evaluate the fee use proposals and projects. No later than February 15 of each year, CLIA will provide a written response to the proposal indicating what projects and expenditures are agreeable to industry and which projects and/or expenditures are objectionable or require more detail.
3. In the event of any dispute, claim, question, or disagreement arising out of or relating to this letter, the SA, or the annual project planning meeting, the Parties hereto shall use their best efforts to settle such disputes, claims, questions or disagreements through direct discussions and, if the matter cannot be settled through direct discussions, the parties agree to first endeavor to settle the dispute in an amicable manner by non-binding mediation.

Thank you for your ongoing partnership and we look forward to continuing our good work together in keeping cruise a sustainable industry in Juneau.

Sincerely,

Renée Limoge Reeve
Vice President of Government and Community Relations
Cruise Lines International Association



April 3, 2024

Alexandra Pierce, Tourism Manager
City and Borough of Juneau
City Hall
Juneau, Alaska

Dear Alix,

Thank you for our recent discussions regarding the FY25 Marine Passenger Fee (MPF) projects the City and Borough of Juneau (CBJ) has identified. As mentioned in our conversations, Cruise Lines International Association (CLIA) appreciates the opportunity to discuss the projects and find agreement where possible.

As you are aware, because of the Tonnage Clause of the U.S. Constitution (as well as Section 5(b) of the River and Harbors Act), proper use of the funds from the CPV tax is very restricted. As outlined in Judge Holland’s ruling, “[F]ees for services that benefit a vessel (that facilitate marine operations) are constitutional, whereas those expenditures that do not benefit a vessel are unconstitutional.” *CLIA v. Juneau*, 356 F.Supp.3d 831 852 (D. Alaska 2018). *The expenditure must also have a “nexus to the marine operations of a vessel.” Id. at 852. Benefit to passengers is not enough, the benefit must be to the vessel itself. Id.* (emphasis added)

However, in the *2019 CLIA v. CBJ Settlement Agreement*, as part of a resolution of the underlying lawsuit by both sides, CLIA and CBJ did agree to some expenditures that do not strictly adhere to Judge Holland’s ruling.

“The Parties acknowledge and agree to the collection and expenditure of Fees in the Maritime Industry Zone. Parties attach hereto as Exhibit D an area map of downtown Juneau wherein CBJ provides (Zone A) or could provide (Zone B) the infrastructure for cruise vessels, the support services for such vessels while in port, and infrastructure and services that further the marine enterprise/operation of such vessels, including: dockage, lightering, ship to shore infrastructure including utilities and debt service, ship to ship infrastructure including debt service, seawalks, restrooms, signage/wayfinding, motor coach staging, passenger queuing, terminal or emergency assembly facilities, access and parking facilities for vehicles serving a vessel, and any infrastructure required or recommended by the Department of Homeland Security (i.e. 8 USCG and USCPB).”

The agreement goes on to say,

“For the purposes of this Agreement, CLIA does not object to Capital improvements within Zone A of the Maritime Industry Zone *that further the marine enterprise/operation of vessels as described above.*” (emphasis added)



Based on these legal parameters, we are sharing concerns and objections with some of the proposed expenditures as follows.

While a number of the projects CLIA is taking exception to are located within Zone A as outlined in the Settlement Agreement, they do not meet the underlying requirements referenced above. We contend the projects below do not meet the necessary criteria set forth by either the law or the Settlement Agreement and therefore do not support the following expenditures.

Project	Direct Cost	Overhead	Total
Street Cleaning/Repair	\$339,200	\$3,900	\$343,100
JEDC - Mobile Data Purchase	\$100,000	\$-	\$100,000
Overstreet Park and Canoe Statue Lighting		\$-	\$-
NOAA - Blubber Cortisol Study	\$160,000	\$-	\$160,000
Marine Park Improvements	\$2,000,000	\$-	\$2,000,000
Capital Transit	\$1,000,000	\$-	\$1,000,000
Public Wi-Fi	\$1,000,000	\$-	\$1,000,000
Archipelago Museum	\$500,000	\$-	\$500,000
Revolving Loan Program	\$1,000,000	\$-	\$1,000,000

We understand it is difficult to reject projects the community has requested or that may have been funded previously with MPF. While industry is often criticized for questioning or opposing projects, we are not doing so to be adversarial – in fact, from a public relations perspective, agreeing to all proposals would be far easier. CBJ is unique with its Settlement Agreement, but we recognize the importance of restating the parameters of the law and will be having these conversations with all port communities that receive MPF.

It is also noteworthy that while the proposed list includes a number of projects that do not conform to the legal requirements of MPF, project requests in service of the vessels for infrastructure at privately owned docks were not included in list before the Assembly. There appears to be a reluctance to provide MPF to private docks. However, passengers arriving at those facilities who have been assessed a fee have the expectation, rightfully so, that the fees they pay are being used for the docks that service the vessels on which those passengers arrive. The law is clear that fees may only be assessed on arriving vessels for services rendered to those vessels. The law does not permit the assessment of fees on vessels or passengers for use at other docks or facilities.

Thank you again for the collaborative relationship CLIA continues to have with the CBJ. We look forward to working together to reenergize the process outlined in the Settlement Agreement for the expenditure of MPF. Working together, we believe we can return to a productive



process that serves the community and industry, while adhering to the legal requirements of the fees.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ree", with a long, sweeping underline that extends to the right.

Renée Limoge Reeve
Vice President of Government and Community Relations
Cruise Lines International Association



April 5, 2024

Renee Limoge Reeve
Vice President of Government and Community Relations
Cruise Lines International Association
360 K Street, Suite 300
Anchorage, AK 99501

Dear Renee,

I received your letter citing CLIA's concerns about CBJ's proposed passenger fee expenditures and outlining the Commerce Clause and selected sections of the March 2019 Memorandum of Agreement between CBJ and CLIA (hereafter referred to as the settlement agreement). We do not dispute the language of either document. However, the settlement agreement states that we as the Parties should meet annually to, *"discuss in good-faith any new proposed projects and services for which Fees are sought to be expended in the following Fiscal Year with the ultimate decision resting with the Assembly"*.

As noted in my February 1 memo to the Assembly Finance Committee, this meeting took place on January 8. At that time, you were agreeable to the proposed budget, which we in fact discussed twice. While some of the personnel involved in the meeting have changed, CBJ does not view this process as different from previous years. As a result, I was disappointed to receive your letter, which suggests that CBJ willfully ignored the terms of the settlement agreement. In fact, we noted industry support for our proposed budget to the Assembly on February 7.

Regarding the discussion on private docks, you will see that CBJ staff has proposed to fund restroom maintenance and security personnel at both private docks. Additionally, as you know, we are currently working with the private dock owners on an agreement that would provide equal allocations to CBJ Docks & Harbors and the private dock owners. We have chosen to build on the success of our negotiated agreements with CLIA and its member lines by bringing the parties together to achieve a cohesive and well-functioning port, with the understanding that the private docks and our Docks & Harbors enterprise should be funded similarly. This, of course, will require CBJ to significantly raise its dockage fees to be competitive with the private docks. I will not expect to see a letter of opposition from CLIA regarding these rate increases.

You close your letter by mentioning our history of collaboration and of working to achieve shared goals and objectives. We are grateful and fortunate for this positive relationship, which has allowed us to achieve world-leading agreements around port behavior and ship limits. We are currently collaborating on a further agreement that will help ensure that Juneau remains a world-class destination and place to live. I will add that this relationship was born out of the negotiating process around the settlement agreement. As with any positive, collaborative relationship, ours continues to evolve. I agree that we need to reform our process for future years, and I commit to working with you on a passenger fee review process that is agreeable to both CLIA's member lines and the CBJ Assembly. However, I take exception to the suggestion that any of the items in our proposed budget is out of line with the

settlement agreement because we met, reviewed, and discussed each item. The agreement notes that the final decision rests with the CBJ Assembly.

While I knew CLIA's letter was coming, I was never informed of what line items CLIA opposed and why. The CBJ budget happens on a tight timeline and out of respect for our decision makers, we would appreciate feedback early in the process, which is why we solicited that feedback in January.

I look forward to working with you on an improved Marine Passenger Fee budget process for FY2026, and I am confident we can find a solution that respects CBJ's budget timeline, educates the community on the restrictions applied to these funds, and provides CLIA with a clear and timely process for review.

Sincerely,



Alexandra Pierce
Tourism Manager
City and Borough of Juneau



City and Borough of Juneau
City & Borough Manager's Office
155 Heritage Way
Juneau, Alaska 99801
Telephone: 586-5240 | Facsimile: 586-5385

Renee Limoge Reeve
Vice President of Government and Community Relations
Cruise Lines International Association
360 K Street, Suite 300
Anchorage, AK 99501

Ms. Limoge Reeve,

I am writing to express my disappointment at CLIA's objection to multiple passenger fee projects in your April 3, 2024 letter. The correspondence is late, inaccurate about funding for private docks, ignores the fact the CBJ communicated early and often with CLIA on these projects, and arbitrarily attacks long standing CBJ programs that are of great benefit to visitors. Ms. Pierce's letter goes into detail on how CBJ followed the process as established in the settlement agreement.

I don't think your member lines appreciate what a difficult situation this objection puts CBJ Administration in as we work with the public and the Assembly to give us time and trust in industry to negotiate fair and reasonable passenger limits instead of implementing unilateral policy changes without care for how it impacts your member lines. CBJ has worked hard to maintain a collaborative relationship with industry, often at the criticism of the public. I particularly want to call attention to the fact that due to the influx of visitors wanting to ride Capital Transit to a stop 1.5 miles from the Mendenhall Glacier last year, our bus drivers routinely had to leave local residents behind because the busses were too full of tourists. Is CLIA really objecting to adding drivers to those routes and advocating for Capital Transit continuing to leave people trying to get to work, people in wheelchairs, the elderly and mothers with toddlers at bus stops?

While I am familiar with the language of the Tonnage Clause, I also understand that CBJ does not need CLIA's permission on what to spend passenger fees on. However, in the past we have had constructive, collaborative and timely communication. I am hopeful that will be the case in the future.

Sincerely,

Katie Koester

**FY25 Assembly Sponsored Community Requests
Additional Information Requests from AFC 4/17/24
Community Organization Responses**

Alaska Small Business Development Center (AKSBDC) - Bryson

- **Can AKSBDC fill out the standard Community Funding Request Form? (Assemblymember Smith)**

- Do other small business development centers across Alaska have similar funding agreements with local governments? (Assemblymember Woll)

Yes, there are similar funding arrangements in other Alaskan communities. For instance, Seward City and Seward Chamber each provide \$25,000 to offset costs to support a full-time business advisor. Homer City provides \$10,000 to offset cost for a part-time business advisor. Kenai Borough provides \$135,000 to offset costs to maintain an office with a full-time business advisor. Mat-Su Borough has previously provided funding to offset costs for a full-time business advisor. The main award for the Alaska Small Business Development Center from the Small Business Administration funds at most one-half of 75% of the staff salaries. No other costs beyond salaries and Indirect Costs are charged to this award. The state of Alaska provides match funds to cover a portion of the 1 to 1 required match. The remaining match funding for the primary award is supported through the UAA Business Enterprise Institute indirect cost recovery from sponsored projects and a portion of the state funding that the AK SBDC receives for operating costs. While the business support needs of Alaska continue to grow, the primary funding that supports the AK SBDC remains flat both at the federal and at the state level. Securing partnerships to offset costs is key to maintaining an effective small business development center to support the needs of Alaskan business.

- Other information provided by Alaska Small Business Development Center:

Just as background. When I started in 2010 we were receiving 55k to support the running of the center. Due to city budgets we were cut to \$28,500 right before Sandford. He was working to get us back to the 55k level, but we have been at this amount for over a decade now.

We deliver a quarterly report to mayor each quarter highlighting all metrics. The city noted that we only need to send an annual report but the mayor requested I still send quarterlies to keep her abreast.

We previously were given a 6 year “pass” of sorts where we were not required to do funding requests each year, this is the first in quite some time. If what that means is it would help for me to come to the assembly and mayor to review all our efforts I’d be happy to if it helps.