



# ASSEMBLY FINANCE COMMITTEE AGENDA

May 17, 2023 at 5:15 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 10, 2023 (Red Folder)

**D. AGENDA TOPICS**

2. Revenue Taxation Update

a. Sales Tax Forecast (Red Folder)

b. Update on Assessment Appeals, Property Valuation Increase Metrics (Red Folder)

3. Updated Budget Summary

4. Capital Improvement Plan & 1% Sales Tax Allocation Amendments

a. Update on Construction Cost Escalation

b. Passenger Fee CIP Amendments

c. New City Hall

d. Assembly Amendments (none received)

5. Passenger Fee Proposal

6. Final FY24 Revised Budget Decisions

a. CIP Resolution 3016

b. Mill Levy Ordinance 2023-16 (set mill rate)

c. CBJ Budget Ordinance 2023-14

**E. SUPPLEMENTAL ITEMS**

7. May 10, 2023 Meeting Minutes

8. Updated Sales Tax Forecast and Memo

9. Update on 2023 Residential Property Assessments and Appeals - Memo

**F. NEXT MEETING DATE**

10. June 7, 2023

**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.org](mailto:city.clerk@juneau.org).

FY22-FY24 Budget Summary and Impact on Fund Balances  
5/12/2023

Section D, Item 3.

|  | Revenues       | Expenditures     | Surplus (Deficit) | Unrestricted Fund Balance | Combin<br>Balance | Restricted Reserve | Total         |
|--|----------------|------------------|-------------------|---------------------------|-------------------|--------------------|---------------|
| <b>FY2022</b>  |                |                  |                   |                           |                   |                    |               |
| <b>Manager Proposed Budget</b>                                       | \$ 158,632,100 | \$ (166,440,700) | \$ (7,808,600)    | \$ 20,771,800             | \$ 14,600,000     | \$                 | \$ 35,371,800 |
| <b>Assembly Adopted Budget</b>                                       | \$ 162,239,300 | \$ (167,608,800) | \$ (5,369,500)    | \$ 23,210,900             | \$ 14,600,000     | \$                 | \$ 37,810,900 |
| <b>Final Year-End</b>  | \$ 182,016,259 | \$ (200,553,759) | \$ (18,537,500)   | \$ 10,042,900             | \$ 15,600,000     | \$                 | \$ 25,642,900 |
| <b>FY2023</b>  |                |                  |                   |                           |                   |                    |               |
| <b>Manager Proposed Budget</b>                                       | \$ 166,599,600 | \$ (170,042,200) | \$ (3,442,600)    | \$ 6,600,300              | \$ 15,600,000     | \$                 | \$ 22,200,300 |
| Fire - Expanded MIH Program (partially grant funded)                 | \$ 43,500      | \$ (540,700)     |                   |                           |                   |                    |               |
| Increase Sales Tax Support to CIPs (Amendments)                      |                | \$ (375,000)     |                   |                           |                   |                    |               |
| Increase to JCF Social Service Block Grant                           |                | \$ (264,600)     |                   |                           |                   |                    |               |
| School District Outside the Cap                                      |                | \$ (157,700)     |                   |                           |                   |                    |               |
| Alaska Heat Smart Operations Grant                                   |                | \$ (142,000)     |                   |                           |                   |                    |               |
| AEYC - Parents as Teachers (conditioned)                             |                | \$ (141,000)     |                   |                           |                   |                    |               |
| Clerk's Office Increments (1.5 FTE) - Technical Adj.                 |                | \$ (116,700)     |                   |                           |                   |                    |               |
| Shéiyi Xaat Hít Youth Development Leader FTEs                        |                | \$ (102,200)     |                   |                           |                   |                    |               |
| AEYC - Operations  |                | \$ (102,000)     |                   |                           |                   |                    |               |
| Increased GF Support to Eaglecrest                                   |                | \$ (55,000)      |                   |                           |                   |                    |               |
| Warming Shelter Contract Increase                                    |                | \$ (30,000)      |                   |                           |                   |                    |               |
| Juneau Festival Committee Increase                                   |                | \$ (6,200)       |                   |                           |                   |                    |               |
| Juneau Human Right Commission - Community Engagement                 |                | \$ (5,000)       |                   |                           |                   |                    |               |
| <b>Total Assembly Adopted Changes</b>                                | \$ 43,500      | \$ (2,038,100)   | \$ (1,994,600)    |                           |                   |                    |               |
| Revenue Forecast Changes   | \$ (575,800)   | \$ -             | \$ (575,800)      |                           |                   |                    |               |
| <b>Assembly Adopted Budget</b>                                       | \$ 166,067,300 | \$ (172,080,300) | \$ (6,013,000)    | \$ 4,029,900              | \$ 15,600,000     | \$                 | \$ 19,629,900 |
| Wage and Health Benefit Costs  |                | \$ (3,093,600)   |                   |                           |                   |                    |               |
| JSD Additional FY23 Funding Request                                  |                | \$ (2,320,737)   |                   |                           |                   |                    |               |
| Capital Civic Center   |                | \$ (2,500,000)   |                   |                           |                   |                    |               |
| River Road Junk Vehicle Cleanup                                      |                | \$ (250,000)     |                   |                           |                   |                    |               |
| Telephone Hill Redevelopment   |                | \$ (100,000)     |                   |                           |                   |                    |               |
| Removing Sales Tax on Food Juneau Voter Survey                       |                | \$ (40,000)      |                   |                           |                   |                    |               |
| Medical Respite (offset by portion covered by HEC Grant)             |                | \$ (15,319)      |                   |                           |                   |                    |               |
| <b>Supplemental Appropriations</b>                                   | \$ -           | \$ (8,319,656)   |                   |                           |                   |                    |               |
| State Reimbursement of Previously Unreimbursed School Bond Debt      | \$ 16,035,000  |                  |                   |                           |                   |                    |               |
| ARPA Funds Received in FY23  | \$ 3,869,519   |                  |                   |                           |                   |                    |               |
| Sales Tax Revenue Above/(Below) Forecast                             | \$ 6,900,000   |                  |                   |                           |                   |                    |               |
| FY20 and FY21 SEMT Payments (amount over budget)                     | \$ 1,345,127   |                  |                   |                           |                   |                    |               |
| Local Assistance and Tribal Consistency Fund (LATCF) FY23 Allocation | \$ 1,321,493   |                  |                   |                           |                   |                    |               |
| Transit CRRSAA Grant Award   | \$ 1,026,200   |                  |                   |                           |                   |                    |               |
| Community Assistance Program Award Above Estimates                   | \$ 770,821     |                  |                   |                           |                   |                    |               |
| Federal PILT Revenue Above Estimates                                 | \$ 150,400     |                  |                   |                           |                   |                    |               |
| Property Tax Certified Roll True-Up                                  | \$ (88,178)    |                  |                   |                           |                   |                    |               |
| Anticipated Lapse  |                | \$ 1,000,000     |                   |                           |                   |                    |               |
| <b>Anticipated Variances</b>   | \$ 31,330,382  | \$ 1,000,000     |                   |                           |                   |                    |               |
| <b>Final Year-End (projected)</b>                                    | \$ 197,397,682 | \$ (179,399,956) | \$ 17,997,727     | \$ 28,040,627             | \$ 16,600,000     | \$                 | \$ 44,640,627 |

FY22-FY24 Budget Summary and Impact on Fund Balances  
5/12/2023

Section D, Item 3.

|  | Revenues              | Expenditures            | Surplus (Deficit)      | Unrestricted<br>Fund Balance | Combin<br>Balance    |  |
|--|-----------------------|-------------------------|------------------------|------------------------------|----------------------|--|
|  |                       |                         |                        |                              | Restricted Reserve   | Total  |
| <b>FY2024</b>  |                       |                         |                        |                              |                      |  |
| Prior Year Adopted Budget  | \$ 166,067,300        | \$ (172,080,300)        |                        |                              |                      |  |
| FY23 (post adoption) Wage and Health Benefit Costs                         |                       | \$ (3,093,600)          |                        |                              |                      |  |
| FY24 Wage and Health Benefit Costs   |                       | \$ (1,560,346)          |                        |                              |                      |  |
| Merit Increases and Other Personnel Actions (and associated benefits)      |                       | \$ (1,006,254)          |                        |                              |                      |  |
| Increase to 1% Voter-Approved Projects                                     |                       | \$ (900,000)            |                        |                              |                      |  |
| Increase to General Sales Tax Projects                                     |                       | \$ (425,000)            |                        |                              |                      |  |
| FY23 One-Time Expenditures/Revenue   |                       | \$ 390,000              |                        |                              |                      |  |
| Sales Tax Growth over FY23 Adopted Budget                                  | \$ 9,700,000          |                         |                        |                              |                      |  |
| Property Tax Growth over FY23 Adopted Budget                               | \$ 5,028,255          |                         | @ 10.28 mills          |                              |                      |  |
| Investment Income over FY23 Adopted Budget                                 | \$ 1,607,400          |                         |                        |                              |                      |  |
| Tobacco Tax - MIH  | \$ 663,700            |                         |                        |                              |                      |  |
| Departmental Revenue Growth  | \$ 532,200            |                         |                        |                              |                      |  |
| Liquor Tax Growth over FY23 Adopted Budget                                 | \$ 230,000            |                         |                        |                              |                      |  |
| Marijuana Tax Growth over FY23 Adopted Budget                              | \$ 80,000             |                         |                        |                              |                      |  |
| <b>Adjusted Base</b>   | <b>\$ 183,908,855</b> | <b>\$ (178,675,500)</b> | <b>\$ 5,233,355</b>    |                              |                      |  |
| JSD Additional Up-to-the-Cap Instructional Funding                         |                       | \$ (2,284,600)          |                        |                              |                      |  |
| Professional Services Inflation  |                       | \$ (562,000)            |                        |                              |                      |  |
| Fleet Replacement  |                       | \$ (527,900)            |                        |                              |                      |  |
| IT: O365, MFA, Cyber Security, Adobe Licensing                             |                       | \$ (513,500)            |                        |                              |                      |  |
| Dependent Care Assistance  |                       | \$ (379,800)            |                        |                              |                      |  |
| General Supplies Inflation (Fuel, Chemicals, etc.)                         |                       | \$ (324,000)            |                        |                              |                      |  |
| 457 Deferred Compensation Employer Match                                   |                       | \$ (315,900)            |                        |                              |                      |  |
| Public Defenders Increase  |                       | \$ (230,000)            |                        |                              |                      |  |
| Utilities (Electricity, Heating Oil)                                       |                       | \$ (203,100)            |                        |                              |                      |  |
| Travel and Training  |                       | \$ (188,900)            |                        |                              |                      |  |
| Facilities Maintenance   |                       | \$ (154,800)            |                        |                              |                      |  |
| IT Business Analyst (1.0 FTE)  |                       | \$ (133,500)            |                        |                              |                      |  |
| Commercial Appraiser (1.0 FTE)   |                       | \$ (119,000)            |                        |                              |                      |  |
| Insurance  |                       | \$ (108,200)            |                        |                              |                      |  |
| Warming Shelter Increase   |                       | \$ (100,000)            |                        |                              |                      |  |
| Other Commodities and Services Inflation                                   |                       | \$ (114,693)            |                        |                              |                      |  |
| Lease, Parking Increases   |                       | \$ (86,400)             |                        |                              |                      |  |
| ZGYC Recreation Coordinator (1.0 FTE) (offset by registration fee revenue) | \$ 8,000              | \$ (75,200)             |                        |                              |                      |  |
| Assembly Grant: AEYC Operations  |                       | \$ (75,000)             |                        |                              |                      |  |
| HR Consultant (0.5 FTE)  |                       | \$ (69,500)             |                        |                              |                      |  |
| HR Technician (0.5 FTE)  |                       | \$ (64,000)             |                        |                              |                      |  |
| Aquatic Instructor (0.6 FTE)   |                       | \$ (24,000)             |                        |                              |                      |  |
| Treadwell Recreation Coordinator (0.16 FTE)                                |                       | \$ (15,000)             |                        |                              |                      |  |
| Full Cost/Engineering Indirect Allocation Increase                         |                       | \$ 418,200              |                        |                              |                      |  |
| <b>Adjusted Base + Recurring Revenues/Expenditures Changes</b>             | <b>\$ 183,916,855</b> | <b>\$ (184,926,293)</b> | <b>\$ (1,009,438)</b>  |                              |                      |  |
| <u>Non-Recurring Revenues/Expenditures</u>                                 |                       |                         |                        |                              |                      |  |
| LATCF FY24 Allocation  | \$ 1,321,493          |                         |                        |                              |                      |  |
| SEMT (prior-year catchup)  | \$ 400,000            |                         |                        |                              |                      |  |
| New City Hall  |                       | \$ (10,000,000)         |                        |                              |                      |  |
| Contribution to Restricted Budget Reserve                                  |                       | \$ (4,000,000)          |                        |                              |                      |  |
| JPD Radio System Upgrade   |                       | \$ (2,000,000)          |                        |                              |                      |  |
| New City Hall Advocacy   |                       | \$ (50,000)             |                        |                              |                      |  |
| <b>Manager Proposed Budget</b>   | <b>\$ 185,638,348</b> | <b>\$ (200,976,293)</b> | <b>\$ (15,337,945)</b> | <b>\$ 12,702,682</b>         | <b>\$ 20,600,000</b> | <b>\$ 33,302,682</b>                                 |
| Parental Leave Benefits  |                       | \$ (170,000)            |                        |                              |                      | Manager's Proposed Mill Rate 10.28                   |
| HR Director (0.4 FTE)  |                       | \$ (95,430)             |                        |                              |                      | Mill Rate Eqv of Added Recurring Items 0.05          |
| Increase to JEDC Operating Grant (10% increase)                            |                       | \$ (40,000)             |                        |                              |                      | Mill Rate to Balance Recurring Rev/Exp 10.33         |
| Increase to JAHC Major Arts Grant  |                       | \$ (17,700)             |                        |                              |                      | Assembly Proposed Mill Rate 10.28                    |
| Juneau Festival Committee  |                       | \$ (2,000)              |                        |                              |                      | Assembly Property Tax Increase \$ -                  |
| Reduction in HBT Allocation to Travel Juneau                               | \$ (320,000)          | \$ 320,000              |                        |                              |                      | Recurring Surplus/(Deficit) After Lapse \$ (325,130) |
| <b>Assembly Adopted Recurring Revenues/Expenditures Changes</b>            | <b>\$ (320,000)</b>   | <b>\$ (5,130)</b>       | <b>\$ (325,130)</b>    |                              |                      |  |
| <u>Non-Recurring Revenues/Expenditures</u>                                 |                       |                         |                        |                              |                      | GenFund Balance                                      |
| GF Support to Hospital   |                       | \$ -                    |                        |                              |                      | FY23 Projected \$ 28,040,627                         |
| Partial Funding for Juneau Housing First - Phase III                       |                       | \$ (400,000)            |                        |                              |                      | FY24 Manager Proposed \$ 12,702,682                  |
| Sealaska Heritage Institute STEAM FABLAB                                   |                       | \$ (320,000)            |                        |                              |                      | FY24 AFC Working Budget \$ 10,933,958                |
| Operations Support to HeatSmart (one-time)                                 |                       | \$ (235,094)            |                        |                              |                      |  |
| Equipment Support for Gavel Alaska   |                       | \$ (168,000)            |                        |                              |                      |  |
| Increased GF Support to Eaglecrest   |                       | \$ (125,500)            |                        |                              |                      |  |
| Juneau Trails Plan   |                       | \$ (80,000)             |                        |                              |                      |  |
| Juneau Rock Dump Climbing Gym - Planning/Design                            |                       | \$ (50,000)             |                        |                              |                      |  |
| DBA Main Street America Funding (one-time)                                 |                       | \$ (40,000)             |                        |                              |                      |  |
| Juneau Nordic Ski Club Grooming Equipment                                  |                       | \$ (25,000)             |                        |                              |                      |  |
| <b>Total Assembly Adopted Changes</b>                                      | <b>\$ (320,000)</b>   | <b>\$ (1,448,724)</b>   | <b>\$ (1,768,724)</b>  |                              |                      |  |
| Revenue Forecast Changes   | \$ -                  | \$ -                    | \$ -                   |                              |                      |  |
| <b>Assembly Adopted Budget</b>   | <b>\$ 185,318,348</b> | <b>\$ (202,425,017)</b> | <b>\$ (17,106,669)</b> | <b>\$ 10,933,958</b>         | <b>\$ 20,600,000</b> | <b>\$ 31,533,958</b>                                 |
| <b>Final Year-End (projected)</b>  | <b>\$ 185,318,348</b> | <b>\$ (201,425,017)</b> | <b>\$ (16,106,669)</b> | <b>\$ 11,933,958</b>         | <b>\$ 20,600,000</b> | <b>\$ 32,533,958</b>                                 |

Presented by: The City Manager  
 Introduced: April 5, 2023  
 Drafted by: Engineering & Public Works Department

RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 3016

**A Resolution Adopting the City and Borough Capital Improvement Program for Fiscal Years 2024 through 2029, and Establishing the Capital Improvement Project Priorities for Fiscal Year 2024.**

WHEREAS, the CBJ Capital Improvement Program is a plan for capital improvement projects proposed for the next six fiscal years; and

WHEREAS, the Assembly has reviewed the Capital Improvement Program for Fiscal Year 2024 through Fiscal Year 2029, and has determined the capital improvement project priorities for Fiscal Year 2024.

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

**Section 1. Capital Improvement Program.**

(a) Attachment A, entitled "City and Borough of Juneau Capital Improvement Program, Fiscal Years 2024-2029," dated **June 1, 2023**, is adopted as the Capital Improvement Program for the City and Borough.

(b) The following list, as set forth in the "City and Borough of Juneau Capital Improvement Program, Fiscal Years 2024-2029," are pending capital improvement projects to be undertaken in FY24:

| <b>FISCAL YEAR 2024</b>               |   |   |
|---------------------------------------|---|---|
| <b>GENERAL SALES TAX IMPROVEMENTS</b> |   |   |
| <b>DEPARTMENT</b>                     | <b>PROJECT</b>  | <b>FY24 BUDGET</b>                                  |
| Eaglecrest                            | Deferred Maintenance /Mountain Operations Improvements              | \$ 300,000  |
| Eaglecrest                            | Eaglecrest Master Plan  | 50,000  |
| Manager's Office                      | New City Hall   | 10,000,000  |
| Manager's Office                      | JPD/CCFR Radio System Replacement                                   | 2,000,000   |
| Manager's Office                      | Jordan Creek Greenbelt Improvements                                 | 150,000   |
| Manager's Office                      | Fire - Add Staff Restroom at Sleep-off center - St. Vincent de Paul | 150,000   |
| Manager's Office                      | Zero Waste Program  | 100,000   |
| Manager's Office                      | Zero Waste Subdivision  | 50,000  |
| Parks & Recreation                    | Deferred Building Maintenance                                       | <del>1,000,000</del> \$850,000                      |
| Parks & Recreation                    | Park & Playground Deferred Maintenance and Repairs                  | 300,000   |
| Parks & Recreation                    | Sports Field Resurfacing & Repairs                                  | 50,000  |
| Parks & Recreation                    | OHV Park and Trails   | 200,000   |
| Parks & Recreation                    | Trail Improvements  | 150,000   |
| Parks & Recreation                    | Dimond Park Field House ADA Improvements                            | 150,000   |
| Parks & Recreation                    | Juneau Trails Plan  | 80,000  |
|                                       | <b>General Sales Tax Improvements Total</b>                         | <u><u>\$ <del>14,500,000</del> \$14,580,000</u></u> |

**FISCAL YEAR 2024  
AREAWIDE STREET SALES TAX PRIORITIES**

| <b>DEPARTMENT</b>                                 | <b>PROJECT</b>  | <b>FY24 BUDGET</b>   |
|---|---|----------------------|
| Street Maintenance                                | Vintage Boulevard and Clinton Drive Reconstruction Phase 1                              | \$ 2,100,000         |
| Street Maintenance                                | Pavement Management   | 930,000              |
| Street Maintenance                                | Sidewalk & Stairway Repairs   | 1,000,000            |
| Street Maintenance                                | Areawide Drainage Improvements  | 250,000              |
| Street Maintenance                                | Dudley - Loop to Tongass  | 1,300,000            |
| Street Maintenance                                | Dogwood Lane - Columbia to Mend Blvd  | 1,800,000            |
| Street Maintenance                                | 4th and E streets Douglas water system replacement, resurface and drainage improvements | 1,930,000            |
| Street Maintenance                                | 10th St, F St, W 8th St drainage and rehab planning and design                          | 200,000              |
| Street Maintenance                                | Gold Creek Flume Rehabilitation   | 600,000              |
| Capital Transit                                   | FTA Grant Match - Bus Shelter Replacement   | 220,000              |
| Engineering                                       | Safe Streets For All (SS4A) Grant Match   | 70,000               |
| Engineering                                       | EV Policy and Planning  | 50,000               |
| Engineering                                       | Contaminated Sites ADEC Follow up Reporting   | 50,000               |
| <b>Areawide Street Sales Tax Priorities Total</b> |   | <b>\$ 10,500,000</b> |

**FISCAL YEAR 2024  
TEMPORARY 1% SALES TAX PRIORITIES  
Voter Approved Sales Tax 10/01/18 - 09/30/23**

| <b>DEPARTMENT</b>                              | <b>PROJECT</b>                          | <b>FY24 BUDGET</b>  |
|--|---|---------------------|
| Harbors  | Aurora Harbor Rebuild Phase III         | \$ 1,500,000        |
| Wastewater Utility                             | Lift Station SCADA Integration          | 500,000             |
| Parks & Recreation                             | Deferred Building Maintenance           | 200,000             |
| School District                                | JSD Buildings Major Maintenance / Match | 200,000             |
| <b>Temporary 1% Sales Tax Priorities Total</b> |   | <b>\$ 2,400,000</b> |

**FISCAL YEAR 2024  
TEMPORARY 1% SALES TAX PRIORITIES  
Voter Approved Sales Tax 10/01/23 - 09/30/28**

| <b>DEPARTMENT</b>  | <b>PROJECT</b>                                      | <b>FY24 BUDGET</b>  |
|--|---|---------------------|
| Parks and Recreation                                     | Deferred Building Maintenance                       | \$ 2,000,000        |
| Managers   | Childcare Funding                                   | 400,000 *           |
| Parks and Recreation                                     | Parks and Playgrounds Major Maintenance and Repairs | 750,000             |
| Managers   | Fire - Ladder Truck Replacement                     | 1,200,000 *         |
| School District  | JSD Buildings Major Maintenance / Match             | 750,000             |
| Managers   | Telephone Hill Redevelopment                        | 500,000             |
| Managers   | JPD/CCFR Radio System Replacement                   | 500,000             |
| Managers - Library                                       | Waterfront Museum                                   | 500,000             |
| Harbors  | Harbor Projects / Grant Match                       | 2,400,000           |
| <b>DRAFT - WILL BE UPDATED UPON APPROVAL BY ASSEMBLY</b> |   |                     |
| <b>Temporary 1% Sales Tax Priorities Total</b>           |   | <b>\$ 9,000,000</b> |

\* Operating Budget Funding

**FISCAL YEAR 2024  
PORT DEVELOPMENT FEE PRIORITIES**

| <b>DEPARTMENT</b>  | <b>PROJECT</b>                              | <b>FY24 BUDGET</b>              |
|--|---|---------------------------------|
| Parks and Recreation   | Marine Park Construction                    | \$ 2,000,000                    |
| Parks and Recreation   | Homestead Park Construction                 | 1,000,000                       |
| Managers   | Circulator Study                            | 20,000                          |
| Capital Transit  | Downtown Transportation Center Signage      | 50,000 \$75,000                 |
| Wastewater   | Outer Drive Sewer Pump Station Improvements | 900,000 \$950,000               |
| <b>DRAFT - WILL BE FINALIZED UPON COMPLETION OF PUBLIC PROCESS</b> |   |                                 |
| <b>Port Development Fee Priorities Total</b>                       |   | <b>\$ 3,970,000 \$4,045,000</b> |

**FISCAL YEAR 2024  
STATE MARINE PASSENGER FEE PRIORITIES**

| <b>DEPARTMENT</b>  | <b>PROJECT</b>       | <b>FY24 BUDGET</b>              |
|--|----------------------|---------------------------------|
| Managers   | Capital Civic Center | \$ 1,000,000                    |
| Managers   | Seawalk              | <del>10,000,000</del> 5,000,000 |
| Managers   | Shore Power          | 5,000,000                       |
| <b>DRAFT - WILL BE FINALIZED UPON COMPLETION OF PUBLIC PROCESS</b> |                      |                                 |
| <b>State Marine Passenger Fee Priorities Total</b>                 |                      | <b>\$ 11,000,000</b>            |

**FISCAL YEAR 2024  
BARTLETT HOSPITAL ENTERPRISE FUND**

| <b>DEPARTMENT</b>                              | <b>PROJECT</b>       | <b>FY24 BUDGET</b>  |
|--|----------------------|---------------------|
| Bartlett Hospital                              | Deferred Maintenance | \$ 2,000,000        |
| <b>Bartlett Hospital Enterprise Fund Total</b> |                      | <b>\$ 2,000,000</b> |

**FISCAL YEAR 2024  
FACILITIES MAINTENANCE FUND**

| <b>DEPARTMENT</b>                        | <b>PROJECT</b>                | <b>FY24 BUDGET</b> |
|--|-------------------------------|--------------------|
| Parks and Recreation                     | Deferred Building Maintenance | \$ 100,000         |
| <b>Facilities Maintenance Fund Total</b> |                               | <b>\$ 100,000</b>  |

**FISCAL YEAR 2024  
LANDS & RESOURCES FUND**

| <b>DEPARTMENT</b>                       | <b>PROJECT</b>   | <b>FY24 BUDGET</b>  |
|---|--|---------------------|
| Lands & Resources                       | Pits and Quarries Management, Infrastructure Maintenance and Expansion | \$ 700,000          |
| Lands & Resources                       | Zero Waste Subdivision Plan  | 50,000              |
| Lands & Resources                       | Auke Bay Property Development and Disposal                             | 450,000             |
| <b>Lands &amp; Resources Fund Total</b> |  | <b>\$ 1,200,000</b> |

**FISCAL YEAR 2024  
WASTEWATER ENTERPRISE FUND**

| <b>DEPARTMENT</b>                       | <b>PROJECT</b>   | <b>FY24 BUDGET</b>  |
|---|--|---------------------|
| Wastewater Utility                      | Facilities Planning, Infiltration and Inflow, ABTP long term study, solids digester)     | \$ 220,000          |
| Wastewater Utility                      | Areawide Collection System Improvements  | 55,000              |
| Wastewater Utility                      | JDTP SCADA and Instrumentation Upgrades  | 150,000             |
| Wastewater Utility                      | Dudley - Loop Road to Tongass  | 143,000             |
| Wastewater Utility                      | Conifer Lane - Back Loop to end  | 354,000             |
| Wastewater Utility                      | Dogwood Lane - Columbia to Mendenhall Blvd   | 250,000             |
| Wastewater Utility                      | 4th and E streets Douglas, water system replacement, resurface and drainage improvements | 40,000              |
| Wastewater Utility                      | Stairway Sewer Improvements  | 100,000             |
| Wastewater Utility                      | Pavement Management Program-Utility Adjustments (frames & lids)                          | 20,000              |
| <b>Wastewater Enterprise Fund Total</b> |  | <b>\$ 1,332,000</b> |

**FISCAL YEAR 2024  
WATER ENTERPRISE FUND**

| DEPARTMENT                         | PROJECT   | FY24 BUDGET                |
|------------------------------------|---|----------------------------|
| Water Utility                      | Lena Loop Water System Replacement  | \$ 150,000                 |
| Water Utility                      | Egan Drive Crossing Water Main Replacements (Channel Dr.,Norway Pt., Highland Dr. Salmon Ck, Sunny Pt.) | 250,000                    |
| Water Utility                      | Salmon Creek Onsite Chlorine Generation Replacement / Upgrade   | 10,000                     |
| Water Utility                      | Aurora Vault Removal  | 550,000                    |
| Water Utility                      | Cedar Park (W Juneau) Pump Station Upgrades / Rehab   | 825,000                    |
| Water Utility                      | PRV Station Improvements & Upgrades (Crow Hill, 5th St. Douglas)  | 50,000                     |
| Water Utility                      | ADOT Projects Utility Adjustments (provide valve boxes, vault lids etc.)                                | 55,000                     |
| Water Utility                      | Conifer Lane - Back Loop to end   | 459,000                    |
| Water Utility                      | Dudley - Loop Road to Tongass   | 286,000                    |
| Water Utility                      | Stairway Water Improvements   | 100,000                    |
| Water Utility                      | 4th and E Street Water System Replacement   | 405,000                    |
| Water Utility                      | Dogwood Lane - Columbia to Mendenhall Blvd  | 340,000                    |
| Water Utility                      | Pavement Management Water Utility Adjustments   | 20,000                     |
| <b>Water Enterprise Fund Total</b> |   | <b><u>\$ 3,500,000</u></b> |

**ORDINANCE 2023-14 CAPITAL PROJECTS FUNDING TOTAL** ~~\$ 57,902,000~~ \$58,057,000

**ORDINANCE 2023-14 OPERATING BUDGET FUNDING TOTAL** \$ 1,600,000

(c) The following list, as set forth in the "City and Borough of Juneau Capital Improvement Program, Fiscal Years 2024-2029," are capital improvement projects identified as priorities proposed to be undertaken beginning in FY24, but are dependent on other unsecured funding sources. As the sources are secured, the funds will be appropriated:

**FISCAL YEAR 2024  
AIRPORT UNSCHEDULED FUNDING**

| DEPARTMENT                               | PROJECT  | FY24 BUDGET                 |
|--|--|-----------------------------|
| Airport                                  | Construct 121/135 Ramp Rehab, drainage, fencing, lighting & RON aircraft parking | \$ 12,200,000               |
| Airport                                  | Construct/Replace Jetbridge (PBB) Gate 5   | 2,000,000                   |
| Airport                                  | Design East GA, TXL and Apron  | 275,000                     |
| Airport                                  | Design West GA, TXL  | 300,000                     |
| Airport                                  | Design Safety Area Grading/RW Shoulders/NAVAIDS                                  | 400,000                     |
| Airport                                  | Land Acquisition - Channel Flying/Loken  | 1,500,000                   |
| <b>Airport Unscheduled Funding Total</b> |  | <b><u>\$ 16,675,000</u></b> |

**FISCAL YEAR 2024  
UNSCHEDULED FUNDING**

| DEPARTMENT                       | PROJECT   | FY24 BUDGET                 |
|----------------------------------|---|-----------------------------|
| Bartlett Hospital                | Wildflower Court Maintenance and Repairs                    | 500,000                     |
| Capital Transit                  | FTA Grant - Bus Shelter Replacements                        | \$ 860,000                  |
| Harbors                          | Cost Share w/ ACOE - Statter Breakwater Feasibility Study   | 500,000                     |
| Manager's Office                 | JPD DEU Building Expansion                                  | 1,610,000                   |
| Manager's Office                 | JPD and CCFR - Radio System replacement                     | 14,500,000                  |
| Parks and Recreation             | Hank Harmon Public Range Hunter Safety Access Grant         | 850,000                     |
| Parks and Recreation             | 35 Mile ORV Park and Trails Recreation Trails Program Grant | 300,000                     |
| Parks and Recreation             | Montana Creek Bridge Replacement TAP Grant                  | 1,500,000                   |
| Public Works                     | Upper Jordan Creek Sediment Control                         | 5,000,000                   |
| <b>Unscheduled Funding Total</b> |   | <b><u>\$ 25,620,000</u></b> |

**Section 2. Fiscal Year 2024 Budget.** It is the intent of the Assembly that the capital improvement project budget allocations as set forth in the FY24 pending Capital Improvements List in Section 1(b), above, not already appropriated, shall become a part of the City and Borough's Fiscal Year 2024 Budget.

**Section 3. State and Federal Funding.** To the extent that a proposed CIP project, as set forth in Section 1(c), above, includes state funding, federal funding, or both, the amount of funding for that project is an estimate only, and is subject to appropriation contingent upon final funding being secured. It is the intent of the Assembly that once funding is secured, these items will be brought back to the Assembly for appropriation.

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

Adopted this \_\_\_\_\_ day of **June**, 2023.

\_\_\_\_\_  
Beth A. Weldon, Mayor

Attest:

\_\_\_\_\_  
Elizabeth J. McEwen, Municipal Clerk



# VOTER APPROVED 1% Sales Tax Projects FY24 - 29

Proposition 3 from October 2022 Ballot

in \$Million

| Project/Expenditure Name:                      | Funds Assigned | rem FY24 (9 months) | FY25 | FY 26 | FY 27 | FY28 | rem FY29 (3 months) | TOTAL |
|--|----------------|---------------------|------|-------|-------|------|---------------------|-------|
|  |                |                     |      |       |       |      |                     |       |
| CBJ Building Maintenance Projects              | 11.5           | 2                   | 2.5  | 2.35  | 2     | 1.65 | 1                   | 11.5  |
| Affordable Housing Fund                        | 4.15           |                     | 0.5  | 1     | 0.75  | 1.15 | 0.75                | 4.15  |
| Childcare Funding                              | 2.5            | 0.4                 | 0.5  | 0.5   | 0.5   | 0.6  |                     | 2.5   |
| Parks & Recreation Major Maintenance & Repairs | 5              | 0.75                | 1    | 1     | 1     | 1    | 0.25                | 5     |
| CCFR Ladder Truck Replacement                  | 1.2            | 1.2                 |      |       |       |      |                     | 1.2   |
| North SOB Parking                              | 5              |                     |      | 1.15  | 2.5   | 0.4  | 0.95                | 5     |
| School District Facility Funding               | 5              | 0.75                | 1    | 1     | 1     | 1    | 0.25                | 5     |
| Telephone Hill Redevelopment                   | 2              | 0.5                 | 1    | 0.5   |       |      |                     | 2     |
| JPD Radio System Replacement                   | 2              | 0.5                 |      | 1.5   |       |      |                     | 2     |
| Lemon Creek Multi-Modal Path                   | 1.5            |                     |      |       | 1.5   |      |                     | 1.5   |
| Information Technology                         | 3              |                     |      | 0.75  | 0.75  | 1.5  |                     | 3     |
| Waterfront Museum                              | 2              | 0.5                 |      | 0.4   | 1     | 0.1  |                     | 2     |
| Street Maintenance Shop Bays                   | 2              |                     | 2    |       |       |      |                     | 2     |
| Pederson Hill Development                      | 1.85           |                     |      | 1.85  |       |      |                     | 1.85  |
| Harbor Projects/Grant Match                    | 6.5            | 2.4                 | 3.5  |       |       | 0.6  |                     | 6.5   |
| Gastineau Avenue Widening & Turn Around        | 4              |                     |      |       | 1     | 3    |                     | 4     |
| Restricted Budget Reserve                      | 1              |                     |      |       |       | 1    |                     | 1     |
| <b>Total Requests:</b>                         | <b>60.2</b>    | 9                   | 12   | 12    | 12    | 12   | 3.2                 | 60.2  |



DATE: May 3, 2023  
TO: Carole Triem, Chair Assembly Finance Committee  
THROUGH: Katie Koester, Director Engineering and Public Works  
FROM: Jeanne Rynne, Chief Architect  
Greg Smith, Contracts Administrator  
SUBJECT: Current Bid Climate

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### Executive Summary

Following some bids that came in significantly over the professional estimate, CBJ Engineering reached out to the contractor community to gain a better understanding of the current construction climate and to ascertain what CBJ may be able to do to improve bid results and to attract bidders to CBJ projects. Challenges in the Juneau market continue to include material escalation and long lead times for equipment and labor scarcity. Additionally, the business of the private sector, with more flexible procurement methods, makes bidding public work less attractive.

### Background

On February 23, 2023, CBJ Purchasing opened two bids: the Eagle Valley Center (EVC) Energy Efficiency Upgrades and Outer Drive Pump Station. There were two bidders for the EVC project; the low bidder was 1.7 times the professional estimate and the high bidder 1.8 times the estimate. There were two bidders for Outer Drive, the low bidder was 1.5 times the estimate and the high bidder 1.6 times the estimate. The bidding climate has forced CBJ to make difficult decisions and prioritize critical infrastructure: for example, the Assembly transferred funds to complete the lift station whereas the EVC project is being rebid at a reduced scope.

Other recent bid results include

- BRH Administration Building Exterior Rehab, opened 3/8/23, had one bidder at 1.8 times the estimate.
- ZGYC Boiler, opened 4/11/23, had one bidder at "only" 1.26 times the estimate.
- Treadwell Roof Rebid, opened 7/26/22, had four bidders ranging from 1.4-1.7 times the estimate.

As the high bids have tended to be related to vertical construction, CBJ Engineering contacted the seven general contractors that have historically bid on CBJ vertical projects. Four of the seven contractors responded to our request for feedback on the current bid climate. Feedback from contractors is summarized on the attached document.

### Conclusion

CBJ can work to control costs by normalizing the use of alternative procurement and changes to project labor agreements to accommodate the current labor shortage. However, the reality is we are still in a volatile bid climate and will likely continue to see bids coming in above estimates. This will force CBJ to prioritize critical projects, put others on hold, and/or be able to appropriate additional funds to accomplish the projects we have planned.

Enc:

Chart: Percentage of Low Bid Award Above Estimate (2018-2023)  
Summary of Contractor Feedback on Cost Escalation

## Summary of Contractor Feedback on Cost Escalation

### Material Pricing, Projected Escalation

- Prices are dropping on wood products and metals.
- Concrete prices may be going up in Juneau.
- Forecasting 5%-6% escalation this coming year compared to 8-9% this past year.
- Roofing suppliers are reluctant to lock in prices, particularly on petroleum based products.

### Estimating

- Professional estimators are coming in low.
- Less consultant outreach to local contractors when estimating than in the past.
- Contractors having difficulty generating good "square foot" estimates in today's market.
- Anchorage estimators are not taking into account freight to Juneau.
- Have observed professional estimates (Anchorage based) coming in low for other parts out of Alaska as well.
- Estimators are behind on material pricing.
- Estimating rule of thumb used to be 50% materials/50% labor; now more common to see 60%-70% materials/40%-30% labor.
- Estimators are missing the compounding of mark-ups with multiple tiers of subcontractors.
- Design clarity: projects with fewer uncertainties will get more attention.

### Labor

- Labor is scarce, both in the trades and project management.
- Labor issue is exacerbated on projects requiring PLA.
- Local Carpenter Union Hall in Juneau has closed, contractors having to import workers from Anchorage or out of state.
- Aging workforce, not many new workers going into the trades, young people coming into trades expecting high starting wages with lower ambition.
- High turnover for new hires.
- Having to pay more for less skilled and less available labor
- Latest prevailing wage rate schedule from DOL (April 2023) is significantly higher than the last one (September 2022) ranging between 7%-10% increase depending on the trade.

### Subcontractor Interest

- Difficult to get interest/bids from Mechanical Subcontractors.
- Number of local flooring subcontractors is limited.
- Business of market limits General Contractor's ability to be competitive at the subcontractor level.
- Juneau subcontractor market is limited; hard to be competitive if solicit subcontractor bids outside of Juneau.

### Market/Competition

- Private sector is very busy.
- Market in general is flooded with work.
- Have experienced subcontractors not wanting to bid the full scope of work associated with their trade.
- Private sector more attractive to bid –
  - more flexibility with schedule in terms of long lead items and weather windows.
  - more flexibility with procurement methods (not limited to competitive bid, design-bid-build procurement).
  - less paperwork.

- more streamlined decision making.
- flexibility to select subcontractors based on qualifications and past working history v. low bid.
- Lump sum has gone away in the Private Sector

### Schedule

- Like to see roof bids advertise in the fall for upcoming season.
- Still seeing long lead times for major equipment.

### Procurement

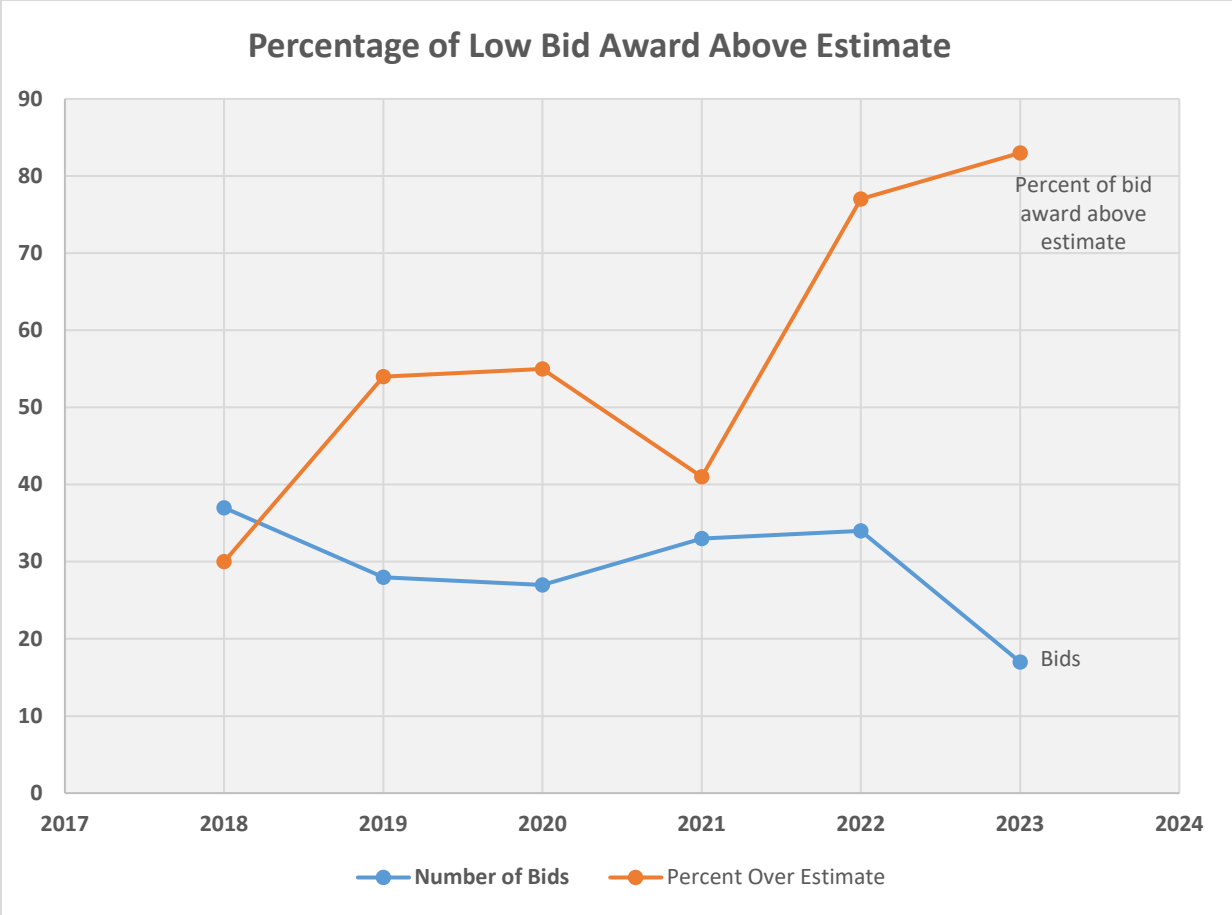
- Like the Term Contract option.
- Lump sum bidding still has a place, keeps pencils sharp.
- Lump sum bidding appropriate for the \$3M-\$5M range.
- Expand options to do Alternative Public Works.
- Alternative Public Works/collaborative delivery promote the ability to find solutions within budget.
- Luke warm about the idea of CBJ purchasing long lead items in advance to mitigate extended schedules; workable if equipment is not on the critical path. Could work if equipment already procured at time of bid.
- Consider a fair way to share risk. Owners who expect the Contractor to bear all risk are seeing higher costs.

### Recommendations/Follow-up:

- Issue an RFP for Estimators, requiring a focus on the Juneau market, hired directly by CBJ v. subconsultant to A/E team.
- Expand ability to use alternative public works procurement such as Construction Manager At Risk (CMAR)
- Consider implementing Value Engineering and Constructability Review. Value Engineering is budget driven. Constructability evaluates "buildability" of construction documents, which also drives the cost.
- Consider building flexibility in procurement code to allow advance purchase of long lead items by CBJ prior to bidding balance of work.
- Revisit the efficacy of the PLA. Is it accomplishing what the Assembly intended? We have evidence that it adds costs to projects.

### Changes that CBJ has made that have improved things:

- Contractors appreciate "Draft Bid" schedule that notifies them of upcoming projects not yet advertised.
- Appreciate shortening of days required to hold bids from 120 to 60 or 45. Helpful since suppliers don't want to hold pricing for extended periods.
- Appreciate building in extended schedules to allow for long lead times.



| Procurement Year | Total projects sealed bid |                  |
|------------------|---------------------------|------------------|
| 2018             | Total projects sealed bid | 37               |
| 2019             | Total projects sealed bid | 28               |
| 2020             | Total projects sealed bid | 27               |
| 2021             | Total projects sealed bid | 33               |
| 2022             | Total projects sealed bid | 34               |
| 2023             | Total projects sealed bid | 17 as of 4/25/23 |

# MEMORANDUM



**DATE:** May 10, 2023

**TO:** Assembly Finance Committee

**FROM:** Jeff Rogers, Finance Director

**SUBJECT:** Amendment Related to Shore Power Revenue Bond

155 Municipal Way  
 Juneau, AK 99801  
 Phone: (907) 586-5215  
 Fax: (907) 586-0358

The Assembly has authorized by ordinance the issuance of a \$5 million bond funded by port development fees for the purpose of ordering the two load-tap transformers that would initiate the process to deliver shore power to CBJ’s two city-owned docks.

A revenue bond does not pledge any tax revenue, and bondholders have no recourse to general taxes in the event of a default. Hence, when investors consider purchasing a bond, they evaluate the creditworthiness of the revenue stream that is pledged as part of the bond offering. While the future of the CBJ’s collection of port development fees appears to be very good, the recent past is obviously very rocky.

Importantly, new revenue bonds issued against the same revenue streams that fund previously issued bonds are subject to specific tests. Those specific tests are designed to make sure that revenue streams are not being *over-pledged* via multiple different bonds issued in different timeframes. One of those specific tests is that any bonds already issued must be in compliance with their “bond covenants”—meaning the agreed-upon revenue sufficiency measures.

The two city-owned docks and the related seawalk improvements were bond-funded, and those bonds are still being repaid. The “covenants” with those bonds require that annual revenue is not less than 1.2x the annual debt service amount. Because of the pandemic and stoppage of Juneau’s cruise seasons, CBJ’s existing dock bonds violated that coverage requirement for the most recently closed fiscal year: FY2022.

Hence, CBJ has an existing revenue bond funded by port development fees that is in *technical default*. This technical default will resolve itself on July 1, 2023 because port development fee revenue for FY2023 meets the 1.2x revenue coverage requirement.

However, as a result of this technical default in FY22, CBJ is unable to issue another revenue bond against the same revenue stream until after July 1, 2023. **In short: CBJ cannot issue a \$5M revenue bond for Shore Power as planned.**

Staff have considered waiting until July 1, 2023 to issue the bond. But, after consideration, especially in light of the very small bond size, we believe it would be most prudent to spend FY24 passenger fee revenue on the transformers for Shore Power *without using debt*. Using cash at this time will allow for a more significantly sized revenue bond in the near future for both Shore Power and Seawalk development.

To this end, staff recommend that the Assembly permanently abandon the effort to obtain \$5M revenue bond debt for these transformers; and instead, reduce the \$10M allocation of passenger fees for the Seawalk to \$5M, and use \$5M of FY24 passenger fees to advance the Shore Power project without a debt issuance.



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

TO: Chair Triem and Assembly Finance Committee  
FROM: Rorie Watt, City Manager  
RE: General Obligation Bonds / NCH

DATE: May 4, 2023

The purpose of this memo is to help the Assembly discuss next steps for New City Hall and to consider potential general obligation bond projects for the fall municipal ballot. The Manager's budget recommends an additional \$10M for the NCH CIP which would bring project funding up to \$16.3M to advance the project. It is difficult to imagine a scenario where this cash would not be helpful or necessary to advance this project (or for that matter to fund renovations to the existing building and pay for moving costs). Making no decision means CBJ will continue to pay in excess of \$800K per year in office rent and will face a very costly and disruptive renovation of our existing aged facility. Doing nothing is not a real option; we need to either pursue a new facility or resign ourselves to a complex multi-year renovation and a series of disruptive and costly office moves. In many ways, doing nothing is easily the worst choice – we will slowly and then more rapidly experience building failures including a leaking roof, failing plumbing, rotting windows, peeling paint, delaminating carpet and flooring and all sorts of other dilapidation. I encourage you to walk around the building with a critical eye, City Hall is dipping well below dog eared status.

The CBJ also has significant capacity **available this year** to take on additional general obligation debt while maintaining a flat debt mil levy. Given that the CBJ has many capital needs, it would be prudent and timely to put a general obligation bond of at least \$10M on this year's ballot.

In order to meet election deadlines, a bond ordinance must be introduced by the July 10<sup>th</sup> Assembly meeting.

**New City Hall:**

There are pro's and con's for putting a New City Hall general obligation bond on the ballot this year, they include:

*Concepts in support*

Even without advocacy, last year's vote was very close, the Manager's budget recommends \$10M of cash to materially reduce the cost to voters, cost control can be achieved by doing a design build process, current office leases have become more tenuous (we eventually have to move out of the Municipal Way building, recently purchased by SHI) and the plumbing is regularly failing in the Marine View building. A ballot question for approval for about \$27M with a more cost effective procurement method would be a materially different question for the voters. (\$41.3M \* 1.05 less \$6M, less \$10M). The Manager's budget also includes funds for educating the public on the status of our current facilities and the long-term benefits of a NCH, of which there are many.

*Concepts in opposition*

A ballot question this year is too soon after last year's failed vote if it is not materially different. Increased property values may lead to a lack of enthusiasm from voters to take on new debt, and a New City Hall is always going to be tough to explain to the public.

**Are there Other Existing Building Options.** The Assembly asked for a third-party report on existing buildings that may be for sale. The attached report from Ms. Ricker concludes that there are very few buildings the size CBJ needs and all of those are currently occupied by state employees with leases that don't expire for 5 years or recently purchased. On this list, only two are downtown: Capital Office Park (where Fish and Game is located) and the Burns Building (where the Permanent Fund is located). During the site selection process for the preferred alternative (450

Willoughby) the owners of the Fish and Game building offered it to CBJ at a price tag of \$16M. Given what we have to invest in it including building an addition for chambers, the decision was made to not pursue that option during site selection last year.

**Other General Obligation Bond Concepts:**

The Assembly could choose to place other general obligation bond questions before the voters. Of the many capital needs CBJ has, a package that includes some or all of the following could allow more timely completion of municipal needs. A bond could be thematically structured as well (Parks, CBJ Facility Maintenance, Schools, Public Safety, Harbors). Possible projects could include JPD radios, harbor and boat ramp improvements, Centennial Hall improvements (meeting rooms, lobby expansion, energy efficiency), ski area major maintenance, IT needs, areawide park, playground, public use cabins, and trail improvements are all good examples of projects that the public typically supports in strong fashion.

**Recommendation:**

Initiate discussions on whether to pursue a bond package this fall and/or a New City Hall project. I recognize that timing is everything and that arguably this may not be the year for a NCH ballot question. However, I believe that a new facility is firmly in the public interest and that just because it is difficult, we shouldn't shy away from the challenge. Our existing building started out as a fire station some 70 years ago and a new efficient, purpose built facility will serve the community for at least another 100 years.



# Ricker Real Estate Consulting, LLC

Management/Sales/Leasing      A Commercial Brokerage

May 3, 2023

To:     Katie Koester, Engineering and Public Works Director  
          Greg Smith, Engineering Contracts Administrator

Re:     New City Hall Site Selection – Review of Existing Facilities for Acquisition

Ricker Real Estate Consulting, LLC has performed an analysis of facilities available in the Juneau commercial real estate market that could be repurposed for the Juneau City Hall. One of the main criteria is to review existing properties in a position to sell to CBJ within the next 12 months. For the purposes of this analysis, I have relied on the available CBJ assessor database, discussions with local property owners/investors, appraisers, and State of Alaska DOTPF for leasing information.

The following were considered to satisfy the criteria:

- Cost
- Zoning (LC, GC, MU, MU2, and NC)
- Space Needs: 46,200 SF for 164 staff
- ADA Compliance
- Parking and area availability
- Net Benefit for the State of Alaska Agencies in the event of displacement

It is understood that not all these criteria can necessarily be met, and modification and other accommodations may be made.

**Market Overview**

As is commonly known, COVID has affected the office market. The “stay at home” work model and lack of industry expansion left minimal opportunities for vacancy backfill. Additionally, the Governor tasked State Agencies to reduce leasing costs by reconfiguring existing space and encouraging State Agencies to move to state owned buildings. These situations created a softening of the market requiring the private sector to negotiate lease rates mirroring those in the 1980’s.

The advent of the CARES act and other federal grant programs provided market stabilization with funding available for Tribal Organizations to acquire buildings. This was an unforeseen benefit to the market by taking available properties that were for sale at that time and removing 28,000 SF of vacant space.

Today, it is estimated there is a total of 30,000 SF of vacant office space available in the private market with 25,000 in the downtown core. Additionally, the State Office Building has roughly 20,000 SF of space available for Agency use, that is expected to be absorbed within the next 6 months. As a result of the lack of available space in the private market for relocation purposes and lack of funding for relocation, the State Agencies have commenced renewal commitments in their existing facility, typically entering 5-year terms with 5 one-year options. Any purchase would require honoring those with leasehold interests as they transfer with title.

### **Inventory of Potential Sites**

Most properties in the Juneau office inventory are less than 50,000 sf considering the average building size for comparable properties is 30,000 +/- . The current number of buildings considered the closest to satisfying the criteria as stated above is 11. Most are single and multi-tenanted with leasehold interests well into the next 5 years. The vacancy in these buildings is less than 2% except for the Alaska Permanent Fund Building (24,000 SF) leaving a huge issue for displacement of existing tenants, particularly State Agencies.

Per the attached grid, most properties are unavailable for purchase as the property owners are holding for the long term. The exception is:

#### **Nugget Mall.**

The property is currently selling at \$92.00 PSF for 139,000 leasable square feet. The property is currently subdivided into 5 lots providing ample parking. All the interior tenants are on month-to-month leases. It is suggested that the anchor tenants could be subdivided from the property, leaving the shopping center with interior access for repurposing and modification. The modification costs would be unreasonable and further subdivision may not be feasible.

#### **Fish and Game Building**

The Owners would consider selling the property at this time for the right terms and conditions. The issue remains that CBJ would displace the Department of Fish and Game and the property would not be available for CBJ use until the leasehold interests expire no sooner than 2028.

### **CONCLUSION**

Currently there are no properties in the Borough that would reasonably meet the criteria as outlined for the purchase of an existing facility. Even if there was more interest in selling in the market, there would be a huge displacement of State workers with minimal options for relocation, and CBJ would be forced to honor existing lease commitments leaving a 5 year or more window to take occupancy.

Respectfully Submitted,

*Tracey Ricker*

Tracey Ricker, CPM  
Broker/Owner  
Ricker Real Estate Consulting, LLC.

## New City Hall Selection - Existing Inventory

| Location                  | Zoning | SF      | Determination         | Reason  |
|---------------------------|--------|---------|-----------------------|---|
| 400 Willoughby            | MU2    | 30,882  | Unavailable           | CCTH has acquired the building for the purposes of cultural programs.   |
| 410 Willoughby Ave        | MU2    | 56,887  | Unavailable           | CCTH has acquired the building for the purposes of cultural programs.   |
| 801 West 10th - APFC      | LC     | 69,738  | Unavailable           | Multi tenanted with government and non-government leases. APFC currently holding for long term investment.  |
| Capital Office Park (F&G) | WC     | 41,961  | Displace existing use | Single Government tenant under lease 1/31/2028 with 5 1 year options. 100% occupied. (38,759 SF). Owner is interested in selling.   |
| Goldstein Improvements    | MU2    | 44,750  | Unavailable           | Multi-tenanted government and non-government leases. Not interested in selling. 100% occupied.  |
| Juneau 1, LLC (Labor)     | WC     | 49,977  | Unavailable           | Single government tenant lease expires 7/24 with two 2 year options. 100% occupied. Not interested in selling   |
| Juneau 1, LLC (DOT)       | GC     | 51,249  | Unavailable           | Single tenant government lease expires 5/1/2024. 90% likely renewal. 100% occupied. Not interested in selling   |
| Jordan Creek Center       | LC     | 74,744  | Unavailable           | Multi tenant non-government and government leases. Not interested in selling.   |
| Marine View               | MU     | 91,169  | Unavailable           | Multi use retail, commercial, and residential. Does not meet parking requirement. Not interested in selling   |
| Mendenhall Mall w annex   |        | 145,000 | Unavailable           | Multi use retail and commercial. 97% occupied with various lease terms running 5 years with options.  |
| Nugget Mall               | GC     | 139,934 | Available             | Multi Use Retail with roughly 45,000 sf of interior lease spaces on MTM leases. SF does not include anchor tenants<br>Pricing based on 92.00 psf = \$4,140,000. Modifications is estimated at 7 million. Additional subdividing is questionable |



**MEMORANDUM**

**DATE:** May 4, 2023  
**TO:** Assembly Finance Committee  
**FROM:** Alexandra Pierce, Tourism Manager  
**SUBJECT:** Marine Passenger Fee Proposal

This memo discusses my proposal for the expenditure of passenger fees (CBJ \$5 Marine Passenger Fee, \$3 Port Development Fee and \$5 State Commercial Passenger Vessel Fee). This proposal is made in accordance with the settlement that was reached with CLIA in March of 2019 and is designed to provide services and solve community issues related to cruise ship tourism.

The cruise industry holds a consensus view that Southeast Alaska sailings will exceed pre-pandemic levels in the summer of 2023. The scheduled lower berth capacity is estimated to be 1.65 million visitors for the summer 2023 season.

Here is how that forecast for visitation translates to passenger fee revenue in FY23 and FY24:

|                       |        | <b>PAX</b> | <b>MPF</b>   | <b>PDF</b>   | <b>State CPV*</b> | <b>Total</b>  |
|-----------------------|--------|------------|--------------|--------------|-------------------|---------------|
| CY2022 Jul/Aug/Sept   | FY2023 | 600,000    | \$ 3,000,000 | \$ 1,800,000 | \$ 5,000,000      | \$ 9,800,000  |
| CY2023 April/May/June | FY2023 | 660,000    | \$ 3,300,000 | \$ 1,980,000 |                   | \$ 5,280,000  |
| 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  |

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

**FY23 Passenger Fee Total \$ 15,080,000**  
**FY24 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 is eliminated for FY24 and we can expect to carry a positive fund balance into FY25. Additionally, new U.S. Coast Guard security requirements translate to increased security expenses of approximately \$150,000 per dock. This was new for FY23 but will continue indefinitely.

| <b>FY24 Passenger Fee Proposal</b>                    |                      |                   |                      |
|---|----------------------|-------------------|----------------------|
|   | <b>Direct Cost</b>   | <b>Overhead</b>   | <b>Total</b>         |
| <b>Debt Service: Juneau Cruise Terminal Docks</b>     | <b>\$ 2,026,500</b>  | <b>\$ -</b>       | <b>\$ 2,026,500</b>  |
|   |                      |                   |                      |
| <b>CBJ Municipal Services</b>                         |                      |                   |                      |
| Police Support  | \$ 1,289,600         | \$ 47,800         | \$ 1,337,400         |
| Ambulance/EMS Support                                 | \$ 591,500           | \$ 21,900         | \$ 613,400           |
| Seawalk, Open Space and Restroom Maintenance          | \$ 426,100           | \$ 15,800         | \$ 441,900           |
| Street Cleaning/Repair                                | \$ 192,900           | \$ 7,100          | \$ 200,000           |
| D&H - Port Management                                 | \$ 275,000           | \$ 10,200         | \$ 285,200           |
| D&H - Port Customs Office Building Maintenance        | \$ 142,000           | \$ 5,300          | \$ 147,300           |
| D&H - Access Control Security                         | \$ 300,000           | \$ 11,100         | \$ 311,100           |
| Tourism Management                                    | \$ 229,000           | \$ 8,500          | \$ 237,500           |
| CBJ Resident Tourism Survey                           | \$ 35,000            | \$ 1,300          | \$ 36,300            |
| Cruise Ship Passenger Survey                          | \$ 35,000            | \$ 1,300          | \$ 36,300            |
| General Economic Analysis                             | \$ 40,000            | \$ 1,500          | \$ 41,500            |
| <b>Total City Services</b>                            | <b>\$ 3,556,100</b>  | <b>\$ 132,700</b> | <b>\$ 3,688,800</b>  |
|   |                      |                   |                      |
| <b>Third-Party Visitor Services by Assembly Grant</b> |                      |                   |                      |
| Travel Juneau - Crossing guard program                | \$ 294,200           | \$ -              | \$ 294,200           |
| Travel Juneau - Visitor services program              | \$ 165,200           | \$ -              | \$ 165,200           |
| Tourism Best Management Practices (TBMP)              | \$ 26,000            | \$ -              | \$ 26,000            |
| Downtown Business Association Ambassador Program      | \$ 90,000            | \$ -              | \$ 90,000            |
| AJ Dock - Access Control Security                     | \$ 130,000           | \$ -              | \$ 130,000           |
| AJ Dock - Restroom Maintenance                        | \$ 30,000            | \$ -              | \$ 30,000            |
| Franklin Dock - Access Control Security               | \$ 130,000           | \$ -              | \$ 130,000           |
| Franklin Dock - Restroom Maintenance                  | \$ 30,000            | \$ -              | \$ 30,000            |
| Seasonal Workforce Housing Planning                   | \$ 50,000            | \$ -              | \$ 50,000            |
| <b>Total 3rd Party Services</b>                       | <b>\$ 945,400</b>    | <b>\$ -</b>       | <b>\$ 945,400</b>    |
|   |                      |                   |                      |
| <b>Capital Investments</b>                            |                      |                   |                      |
| Capital Civic Center                                  | \$ 1,000,000         | \$ -              | \$ 1,000,000         |
| Marine Park Improvements                              | \$ 2,000,000         | \$ -              | \$ 2,000,000         |
| Homestead Park Improvements                           | \$ 1,000,000         | \$ -              | \$ 1,000,000         |
| Wastewater Improvements                               | \$ 950,000           | \$ -              | \$ 950,000           |
| Informational Signage                                 | \$ 75,000            | \$ -              | \$ 75,000            |
| Circulator Plan                                       | \$ 20,000            | \$ -              | \$ 20,000            |
| Seawalk Expansion                                     | \$ 10,000,000        | \$ -              | \$ 10,000,000        |
| <b>Total Capital Investments</b>                      | <b>\$ 15,045,000</b> | <b>\$ -</b>       | <b>\$ 15,045,000</b> |
|   |                      |                   |                      |
| <b>Total Proposed FY24 Passenger Fee Expenditures</b> | <b>\$ 21,573,000</b> | <b>\$ 132,700</b> | <b>\$ 21,705,700</b> |

**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. Of note, CLIA is supportive of funding for a study on the visitor industry's impact on Juneau's housing market.

**Capital Investments:**

Capital investments were previously limited by the negative fund balance carried forward from fiscal year 2022 and the likelihood of a slower than scheduled cruise season. At the time, CBJ received a number of worthy requests and we have budgeted funds to start some of the proposed projects, anticipating more funding in the coming years. Attachment A shows CBJ's long-term visitor infrastructure needs.

Notably, this year's budget dedicates \$10,000,000 to the Seawalk, anticipating agreement on a Franklin to AJ Dock connection. Other recommended infrastructure funding includes funding for reconstruction of Marine and Homestead Parks, \$1 million towards the Capital Civic Center, wastewater improvements that were originally funded for FY21, improved signage, and extra funds to finish the circulator study. Note that dock electrification is being funded separately with a separate passenger fee-backed bond package.

The above proposal represents a conservative approach that meets our debt and negative fund balance obligations, and lays the groundwork for future infrastructure priorities.

**Attachments:**

**Attachment A – Passenger Fee Infrastructure Needs FY24-28**

**Attachment B – Combined Passenger Fee Requests Table**

**Attachment C – Consolidated FY24 Passenger Fee Requests**

## Passenger Fee Infrastructure Needs FY24-28

|  | Total                 | FY24                 | FY25                 | FY26                 | FY27                 | FY28                 |
|--|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Shore Power ASP+                         | \$ 20,000,000         |                      | bonding              |                      |                      |                      |
| Shore Power CT-                          | \$ 10,000,000         | \$ -                 |                      |                      |                      | bonding              |
| Seawalk South (Franklin to AJ)           | \$ 25,000,000         | \$ 9,500,000         | \$ 15,500,000        |                      |                      |                      |
| Seawalk Center (Triangle to Subport)     | \$ 15,000,000         | \$ 500,000           |                      |                      | \$ 5,000,000         | \$ 10,000,000        |
| Seawalk North (Subport to Gold Crk)      | \$ 10,000,000         | \$ -                 |                      | \$ 10,000,000        |                      |                      |
| NOAA Dock                                | \$ 10,000,000         |                      | \$ 1,000,000         |                      |                      |                      |
| Small Cruise Ship Berth Facility (match) | \$ 10,000,000         | \$ -                 |                      |                      | \$ 10,000,000        |                      |
| Archipelago Museum                       | \$ 10,000,000         |                      | \$ 500,000           |                      |                      |                      |
| Capital Civic Center                     | \$ 10,000,000         | \$ 1,000,000         |                      |                      |                      |                      |
| Warner's Wharf                           | \$ 2,000,000          | \$ -                 |                      | \$ 2,000,000         |                      |                      |
| Fill Dock/Seawalk Holes                  | \$ 4,000,000          | \$ -                 |                      | \$ 4,000,000         |                      |                      |
| Marine Park                              | \$ 2,000,000          | \$ 2,000,000         |                      |                      |                      |                      |
| USS Juneau Memorial Park                 | \$ 6,000,000          | \$ -                 |                      |                      |                      | \$ 6,000,000         |
| Homestead Park                           | \$ 1,000,000          | \$ 1,000,000         |                      |                      |                      |                      |
| Triangle Project (CLAW BACK)             | \$ 2,000,000          |                      | \$ 1,000,000         | \$ 1,000,000         |                      |                      |
| Visitor Circulator                       | \$ 170,000            | \$ 20,000            | \$ 150,000           |                      |                      |                      |
| Waterfront Play Area                     | \$ 1,000,000          |                      |                      | \$ 100,000           | \$ 900,000           |                      |
| Purchase AJ Dock                         | \$ 30,000,000         | \$ -                 |                      |                      |                      |                      |
| Purchase Franklin Dock                   | \$ 20,000,000         | \$ -                 |                      |                      |                      |                      |
| Float Franklin Dock                      | \$ 30,000,000         | \$ -                 |                      |                      |                      |                      |
| <b>TOTAL</b>                             | <b>\$ 218,170,000</b> | <b>\$ 14,020,000</b> | <b>\$ 18,150,000</b> | <b>\$ 17,100,000</b> | <b>\$ 15,900,000</b> | <b>\$ 16,000,000</b> |

| Combined Passenger Fee Requests |  |              |              |  |
|---------------------------------|--|--------------|--------------|--|
|                                 | Requested  | Funded       | Notes        |  |
| CBJ Tourism                     | Annual Survey                                      | \$35,000     | \$35,000     |  |
|                                 | Tourism Housing Market Analysis                    | \$50,000     | \$50,000     | Combined with JEDC's request           |
|                                 | Marine Park Construction                           | \$2,000,000  | \$2,000,000  |  |
|                                 | Homestead Park construction                        | \$1,000,000  | \$1,000,000  |  |
|                                 | Capital Civic Center                               | \$1,000,000  | \$1,000,000  |  |
|                                 | Cruise Ship Passenger Survey                       | \$35,000     | \$35,000     |  |
|                                 | Circulator Study                                   | \$20,000     | \$20,000     | Additional funds to finish study       |
|                                 | General Economic Analysis                          | \$40,000     | \$40,000     |  |
|                                 | Seawalk  | \$10,000,000 | \$10,000,000 |  |
| CBJ Public Works                | DTC Signage  | \$50,000     | \$50,000     | Included in informational signage item |
|                                 | Wastewater Improvements                            | \$900,000    | \$900,000    |  |
| JCOS                            | Bid Ready Docs Dock Electrification                | \$2,445,988  |              |  |
|                                 | Beneficial Electrification Study                   | \$250,000    |              |  |
|                                 | Transformers                                       | \$5,000,000  |              |  |
|                                 | Circulator LoNo Match                              | \$680,000    |              |  |
|                                 | Water Bottle Filling Stations                      | \$100,000    |              |  |
| AJ Dock                         | Security   | \$282,000    | \$130,000    | Funded to equal Franklin Dock          |
|                                 | Restrooms  | \$30,000     | \$30,000     | Passenger service                      |
|                                 | Asphalt repair                                     | \$22,000     |              |  |
|                                 | Security patrol & response boat                    | \$19,600     |              |  |
|                                 | Barge Maintenance                                  | \$750,000    |              |  |
|                                 | Safety barrier fence replacement                   | \$87,000     |              |  |
|                                 | Terminal, security and schrrening facility         | \$350,000    |              |  |
|                                 | Uplands modifications                              | \$379,000    |              |  |
| DBA                             | Downtown Ambassador Program                        | \$90,000     |              |  |
| Franklin Dock                   | Security   | \$130,000    |              |  |
|                                 | Restrooms  | \$30,000     |              |  |
|                                 | Dock Maintenance                                   | \$72,500     |              |  |
| Princess                        | Shore Power Switchgear Replacement                 | \$111,000    |              |  |
| Juneau District Heat            | Electrical Infrastructure at Subport               | \$2,500,000  |              |  |
| JEDC                            | Seasonal workforce housing construction            | \$12,000,000 |              |  |
| Docks & Harbors                 | Areawide Port Operations                           | \$275,000    | \$275,000    |  |
|                                 | Customs & Visitor Center Maintenance               | \$142,000    | \$142,000    |  |
|                                 | Dock Safety Rail                                   | \$1,000,000  |              |  |
|                                 | Adopted Budget for Docks                           | \$2,200,000  |              |  |
|                                 | Security   | \$300,000    | \$300,000    |  |
|                                 | Port Harmonization                                 | \$1,000,000  |              |  |
|                                 | Purchase Archipelago property                      | \$10,000,000 |              |  |
|                                 | Lone sailor statue                                 | \$1,000,000  |              |  |
|                                 | USS Juneau Memorial                                | \$3,000,000  |              |  |
|                                 | Rebuild emergency vessel float                     | \$650,000    |              |  |
| Gene Miller                     | Glacier Visitor Center Restrooms                   |              |              |  |
| Jim Dogaghey                    | Covered walkway along docks                        |              |              |  |
|                                 | Food vendor/artist stalls on docks                 |              |              |  |
| Burce Denton                    | Circulator LoNo Match                              | \$1,000,000  |              |  |
| Joyanne Bloom                   | Signage for Peratrovich Plaza                      |              | \$25,000     | Included in informational signage item |
| Sandro Lane                     | Purchase Emergency Vehicles, locate on Rock Dump   |              |              |  |
| Peter Dukowitz                  | Conversion of 2 (whale watch?) vessels to electric | \$500,000    |              |  |
| Michael Riederer                | Additional Auke Bay speed zone buoys               | \$60,000     |              |  |



Travel Juneau

|                             |           |           |
|-----------------------------|-----------|-----------|
| Crossing Guard Program      | \$294,206 | \$294,206 |
| Visitor Information program | \$165,180 | \$165,180 |
| TBMP                        | \$25,950  | \$25,950  |



**MEMORANDUM**

**DATE:** April 21, 2023

**TO:** Assembly Finance Committee

**FROM:** Alexandra Pierce, Tourism Manager

**SUBJECT:** Marine Passenger Fee Proposal – Amendments and Supplemental Information on Commercial Recreational Use Funding

This memo describes the additional Marine Passenger Fee funding request discussed at the April 3, 2023 Committee of the Whole meeting. The Committee recommended approval of two planning efforts: finishing the Trails Plan and a Commercial Recreational Use Strategy. The Trails Plan is an infrastructure plan, and should be a General Fund expense. The \$80,000 to finish the plan should be placed on the pending list.

The original proposal recommended moving \$120,000 from the Seawalk to fund the Commercial Recreational Use project. The Finance Director has since advised that we have sufficient MPF funds available to cover both projects as budgeted.

Staff also recommends two additional amendments to the original proposal. The first amendment increases the cruise ship passenger survey budget from \$35,000 to \$100,000 to reflect higher anticipated project cost and a provision for economic analysis and spending data. The second amendment reallocates \$50,000 for seasonal workforce housing planning from a third-party visitor services Assembly grant to the Tourism Management operating budget to provide more flexibility on project terms and scope.

The following information was already provided to the Committee of the Whole, but it is a good refresher on the context around these additional needs:

The U.S. Forest Service also bases its trail permitting off the Juneau Trails Working Group, and all of its commercially permitted trails are within the Mendenhall Glacier Recreation Area. The glacier currently sees 700,000 visitors per year, and the USFS has conducted an extensive planning process over the past six years to expand this capacity. The final product is likely several years away and funding is uncertain.

CBJ's 2022 Tourism Survey results are evenly split on whether to spread visitors out across the borough or to confine visitor operations to a few known areas. Regardless of the direction the Assembly takes on dispersion versus condensation, Juneau appears to be nearing the point where shore excursion capacity does not meet demand. Without new opportunities, we will continue to see growth in markets that already feel 'full' (i.e. whale watching). If the Eaglecrest gondola is constructed in the next few years, we can expect approximately 70,000 visits in the first year. The gondola certainly represents an opportunity for disbursement, but even at full projected capacity, it will not scale up enough to make a major

difference. Shore excursion growth should be strategic. New activities should happen in locations supported by public process.

We conduct surveys because we typically hear from the people who feel disproportionately affected, either positively or negatively, by the visitor industry. It's valuable to hear from a random sample of residents. However, each time there is a proposal for tourism activity in a new area, we hear from people who are concerned about being displaced. Based on the recommendations of the VITF and the recent Assembly discussion about the Pioneer Road, staff proposes using Marine Passenger Fees to fund a public process around commercial use throughout the borough. The policy component should be fairly straightforward, building on the work of the VITF, but we need a focused public process about the best areas of town for visitor industry activity and that has not yet taken place.

| <b>FY24 Passenger Fee Proposal – Amended</b>          |   |  |   |
|---|---|--|---|
|   | <b>Direct Cost</b>                                    | <b>Overhead</b>                          | <b>Total</b>  |
| <b>Debt Service: Juneau Cruise Terminal Docks</b>     | <b>\$ 2,026,500</b>                                   | <b>\$ -</b>                              | <b>\$ 2,026,500</b>                                   |
| <b>CBJ Municipal Services</b>                         |   |  |   |
| Police Support  | \$ 1,289,600  | <del>\$ 47,800</del><br><b>\$ 45,100</b> | <del>\$ 1,337,400</del><br><b>\$ 1,334,700</b>        |
| Ambulance/EMS Support                                 | \$ 591,500  | <del>\$ 21,900</del><br><b>\$ 20,700</b> | <del>\$ 613,400</del><br><b>\$ 612,200</b>            |
| Seawalk, Open Space and Restroom Maintenance          | \$ 426,100  | <del>\$ 15,800</del><br><b>\$ 14,900</b> | <del>\$ 441,900</del><br><b>\$ 441,000</b>            |
| Street Cleaning/Repair                                | \$ 192,900  | <del>\$ 7,100</del><br><b>\$ 6,700</b>   | <del>\$ 200,000</del><br><b>\$ 199,600</b>            |
| D&H - Port Management                                 | \$ 275,000  | <del>\$ 10,200</del><br><b>\$ 9,600</b>  | <del>\$ 285,200</del><br><b>\$ 284,600</b>            |
| D&H - Port Customs Office Building Maintenance        | \$ 142,000  | <del>\$ 5,300</del><br><b>\$ 5,000</b>   | <del>\$ 147,300</del><br><b>\$ 147,000</b>            |
| D&H - Access Control Security                         | \$ 300,000  | <del>\$ 11,100</del><br><b>\$ 10,500</b> | <del>\$ 311,100</del><br><b>\$ 310,500</b>            |
| Tourism Management                                    | \$ 229,000  | <del>\$ 8,500</del><br><b>\$ 8,000</b>   | <del>\$ 237,500</del><br><b>\$ 237,000</b>            |
| CBJ Resident Tourism Survey                           | \$ 35,000   | \$ 1,300                                 | \$ 36,300   |
| Cruise Ship Passenger Survey                          | <del>\$ 35,000</del><br><b>\$ 100,000</b>             | <del>\$ 1,300</del><br><b>\$ 3,600</b>   | <del>\$ 36,300</del><br><b>\$ 103,600</b>             |
| General Economic Analysis                             | \$ 40,000   | <del>\$ 1,500</del><br><b>\$ 1,400</b>   | <del>\$ 41,500</del><br><b>\$ 41,400</b>              |
| Seasonal Workforce Housing Planning                   | <b>\$ 50,000</b>                                      | <b>\$ 1,700</b>                          | <b>\$ 51,700</b>                                      |
| Commercial Recreational Use Strategy                  | <b>\$ 120,000</b>                                     | <b>\$ 4,200</b>                          | <b>\$ 124,200</b>                                     |
| <b>Total City Services</b>                            | <del><b>\$ 3,556,100</b></del><br><b>\$ 3,791,100</b> | <b>\$ 132,700</b>                        | <del><b>\$ 3,688,800</b></del><br><b>\$ 3,923,800</b> |
| <b>Third-Party Visitor Services by Assembly Grant</b> |   |  |   |
| Travel Juneau - Crossing guard program                | \$ 294,200  | \$ -                                     | \$ 294,200  |
| Travel Juneau - Visitor services program              | \$ 165,200  | \$ -                                     | \$ 165,200  |
| Tourism Best Management Practices (TBMP)              | \$ 26,000   | \$ -                                     | \$ 26,000   |
| Downtown Business Association Ambassador Program      | \$ 90,000   | \$ -                                     | \$ 90,000   |
| AJ Dock - Access Control Security                     | \$ 130,000  | \$ -                                     | \$ 130,000  |
| AJ Dock - Restroom Maintenance                        | \$ 30,000   | \$ -                                     | \$ 30,000   |
| Franklin Dock - Access Control Security               | \$ 130,000  | \$ -                                     | \$ 130,000  |
| Franklin Dock - Restroom Maintenance                  | \$ 30,000   | \$ -                                     | \$ 30,000   |
| Seasonal Workforce Housing Planning                   | <del>\$ 50,000</del>                                  | <del>\$ -</del>                          | <del>\$ 50,000</del>                                  |
| <b>Total 3rd Party Services</b>                       | <del><b>\$ 945,400</b></del><br><b>\$ 895,400</b>     | <b>\$ -</b>                              | <del><b>\$ 945,400</b></del><br><b>\$ 895,400</b>     |

|   | Direct Cost                                      | Overhead   | Total  |
|---|--|------------|--|
| <b>Capital Investments</b>                            |  |            |  |
| Capital Civic Center                                  | \$ 1,000,000                                     | \$ -       | \$ 1,000,000                                     |
| Marine Park Improvements                              | \$ 2,000,000                                     | \$ -       | \$ 2,000,000                                     |
| Homestead Park Improvements                           | \$ 1,000,000                                     | \$ -       | \$ 1,000,000                                     |
| Wastewater Improvements                               | \$ 950,000                                       | \$ -       | \$ 950,000                                       |
| Informational Signage                                 | \$ 75,000  | \$ -       | \$ 75,000  |
| Circulator Plan                                       | \$ 20,000  | \$ -       | \$ 20,000  |
| Seawalk Expansion                                     | <del>\$ 10,000,000</del><br>\$ 5,000,000         | \$ -       | <del>\$ 10,000,000</del><br>\$ 5,000,000         |
| <b>Shore Power</b>                                    | <b>\$ 5,000,000</b>                              |            | <b>\$ 5,000,000</b>                              |
| <b>Total Capital Investments</b>                      | <b>\$ 15,045,000</b>                             | \$ -       | <b>\$ 15,045,000</b>                             |
|   |  |            |  |
| <b>Total Proposed FY24 Passenger Fee Expenditures</b> | <del>\$ 21,573,000</del><br><b>\$ 21,758,000</b> | \$ 132,700 | <del>\$ 21,705,700</del><br><b>\$ 21,890,700</b> |

**City and Borough of Juneau**  
**Passenger Fees from All Sources**  
(\$000 Thousands)  
April 26, 2023

|                              | FY17       | FY18       | FY19        | FY20       | FY21       | FY22       | FY23       | FY24        | FY25       |
|------------------------------|------------|------------|-------------|------------|------------|------------|------------|-------------|------------|
| <b>MPF</b>                   |            |            |             |            |            |            |            |             |            |
| Revenue                      | \$ 5,067   | \$ 5,407   | \$ 5,991    | \$ 4,000   | \$ 9       | \$ 2,641   | \$ 6,300   | \$ 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) | \$ (4,839)  | \$ (4,839) |
| Capital Expenditures         | \$ (1,303) | \$ (1,869) | \$ (5,385)  | \$ (677)   | \$ -       | \$ -       | \$ -       | \$ -        | \$ -       |
| Surplus/Deficit              | \$ 62      | \$ 231     | \$ (173)    | \$ (2,101) | \$ (2,399) | \$ (215)   | \$ 1,662   | \$ 3,411    | \$ 3,411   |
| Fund Balance                 | \$ 536     | \$ 767     | \$ 594      | \$ (1,507) | \$ (3,906) | \$ (4,122) | \$ (2,459) | \$ 952      | \$ 4,363   |
| <b>SMPF</b>                  |            |            |             |            |            |            |            |             |            |
| Revenue                      | \$ 4,600   | \$ 4,600   | \$ 5,271    | \$ 5,971   | \$ 2,446   | \$ 572     | \$ 5,000   | \$ 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) | \$ -       |
| Surplus/Deficit              | \$ -       | \$ -       | \$ 271      | \$ 1,471   | \$ -       | \$ 572     | \$ 905     | \$ (2,750)  | \$ 8,250   |
| Fund Balance                 | \$ 295     | \$ 295     | \$ 566      | \$ 2,037   | \$ 2,037   | \$ 2,609   | \$ 3,514   | \$ 764      | \$ 9,014   |
| <b>PDF</b>                   |            |            |             |            |            |            |            |             |            |
| Revenue                      | \$ 3,015   | \$ 3,217   | \$ 3,568    | \$ 2,367   | \$ -       | \$ 1,557   | \$ 8,780   | \$ 4,950    | \$ 4,950   |
| Operating Expenditures       | \$ (6)     | \$ (6)     | \$ (6)      | \$ (363)   | \$ (8)     | \$ (8)     | \$ (8)     | \$ (20)     | \$ (20)    |
| Debt Service                 | \$ (2,093) | \$ (2,095) | \$ (2,097)  | \$ (2,095) | \$ -       | \$ (1,883) | \$ (2,478) | \$ (2,286)  | \$ (2,477) |
| Capital Expenditures         | \$ -       | \$ -       | \$ (3,700)  | \$ -       | \$ -       | \$ -       | \$ (5,000) | \$ (4,045)  | \$ -       |
| Surplus/Deficit              | \$ 916     | \$ 1,116   | \$ (2,235)  | \$ (91)    | \$ (8)     | \$ (334)   | \$ 1,294   | \$ (1,401)  | \$ 2,453   |
| Fund Balance                 | \$ 1,732   | \$ 2,848   | \$ 613      | \$ 522     | \$ 514     | \$ 180     | \$ 1,474   | \$ 73       | \$ 2,526   |
| <b>TOTAL PASSENGER FEES</b>  |            |            |             |            |            |            |            |             |            |
| Revenue                      | \$ 12,682  | \$ 13,224  | \$ 14,830   | \$ 12,338  | \$ 2,455   | \$ 4,770   | \$ 20,080  | \$ 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) | \$ (4,859)  | \$ (4,859) |
| Debt Service                 | \$ (2,093) | \$ (2,095) | \$ (2,097)  | \$ (2,095) | \$ (2,095) | \$ (1,883) | \$ (2,478) | \$ (2,286)  | \$ (2,477) |
| Capital Expenditures         | \$ (5,903) | \$ (6,469) | \$ (14,085) | \$ (5,177) | \$ -       | \$ -       | \$ (9,095) | \$ (15,045) | \$ -       |
| Surplus/Deficit              | \$ 978     | \$ 1,347   | \$ (2,137)  | \$ (721)   | \$ (2,407) | \$ 23      | \$ 3,861   | \$ (740)    | \$ 14,114  |
| Fund Balance                 | \$ 2,563   | \$ 3,910   | \$ 1,773    | \$ 1,052   | \$ (1,355) | \$ (1,333) | \$ 2,529   | \$ 1,789    | \$ 15,902  |

Presented by: The City Manager  
Introduced: April 5, 2023  
Drafted by: Engineering & Public Works Department

RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 3016 vAFC1

**A Resolution Adopting the City and Borough Capital Improvement Program for Fiscal Years 2024 through 2029, and Establishing the Capital Improvement Project Priorities for Fiscal Year 2024.**

WHEREAS, the CBJ Capital Improvement Program is a plan for capital improvement projects proposed for the next six fiscal years; and

WHEREAS, the Assembly has reviewed the Capital Improvement Program for Fiscal Year 2024 through Fiscal Year 2029, and has determined the capital improvement project priorities for Fiscal Year 2024.

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

**Section 1. Capital Improvement Program.**

(a) Attachment A, entitled "City and Borough of Juneau Capital Improvement Program, Fiscal Years 2024-2029," dated **June 1, 2023**, is adopted as the Capital Improvement Program for the City and Borough.

(b) The following list, as set forth in the "City and Borough of Juneau Capital Improvement Program, Fiscal Years 2024-2029," are pending capital improvement projects to be undertaken in FY24:

| <b>FISCAL YEAR 2024<br/>GENERAL SALES TAX IMPROVEMENTS</b> |   |                      |
|--|---|----------------------|
| <b>DEPARTMENT</b>  | <b>PROJECT</b>  | <b>FY24 BUDGET</b>   |
| Eaglecrest   | Deferred Maintenance /Mountain Operations Improvements              | \$ 300,000           |
| Eaglecrest   | Eaglecrest Master Plan  | 50,000               |
| Manager's Office   | New City Hall   | 10,000,000           |
| Manager's Office   | JPD/CCFR Radio System Replacement                                   | 2,000,000            |
| Manager's Office   | Jordan Creek Greenbelt Improvements                                 | 150,000              |
| Manager's Office   | Fire - Add Staff Restroom at Sleep-off center - St. Vincent de Paul | 150,000              |
| Manager's Office   | Zero Waste Program  | 100,000              |
| Manager's Office   | Zero Waste Subdivision  | 50,000               |
| Parks & Recreation   | Deferred Building Maintenance                                       | 850,000              |
| Parks & Recreation   | Park & Playground Deferred Maintenance and Repairs                  | 300,000              |
| Parks & Recreation   | Sports Field Resurfacing & Repairs                                  | 50,000               |
| Parks & Recreation   | OHV Park and Trails   | 200,000              |
| Parks & Recreation   | Trail Improvements  | 150,000              |
| Parks & Recreation   | Dimond Park Field House ADA Improvements                            | 150,000              |
| Parks & Recreation   | Juneau Trails Plan  | 80,000               |
| <b>General Sales Tax Improvements Total</b>                |   | <b>\$ 14,580,000</b> |

**FISCAL YEAR 2024  
AREAWIDE STREET SALES TAX PRIORITIES**

| <b>DEPARTMENT</b>                                 | <b>PROJECT</b>  | <b>FY24 BUDGET</b>   |
|---|---|----------------------|
| Street Maintenance                                | Vintage Boulevard and Clinton Drive Reconstruction Phase 1                              | \$ 2,100,000         |
| Street Maintenance                                | Pavement Management   | 930,000              |
| Street Maintenance                                | Sidewalk & Stairway Repairs   | 1,000,000            |
| Street Maintenance                                | Areawide Drainage Improvements  | 250,000              |
| Street Maintenance                                | Dudley - Loop to Tongass  | 1,300,000            |
| Street Maintenance                                | Dogwood Lane - Columbia to Mend Blvd  | 1,800,000            |
| Street Maintenance                                | 4th and E streets Douglas water system replacement, resurface and drainage improvements | 1,930,000            |
| Street Maintenance                                | 10th St, F St, W 8th St drainage and rehab planning and design                          | 200,000              |
| Street Maintenance                                | Gold Creek Flume Rehabilitation   | 600,000              |
| Capital Transit                                   | FTA Grant Match - Bus Shelter Replacement   | 220,000              |
| Engineering                                       | Safe Streets For All (SS4A) Grant Match   | 70,000               |
| Engineering                                       | EV Policy and Planning  | 50,000               |
| Engineering                                       | Contaminated Sites ADEC Follow up Reporting   | 50,000               |
| <b>Areawide Street Sales Tax Priorities Total</b> |   | <b>\$ 10,500,000</b> |

**FISCAL YEAR 2024  
TEMPORARY 1% SALES TAX PRIORITIES  
Voter Approved Sales Tax 10/01/18 - 09/30/23**

| <b>DEPARTMENT</b>                              | <b>PROJECT</b>                          | <b>FY24 BUDGET</b>  |
|--|---|---------------------|
| Harbors  | Aurora Harbor Rebuild Phase III         | \$ 1,500,000        |
| Wastewater Utility                             | Lift Station SCADA Integration          | 500,000             |
| Parks & Recreation                             | Deferred Building Maintenance           | 200,000             |
| School District                                | JSD Buildings Major Maintenance / Match | 200,000             |
| <b>Temporary 1% Sales Tax Priorities Total</b> |   | <b>\$ 2,400,000</b> |

**FISCAL YEAR 2024  
TEMPORARY 1% SALES TAX PRIORITIES  
Voter Approved Sales Tax 10/01/23 - 09/30/28**

| <b>DEPARTMENT</b>  | <b>PROJECT</b>                                      | <b>FY24 BUDGET</b>  |
|--|---|---------------------|
| Parks and Recreation                                     | Deferred Building Maintenance                       | \$ 2,000,000        |
| Managers   | Childcare Funding                                   | 400,000 *           |
| Parks and Recreation                                     | Parks and Playgrounds Major Maintenance and Repairs | 750,000             |
| Managers   | Fire - Ladder Truck Replacement                     | 1,200,000 *         |
| School District  | JSD Buildings Major Maintenance / Match             | 750,000             |
| Managers   | Telephone Hill Redevelopment                        | 500,000             |
| Managers   | JPD/CCFR Radio System Replacement                   | 500,000             |
| Managers - Library                                       | Waterfront Museum                                   | 500,000             |
| Harbors  | Harbor Projects / Grant Match                       | 2,400,000           |
| <b>DRAFT - WILL BE UPDATED UPON APPROVAL BY ASSEMBLY</b> |   |                     |
| <b>Temporary 1% Sales Tax Priorities Total</b>           |   | <b>\$ 9,000,000</b> |

\* Operating Budget Funding

**FISCAL YEAR 2024  
PORT DEVELOPMENT FEE PRIORITIES**

| <b>DEPARTMENT</b>  | <b>PROJECT</b>                              | <b>FY24 BUDGET</b>  |
|--|---|---------------------|
| Parks and Recreation   | Marine Park Construction                    | \$ 2,000,000        |
| Parks and Recreation   | Homestead Park Construction                 | 1,000,000           |
| Managers   | Circulator Study                            | 20,000              |
| Capital Transit  | Downtown Transportation Center Signage      | 75,000              |
| Wastewater   | Outer Drive Sewer Pump Station Improvements | 950,000             |
| <b>DRAFT - WILL BE FINALIZED UPON COMPLETION OF PUBLIC PROCESS</b> |   |                     |
| <b>Port Development Fee Priorities Total</b>                       |   | <b>\$ 4,045,000</b> |



**FISCAL YEAR 2024  
STATE MARINE PASSENGER FEE PRIORITIES**

| DEPARTMENT   | PROJECT              | FY24 BUDGET                 |
|--|----------------------|-----------------------------|
| Managers   | Capital Civic Center | \$ 1,000,000                |
| Managers   | Shore Power          | 5,000,000                   |
| Managers   | Seawalk              | 5,000,000                   |
| <b>DRAFT - WILL BE FINALIZED UPON COMPLETION OF PUBLIC PROCESS</b> |                      |                             |
| <b>State Marine Passenger Fee Priorities Total</b>                 |                      | <b><u>\$ 11,000,000</u></b> |

**FISCAL YEAR 2024  
BARTLETT HOSPITAL ENTERPRISE FUND**

| DEPARTMENT                                     | PROJECT              | FY24 BUDGET                |
|--|----------------------|----------------------------|
| Bartlett Hospital                              | Deferred Maintenance | \$ 2,000,000               |
| <b>Bartlett Hospital Enterprise Fund Total</b> |                      | <b><u>\$ 2,000,000</u></b> |

**FISCAL YEAR 2024  
FACILITIES MAINTENANCE FUND**

| DEPARTMENT                               | PROJECT                       | FY24 BUDGET              |
|--|-------------------------------|--------------------------|
| Parks and Recreation                     | Deferred Building Maintenance | \$ 100,000               |
| <b>Facilities Maintenance Fund Total</b> |                               | <b><u>\$ 100,000</u></b> |

**FISCAL YEAR 2024  
LANDS & RESOURCES FUND**

| DEPARTMENT                              | PROJECT  | FY24 BUDGET                |
|---|--|----------------------------|
| Lands & Resources                       | Pits and Quarries Management, Infrastructure Maintenance and Expansion | \$ 700,000                 |
| Lands & Resources                       | Zero Waste Subdivision Plan  | 50,000                     |
| Lands & Resources                       | Auke Bay Property Development and Disposal                             | 450,000                    |
| <b>Lands &amp; Resources Fund Total</b> |  | <b><u>\$ 1,200,000</u></b> |

**FISCAL YEAR 2024  
WASTEWATER ENTERPRISE FUND**

| DEPARTMENT                              | PROJECT  | FY24 BUDGET                |
|---|--|----------------------------|
| Wastewater Utility                      | Facilities Planning, Infiltration and Inflow, ABTP long term study, solids digester)     | \$ 220,000                 |
| Wastewater Utility                      | Areawide Collection System Improvements  | 55,000                     |
| Wastewater Utility                      | JDTP SCADA and Instrumentation Upgrades  | 150,000                    |
| Wastewater Utility                      | Dudley - Loop Road to Tongass  | 143,000                    |
| Wastewater Utility                      | Conifer Lane - Back Loop to end  | 354,000                    |
| Wastewater Utility                      | Dogwood Lane - Columbia to Mendenhall Blvd   | 250,000                    |
| Wastewater Utility                      | 4th and E streets Douglas, water system replacement, resurface and drainage improvements | 40,000                     |
| Wastewater Utility                      | Stairway Sewer Improvements  | 100,000                    |
| Wastewater Utility                      | Pavement Management Program-Utility Adjustments (frames & lids)                          | 20,000                     |
| <b>Wastewater Enterprise Fund Total</b> |  | <b><u>\$ 1,332,000</u></b> |

**FISCAL YEAR 2024  
WATER ENTERPRISE FUND**

| <b>DEPARTMENT</b> | <b>PROJECT</b>  | <b>FY24 BUDGET</b>  |
|-------------------|---|---------------------|
| Water Utility     | Lena Loop Water System Replacement  | \$ 150,000          |
| Water Utility     | Egan Drive Crossing Water Main Replacements (Channel Dr.,Norway Pt., Highland Dr. Salmon Ck, Sunny Pt.) | 250,000             |
| Water Utility     | Salmon Creek Onsite Chlorine Generation Replacement / Upgrade   | 10,000              |
| Water Utility     | Aurora Vault Removal  | 550,000             |
| Water Utility     | Cedar Park (W Juneau) Pump Station Upgrades / Rehab   | 825,000             |
| Water Utility     | PRV Station Improvements & Upgrades (Crow Hill, 5th St. Douglas)  | 50,000              |
| Water Utility     | ADOT Projects Utility Adjustments (provide valve boxes, vault lids etc.)                                | 55,000              |
| Water Utility     | Conifer Lane - Back Loop to end   | 459,000             |
| Water Utility     | Dudley - Loop Road to Tongass   | 286,000             |
| Water Utility     | Stairway Water Improvements   | 100,000             |
| Water Utility     | 4th and E Street Water System Replacement   | 405,000             |
| Water Utility     | Dogwood Lane - Columbia to Mendenhall Blvd  | 340,000             |
| Water Utility     | Pavement Management Water Utility Adjustments   | 20,000              |
|                   | <b>Water Enterprise Fund Total</b>  | <b>\$ 3,500,000</b> |

**ORDINANCE 2023-14 CAPITAL PROJECTS FUNDING TOTAL**

**\$ 58,057,000**

**ORDINANCE 2023-14 OPERATING BUDGET FUNDING TOTAL**

**\$ 1,600,000**

(c) The following list, as set forth in the "City and Borough of Juneau Capital Improvement Program, Fiscal Years 2024-2029," are capital improvement projects identified as priorities proposed to be undertaken beginning in FY24, but are dependent on other unsecured funding sources. As the sources are secured, the funds will be appropriated:

**FISCAL YEAR 2024  
AIRPORT UNSCHEDULED FUNDING**

| <b>DEPARTMENT</b> | <b>PROJECT</b>   | <b>FY24 BUDGET</b>   |
|-------------------|--|----------------------|
| Airport           | Construct 121/135 Ramp Rehab, drainage, fencing, lighting & RON aircraft parking | \$ 12,200,000        |
| Airport           | Construct/Replace Jetbridge (PBB) Gate 5   | 2,000,000            |
| Airport           | Design East GA, TXL and Apron  | 275,000              |
| Airport           | Design West GA, TXL  | 300,000              |
| Airport           | Design Safety Area Grading/RW Shoulders/NAVAIDS                                  | 400,000              |
| Airport           | Land Acquisition - Channel Flying/Loken  | 1,500,000            |
|                   | <b>Airport Unscheduled Funding Total</b>   | <b>\$ 16,675,000</b> |

**FISCAL YEAR 2024  
UNSCHEDULED FUNDING**

| <b>DEPARTMENT</b>    | <b>PROJECT</b>  | <b>FY24 BUDGET</b>   |
|----------------------|---|----------------------|
| Bartlett Hospital    | Wildflower Court Maintenance and Repairs                    | 500,000              |
| Capital Transit      | FTA Grant - Bus Shelter Replacements                        | \$ 860,000           |
| Harbors              | Cost Share w/ ACOE - Statter Breakwater Feasibility Study   | 500,000              |
| Manager's Office     | JPD DEU Building Expansion                                  | 1,610,000            |
| Manager's Office     | JPD and CCFR - Radio System replacement                     | 14,500,000           |
| Parks and Recreation | Hank Harmon Public Range Hunter Safety Access Grant         | 850,000              |
| Parks and Recreation | 35 Mile ORV Park and Trails Recreation Trails Program Grant | 300,000              |
| Parks and Recreation | Montana Creek Bridge Replacement TAP Grant                  | 1,500,000            |
| Public Works         | Upper Jordan Creek Sediment Control                         | 5,000,000            |
|                      | <b>Unscheduled Funding Total</b>                            | <b>\$ 25,620,000</b> |

**Section 2. Fiscal Year 2024 Budget.** It is the intent of the Assembly that the capital improvement project budget allocations as set forth in the FY24 pending Capital Improvements List in Section 1(b), above, not already appropriated, shall become a part of the City and Borough's Fiscal Year 2024 Budget.

**Section 3. State and Federal Funding.** To the extent that a proposed CIP project, as set forth in Section 1(c), above, includes state funding, federal funding, or both, the amount of funding for that project is an estimate only, and is subject to appropriation contingent upon final funding being secured. It is the intent of the Assembly that once funding is secured, these items will be brought back to the Assembly for appropriation.

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

Adopted this \_\_\_\_\_ day of **June**, 2023.

\_\_\_\_\_  
Beth A. Weldon, Mayor

Attest:

\_\_\_\_\_  
Elizabeth J. McEwen, Municipal Clerk

Presented by: The Manager  
Introduced: April 5, 2023  
Drafted by: Finance

Ordinance of the City and Borough of Juneau

Serial No. 2023-16

**An Ordinance Establishing the Rate of Levy for Property Taxes  
for Calendar Year 2023 Based Upon the Proposed Budget for Fiscal Year 2024.**

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

Section 2. Rates of Levy. The following are the rates of levy on taxable property within the City and Borough of Juneau for the Calendar Year beginning January 1, 2023, based upon the proposed budget for Fiscal Year 2024 beginning July 1, 2023.

| <u>Operation Mill Rate by Service Area</u> | <u>Millage</u>      |
|--|---------------------|
| Roaded Service Area                        | 2.45                |
| Fire Service Area                          | 0.31                |
| Areawide                                   | 6.32                |
| <b><u>Operating Total</u></b>              | <b><u>9.08</u></b>  |
| <b><u>Debt Service</u></b>                 | <b><u>1.20</u></b>  |
| <b><u>Total</u></b>                        | <b><u>10.28</u></b> |

Section 3. Effective Date. This ordinance shall be effective immediately upon adoption.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

\_\_\_\_\_  
Beth A. Weldon, Mayor

Attest:

\_\_\_\_\_  
Elizabeth J. McEwen, Municipal Clerk

Presented by: The Manager  
Introduced: April 5, 2023  
Drafted by: Finance

Ordinance of the City and Borough of Juneau

Serial No. 2023-14

**An Ordinance Appropriating Funds from the Treasury  
for FY24 City and Borough 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, excluding the Juneau School District, for the fiscal year beginning July 1, 2023, and ending June 30, 2024. It is anticipated that these estimated funding sources will meet the appropriations set forth in Section 3 of this ordinance.

|  |                                     |
|--|-------------------------------------|
| <b>ESTIMATED REVENUE:</b>                  |                                     |
| State Support                              | \$ 20,482,500                       |
| Federal Support                            | 5,804,300                           |
| Taxes                                      | 139,882,400                         |
| Charges for Services                       | 171,855,600                         |
| Licenses, Permits, Fees                    | 13,016,200                          |
| Fines and Forfeitures                      | 394,900                             |
| Rentals and Leases                         | 5,492,300                           |
| Investment & Interest Income               | 6,381,200                           |
| Sales                                      | 502,900                             |
| Other Revenue                              | 3,022,200                           |
| <b>Total Revenue</b>                       | <b><u>366,834,500</u></b>           |
| <br>                                       |                                     |
| General Governmental Fund Balance Increase | 9,935,500                           |
| All Other Funds Fund Balance Decrease      | 37,195,500                          |
| Support From Other Funds                   | 125,561,100                         |
| <br>                                       |                                     |
| <b>Total Estimated Funding Sources</b>     | <b><u><u>\$ 519,655,600</u></u></b> |

Section 3. Appropriation. The following amounts are hereby appropriated for the fiscal year beginning July 1, 2023, and ending June 30, 2024.

|   |                           |
|---|---------------------------|
| <b>General Governmental Funds:</b>        |                           |
| Mayor and Assembly                        | \$ 8,058,800              |
| Administration:                           |                           |
| City Manager                              | 3,427,100                 |
| City Clerk                                | 921,100                   |
| Information Technology                    | 4,362,800                 |
| Fire/Emergency Medical Services           | 14,798,200                |
| Community Development                     | 4,040,000                 |
| Finance                                   | 7,223,500                 |
| Human Resources                           | 940,500                   |
| Law                                       | 2,572,400                 |
| Libraries                                 | 4,120,800                 |
| Parks and Recreation:                     |                           |
| Parks and Landscape                       | 3,205,300                 |
| Administration and Recreation             | 5,122,800                 |
| Aquatics                                  | 2,945,900                 |
| Centennial Hall                           | 670,500                   |
| Police                                    | 20,854,400                |
| Public Works & Engineering:               |                           |
| General Engineering                       | 434,800                   |
| Recycle Works                             | 2,394,900                 |
| Streets                                   | 6,938,100                 |
| Transit                                   | 8,132,200                 |
| Support to Other Funds:                   |                           |
| School District                           | 33,050,800                |
| All Other Funds                           | 1,030,000                 |
| Interdepartmental Charges                 | (5,481,700)               |
| Capital Projects Indirect Cost Allocation | (550,000)                 |
| <b>Total</b>                              | <b><u>129,213,200</u></b> |
| <br><b>Special Revenue Funds:</b>         |                           |
| Sales Tax                                 | 1,416,400                 |
| Hotel Tax                                 | 58,800                    |
| Tobacco Excise Tax                        | 71,400                    |
| Pandemic Response                         | -                         |
| Affordable Housing                        | 2,651,800                 |
| Downtown Parking                          | 767,900                   |
| Eaglecrest                                | 3,857,000                 |
| Lands                                     | 1,193,200                 |
| Marine Passenger Fee                      | 20,100                    |
| Port Development                          | 280,100                   |
| Support to Other Funds                    | 116,827,100               |
| <b>Total</b>                              | <b><u>127,143,800</u></b> |

|                                  |                       |
|----------------------------------|-----------------------|
| <b>Debt Service Funds</b>        | <b>11,519,700</b>     |
| <b>Special Assessment Funds:</b> |                       |
| Special Assessment               | 433,100               |
| Support To Other Funds           | 7,600                 |
| <b>Total</b>                     | <b>440,700</b>        |
| <b>Jensen-Olson Arboretum</b>    | <b>107,300</b>        |
| <b>Enterprise:</b>               |                       |
| Juneau International Airport     | 12,145,200            |
| Bartlett Regional Hospital       | 135,148,500           |
| Harbors                          | 5,128,000             |
| Docks                            | 2,521,600             |
| Water                            | 4,050,000             |
| Wastewater                       | 14,356,400            |
| Support to Other Funds           | 7,489,100             |
| Interdepartmental Charges        | (40,200)              |
| <b>Total</b>                     | <b>180,798,600</b>    |
| <b>Internal Service Funds:</b>   |                       |
| Facilities Maintenance           | 3,300,200             |
| Fleet and Equipment Reserve      | 16,344,900            |
| Public Works Fleet Maintenance   | 2,818,300             |
| Risk Management                  | 36,164,400            |
| Support to Other Funds           | 100,000               |
| Interdepartmental Charges        | (46,197,500)          |
| <b>Total</b>                     | <b>12,530,300</b>     |
| <b>Capital Projects:</b>         |                       |
| Capital Projects                 | 54,643,200            |
| CIP Engineering                  | 3,258,800             |
| <b>Total</b>                     | <b>57,902,000</b>     |
| <b>Total Appropriation</b>       | <b>\$ 519,655,600</b> |

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

Adopted this \_\_ day of \_\_\_\_\_, 2023.

\_\_\_\_\_  
Beth A. Weldon, Mayor

Attest:

\_\_\_\_\_  
Elizabeth J. McEwen, Municipal Clerk



**ASSEMBLY FINANCE COMMITTEE MINUTES - DRAFT**

**May 10, 2023, at 5:00 PM**

**Assembly Chambers/Zoom Webinar**



<https://juneau.zoom.us/j/93917915176> or 1-253-215-8782 Webinar ID: 939 1791 5176

**A. CALL TO ORDER**

The meeting was called to order at 5:08 pm by Chair Triem.

**B. ROLL CALL**

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

Committee Members Present Virtually: Mayor Beth Weldon; Alicia Hughes-Skandijs; Christine Woll

Staff Members Present: Rorie Watt, City Manager; Robert Barr, Deputy City Manager; Jeff Rogers, Finance Director; Adrien Speegle, Budget Manager; Katie Koester, Engineering and Public Works Director; Sam Muse, Bartlett Regional Hospital Chief Financial Officer; Dallas Hargrave, Human Resources and Risk Management Director

Others Present: Lee Kadinger, Sealaska Heritage Chief Operating Officer; Rebecca Soza, Sealaska Project Manager; Venietia Santana, Downtown Business Association President; Nimmy Phillips, Downtown Business Association Vice President; Lisa Parady, Downtown Business Association Treasurer/Secretary; Phil Huebschen, Executive Director of Juneau Arts and Humanities Council; Reggie Schapp, Operations Manager for Juneau Arts and Humanities Council; Demian Schane, Board President for Juneau Climbing and Recreation.

**C. APPROVAL OF MINUTES**

**1. May 3, 2023**

The May 3, 2023 minutes were approved as presented.

**D. AGENDA TOPICS**

**2. Fare Free Transit**

Jeff Rogers, Finance Director, introduced Katie Koester, Engineering and Public Works Director, to present on the memorandum of fare free transit exploration on pages 11-13 of the packet. Mr. Rogers stated to the Committee that if any decisions are made tonight to eliminate or reduce Public Transit fares, they will be recorded as an additional expense and not a reduction in revenue as would normally happen for the purpose of tracking the total impact to the general fund budget.

Ms. Koester stated that the main goal of fare free transit is to decrease barriers to ridership and make the service more widely accessible. Ms. Koester stated that the amount collected in fares represent a relatively small portion of Public Transit's total budget.

*Assemblymember Woll joined the meeting via Zoom at 5:22 pm.*

Mayor Weldon expressed concerns about the impact on operations during the summer months when high tourist counts could potentially over burden the transit system and suggested making fare free ridership be only for the winter months. Ms. Koester answered Committee questions on the month-to-month transit sales during summer months vs winter months.

Assemblymember Bryson expressed further concerns, stating that accessible routes is a larger barrier to ridership than the cost of the ride itself. He stated that many people in the community would be able to use the transit system if the number of routes were increased and would lead to higher ridership of the service.

Assemblymember Gladziszewski stated that while she is in support of the idea for fare free transit and the desire to better serve the community, the proposal needs more committee consideration before moving it forward.

**Motion: by Assemblymember Gladziszewski to keep the fare free transit topic in committee, in either the Public Works and Facilities Committee, Assembly Finance Committee, or the Committee of the Whole for continued discussion.**

**Objection: by Assemblymember Hughes-Skandijs.**

**Roll Call Vote:**

**Ayes:** Gladziszewski, Hale, Smith, Woll, Wáahlaal Gíidaak, Bryson

**Nays:** Weldon, Triem, Hughes-Skandijs

**Motion Passes: Six (6) Ayes, Three (3) Nays**

**3. Parental Leave**

Mr. Rogers introduced the memo on page 15-17 in the packet which discusses a change to the leave policy to allow for paid parental leave for CBJ employees. He stated that determining an accurate estimate of the cost for this proposed change was difficult for numerous reasons, stating that the true figure is likely lower than the estimate presented tonight. Mr. Rogers encouraged the Committee to discuss whether the idea of parent leave is one that they want to support.

Rorie Watt, City Manager advised the Committee that before implementation of the program, staff would bring proposed changes to the personnel policy back to the Assembly for approval. The only action needed from the Assembly tonight is the approval of the funding, if implementation of this program is the will of the body.

Dallas Hargrave, Human Resources & Risk Management Director, stated that the reason for the creation of the paid parental leave proposal is in response to other municipalities in Alaska implementing paid leave programs. Mr. Hargrave stressed the importance of developing a program of this nature for the CBJ to remain competitive in its personnel recruitment and retention. He further stated that there is a wide range in parental leave programs implemented and the proposal in the memo is a starting point for the Committee to discuss.

Mr. Rogers, in response to Assemblymember Hale's questions, explained the reason that a cost estimate for the policy is hard to determine lies in the fact that CBJ has never implemented a program like this. He further stated that because there is a wide range in how these programs are implemented in other municipalities, there is not good cost estimate data to pool from. Mr. Rogers stated that if the parental

leave policy was approved, that Finance Department would come back to the Committee with better data taken from actual costs that CBJ experiences after the first year of implementing the program.

Assemblymember Hale asked if the City Manager could implement this policy without an appropriation from the Committee, and alternatively, could he fully develop the policy and then come back to the Committee for the appropriation needed to execute the policy. Mr. Watt stated that without appropriation from the Committee he cannot develop a policy for paid parental leave. Assemblymember Hale expressed concerns that this request is coming to the Committee for the first time at the end of the budget review cycle. She stated that there has been no review or discussion until today and although she is in full support of the policy, it needs more review and suggests that this issue be put to a later meeting.

Mr. Hargrave answered additional questions from the Committee.

**Motion: by Assemblymember Bryson to send the parental leave discussion to the Human Resources Committee and asked for unanimous consent.**

**Objection: by Assemblymember Hughes-Skandijs and Mayor Weldon. Assemblymember Hughes-Skandijs stated that she is comfortable with making this decision tonight. Mayor Weldon stated that there has been excellent responses from staff when asked about this policy.**

Assemblymember Gladziszewski stated that she supports the idea however feels that more discussion is needed.

**Roll Call Vote:**

**Ayes:** Gladziszewski, Hale, Smith, Bryson

**Nays:** Weldon, Triem, Woll, Wáahlaal Gíidaak, Hughes-Skandijs

**Motion failed. Four (4) Ayes, Five (5) Nays.**

Assemblymember Smith asked what the paid time off accrual rates are in these other municipalities that have implemented paid parental leave policies. Mr. Hargrave stated that he will bring that information back to the Committee at a future date.

**Motion: by Mayor Weldon to direct staff to develop proposed changes to the CBJ personnel rules to implement a paid parental leave benefit as presented, funded at \$170,000 from general funds.**

**Objection: by Assemblymember Gladziszewski.**

**Roll Call Vote:**

**Ayes:** Weldon, Triem, Woll, Wáahlaal Gíidaak, Hughes-Skandijs

**Nays:** Gladziszewski, Hale, Smith, Bryson

**Motion passed. Five (5) Ayes, Four (4) Nays.**

*The Committee recessed at 5:56 pm.*

*The Committee reconvened at 6:02 pm.*

**4. Bartlett Regional Hospital FY24 Budget Amendment – Wildflower Court**

Mr. Rogers introduced the decision that the Committee faces tonight regarding Wildflower Court (WFC) and Bartlett Regional Hospital (BRH), stating that the decision is whether to authorize budget authority for BRH to take over operations of WFC.

Sam Muse, BRH Chief Financial Officer, presented an update on the progress of taking over WFC operations. Mr. Muse stated that this process has taken place over several months, allowing for due diligence in researching the issues that WFC has faced in its operations. He stated that so far there have been no findings that have given him concern.

Mr. Muse stated what is being asked of the Committee tonight is the expenditure authority of \$12.12 million, funded \$9.6 million WFC operating revenues and \$2.52 million from BRH fund balance. Mr. Muse further stated that \$1.62 million of the expenditure authority that is being requested is to cover non-transferable liabilities that must be resolved before BRH can assume operations from WFC.

Mr. Muse responded to Committee questions and expounded on the findings of WFC's operations, stating that there were several personnel issues, such as staffing operations with traveling nurses, that are resulting in a high-cost structure. He stated that the training programs that are put in place at BRH will help to cover some of the inefficiencies that have been identified.

**Motion: by Mayor Weldon to amend Bartlett Regional Hospital's FY24 budget to enable the hospital to move forward with taking over operations of Wildflower Court.**

**Motion passed by unanimous consent.**

**5. FY24 Youth Activity Grant Funding**

Mr. Rogers stated that the FY24 Youth Activity Grant funding memo is on page 22-24 of the packet for review. The resolution that establishes the Youth Activity Board states that the Assembly must approve the youth activity grants.

**Motion: by Assemblymember Gladyszewski to approve the FY24 Youth Activity Grants as proposed by the Youth Activity Board.**

**Motion passed by unanimous consent.**

**6. Assembly Grants & Community Requests**

*Community Request #1 – Sealaska Heritage Institute*

Lee Kadinger, Sealaska Heritage Institute (SHI) Chief Operating Officer, introduced the plan for the creation of a FAB Lab found on pages 25-34. He stated the establishment of a FAB Lab is an exciting step in meeting the vision that SHI has of perpetuating and enhancing Tlingit, Haida and Tsimshian cultures.

Mr. Kadinger stated that the partnership that CBJ and SHI have maintained over the past years has contributed greatly to the Juneau community and has allowed SHI to serve 2,125 students.

Mr. Kadinger stated that SHI's next endeavor for the community is the establishment of a FAB Lab in downtown Juneau in order to expand its educational programs further. He stated that the FAB lab will be

accessible to the community and host numerous student events for education. Exterior renovations will further revitalize downtown Juneau, continuing to show Juneau as the Northwest Coast art capital of the world.

Mr. Kadinger introduced Rebecca Soza, SHI Project Manager, to review the Fab Lab Programmatic Plan found on page 31 of the packet. She described the design of the facility and stated that there will be a traditional food area, makers lab, digital media lab, recording studio and a fabrication room all as part of the first-floor remodel.

Ms. Soza further stated that the facility will be used to host events, training and educational opportunities for the students and youth of Juneau's community.

Mr. Kadinger reviewed the financial request that SHI is making to CBJ for FY24 of \$500,000. He stated that the support that CBJ gives allows SHI to acquire further funding through grants and donations. He stressed that the creation of a Fab Lab will aid the children of Juneau's community in recovering for the educational loss that COVID dealt.

Assemblymember Bryson stated that the building in question for remodel was recently purchased and is still being occupied on the 2<sup>nd</sup> and 3<sup>rd</sup> floors by CBJ. He asked what the future looks like for CBJ to continue its office space lease in the building with the plans that SHI has with the building. Mr. Kadinger stated that SHI has no intention of removing CBJ's office space on the second and third floors, and further stated that by vacating the first floor, CBJ will realize a cost savings of \$300,000 over the course of the current lease contract.

Mayor Weldon asked what the project timetable is and if it is possible to split the requested amount between FY24 and FY25. Mr. Kadinger clarified that the goal is to have this project fully funded and complete before the beginning of FY25. He further stated that part of the funding for the project needs to be used by the end calendar year 2023.

Mr. Kadinger answered further Committee questions.

*Community Request #2 – Downtown Business Association*

Venietia Santana, Downtown Business Association (DBA) President, and Nimmy Phillips, DBA Vice President, introduced the grant funding request for the Committee found on pages 35-36 of the packet. Ms. Santana reviewed the accomplishments and future goals of the DBA to foster a safe and attractive environment in Alaska's capital city. She stated that one of the main objectives of the DBA is to maintain Juneau's accreditation with Main Street America, an organization dedicated to preserving and enhancing historic downtowns throughout America.

Assemblymember Gladziszewski asked regarding the designated funding for the \$75,000 request and if it is included in the proposed managers budget.

Mr. Rogers clarified that in previous years the Committee has issued two grants, one is included in the manager's budget for FY24 for \$90,000 for the Downtown Ambassador program., funded by passenger fees. The other request for \$75,000 to maintain the Main Street accreditation is the request the DBA is presenting on tonight, which is not included in the manager's proposed budget.

Assemblymember Wáahlaal Gíidaak asked if the DBA has or is considering lobbying activity for the benefit of its members. Mr. Rogers stated that there are no grant terms or conditions that prevents the potential for grant recipients from lobbying.

Lisa Parady, DBA Treasurer/Secretary, responded by stating that DBA has not engaged in any lobbying, nor does it intend to.

*Community Request #3 – Juneau Arts and Humanities Council*

Phil Huebschen, Juneau Arts and Humanities Council (JAHC) Director, introduced the JAHC’s grant request of \$202,000 for FY24. He stated that this request is an increase of \$17,700 over the request from last year, largely due to inflation. Mr. Huebschen stated that last year’s grant funding was used to generate over \$19 million in revenue for FY23.

Mr. Huebschen reviewed the organizations that have already submitted funding requests to the JAHC found of page 59 of the packet, stating that these organizations provide large benefit for the community. He stated that the mission of not only the JAHC, but the community programs they work with, serve to provide opportunities for art development and education.

*Community Request #4 – The Rock Dump*

Demian Schane, Board President for Juneau Climbing and Recreation (JCR), reviewed for the Committee the growth in the popularity of climbing, stating that in the past several years climbing membership has doubled. Mr. Schane stated that the rise of climbing as a sport and recreation is not slowing down, and Juneau is a town made of outdoor enthusiasts. He stated that in winter months especially, climbing offers a great opportunity for recreation for the community of Juneau.

Mr. Schane further stated that the current building that JCR operates in is not ideal. It is far away from the center of the community and the building is owned by another company that has plans for the building in the future. Mr. Schane introduced the funding request of \$50,000 to the Committee found on page 114 of the packet, stating that the request is for planning a new facility and establishing community support for the building project.

Assemblymember Hale asked regarding alternate options to resolve the facility issues JCR is facing. Mr. Schane stated that there have been talks with the cruise line companies, school district, and other community organizations, however no solutions have come from these talks.

Mr. Schane answered additional questions from the Committee regarding fundraising efforts.

Assemblymember Wáahlaal Gíidaak asked if there are plans to bring additional funding requests to the Committee in the future. Mr. Schane responded that JCR hopes to be considered for future Assembly grants to help fund the new facility.

*Community Request #5 – Association for the Education of Young Children (AEYC) Parents as Teachers Program*

Robert Barr, Deputy City Manager, stated that the Association for the Education of Young Children (AEYC) may be eligible for two (2) large state grants that are expected to be awarded but have not been awarded yet. One of these state grants is for the Parents as Teachers Program. Mr. Barr stated that many

of the details of the grant that has funded the program in previous years have changed this year, requiring more information to be submitted with the grant request.

Mr. Barr recommends to the Committee that the best course of action is to bring the funding request submitted by AEYC back to the Committee later in the fiscal year once the state grant status has been determined. He stated that it is possible that the state grants might not be awarded in the amounts expected and therefore, the AEYC grant request to the Committee could change.

Chair Triem clarified that this agenda item is only for the update provided by Mr. Barr and AEYC will not give a presentation tonight.

*The Committee recessed at 7:19 pm.*

*The Committee reconvened at 7:27 pm.*

## 7. Updated Sales Tax Forecast

Mr. Rogers stated that this topic is not ready for discussion and will be moved to the next Finance Committee meeting on May 17, 2023.

## 8. Updated Budget Summary & FY24 Pending List

Chair Triem introduced the pending list found on page 76 of the packet.

*Pending List Item #3- Southeast Alaska Independent Living request of \$1,020,000 for the Dimond Park Field House for the purpose of installing an elevator to service the ADA needs of the community.*

**Motion: by Mayor Weldon to decrease the \$1 million deferred building maintenance line in the CIP resolution under the General Sales Tax Improvements section to \$850,000 and add \$150,000 to a new project called Dimond Park Field House ADA Improvements as one-time funding.**

**Motion passed by unanimous consent.**

*Pending List Item #17- Reconsideration of \$2.5 million grant to BRH to support operations.*

**Motion: by Assemblymember Woll to amend the original motion to provide \$2.5 million of general funds to BRH to instead take the form of a central treasury loan.**

Assemblymember Woll stated that it is important to understand that BRH is an enterprise fund and the funding that the CBJ gives them should be in the form of a loan and not a grant.

**Objection: by Assemblymember Hale.**

Assemblymember Hale stated that the hospital already factored the funding allocation into their FY24 budget, and that it doesn't seem right to have that funding changed from a grant to a loan after the fact. Assemblymember Bryson expressed concern for the nature of going back over decisions that have already been made, and the effect it will have on funding recipients.

Mr. Muse stated to the Committee that the structure of the loan would be a concern if the motion were to pass, however, the funding would still be appreciated. Mr. Rogers clarified that CBJ's Code relating to

central treasury loans only allows for a maximum of a five (5) year term. He further stated that the structure of the loan repayment can be arranged in any way that would meet the needs of BRH.

**Roll Call Vote:**

**Ayes:** Weldon, Triem, Gladziszewski, Woll, Wáahlaal Gíidaak, Hughes-Skandijs

**Nays:** Hale, Smith, Bryson

**Motion passed. Six (6) Ayes, Three (3) Nays.**

*Pending List Item #1- recurring General Fund support in the amount of \$518,000 to BRH for the purpose of providing support for operations.*

**Motion: by Mayor Weldon to move \$518,000 of recurring general fund support for BRH operations.**

Mayor Weldon stated that \$518,000 in annual funding was provided to BRH through FY23, but that the Assembly reallocated these funds to the Mobile Integrated Health (MIH) program starting in FY24.

Mr. Rogers clarified for the Committee that the funding that BRH is asking for as a recurring funding is to come from the General Fund and is not a change to the decision made by the Committee last year to move \$518,000 of tobacco tax funding from BRH to MIH.

**Objection: by Assemblymember Gladziszewski.**

**Roll Call Vote:**

**Ayes:** none

**Nays:** Weldon, Triem, Gladziszewski, Hale, Smith, Wáahlaal Gíidaak, Hughes-Skandijs, Bryson, Woll

**Motion failed by unanimous decision.**

*Pending List Item #2 – one-time funding request of \$1,982,000 from BRH for operational support.*

**Motion: by Assemblymember Bryson to move \$1,982,000 as general fund support for BRH.**

**Objection: By Assemblymember Bryson for the purpose of an amendment.**

**Amendment: by Assemblymember Bryson to change the amount of support for BRH from \$1,982,000 to \$1,000,000 as one-time funding.**

**Roll Call Vote on Amendment:**

**Ayes:** Triem, Gladziszewski, Hale, Smith, Woll, Hughes-Skandijs, Bryson

**Nays:** Weldon, Wáahlaal Gíidaak

**Motion passed. Seven (7) Ayes, Two (2) Nays.**

**Objection to Amended Motion: by Assemblymember Gladziszewski and Assemblymember Hughes-Skandijs.**

**Roll Call Vote on Amended Motion:**

**Ayes:** Hale, Smith, Bryson

**Nays:** Weldon, Triem, Gladziszewski, Woll, Wáahlaal Gíidaak, Hughes- Skandijs



**Motion failed. Three (3) Ayes, Six (6) Nays.**

*Pending List Item #4 – The Alaska Committee request of \$336,000 for Gavel Alaska equipment replacement.*

**Motion: by Assemblymember Gladziszewski to approve \$200,000 for the Alaska Committee as one-time funding.**

Assemblymember Smith stated that the Alaska Committee has stated that they would accept half of the amount in their request.

Assemblymember Gladziszewski removed her motion.

**Motion: by Assemblymember Smith to approve the Alaska Committee request in the amount of \$168,000 as a one-time funding, clarifying that this amount is in addition to the \$100,000 already included in the Manager’s Proposed Budget.**

**Motion passed by unanimous consent.**

*Pending List Item #5 – Alaska Heat Smart request of \$235,094 to fund operational costs.*

**Motion: by Assemblymember Gladziszewski to approve Alaska Heat Smart’s request of \$235,094 as one-time funding.**

**Objection: by Mayor Weldon for the purpose of an amendment.**

**Amendment: by Mayor Weldon to reduce the amount to \$100,000, stating that Alaska Heat Smart should begin charging for their services to reduce their need for CBJ support.**

**Objection: by Assemblymember Bryson for the purpose of stating that the main objective of Alaska Heat Smart is to create savings for low-income families, and if they began charging for their services that would take away from the ability of low-income families to work with Alaska Heat Smart.**

Mayor Weldon removed her amendment.

**Roll Call Vote:**

**Ayes:** Gladziszewski, Hale, Smith, Woll, Wáahlaal Gíidaak, Bryson

**Nays:** Weldon, Triem, Hughes-Skandijs

**Motion passed. Six (6) Ayes, Three (3) Nays.**

*Pending List Item #6 – Juneau Economic Development Council request for \$40,000, a 10% increase in recurring funding over the manager’s budget.*

**Motion: by Assemblymember Bryson to approve the request for the Juneau Economic Development Council funding increase request of \$40,000 as a recurring expense.**

**Objection: by Assemblymember Bryson and Mayor Weldon.**

**Roll Call Vote:**

**Ayes:** Triem, Gladziszewski, Hale, Smith, Woll, Wáahlaal Gíidaak, Hughes-Skandijs

**Nays:** Weldon, Bryson

**Motion passed. Seven (7) Ayes, Two (2) Nays.**

*Pending List item #8 – Juneau Nordic Ski Club funding request of \$25,000 for snow grooming equipment.*

Assemblymember Bryson declared a conflict of interest since he owns a business that provides ski rentals and recused himself from voting on any Committee decisions relating to the Juneau Nordic Ski Club. Chair Triem stated that Assemblymember Bryson is recused.

**Motion: by Assemblymember Smith to appeal the ruling of the Chair that Assemblymember Bryson is recused from voting on this topic.**

**Roll Call Vote:**

**Ayes:** Smith

**Nays:** Weldon, Triem, Gladziszewski, Hale, Woll, Wáahlaal Gíidaak, Hughes-Skandijs, Bryson

**Motion failed. Eight (8) Ayes, One (1) Nay.**

**Ruling of the Chair maintained.**

**Motion: by Assemblymember Gladziszewski to approve the JNSC’s request of \$25,000 as one-time funding.**

**Objection: by Mayor Weldon for the purpose of an amendment.**

**Amendment: by Mayor Weldon to reduce the funding amount for JNSC to \$15,000 as one-time funding.**

**Roll Call Vote on Amendment:**

**Ayes:** Weldon

**Nays:** Triem, Gladziszewski, Hale, Smith, Woll, Wáahlaal Gíidaak, Hughes-Skandijs

**Amendment failed. One (1) Aye, Seven (7) Nays, Assemblymember Bryson recused.**

**Objection to Original Motion: by Assemblymember Woll.**

**Roll Call Vote on Original Motion:**

**Ayes:** Weldon, Triem, Gladziszewski, Hale, Smith, Wáahlaal Gíidaak, Hughes-Skandijs

**Nays:** Woll

**Motion passed. Seven (7) Ayes, One (1) Nay, Assemblymember Bryson recused.**

*The Committee recessed at 8:41 pm.*

*The Committee reconvened at 8:46 pm.*

*Pending List Item #9 – Juneau Housing First Collaborative one time funding request of \$1.4 million to support building of additional housing units.*

**Motion:** by Assemblymember Smith to approve \$1 million from the Affordable Housing Fund for the Juneau Housing First Collaborative (JHFC) Phase III project in FY24 and to direct the manager to include the remaining \$400,000 in the FY25 budget. He further stated that this is to maintain the funding amount so that JHFC does not lose potential outside grant funding, while reducing the spending amount in FY24.

Assemblymember Bryson disclosed that he serves on the board of JHFC but does not believe he has a conflict of interest in voting on this item.

Chair Triem ruled that there is no conflict of interest.

Mr. Rogers clarified for the Committee that future funding of \$400,000 cannot be approved in this budget cycle, however, the intent of the motion is to include direction for the manager to include the \$400,000 in the proposed budget for FY25.

**Objection:** by Assemblymember Hale for the purpose of an amendment.

**Amendment:** by Assemblymember Hale to include the remaining \$400,000 of the JHFC request as a one-time funding from the general fund in the FY24 budget.

Amendment passed by unanimous consent.

Original motion, as amended, passed by unanimous consent.

*Pending List Item #11 – Juneau Arts and Humanities Council request for an additional \$17,700 in support over the \$184,300 that is already included in the proposed budget.*

**Motion:** by Assemblymember Hale to approve the \$17,700 increase in funding for the Juneau Arts and Humanities Council for a total recurring grant amount of \$202,000.

**Objection:** by Mayor Weldon.

**Roll Call Vote:**

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

**Nays:** Weldon

Motion passed. Eight (8) Ayes, One (1) Nay.

*Pending List Item #10 – Downtown Business Association funding request of \$75,000 for operations and to maintain Juneau’s Main Street America accreditation.*

**Motion:** by Assemblymember Bryson to approve the \$75,000 funding request from the Downtown Business Association (DBA).

**Objection:** by Assemblymember Bryson for the purpose of an amendment.

**Amendment:** by Assemblymember Bryson to change the funding amount to \$40,000 to be designated as one-time funding.

**Amendment passed by unanimous consent.**

**Objection to Amended Motion: by Assemblymember Gladziszewski and Hughes-Skandijs for the purpose of stating that the DBA budget is largely made of CBJ funding, and that DBA should develop additional funding sources.**

Committee discussed the merits of maintaining funding for DBA in the future.

**Roll Call Vote on Amended Motion:**

**Ayes:** Weldon, Hale, Smith, Wáahlaal Gíidaak, Bryson

**Nays:** Triem, Gladziszewski, Woll, Hughes-Skandijs

**Motion passed. Five (5) Ayes, Four (4) Nays.**

*Pending List Item #12 – Sealaska Heritage Institute STEAM makerspace funding request of \$500,000.*

Assemblymember Wáahlaal Gíidaak declared a potential conflict of interest due to her service on the Board for SHI, however, stated that she does not believe that it should prevent her from voting because SHI is a non-profit.

Chair Triem ruled that Wáahlaal Gíidaak does not have conflict of interest.

**Motion: by Assemblymember Gladziszewski to appeal the ruling of the Chair that Wáahlaal Gíidaak does not have a conflict.**

**Roll Call Vote:**

**Ayes:** Weldon, Gladziszewski

**Nays:** Triem, Hale, Smith, Woll, Wáahlaal Gíidaak, Hughes Skandijs, Bryson

**Motion failed. Two (2) Ayes, Seven (7) Nays.**

**Ruling of the Chair maintained.**

**Motion: by Assemblymember Bryson to approve one-time funding request of \$500,000 for SHI.**

**Objection: by Assemblymember Bryson for the purpose of an amendment.**

**Amendment: by Assemblymember Bryson to change the amount from \$500,000 to \$320,000 in one time funding for SHI.**

**Objection to the Amendment: by Assemblymember Woll and Hughes-Skandijs for the purpose of stating that SHI does great work in the community and that they should receive the full request amount.**

**Roll Call Vote on Amendment:**

**Ayes:** Weldon, Triem, Gladziszewski, Hale, Bryson

**Nays:** Smith, Woll, Hughes-Skandijs, Wáahlaal Gíidaak

**Amendment passed. Five (5) Ayes, Four (4) Nays.**

**Original motion, as amended, passed by unanimous consent.**

*Pending List Item #7 – Juneau Economic Development Council \$30,000 request for United States Forest Service grant match as recurring funding.*

**Motion: by Assemblymember Hale to fund the \$30,000 request for the JEDC’s United States Forest Service grant match as one-time instead of as recurring funding.**

**Objection: by Assemblymember Hughes-Skandijs for the purpose of stating that this funding is not needed by JEDC.**

**Roll Call Vote:**

**Ayes:** Triem, Hale

**Nays:** Weldon, Gladziszewski, Smith, Wáahlaal Gíidaak, Woll, Hughes-Skandijs, Bryson

**Motion failed. Two (2) Ayes, Seven (7) Nays.**

*Pending List Item #13 – The Rock Dump request of \$50,000 for the design and planning of a new climbing facility.*

**Motion: by Assemblymember Bryson to approve the Rock Dump’s request for \$50,000 in one-time funding.**

**Objection: by Assemblymember Bryson for the purpose of an amendment.**

**Amendment: by Assemblymember Bryson the change the funding amount to \$25,000.**

**Objection: by Assemblymember Smith.**

**Roll Call Vote on Amendment:**

**Ayes:** Weldon, Gladziszewski, Bryson

**Nays:** Triem, Hale, Smith, Woll, Wáahlaal Gíidaak, Hughes-Skandijs

**Amendment failed. Three (3) Ayes, Six (6) Nays.**

**Objection to Original Motion: by Assemblymembers Woll and Gladziszewski.**

**Roll Call Vote on Original Motion:**

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

**Nays:** Weldon, Gladziszewski, Woll

**Motion Passed: Six (6) Ayes, Three (3) Nays**

*Pending List Item #14 – Juneau Festival Committee request for a \$2,000 increase in funding.*

**Motion: by Assemblymember Bryson to approve \$2,000 in recurring funding for the Juneau Festival Committee.**

**Motion passed by unanimous consent.**

*Decision List Item #15 – Juneau Trails Plan – Manager’s proposed amendment to CIP.*

**Motion:** by Mayor Weldon to approve \$80,000 for the Juneau Trails Plan as one-time funding by reducing the fleet replacement budget increment by \$80,000.

**Objection:** by Assemblymember Hale for the purpose of stating that the funds should come out of the general fund and not reduce CBJ’s fleet replacement support for departments, as the Juneau Trails Plan is something the Assembly asked for.

**Roll Call Vote:**

**Ayes:** Weldon, Triem, Wáahlaal Gíidaak, Hughes-Skandijs

**Nays:** Gladziszewski, Hale, Smith, Woll, Bryson

**Motion failed. Four (4) Ayes, Five (5) Nays.**

**Motion:** by Assemblymember Gladziszewski to approve \$80,000 in one-time spending from the General Fund for the Juneau Trails Plan.

**Motion passed by unanimous consent.**

Mr. Rogers asked for clarification on the motion to approve \$1 million for the JHFC, asking if the funds are to be taken from funds reserved in the manager’s budget for grants and loans in the Affordable Housing Fund, or whether the JHFC funding should be appropriated in addition to the funds reserved for competitive grants and loans.

**Motion:** by Assemblymember Smith to approve the JHFC request of \$1 million from the Affordable Housing Fund competitive grant amount for FY24, thereby reducing the competitive award amount to \$1.6 million for FY24, with the remaining \$400,000 coming from general funds.

**Objection:** by Assemblymember Hughes-Skandijs for the purpose of an amendment.

**Amendment:** by Assemblymember Hughes-Skandijs to add the \$1 million request for JHFC to the budget in addition to the \$2.6 million in competitive grants and loans in the Affordable Housing Fund.

**Objection to Amendment:** by Assemblymember Gladziszewski.

**Roll Call Vote on Amendment:**

**Ayes:** Hughes-Skandijs

**Nays:** Gladziszewski, Hale, Smith, Woll, Bryson, Weldon, Triem, Wáahlaal Gíidaak,

**Motion failed. One (1) Aye, Eight (8) Nays.**

**Original motion passed by unanimous consent.**

Agenda topics #9 - 11 were moved to the May 17, 2023 Assembly Finance Committee for discussion.

**E. SUPPLEMENTAL MATERIALS**

**12. Parental Leave – Updated Memo**

This was included as an update to a previous agenda item.

**13. The Rock Dump Presentation**

This item was included in addition to a previous agenda item.

**14. Enclosures to New City Hall Memo**

This item is associated with agenda topic #11 and will be discussed at the May 17, 2023 Assembly Finance Committee meeting.

**F. NEXT MEETING DATE**

May 17, 2023

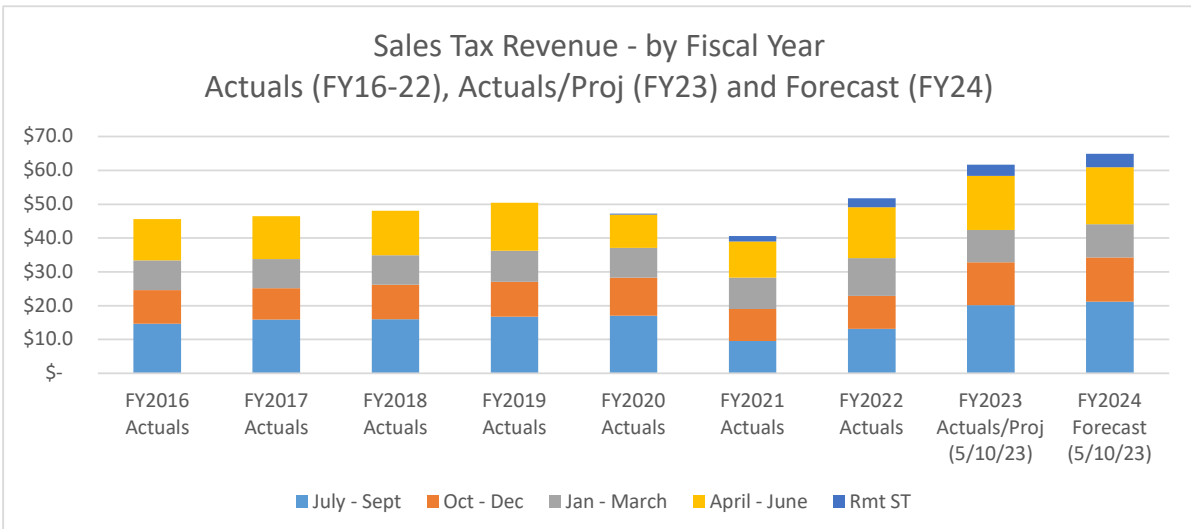
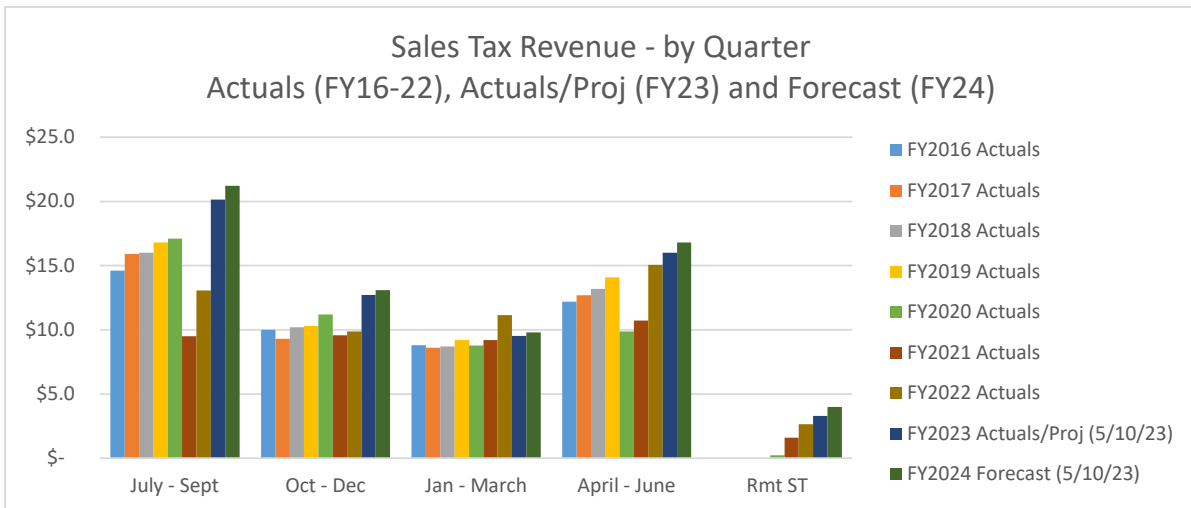
**G. ADJOURNMENT**

*The meeting was adjourned at 9:44 pm.*

**Sales Tax Actuals and Forecast  
Updated 5/16/2023**

Section E, Item 8.

| Sales Tax                     | Q1          | Q2        | Q3          | Q4           | Annual | Total    |
|-------------------------------|-------------|-----------|-------------|--------------|--------|----------|
|                               | July - Sept | Oct - Dec | Jan - March | April - June | Rmt ST |          |
| FY2016 Actuals                | \$ 14.6     | \$ 10.0   | \$ 8.8      | \$ 12.2      | \$ -   | \$ 45.6  |
| FY2017 Actuals                | \$ 15.9     | \$ 9.3    | \$ 8.6      | \$ 12.7      | \$ -   | \$ 46.5  |
| FY2018 Actuals                | \$ 16.0     | \$ 10.2   | \$ 8.7      | \$ 13.2      | \$ -   | \$ 48.1  |
| FY2019 Actuals                | \$ 16.8     | \$ 10.3   | \$ 9.2      | \$ 14.1      | \$ -   | \$ 50.4  |
| FY2020 Actuals                | \$ 17.1     | \$ 11.2   | \$ 8.8      | \$ 9.9       | \$ 0.2 | \$ 47.2  |
| FY2021 Actuals                | \$ 9.5      | \$ 9.6    | \$ 9.2      | \$ 10.7      | \$ 1.6 | \$ 40.6  |
| FY2022 Actuals                | \$ 13.1     | \$ 9.9    | \$ 11.2     | \$ 15.1      | \$ 2.7 | \$ 51.8  |
| FY2023 Budget                 | \$ 17.9     | \$ 11.2   | \$ 9.4      | \$ 14.3      | \$ 2.9 | \$ 55.7  |
| FY2023 Actuals/Proj (4/1/23)  | \$ 20.2     | \$ 11.9   | \$ 10.8     | \$ 16.0      | \$ 3.3 | \$ 62.2  |
| FY2023 Actuals/Proj (5/10/23) | \$ 20.2     | \$ 12.7   | \$ 9.5      | \$ 16.0      | \$ 3.3 | \$ 61.7  |
| Over/(Under) Budget           | \$ 2.3      | \$ 1.5    | \$ 0.1      | \$ 1.7       | \$ 0.4 | \$ 6.0   |
| Change (4/1 to 5/10)          | \$ -        | \$ 0.8    | \$ (1.3)    | \$ -         | \$ -   | \$ (0.5) |
| FY2024 Budget                 | \$ 18.4     | \$ 11.5   | \$ 9.7      | \$ 14.7      | \$ 3.1 | \$ 57.4  |
| FY2024 Forecast (4/1/23)      | \$ 21.2     | \$ 12.3   | \$ 11.1     | \$ 16.8      | \$ 4.0 | \$ 65.4  |
| FY2024 Forecast (5/10/23)     | \$ 21.2     | \$ 13.1   | \$ 9.8      | \$ 16.8      | \$ 4.0 | \$ 64.9  |
| Over/(Under) Budget           | \$ 2.8      | \$ 1.6    | \$ 0.1      | \$ 2.1       | \$ 0.9 | \$ 7.5   |
| Change (4/1 to 5/10)          | \$ -        | \$ 0.8    | \$ (1.3)    | \$ -         | \$ -   | \$ (0.5) |





# MEMORANDUM



**DATE:** May 17, 2023

**TO:** Assembly Finance Committee

**FROM:** Jeff Rogers, Finance Director

**SUBJECT:** Update on FY23 Sales Tax Actuals and FY24 Forecast

155 Municipal Way  
 Juneau, AK 99801  
 Phone: (907) 586-5215  
 Fax: (907) 586-0358

FY23 Q3 (Jan-Mar) sales tax revenue fell short of forecast by about \$1.3M. That’s a sizable deviation from the forecast, but there are several conflicting factors:

1. This new forecast has an increase of \$800k over the previous actuals for FY23 Q2 (Oct-Dec), which relates to timing factors around the 1st of the year (this timing difference likely reflects FY23 Q2 “stealing” some revenue from FY23 Q3)
2. Approximately \$500k of sales tax from FY23 Q3 (Jan-Mar) will be recorded in FY23 Q4 (Apr-July) because of the delayed timing of the FY23 Q3 filing deadline (this timing difference has the effect of FY23 Q4 “stealing” from FY23 Q2)
3. The forecast for FY23 Q3 was likely somewhat overestimated because of the very strong FY22 Q3 actual return of \$11.2M
  - a. Revenue for FY22 Q3 was partially inflated by timing anomalies (the opposite of what is happening in FY23 Q3)
  - b. The FY22 Q3 return is likely highly anomalous rather than reflective of any trajectory

The net result of the above adjustments is an implied sales tax shortfall of \$500k in FY2023 and the same in FY2024. However, the Finance Department is not recommending any change or update to the sales tax forecast at this time. It is possible (perhaps likely) that FY23 Q4 will exceed \$16.0M. There is enough remaining uncertainty that total FY23 sales tax could still reach the \$62.2M forecast. Any sales tax shortfall in FY23 would almost certainly be less than \$1.0M total.

In summary: FY23 Q3 sales tax is *soft*, but some of that softness comes from timing and reporting differences. No update to the revenue forecast is recommended at this time. However, conversely, this could be a very early sign that discretionary spending is starting wane.

# MEMORANDUM



**DATE:** May 17, 2023  
**TO:** Assembly Finance Committee  
**FROM:** Jeff Rogers, Finance Director

155 Municipal Way  
Juneau, AK 99801  
Phone: (907) 586-5215  
Fax: (907) 586-0358

**SUBJECT: Update on 2023 Residential Property Assessments and Appeals**

In recent days, I've been asked for more information about the 2023 residential assessments and the pending appeals.

### Status of Appeals

The 2023 appeals process is underway and going smoothly. 395 appeals were filed in 2023, and 252 of those appeals have already been closed by the Assessor's Office without any need for action by the Board of Equalization. Of all properties for which the assessed value was corrected by the Assessor in response to an appeal, the average change in value is \$33,500 while the median change is \$9,400. To give you a sense of the range, the largest change was \$363,500 for a house that the Assessor did not previously know was demolished and the smallest was \$100 for a correction on the square footage of a deck. This is exactly the purpose of the appeal process: to make corrections to the assessment record. Those corrections do often result in a reduction of assessed value. Anecdotally, many appellants walk away satisfied with the Assessor's action on their appeal—without a need to go to the Board of Equalization for relief. However, for appellants who remain unsatisfied, the Board of Equalization will start hearing cases this week.

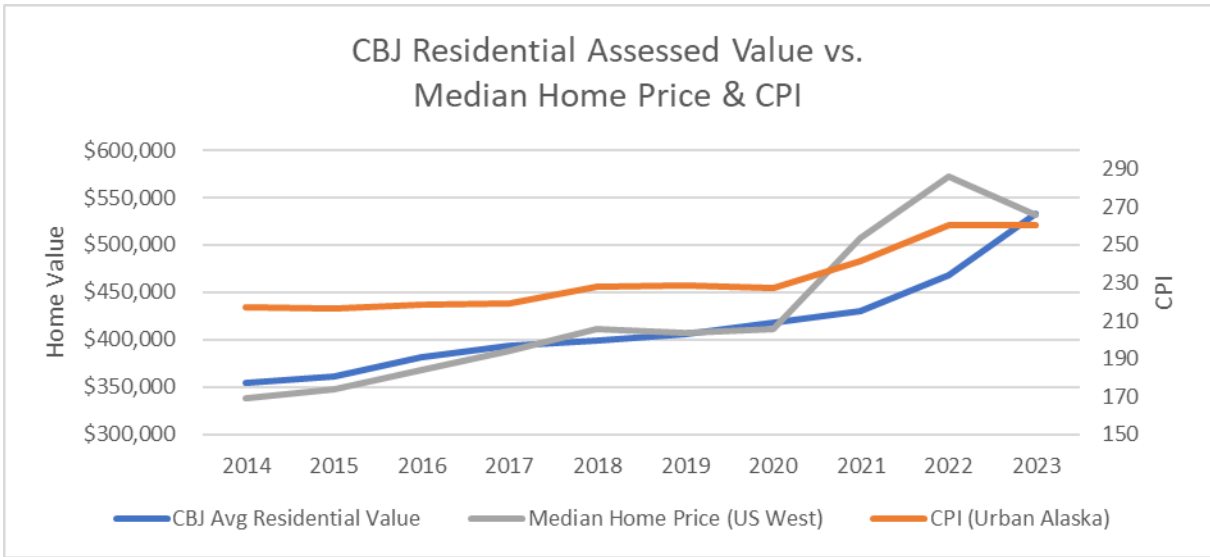
### Growth of Residential Property Values

Most Juneau homeowners would agree that residential property values have increased in the past decade, but there remains significant consternation about the magnitude of the 2023 value increases. Many observers have been trying to make sense of the rise in property values relative to inflation. While I understand the impulse to do so, it is important to remember that inflation is not a monolith—instead, costs for various goods and services inflate and deflate at different rates. Without a doubt, the cost of housing is inflating faster than other goods/services, and hence: the rate of change for residential property assessments will outpace overall inflation.

This table details the average residential assessment over the past ten years, in comparison to CPI and Median Home Price for the Western United States. Note that Juneau's average residential value tracks the median fairly closely over the period, with the exception that Juneau assessed home values lags the median home price in 2021 and 2022 and then "catches up" in 2023.

The graph of this data on the following page illustrates these trajectories.

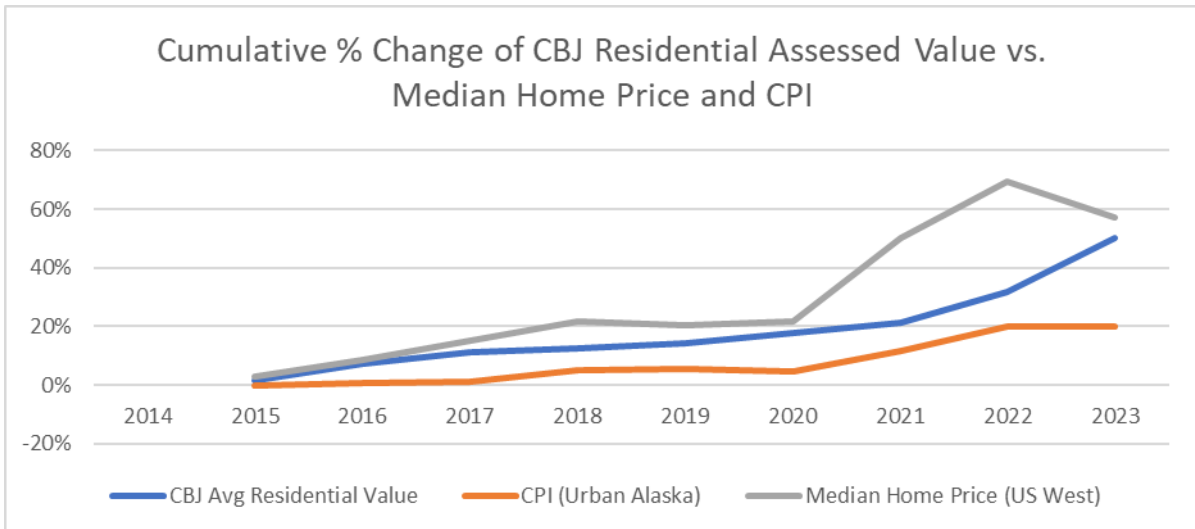
|      | <b>CBJ Avg Residential Value</b> | <b>CPI (Urban Alaska)</b> | <b>Median Home Price (US West)</b> |
|------|----------------------------------|---------------------------|------------------------------------|
| 2014 | \$ 354,909                       | 216.833                   | \$ 338,000                         |
| 2015 | \$ 361,064                       | 216.706                   | \$ 347,325                         |
| 2016 | \$ 381,499                       | 218.660                   | \$ 367,625                         |
| 2017 | \$ 394,073                       | 219.131                   | \$ 388,500                         |
| 2018 | \$ 398,885                       | 227.992                   | \$ 411,075                         |
| 2019 | \$ 405,342                       | 228.495                   | \$ 407,625                         |
| 2020 | \$ 417,442                       | 227.258                   | \$ 411,625                         |
| 2021 | \$ 429,801                       | 241.698                   | \$ 507,000                         |
| 2022 | \$ 467,764                       | 260.576                   | \$ 572,250                         |
| 2023 | \$ 533,657                       | 260.576                   | \$ 531,400                         |



Here are also tables of Annual and Cumulative Rate of Change. Note that in the past decade, average CBJ assessed residential value has increased by 50.36% versus a 57.22% increase to Median Home Price (US West).

|      | Annual Rate of Change     |                    |                             |
|------|---------------------------|--------------------|-----------------------------|
|      | CBJ Avg Residential Value | CPI (Urban Alaska) | Median Home Price (US West) |
| 2014 |                           |                    |                             |
| 2015 | 1.73%                     | -0.06%             | 2.76%                       |
| 2016 | 5.66%                     | 0.90%              | 5.84%                       |
| 2017 | 3.30%                     | 0.22%              | 5.68%                       |
| 2018 | 1.22%                     | 4.04%              | 5.81%                       |
| 2019 | 1.62%                     | 0.22%              | -0.84%                      |
| 2020 | 2.99%                     | -0.54%             | 0.98%                       |
| 2021 | 2.96%                     | 6.35%              | 23.17%                      |
| 2022 | 8.83%                     | 7.81%              | 12.87%                      |
| 2023 | 14.09%                    | 0.00%              | -7.14%                      |

|      | Cumulative Rate of Change |                    |                             |
|------|---------------------------|--------------------|-----------------------------|
|      | CBJ Avg Residential Value | CPI (Urban Alaska) | Median Home Price (US West) |
| 2014 |                           |                    |                             |
| 2015 | 1.73%                     | -0.06%             | 2.76%                       |
| 2016 | 7.49%                     | 0.84%              | 8.76%                       |
| 2017 | 11.03%                    | 1.06%              | 14.94%                      |
| 2018 | 12.39%                    | 5.15%              | 21.62%                      |
| 2019 | 14.21%                    | 5.38%              | 20.60%                      |
| 2020 | 17.62%                    | 4.81%              | 21.78%                      |
| 2021 | 21.10%                    | 11.47%             | 50.00%                      |
| 2022 | 31.80%                    | 20.17%             | 69.30%                      |
| 2023 | 50.36%                    | 20.17%             | 57.22%                      |



Mill Rate Impact

The Assembly Finance Committee will take up discussion and a decision on the mill rate at this evening's meeting. For context, here is how much a change to the mill rate affects annual property tax paid:

|                            | Value       | 0.1 mill    | 0.2 mills  | 0.3 mills    |
|----------------------------|-------------|-------------|------------|--------------|
| Mobile Home                | \$75,000    | \$7.50/year | \$15/year  | \$22.50/year |
| Condo                      | \$200,000   | \$20/year   | \$40/year  | \$60/year    |
| Modest Single Family Home  | \$450,000   | \$45/year   | \$90/year  | \$135/year   |
| Typical Single Family Home | \$600,000   | \$60/year   | \$120/year | \$180/year   |
| Large Single Family Home   | \$800,000   | \$80/year   | \$160/year | \$240/year   |
| Luxury Single Family Home  | \$1,000,000 | \$100/year  | \$200/year | \$300/year   |
| Rented Apartment or Home   | Various     | \$0/year*   | \$0/year*  | \$0/year*    |

*\*Renters do not pay property tax directly, instead landlords may or may not pass along the cost of property taxation via the rental rate. However, total rental rates are generally more determined by market supply/demand factors than by input costs to the property owner. Changes to property tax are more likely increase or decrease an owner's profitability than to increase or decrease the rate paid by a renter.*