



# ASSEMBLY FINANCE COMMITTEE AGENDA

November 29, 2023 at 6:00 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**

**B. ROLL CALL**

**C. APPROVAL OF MINUTES**

1. November 1, 2023

**D. AGENDA TOPICS**

2. Update on FY23/24/25

**E. EXECUTIVE SESSION**

3. Collective Bargaining Update

**Motion:** Move the Assembly into executive session to discuss matters the immediate knowledge of which could have an adverse effect on city finances, specifically an update on collective bargaining.

**F. NEXT MEETING DATE**

4. January 10, 2024

**G. SUPPLEMENTAL MATERIALS**

5. Assembly Retreat - Budget Questions

**H. ADJOURNMENT**

ADA accommodations available upon request: Please contact the Clerk's office 36 hours prior to any meeting so arrangements can be made for closed captioning or sign language interpreter services depending on the meeting format. The Clerk's office telephone number is 586-5278, TDD 586-5351, e-mail: [city.clerk@juneau.gov](mailto:city.clerk@juneau.gov).

## ASSEMBLY FINANCE COMMITTEE MINUTES

November 1, 2023, at 6:00 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 6:15 pm by Chair Wáahlaal Gíidaak.

### B. ROLL CALL

Committee Members Present: Chair Wáahlaal Gíidaak; Mayor Beth Weldon; Michelle Hale; Paul Kelly; Alicia Hughes-Skandijs; Wade Bryson

Committee Member Present Virtually: Christine Woll; Ella Adkison

Committee Members Absent: Greg Smith

Staff Members Present: Katie Koester, City Manager; Robert Barr, Deputy City Manager; Angie Flick, Finance Director; Adrien Speegle, Budget Manager; Beth McEwen, City Clerk; Robert Palmer, City Attorney; Nicole Lynch, Assistant Municipal Attorney.

### C. APPROVAL OF MINUTES

#### 1. September 6, 2023

The September 6, 2023 minutes were approved as presented, noting a small error correction.

**Motion: by Assemblymember Hughes-Skandijs to move Agenda Item #6 to the top of the agenda making it the first item for discussion.**

**Motion passed by unanimous consent.**

### D. AGENDA TOPICS

#### 2. Assembly Grant Process

Angie Flick, Finance Director, introduced pages 20-32 of the packet which provides an overview of previous Committee discussions on the Community Grants process. She stated that as directed by the Committee, staff have prepared supplemental information on Option 1 of establishing a pre-budget process for grant application and review.

Ms. Flick stated that difficulties in the FY24 Assembly Grant process highlighted the need for Committee discussion and for consideration of an update on the process to be made.

Ms. Flick provided an update on previous Committee request for organizations that applied for Community Grant funding in the FY24 budget cycle and stated that all organizations and community groups have been notified of the potential for a shift in the grant process for FY25. Ms. Flick stated that both Alaska Heat Smart and Travel Juneau responded to staff notices and provided their insight, included on packet pages 33-38.

Ms. Flick reviewed organizations that received Community Grant Funding in FY24 and stated that it is helpful to consider Community Grants by separating organizations into groups depicted on pages 22-23 of the packet. Ms. Flick stressed that doing so paints a clearer image for the Committee to determine what is being asked by each grant request.

Ms. Flick reviewed the status quo grant process whereby the Manager includes recurring grant awards into the proposed budget and every community organization, including those that receive recurring funding, presents their grant request to the Committee during the budget process. Ms. Flick stated the current process does not contain public announcements or deadlines for grant requests and stressed the importance of including these elements in an update to the grant application process.

Ms. Flick reviewed changes to the grant process proposed in Option 1 and stated that under this option there would be no change to how Marine Passenger Fee grants are determined and grants awarded to ongoing and partner agencies would be included in the Manager's proposed budget during the budget cycle. She further stated that Option 1 proposes establishing a defined process for soliciting grant applications, including a fixed deadline for submissions, public comment period, and full Committee review of all grant applications received. Ms. Flick reviewed a proposed timeline in the application requirements found on pages 26-27 of the packet.

Ms. Flick answered Committee questions and clarified that if Option 1 is approved by the Committee that staff would open the grant application per the timeline proposed. She further stated that staff would work with community organizations wishing to make a grant request to assist in meeting any requirements needed.

Ms. Flick answered further Committee questions.

Assemblymember Hughes-Skandijs raised concerns about the burden the proposed process would place on staff time and asked for an estimate of the additional burden for staff members.

Katie Koester, City Manager, stated that this process would add not only staff time but would also require time from Committee members but stated the benefits of the option proposed would be allow for greater clarity in grant applications. She stated that an additional benefit of having an established set of requirements and deadlines for the community is greater clarity for those wishing to make requests because the expectation is clear.

Ms. Flick stated that, in the current process, a significant amount of staff time is used that that the proposed process change would not add an insurmountable burden upon staff.

Assemblymember Woll asked how the Manager would include grant amounts in their proposed budget if the proposed option was adopted.

Robert Barr, Deputy City Manager, stated that staff would use historic data for awards issued to partner and community organizations to project anticipated grant award amounts to include in the proposed budget. Mr. Barr answered further questions from Committee on past award processes and stated that a good portion of the current process comes down to knowing when it was time to submit a grant request, which the proposed option would address.

Beth McEwen, City Clerk, clarified past processes for the Committee and stated that the Community Grants process has been evolving since the Juneau Community Foundation took over the Social Services Advisory Board Grants and has led to the current grant process as it operates today.

Assemblymember Bryson asked if there are criteria for grant requests included in the option proposed, and further asked how that criteria is determined.

Ms. Koester clarified that determining which community grant requests to grant is a difficult process and will inevitably face the painful result that not all requests are able to be funded. She further stated that it might be helpful to determine a community grant budget amount that would aid in making granting decisions. She further stated that making a public allotment for grant amounts would aid in transparency in the event of multiple grants not being able to be funded in a budget cycle.

Assemblymember Hughes-Skandijs expressed support in having an open grant process and while she also supports having a clear process established, she supports having that process be as transparent as possible.

**Motion:** by Assemblymember Hughes-Skandijs to direct staff to go forward with Option 1, making the modifications requested by the Committee, such as moving the timeline earlier.

**Objection:** by Assemblymember Woll for the purpose of stating she supports maintaining the status quo and believes needed improvements can be made to that process.

**Objection:** by Mayor Weldon for the purpose of stating that Option 1 will require large amounts of staff time and that it does not provide enough avenues to meet all community grant needs.

**Objection:** by Assemblymember Kelly for the purpose of stating that the timeframe for getting a new process established and communicated to the public is very narrow and would support having more time to develop. He further stated his support for the second option of having a predetermined budget established for Community Grants.

Assemblymember Hale and Bryson expressed their concerns for the new grant process being rushed and voiced their support for continuing refinement of the process.

Assemblymember Hughes-Skandijs removed her motion.

**Motion:** by Mayor Weldon to move forward with Option 3, maintain the status quo, and allow the Finance Chair to tweak and improve the process.

**Objection:** by Assemblymember Kelly.

**Roll Call Vote on Motion**

**Ayes:** Hughes-Skandijs, Hale, Adkison, Mayor Weldon, Bryson, Woll, Chair Wáahlaal Gíidaak

**Nays:** Kelly

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

*Assemblymember Hughes-Skandijs left the meeting at 7:04 pm*

### 3. JEDC/COVID Small Business Loans Update

Ms. Flick introduced the memo found on page 7 of the packet which discusses the status of the Juneau Economic Development Council (JEDC) COVID Emergency Loan Program which provided \$3.0 million in short-term loans to small business owners in Juneau during the unprecedented years of COVID.

Ms. Flick stated that the program provided 173 loans and that 143 have been paid back in full and accounts for \$2,728,00 of original capital supplied for the program by CBJ. She emphasized that the loaned amount returned exceeded expectations for the program and attributed the success to the strong business culture in Juneau.

Ms. Flick reviewed efforts made to collect remaining loan amounts by JEDC, including sending invoices as well as phone and email follow-ups with borrowers. Five borrowers are currently working with JEDC to repay their loans and are on a payment plan for their loans. The remaining borrowers not working with JEDC will have their loans transferred back to CBJ for collection efforts at the end of the program period on December 31, 2023.

Mayor Weldon expressed her support of the program and the positive impact it had on small businesses in Juneau during the uncertain time COVID created.

### 4. Update to Purchasing Code – Ordinance 2022-60

Ms. Flick introduced the memo found on page 8 of the packet which outlines the proposed updates to the CBJ purchasing code. She stated that this ordinance addresses updates requirements and language of purchasing code to meet the current needs of the CBJ.

Ms. Flick reviewed changes in Section 2, which updates definitions contained in the purchasing code, and stated that in large measure they are being proposed to modernize purchasing code requirements to match modern procurement standards and needs unique to Juneau.

Ms. Flick reviewed changes in Section 3, which updates purchasing methods for contracts and professional services to adjust for market needs in Juneau for services needed by CBJ.

Ms. Flick reviewed changes in Section 4 which proposes an update of wording for the requirement that bids be open publicly removing the requirement that bids be opened in person and allow for bids to be opened via Zoom or other similar video conference service. She reviewed further changes that increase thresholds for Assembly approval of operational and capital improvement project bid awards.

Ms. Flick reviewed changes in Section 5 which proposes narrowing of exemptions to the competitive process for professional services and creation of guidelines for the request for exemptions by the City Manager.

Ms. Flick answered Committee questions.

Mayor Weldon asked for clarity on the proposal in Section 4(e)(1) which raises the threshold for Assembly approval requirement of operational contracts from \$100,000 to \$1 million, stating that it was a large jump.

Ms. Flick stated that the threshold increase is in response to inflation in addition to minimizing the number of approval requests coming to the Assembly for basic operational costs needed by various departments in the CBJ.

Mayor Weldon asked for clarity on the proposal in Section 5(q) which allows for exemption to purchasing requirements for situations wherein the Manager determines a written best interest finding, and asked what the limits are for these approvals.

Mr. Barr clarified that a Modification Request (MR) is used for any case when the competitive process is not being used, such as when there is only one provider available for a good or service. He stated there are many circumstances where an MR is needed and is often the only method to procure these contracts.

Robert Palmer, City Attorney, stated that the two constraints that limit purchasing authority for MRs are the budget authority and the provision in place on Section 4(e)(1) which provides a limit of \$100,000 that is being requested to be raised to \$1 million.

**Motion:** by Assemblymember Kelly to move Ordinance 2022-60 to the full Assembly.

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

**Amendment:** by Assemblymember Kelly to amend Ordinance 2022-60 Section 5(q) to include “Notice of the written finding and authorization shall be prominently posted in a public place at the offices of the purchasing officer” at the end of this section of the ordinance.

**Objection:** by Mayor Weldon for the purpose of asking if MRs are currently posted publicly and what the burden would be of a requirement to do so.

Ms. Koester stated that MRs are not currently posted but are public documents that are available if requested. She further stated concern for a requirement to post procurements publicly and stated that it would damage the integrity of some city services such as database security and police department contracts.

Assemblymember Kelly stated his intent for the amendment is to create increased transparency in procurement and to create increased barriers in contracts being made outside of the standard procurement process.

**Objection:** by Assemblymember Bryson for the purpose of stating concerns for an increased burden on staff and delay in public process if the proposed amendment is adopted.

Assemblymember Kelly removed his amendment.

**Amendment:** by Mayor Weldon to reduce the amount on page 6 of 8 for Ordinance 2022-60 Section 4(e)(1) from \$1 million to \$500,000.

**Objection:** by Assemblymember Woll and Hale for the purpose of stating support of the original amount proposed.

**Roll Call Vote on Amendment**

**Ayes:** Kelly, Mayor Weldon, Bryson, Chair Wáahlaal Gíidaak

**Nayes:** Hale, Woll, Adkison

**Motion failed. Four (4) Ayes, Three (3) Nays.**

**Amendment:** by Mayor Weldon to reduce the amount on page 6 of 8 for Ordinance 2022-60 Section 4(e)(1) from \$1 million to \$750,000 and expressed further concern for allowing \$1 million to be authorized without Assembly approval.

**Objection:** by Assemblymember Woll.

**Roll Call Vote on Amendment**

**Ayes:** Kelly, Hale, Mayor Weldon, Bryson, Chair Wáahlaal Gíidaak

**Nayes:** Adkison, Woll

**Amendment Passed. Five (5) Ayes, Two (2) Nays.**

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

*Committee recessed at 7:40 pm*

*Committee reconvened at 7:45 pm*

**5. FY2023 Q4 Sales Tax Update**

Ms. Flick introduced the memo found on pages 18-19 of the packet and reviewed the status of FY23 sales tax collections which had fallen short of the forecast in Q3 of FY2023, producing concerns for the remaining FY23 and the FY24 forecast amounts. Ms. Flick stated that these concerns did not play out and that the FY23 sales tax collection amount exceeded the forecast by \$1.1 million.

Ms. Flick further reviewed other sales related tax collection amounts and emphasized the growth in Remote Sellers Tax and attributed the growth to the success in obtaining online vendor participation in tax collection.

Ms. Flick answered Committee questions.

**E. SUPPLEMENTAL MATERIALS**

**6. Assembly Grant Process**

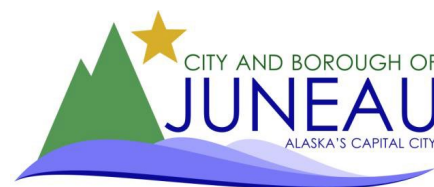
*Item previously discussed as the first Agenda Topic.*

**F. NEXT MEETING DATE**

November 29, 2023

**G. ADJOURNMENT**

*The meeting was adjourned at 8:00 pm.*



**DATE:** November 21, 2023

**TO:** Assembly Finance Committee

**FROM:** Angie Flick, Finance Director

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

**SUBJECT: Update on FY 2023 Year-end Close**

FY 2023's financial picture appears to signal a "return to normal" for the City and Borough of Juneau. Remember back to April 2022 as the FY 2023 budget was developed. We were beginning to consider using the word 'endemic' to describe the COVID pandemic. CBJ was still providing COVID testing kits to residents. Juneau had yet to see a return to full cruise ships. The first Ironman competition was still four months in the future.

As the Assembly approved the FY 2023 budget, caution held optimism in check. There were some rays of hope and confirmation of sunny days ahead received at the end of FY 2022. The long-awaited State reimbursements of School Construction Bond debt totaling over \$16 million was confirmed for receipt in FY 2023.

The partial cruise season at the beginning of FY 2023 (summer of 2022) was strong, and along with the Ironman event pushing a sales tax forecast \$6.9 million above the FY 2023 budget by April 2023. Additional FY 2023 revenue streams were known as the FY 2024 budget development began such as: ARPA funding, Local Assistance and Tribal Consistency Fund allocation, Supplemental Emergency Medical Transport program reimbursements, a transit operating grant, and PILT increases.

Looking back at the full year of FY 2023, we see additional revenue flows above the budget including strong sales tax, positive investment income, a significant return to operations as seen through programmatic revenue collections. There are also significant savings in expenditures in FY 2023. Some supply chain issues still pester CBJ such that some of the savings in FY 2023 will roll forward as expenditures in FY 2024. However other expenditure savings are attributable to a few projects that did not gain traction in FY 2023, savings in projected utility costs across multiple departments, and operational savings in public works programs.

Similar to the FY 2022 year-end review, the personnel savings for FY 2023 is staggering at over \$5 million. Over 75% of the savings were realized in 4 departments: Police, Public Works and Engineering, Fire and Parks. CBJ has implemented several programs over the last year to address retention including paid parental leave and a deferred compensation match program for those employees in a defined contribution PERS retirement plan. The implementation of NeoGov as a recruiting and hiring system has increased visibility of CBJ jobs across a variety of search platforms and is yielding larger recruitment pools. While hiring and retaining qualified employees and continues to be a work in process, CBJ is taking positive steps to address the issues.

As the FY 2024 budget was being developed; the FY 2023 ending unrestricted fund balance was anticipated to be \$28 million with a surplus (revenue in excess of expenditures) of \$18 million. Closing the year, we see the unrestricted ending fund balance increase to \$41 million.

Before that fund balance burns a hole in anyone's pocket, let's look at our fund balance summary and FY 2024's budget and forecast.





**DATE:** November 21, 2023

**TO:** Assembly Finance Committee

**FROM:** Angie Flick, Finance Director

**SUBJECT:** **FY 2024 Mid-Year Update**

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

This memo should be reviewed side-by-side with the Budget Summary document and additional table information provided in this packet.

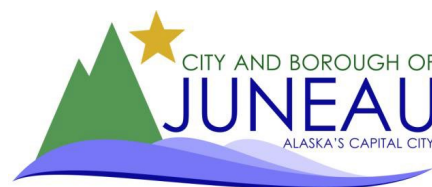
The summer of 2023 saw the complete return of tourism to Juneau. As reviewed in the last Assembly Finance Committee meeting, Sales Tax and other sales-related taxes were strong finishing FY 2023. It is no surprise that the strength continued into the first quarter of FY 2024 with one exception. The Hotel-Bed Tax was soft compared to budget for the first quarter by \$120,000. Finance will continue to monitor this sector to determine if we are seeing a lowering of prices, volume, or both.

Cruise-related tourism expectations for the summer of 2024 are flat compared to 2023 resulting in the only variation of sales-related taxes coming from inflationary increases. Remote sales tax continues to be strong. The Alaska Remote Sellers Sales Tax Commission (ARSSTC) continues to register new vendors although not at the fast pace of previous years. As was mentioned in last year's mid-year update, Google (Alphabet) has still failed to register with the ARSSTC and commission staff are force-filing the company and will move forward with legal action as appropriate. Once registered, it is believed Google's remittance alone will materially increase the total remote sales tax collections. Online sales remain strong and we anticipate crossing into the \$4 million territory as a revenue source in FY 2024.

Different from previous years, FY 2024 is also seeing the end of a steady stream of one-time revenue from the federal and state governments as the pandemic-era funding packages wind down. While the funding streams have been helpful maneuvering through the pandemic, forecasting during the pandemic proved difficult. Moving forward, forecasting and general performance is returning to more traditional trends and methods.

Thus far in FY 2024, very few supplemental requests have been presented to the Assembly for consideration. It is important to remember that we should continue to use the unrestricted fund balance for A) one-time expenditures rather than ongoing expenditures; B) efforts that will need to be performed by CBJ at some point; and C) efforts that reduce operating costs as much as possible. The Manager's Office and Finance will continue to examine expenditure requests prior to moving them forward for Assembly action. We are currently aware of a few issues. The Restricted Budget Reserve is currently underfunded by \$1 million. We anticipate CBJ will be looking to secure grant-matching funding for upcoming projects. Leased office space for downtown staff is an upcoming topic for a Committee of the Whole meeting which may require resources. Additionally, there are a myriad of maintenance and capital projects across city operations which may be ready to move forward.

In summary, FY 2024 is off to a strong start. Information presented at the start of the budget process in April will benefit from another quarter of operations and revenue collection, allowing better projections for the year-end position. Inflation and the ability to recruit and retain employees remain a high focus as we move through FY 2024.



**DATE:** November 21, 2023

**TO:** Assembly Finance Committee

**FROM:** Angie Flick, Finance Director

**SUBJECT:** Looking Ahead to FY 2025

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

Looking ahead to the development of the FY 2025 budget brings many changes and firsts: a new City Manager, a new Finance Director, and new Assemblymembers! The CBJ is plotting a course through returned tourism, housing issues, aging infrastructure, continuing struggles with recruiting and retaining employees, as well as mitigating the impacts of mother nature and balancing the needs of both an aging population and a work-force population.

This look ahead and conversation regarding FY 2025 along with the direction provided at the Assembly retreat will set the direction for the FY 2025 and FY 2026 budget development – the first year of the biennial budget cycle. As the pandemic sunsets in the rear-view mirror, the look ahead will focus on the assumptions staff would make in building an FY 2025 budget and seek your guidance, concurrence and/or direction on these assumptions.

**Inflation** continues to be a headline topic, although the rate of increase is slowing. Actions of the Fed have been decisive and swift in recent times. We are seeing a break in interest rate changes currently even though the nation has not reached the Fed's desired inflation rate. For purposes of budgeting, we anticipate a 3.5% to 3.7% inflation rate for FY 2025. As inflation drives many costs associated with day-to-day operations as well as sales tax revenues, this is an indicator we continue to monitor closely. Additionally, we are not seeing consistent inflationary prices in all types of supplies and services. We will examine budget requests in detail to validate assumptions about inflation in the FY 2025 budget process.

**Tourism** returned in full force during the summer of 2023! Additionally, Centennial Hall renovations are complete, allowing the return of conferences and other events to Juneau. Independent travel continues to be strong as well. Overall, we anticipate the impact of tourism to be materially flat from FY 2024 to FY 2025.

**Salaries and Benefits** represent a significant expense and a precious resource for CBJ. The people who provide day-to-day city services are amazing and take pride in the work they do for their community. The FY 2025 wages are set at a 2% increase by the approved bargaining agreements. Benefits, particularly medical and pharmaceutical, continue to experience cost growth. We anticipate the employer-paid portion of the benefits to increase by 5% in FY 2025.

**Revenue projections** for sales-related taxes have been adjusted for current trends with an inflationary increase in sales tax of 3.5% over the FY 2024 projection. A more conservative increase of 2.5% was applied to revenue collected via general fund programs. This revenue represents permits, participation fees, and the like. It is too early to know the valuation of properties yet for property tax projections, however a 2.5% increase in values was used a placeholder. We will know the valuation prior to the start of the FY 2025 budget conversations with the Assembly. For purposes of building a budget for discussion, property tax revenue was the last piece calculated in order to create a structurally balanced budget – ongoing revenue supporting ongoing expenditures. For purposes of this budget discussion, we also assumed a \$1 million lapse overall in the expenditures of the general government.

The example budget in the attached pages associate numbers to the above assumptions. While there are several questions and points of direction anticipated at Saturday's retreat; we look forward to feedback on these assumptions which are summarized below:

## FY 2025 Budget assumptions for retreat discussion:

- Inflation – anticipate ‘normal’ inflation overall for Alaska, perhaps some deflation in some sectors.
  - Impacts: commodities, supplies, services, sales tax revenue
- Tourism – anticipate cruise ship activity to be flat compared to summer 2023
- Salaries – 2% wage increases per the approved bargaining agreements
- Benefits – projecting an 5% increase to employer-paid benefit costs
- Property Assessments – too early in the assessment cycle to know, assume 2.5% value increase
- General Receipts – programmatic revenue (permits, participation fees, etc.) assume 2.5% growth
- General Fund Lapse – standard \$1M general fund lapse included in assumptions
- Structurally Balanced Budget – recurring revenue is sufficient to pay for recurring expenditures
  - Backing into property tax as the last piece of revenue to balance the budget.

# FY 2023 Year-End Update

Assembly Finance Committee  
November 29, 2023

# What we knew planning for FY24

Section D, Item 2.

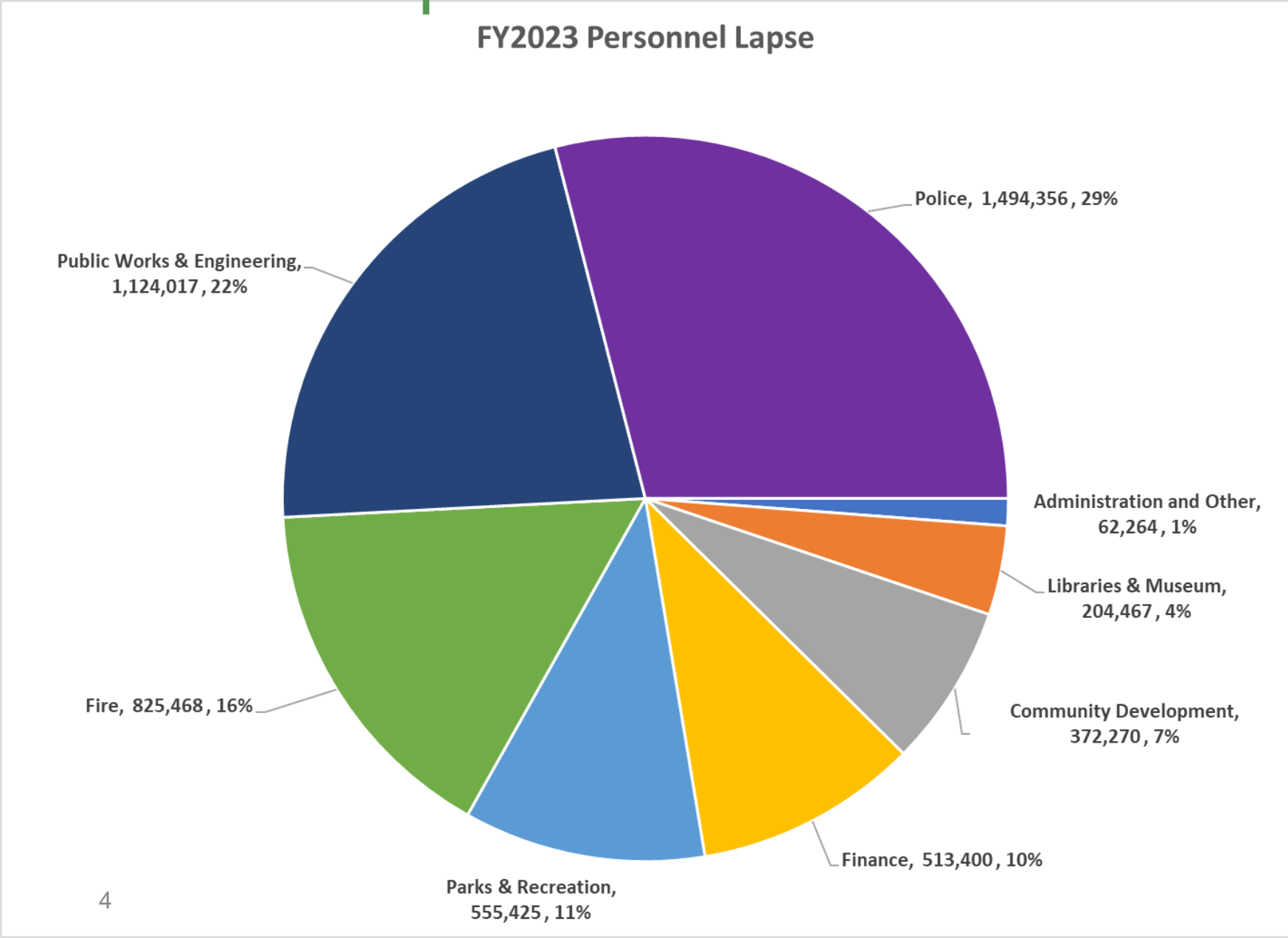
|     |   | Revenues       | Expenditures     | Surplus (Deficit) | Unrestricted Fund Balance |
|-----|---|----------------|------------------|-------------------|---------------------------|
| 62  | <b>FY2022</b>   |                |                  |                   |                           |
| 166 | <b>Final Year-End</b>   | \$ 182,016,259 | \$ (200,553,759) | \$ (18,537,500)   | \$ 10,042,900             |
| 167 |   |                |                  |                   |                           |
| 168 | <b>FY2023</b>   |                |                  |                   |                           |
| 193 | <b>Manager Proposed Budget</b>  | \$ 166,599,600 | \$ (170,042,200) | \$ (3,442,600)    | \$ 6,600,300              |
| 194 |   |                |                  |                   |                           |
| 213 | <b>Assembly Adopted Budget</b>  | \$ 166,067,300 | \$ (172,080,300) | \$ (6,013,000)    | \$ 4,029,900              |
| 214 |   |                |                  |                   |                           |
| 215 | Wage and Health Benefit Costs   |                | \$ (3,093,600)   |                   |                           |
| 216 | JSD Additional FY23 Funding Request                                     |                | \$ (2,320,737)   |                   |                           |
| 217 | Capital Civic Center  |                | \$ (2,500,000)   |                   |                           |
| 218 | River Road Junk Vehicle Cleanup   |                | \$ (250,000)     |                   |                           |
| 219 | Telephone Hill Redevelopment  |                | \$ (100,000)     |                   |                           |
| 220 | Removing Sales Tax on Food Juneau Voter Survey                          |                | \$ (40,000)      |                   |                           |
| 221 | Medical Respite (offset by portion covered by HEC Grant)                |                | \$ (15,319)      |                   |                           |
| 222 | Supplemental Appropriations   | \$ -           | \$ (8,319,656)   |                   |                           |
| 223 |   |                |                  |                   |                           |
| 224 | State Reimbursement of Previously Unreimbursed School Bond Debt         | \$ 16,035,000  |                  |                   |                           |
| 225 | ARPA Funds Received in FY23   | \$ 3,869,519   |                  |                   |                           |
| 226 | Sales Tax (inc. Remote/Liquor/Marijuana) Revenue Above/(Below) Forecast | \$ 6,900,000   |                  |                   |                           |
| 227 | FY20 and FY21 SEMT Payments (amount over budget)                        | \$ 1,345,127   |                  |                   |                           |
| 228 | Local Assistance and Tribal Consistency Fund (LATCF) FY23 Allocation    | \$ 1,321,493   |                  |                   |                           |
| 229 | Transit CRRSAA Grant Award  | \$ 1,026,200   |                  |                   |                           |
| 230 | Community Assistance Program Award Above Estimates                      | \$ 770,821     |                  |                   |                           |
| 231 | Federal PILT and National Forest Receipt Revenue Above Estimates        | \$ 150,400     |                  |                   |                           |
| 232 | Property Tax Certified Roll True-Up                                     | \$ (88,178)    |                  |                   |                           |
| 233 | Anticipated Lapse   |                | \$ 1,000,000     |                   |                           |
| 234 | Anticipated Variances   | \$ 31,330,382  | \$ 1,000,000     |                   |                           |
| 235 |   |                |                  |                   |                           |
| 236 | <b>Final Year-End (unaudited)</b>                                       | \$ 197,397,682 | \$ (179,399,956) | \$ 17,997,727     | \$ 28,040,627             |

# What we know now

Section D, Item 2.

|     |   | Revenues              | Expenditures            | Surplus (Deficit)       | Unrestricted Fund Balance |
|-----|---|-----------------------|-------------------------|-------------------------|---------------------------|
| 168 | <b>FY2023</b>   |                       |                         |                         |                           |
| 213 | <b>Assembly Adopted Budget</b>  | \$ 166,067,300        | \$ (172,080,300)        | \$ (6,013,000)          | \$ 4,029,900              |
| 214 |   |                       |                         |                         |                           |
| 215 | Wage and Health Benefit Costs   |                       | \$ (3,093,600)          |                         |                           |
| 216 | Capital Civic Center  |                       | \$ (2,500,000)          |                         |                           |
| 217 | JSD Additional FY23 Funding Request                                     |                       | \$ (2,320,737)          |                         |                           |
| 218 | Permitting, Land Management, and Property Valuation Software            |                       | \$ (500,000)            |                         |                           |
| 219 | River Road Junk Vehicle Cleanup   |                       | \$ (250,000)            |                         |                           |
| 220 | Telephone Hill Redevelopment  |                       | \$ (100,000)            |                         |                           |
| 221 | Removing Sales Tax on Food Juneau Voter Survey                          |                       | \$ (40,000)             |                         |                           |
| 222 | FY23 Human Resources Supplemental (pending)                             |                       | \$ (35,000)             |                         |                           |
| 223 | Medical Respite (offset by portion covered by HEC Grant)                |                       | \$ (15,319)             |                         |                           |
| 224 | Supplemental Appropriations   | \$ -                  | \$ (8,854,656)          |                         |                           |
| 225 |   |                       |                         |                         |                           |
| 226 | Reduction to CBJ Overhead from CIPs                                     |                       | \$ (249,500)            |                         |                           |
| 227 | Assembly Grant Lapse (AEYC, Franklin Dock)                              |                       | \$ 207,300              |                         |                           |
| 228 | Non-Personnel Services Lapse  |                       | \$ 2,044,095            |                         |                           |
| 229 | Personnel Services Lapse  |                       | \$ 5,151,667            | Anticipated \$1,000,000 |                           |
| 230 | State Reimbursement of Previously Unreimbursed School Bond Debt         | \$ 16,033,325         |                         |                         |                           |
| 231 | Sales Tax (inc. Remote/Liquor/Marijuana) Revenue Above/(Below) Forecast | \$ 11,295,600         |                         | Anticipated \$6,900,000 |                           |
| 232 | ARPA Funds Received in FY23   | \$ 3,869,519          |                         |                         |                           |
| 233 | Increase to Investment Income   | \$ 2,604,900          |                         | Anticipated \$ Zero     |                           |
| 235 | FY20 and FY21 SEMT Payments (amount over budget)                        | \$ 1,345,127          |                         |                         |                           |
| 236 | Local Assistance and Tribal Consistency Fund (LATCF) FY23 Allocation    | \$ 1,321,493          |                         |                         |                           |
| 238 | Department Program Receipts Above Estimates                             | \$ 1,272,400          |                         |                         |                           |
| 239 | Transit CRRSAA Grant Award  | \$ 899,200            |                         | Anticipated \$1,026,200 |                           |
| 240 | Community Assistance Program Award Above Estimates                      | \$ 770,821            |                         |                         |                           |
| 242 | COVID-19 FEMA Reimbursements Above Estimates                            | \$ 344,675            |                         |                         |                           |
| 243 | Federal PILT and National Forest Receipt Revenue Above Estimates        | \$ 173,200            |                         | Anticipated \$ 150,400  |                           |
| 245 | Other Revenue Above/(Below) Estimates                                   | \$ 150,595            |                         |                         |                           |
| 246 | Property Tax Certified Roll True-Up                                     | \$ (88,178)           |                         |                         |                           |
| 247 | Motor Vehicle Registration Tax Below Estimates                          | \$ (199,300)          |                         |                         |                           |
| 249 | Property Tax Deferral   | \$ (977,422)          |                         |                         |                           |
| 250 | Anticipated Variances   | \$ 38,815,955         | \$ 7,153,562            |                         |                           |
| 252 |   |                       |                         |                         |                           |
| 253 | <b>Final Year-End (unaudited)</b>                                       | <b>\$ 204,883,255</b> | <b>\$ (173,781,394)</b> | <b>\$ 31,101,862</b>    | <b>\$ 41,144,762</b>      |
| 254 |   |                       |                         |                         |                           |
|     | 3   |                       | Anticipated →           | \$ 17,997,727           | \$ 28,040,627             |

# Personnel Lapse



# Non-Personnel Lapse

Section D, Item 2.

## Significant areas of savings for FY 2023

|           |   |
|-----------|---|
| \$450,000 | Recycling/HHW/Junked Vehicles program lapse |
| 250,000   | Comprehensive Plan                          |
| 250,000   | River Road vehicle cleanup                  |
| 240,000   | Street maintenance savings                  |
| 173,000   | Utility savings                             |
| 100,000   | Transit supplies/parts                      |
| <hr/>     |   |
| 1,463,000 | Non-personnel lapse items                   |



# FY 2024 Mid-Year Update

Assembly Finance Committee  
November 29, 2023

# Budget Summary FY24

Section D, Item 2.

|     |   | Revenues       | Expenditures     | Surplus (Deficit) | Unrestricted Fund Balance |
|-----|---|----------------|------------------|-------------------|---------------------------|
| 256 | <b>FY2024</b>   |                |                  |                   |                           |
| 326 | <b>Manager Proposed Budget</b>  | \$ 185,638,348 | \$ (200,976,293) | \$ (15,337,945)   | \$ 25,806,817             |
| 327 |   |                |                  |                   |                           |
| 365 | <b>Assembly Adopted Budget</b>  | \$ 184,537,622 | \$ (203,425,017) | \$ (18,887,395)   | \$ 22,257,367             |
| 366 |   |                |                  |                   |                           |
| 368 | Suicide Basin Monitoring  |                | \$ (28,000)      |                   |                           |
| 369 | State Funding for Childcare - Deappropriation of General Funds ( <i>pending</i> ) |                | \$ 950,000       |                   |                           |
| 371 | Supplemental Appropriations   | \$ -           | \$ 922,000       |                   |                           |
| 372 |   |                |                  |                   |                           |
| 373 | Sales Tax Revenue Above Estimates   | 6,100,000      |                  |                   |                           |
| 375 | Property Tax Deferral from FY23   | 977,422        |                  |                   |                           |
| 376 | Community Assistance Program Award Above Estimates                                | 412,594        |                  |                   |                           |
| 378 | Property Tax Certified Roll True-Up   | (279,885)      |                  |                   |                           |
| 379 | Anticipated Lapse   |                | \$ 1,000,000     |                   |                           |
| 380 | Anticipated Variances   | \$ 7,210,131   | \$ 1,000,000     |                   |                           |
| 382 |   |                |                  |                   |                           |
| 383 | <b>Final Year-End (projected)</b>   | \$ 191,747,753 | \$ (201,503,017) | \$ (9,755,264)    | \$ 31,389,498             |

FY24 Budget includes ONE-TIME expenditures:

|              |                             |
|--------------|-----------------------------|
| \$10,000,000 | City Hall                   |
| 3,000,000    | Budget Reserve              |
| 2,000,000    | JPD Radio System            |
| 2,000,000    | General Fund Support to BRH |
| 1,500,000    | Assembly Community Grants   |
| 18,500,000   | Total in one-time spending  |

# Revenue

Section D, Item 2.

## FY 2024 Quarter 1 Revenue

|                  | Budget | Actual | Variance |
|------------------|--------|--------|----------|
| Sales Tax        | 21.20  | 21.70  | 0.50     |
| Remote Sales Tax | 1.00   | 1.01   | 0.01     |
| Hotel Tax        | 1.40   | 1.28   | (0.12)   |
| Liquor Tax       | 0.43   | 0.47   | 0.04     |
| Marijuana Tax    | 0.12   | 0.13   | 0.01     |
| Tobacco Tax      | 0.73   | 0.78   | 0.05     |
|                  | 24.88  | 25.37  | 0.49     |

# FY 2025 Forecast

Assembly Finance Committee  
November 29, 2023

# Disclaimer

Section D, Item 2.

Information presented in the FY25 Forecast,  
especially Budget Assumptions and Manager Proposed Budget are

**VERY DRAFT**

and intended for discussion with the Assembly Finance Committee.

No direction has been given to the Manager, nor have any decisions been made.

# FY25 Budget Assumptions for Retreat Discussion

Section D, Item 2.

- Inflation – anticipate ‘normal’ inflation overall for Alaska, perhaps some deflation in some sectors.
  - Impacts: commodities, supplies, services, sales tax revenue
- Tourism – anticipate cruise ship activity to be flat compared to summer 2023
- Salaries – 2% wage increases per the approved bargaining agreements
- Benefits – projecting an 5% increase to employer-paid benefit costs
- Property Assessments – too early in the assessment cycle to know, assume 2.5% value increase
- General Receipts – programmatic revenue (permits, participation fees, etc.) assume 2.5% growth
- General Fund Lapse – standard \$1M general fund lapse included in assumptions
- Structurally Balanced Budget – recurring revenue is sufficient to pay for recurring expenditures
  - Backing into property tax as the last piece of revenue to balance the budget.

# FY25 Budget Assumptions for Retreat Discussion

Section D, Item 2.

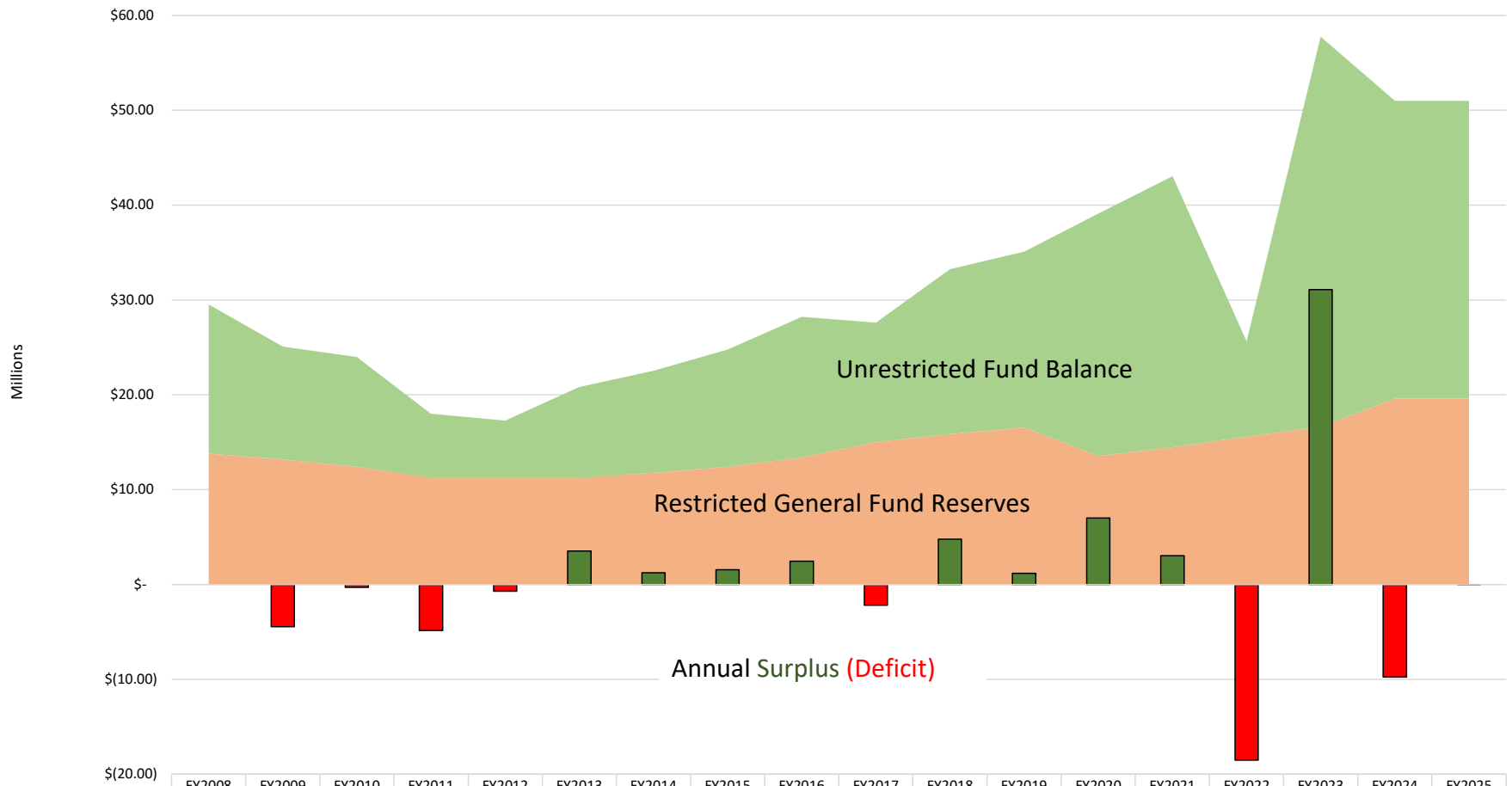
|     |   |  |  | Revenues       | Expenditures     | Surplus (Deficit)  | Unrestricted Fund Balance | Combined General and Sales Tax Fund Balance |               |
|-----|---|--|--|----------------|------------------|--|---------------------------|---|---------------|
|     |   |  |  |                |                  |  |                           | Restricted Reserve                          | Total         |
| 382 | <b>FY2024</b>   |  |  |                |                  |  |                           |   |               |
| 383 | Final Year-End (projected)  |  |  | \$ 191,747,753 | \$ (201,503,017) | \$ (9,755,264)   | \$ 31,389,498             | \$ 19,600,000                               | \$ 50,989,498 |
| 385 |   |  |  |                |                  |  |                           |   |               |
| 386 | <b>FY2025 - DRAFT FOR DISCUSSION ONLY</b>                             |  |  |                |                  |  |                           |   |               |
| 387 | Prior Year Adopted Budget   |  |  | \$ 184,537,622 | \$ (203,425,017) |  |                           |   |               |
| 389 | FY24 One-Time Expenditures/Revenue                                    |  |  | \$ (1,721,493) | \$ 18,493,594    |  |                           |   |               |
| 390 | Sales Tax Growth over FY24 Projections                                |  |  | \$ 2,500,000   |                  | 3.5%   |                           |   |               |
| 392 | Property Tax Growth over FY24 Adopted Budget                          |  |  | \$ 2,218,721   |                  | 2.5% valuation growth @ 10.28 mills (with consideration of \$1M lapse) |                           |   |               |
| 393 | Other Revenue Growth  |  |  | \$ 461,600     |                  | 2.5% growth  |                           |   |               |
| 394 | Negotiated Wage Increases   |  |  |                | \$ (626,269)     | @ 2%   |                           |   |               |
| 396 | Health Benefit Costs  |  |  |                | \$ (459,144)     | @ 5% increased employer contribution                                   |                           |   |               |
| 397 | Merit Increases and Other Personnel Actions (and associated benefits) |  |  |                | \$ (850,000)     | Estimate   |                           |   |               |
| 399 | Commodities/Services/Capital Outlay Cost Growth                       |  |  |                | \$ (1,182,046)   | 3.7% inflationary growth   |                           |   |               |
| 400 | Adjusted Base   |  |  | \$ 187,996,450 | \$ (188,048,882) |  |                           |   |               |
| 401 |   |  |  |                |                  |  |                           |   |               |
| 403 | Childcare Programs (funding moved from FY24 to FY25)                  |  |  |                | \$ (950,000)     |  |                           |   |               |
| 404 | Manager Proposed Budget   |  |  | \$ 187,996,450 | \$ (188,998,882) | \$ (1,002,432)   | \$ 30,387,066             | \$ 19,600,000                               | \$ 49,987,066 |

|     |   | Revenues       | Expenditures     | Surplus (Deficit) | Unrestricted<br>Fund Balance |
|-----|---|----------------|------------------|-------------------|------------------------------|
| 62  | <b>FY2022</b>   |                |                  |                   |                              |
| 102 | <b>Manager Proposed Budget</b>  | \$ 158,632,100 | \$ (166,440,700) | \$ (7,808,600)    | \$ 20,771,800                |
| 103 |   |                |                  |                   |                              |
| 123 | <b>Assembly Adopted Budget</b>  | \$ 162,239,300 | \$ (167,608,800) | \$ (5,369,500)    | \$ 23,210,900                |
| 124 |   |                |                  |                   |                              |
| 166 | <b>Final Year-End</b>   | \$ 182,016,259 | \$ (200,553,759) | \$ (18,537,500)   | \$ 10,042,900                |
| 167 |   |                |                  |                   |                              |
| 168 | <b>FY2023</b>   |                |                  |                   |                              |
| 193 | <b>Manager Proposed Budget</b>  | \$ 166,599,600 | \$ (170,042,200) | \$ (3,442,600)    | \$ 6,600,300                 |
| 194 |   |                |                  |                   |                              |
| 213 | <b>Assembly Adopted Budget</b>  | \$ 166,067,300 | \$ (172,080,300) | \$ (6,013,000)    | \$ 4,029,900                 |
| 214 |   |                |                  |                   |                              |
| 215 | Wage and Health Benefit Costs   |                | \$ (3,093,600)   |                   |                              |
| 216 | Capital Civic Center  |                | \$ (2,500,000)   |                   |                              |
| 217 | JSD Additional FY23 Funding Request   |                | \$ (2,320,737)   |                   |                              |
| 218 | Permitting, Land Management, and Property Caluation Software                    |                | \$ (500,000)     |                   |                              |
| 219 | River Road Junk Vehicle Cleanup   |                | \$ (250,000)     |                   |                              |
| 220 | Telephone Hill Redevelopment  |                | \$ (100,000)     |                   |                              |
| 221 | Removing Sales Tax on Food Juneau Voter Survey                                  |                | \$ (40,000)      |                   |                              |
| 222 | FY23 Human Resources Supplemental <i>(pending)</i>                              |                | \$ (35,000)      |                   |                              |
| 223 | Medical Respite (offset by portion covered by HEC Grant)                        |                | \$ (15,319)      |                   |                              |
| 224 | Supplemental Appropriations   | \$ -           | \$ (8,854,656)   |                   |                              |
| 225 |   |                |                  |                   |                              |
| 226 | Reduction to CBJ Overhead from CIPs   |                | \$ (249,500)     |                   |                              |
| 227 | Assembly Grant Lapse (AEYC, Franklin Dock)                                      |                | \$ 207,300       |                   |                              |
| 228 | Non-Personnel Services Lapse  |                | \$ 2,044,095     |                   |                              |
| 229 | Personnel Services Lapse  |                | \$ 5,151,667     |                   |                              |
| 230 | State Reimbursement of Previously Unreimbursed School Bond Debt                 | \$ 16,033,325  |                  |                   |                              |
| 231 | Sales Tax (inc. Remote/Liquor/Marijuana) Revenue Above/(Below) Forecast         | \$ 11,295,600  |                  |                   |                              |
| 232 | ARPA Funds Received in FY23   | \$ 3,869,519   |                  |                   |                              |
| 233 | Increase to Investment Income   | \$ 2,604,900   |                  |                   |                              |
| 235 | FY20 and FY21 SEMT Payments (amount over budget)                                | \$ 1,345,127   |                  |                   |                              |
| 236 | Local Assistance and Tribal Consistency Fund (LATCF) FY23 Allocation            | \$ 1,321,493   |                  |                   |                              |
| 238 | Department Program Receipts Above Estimates                                     | \$ 1,272,400   |                  |                   |                              |
| 239 | Transit CRRSAA Grant Award  | \$ 899,200     |                  |                   |                              |
| 240 | Community Assistance Program Award Above Estimates                              | \$ 770,821     |                  |                   |                              |
| 242 | COVID-19 FEMA Reimbursements Above Estimates                                    | \$ 344,675     |                  |                   |                              |
| 243 | Federal PILT and National Forest Receipt Revenue Above Estimates                | \$ 173,200     |                  |                   |                              |
| 245 | Other Revenue Above/(Below) Estimates   | \$ 150,595     |                  |                   |                              |
| 246 | Property Tax Certified Roll True-Up   | \$ (88,178)    |                  |                   |                              |
| 247 | Motor Vehicle Registration Tax Below Estimates                                  | \$ (199,300)   |                  |                   |                              |
| 249 | Property Tax Deferral (delinquent taxes not paid within 60 days of FYE)         | \$ (977,422)   |                  |                   |                              |
| 250 | Anticipated Variances   | \$ 38,815,955  | \$ 7,153,562     |                   |                              |
| 252 |   |                |                  |                   |                              |
| 253 | <b>Final Year-End (unaudited)</b>   | \$ 204,883,255 | \$ (173,781,394) | \$ 31,101,862     | \$ 41,144,762                |
| 254 |   |                |                  |                   |                              |
| 256 | <b>FY2024</b>   |                |                  |                   |                              |
| 326 | <b>Manager Proposed Budget</b>  | \$ 185,638,348 | \$ (200,976,293) | \$ (15,337,945)   | \$ 25,806,817                |
| 327 |   |                |                  |                   |                              |
| 365 | <b>Assembly Adopted Budget</b>  | \$ 184,537,622 | \$ (203,425,017) | \$ (18,887,395)   | \$ 22,257,367                |
| 366 |   |                |                  |                   |                              |
| 368 | Suicide Basin Monitoring  |                | \$ (28,000)      |                   |                              |
| 369 | State Funding for Childcare - Deappropriation of General Funds <i>(pending)</i> |                | \$ 950,000       |                   |                              |
| 371 | Supplemental Appropriations   | \$ -           | \$ 922,000       |                   |                              |
| 372 |   |                |                  |                   |                              |
| 373 | Sales Tax Revenue Above Estimates   | 6,100,000      |                  |                   |                              |
| 375 | Property Tax Deferral from FY23   | 977,422        |                  |                   |                              |
| 376 | Community Assistance Program Award Above Estimates                              | 412,594        |                  |                   |                              |
| 378 | Property Tax Certified Roll True-Up   | (279,885)      |                  |                   |                              |
| 379 | Anticipated Lapse   |                | \$ 1,000,000     |                   |                              |
| 380 | Anticipated Variances   | \$ 7,210,131   | \$ 1,000,000     |                   |                              |
| 382 |   |                |                  |                   |                              |
| 383 | <b>Final Year-End (projected)</b>   | \$ 191,747,753 | \$ (201,503,017) | \$ (9,755,264)    | \$ 31,389,498                |
| 385 |   |                |                  |                   |                              |



|     |   | Revenues              | Expenditures            | Surplus (Deficit)                       | Unrestricted Fund Balance |
|-----|---|-----------------------|-------------------------|---|---------------------------|
| 386 | <b>FY2025</b>   |                       |                         |   |                           |
| 387 | Prior Year Adopted Budget   | \$ 184,537,622        | \$ (203,425,017)        |   |                           |
| 389 | FY24 One-Time Expenditures/Revenue                                    | \$ (1,721,493)        | \$ 18,493,594           |   |                           |
| 390 | Sales Tax Growth over FY24 Projections                                | \$ 2,500,000          |                         | 3.5%                                    |                           |
| 392 | Property Tax Growth over FY24 Adopted Budget                          | \$ 2,218,721          |                         | 2.5% valuation growth @ 10.28 mills (wi |                           |
| 393 | Other Revenue Growth  | \$ 461,600            |                         | 2.5% growth                             |                           |
| 394 | Negotiated Wage Increases   |                       | \$ (626,269)            | @ 2%                                    |                           |
| 396 | Health Benefit Costs  |                       | \$ (459,144)            | @ 5% increased employer contribution    |                           |
| 397 | Merit Increases and Other Personnel Actions (and associated benefits) |                       | \$ (850,000)            | Estimate                                |                           |
| 399 | Commodities/Services/Capital Outlay Cost Growth                       |                       | \$ (1,182,046)          | 3.7% inflationary growth                |                           |
| 400 | Adjusted Base   | \$ 187,996,450        | \$ (188,048,882)        |   |                           |
| 401 |   |                       |                         |   |                           |
| 403 | Childcare Programs (funding moved from FY24 to FY25)                  |                       | \$ (950,000)            |   |                           |
| 404 | <b>Manager Proposed Budget</b>  | <b>\$ 187,996,450</b> | <b>\$ (188,998,882)</b> | <b>\$ (1,002,432)</b>                   | <b>\$ 30,387,066</b>      |
| 406 |   |                       |                         |   |                           |
| 415 | <b>Assembly Adopted Budget</b>  | <b>\$ 187,996,450</b> | <b>\$ (188,998,882)</b> | <b>\$ (1,002,432)</b>                   | <b>\$ 30,387,066</b>      |
| 417 |   |                       |                         |   |                           |
| 427 | <b>Final Year-End (projected)</b>                                     | <b>\$ 187,996,450</b> | <b>\$ (187,998,882)</b> | <b>\$ (2,432)</b>                       | <b>\$ 31,387,066</b>      |

**General Government Fund Balance History and Projections**  
*Includes Sales Tax Fund*

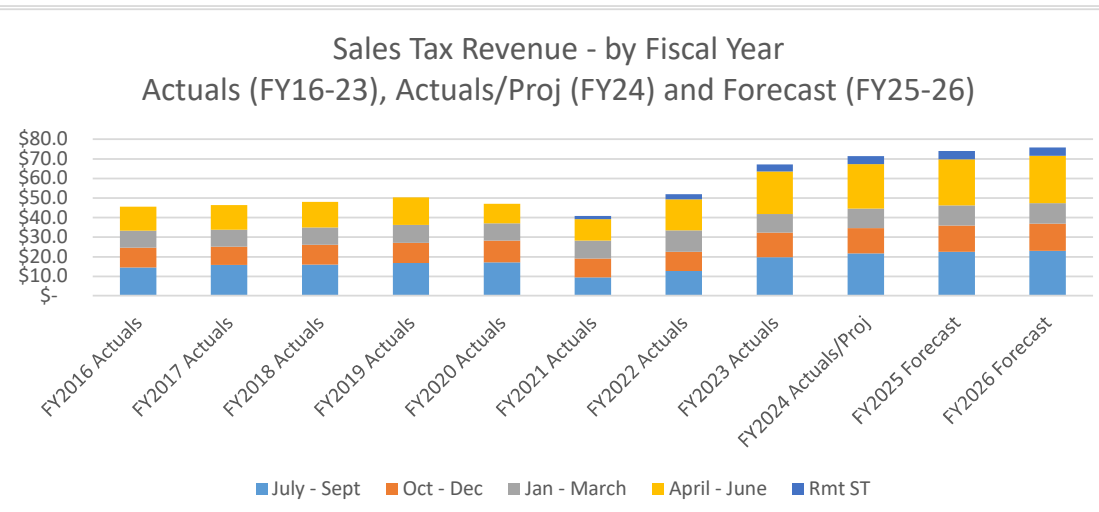
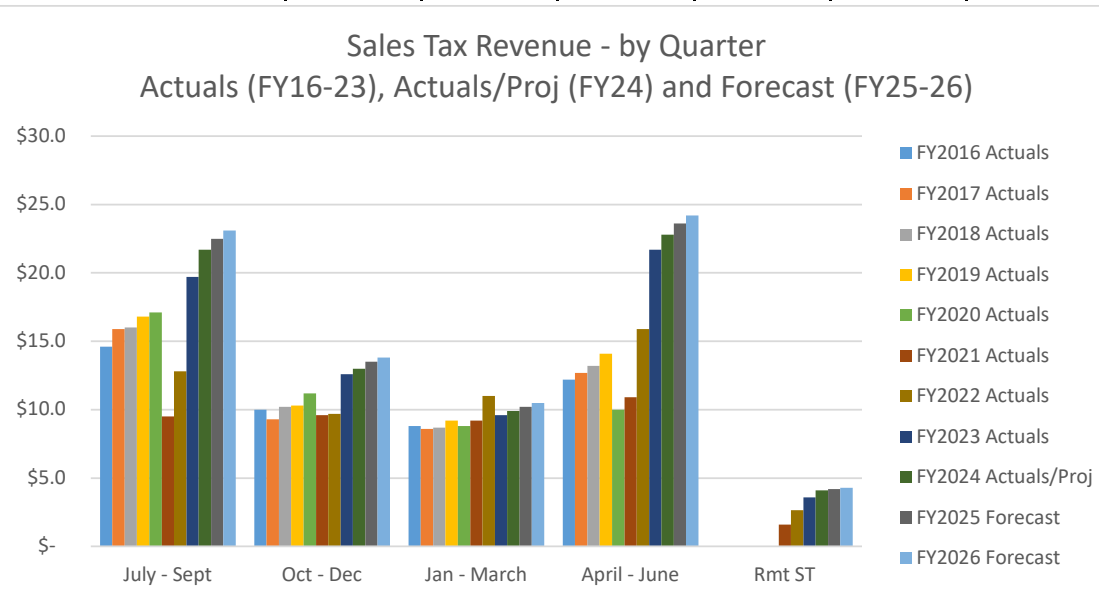


|                           | FY2008  | FY2009   | FY2010   | FY2011   | FY2012   | FY2013  | FY2014  | FY2015  | FY2016  | FY2017   | FY2018  | FY2019  | FY2020  | FY2021  | FY2022    | FY2023  | FY2024   | FY2025   |
|---------------------------|---------|----------|----------|----------|----------|---------|---------|---------|---------|----------|---------|---------|---------|---------|-----------|---------|----------|----------|
| Unrestricted Fund Balance | \$15.74 | \$11.87  | \$11.58  | \$6.74   | \$6.03   | \$9.55  | \$10.78 | \$12.34 | \$14.79 | \$12.60  | \$17.38 | \$18.54 | \$25.55 | \$28.58 | \$10.04   | \$41.14 | \$31.39  | \$31.39  |
| Reserves                  | \$13.79 | \$13.21  | \$12.42  | \$11.26  | \$11.26  | \$11.26 | \$11.76 | \$12.41 | \$13.41 | \$15.02  | \$15.86 | \$16.55 | \$13.55 | \$14.46 | \$15.60   | \$16.60 | \$19.60  | \$19.60  |
| Surplus/(Deficit)         |         | \$(4.45) | \$(0.29) | \$(4.84) | \$(0.71) | \$3.52  | \$1.23  | \$1.56  | \$2.45  | \$(2.19) | \$4.78  | \$1.17  | \$7.01  | \$3.03  | \$(18.53) | \$31.10 | \$(9.76) | \$(0.00) |

**Sales Tax Actuals and Forecast**  
**Updated 11/22/2023**

Section D, Item 2.

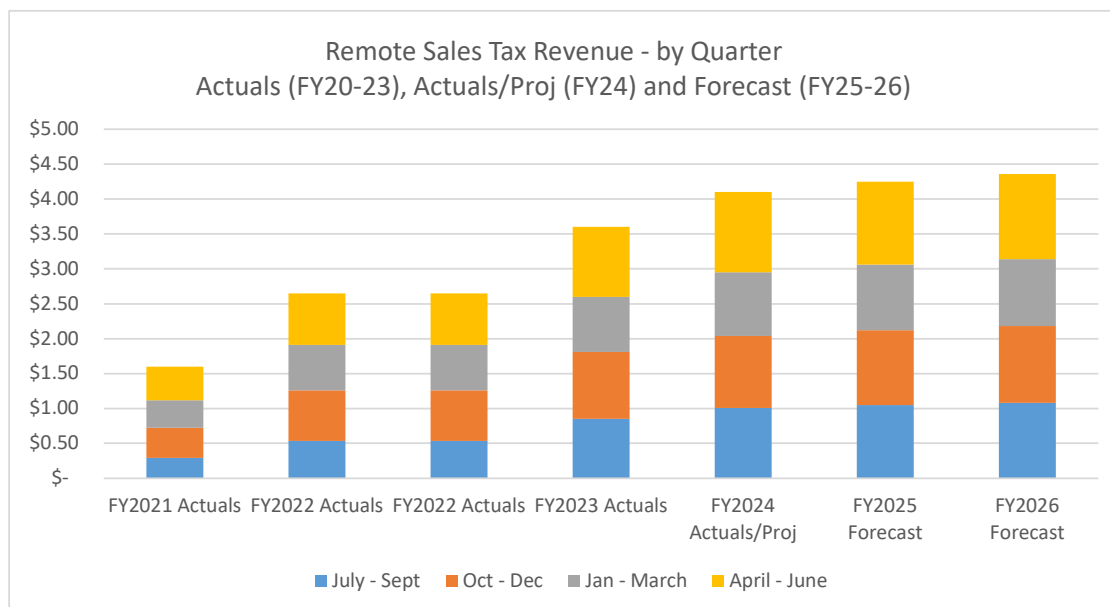
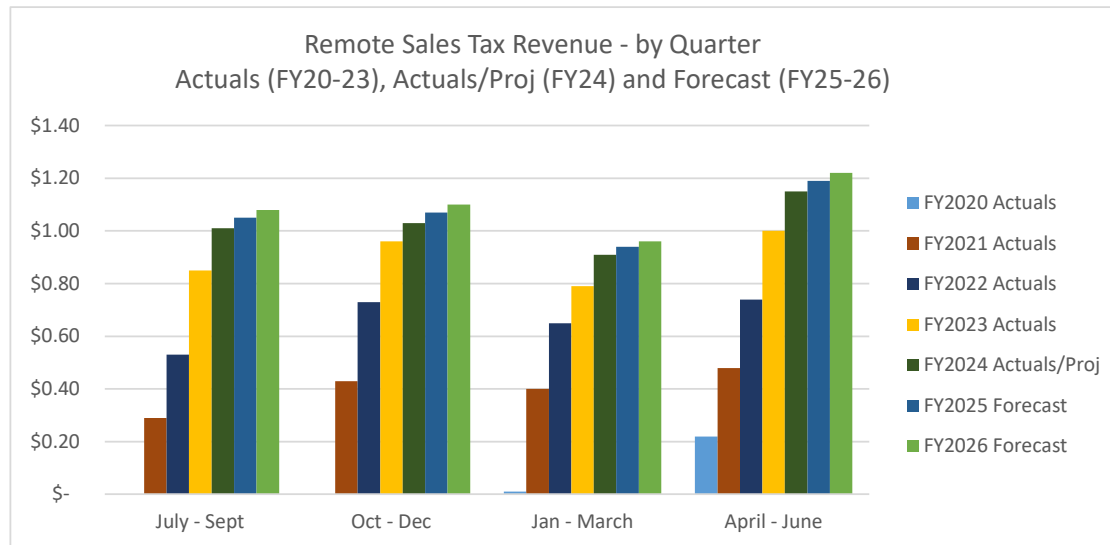
| Sales Tax           | Q1          | Q2        | Q3          | Q4           | Annual | Total   |
|---------------------|-------------|-----------|-------------|--------------|--------|---------|
|                     | July - Sept | Oct - Dec | Jan - March | April - June | Rmt ST |         |
| FY2016 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      | \$ 10.0      | \$ -   | \$ 47.1 |
| FY2021 Actuals      | \$ 9.5      | \$ 9.6    | \$ 9.2      | \$ 10.9      | \$ 1.6 | \$ 40.8 |
| FY2022 Actuals      | \$ 12.8     | \$ 9.7    | \$ 11.0     | \$ 15.9      | \$ 2.7 | \$ 52.1 |
| FY2023 Budget       | \$ 17.9     | \$ 11.2   | \$ 9.4      | \$ 14.3      | \$ 2.9 | \$ 55.7 |
| FY2023 Projected    | \$ 20.2     | \$ 11.9   | \$ 10.8     | \$ 16.0      | \$ 3.3 | \$ 62.2 |
| FY2023 Actuals      | \$ 19.7     | \$ 12.6   | \$ 9.6      | \$ 21.7      | \$ 3.6 | \$ 67.2 |
| Over/(Under) Budget | \$ 1.8      | \$ 1.4    | \$ 0.2      | \$ 7.4       | \$ 0.7 | \$ 11.5 |
| FY2024 Budget       | \$ 21.2     | \$ 12.3   | \$ 11.1     | \$ 16.8      | \$ 4.0 | \$ 65.4 |
| FY2024 Actuals/Proj | \$ 21.7     | \$ 13.0   | \$ 9.9      | \$ 22.8      | \$ 4.1 | \$ 71.5 |
| Over/(Under) Budget | \$ 0.5      | \$ 0.7    | \$ (1.2)    | \$ 6.0       | \$ 0.1 | \$ 6.1  |
| FY2025 Forecast     | \$ 22.5     | \$ 13.5   | \$ 10.2     | \$ 23.6      | \$ 4.2 | \$ 74.0 |
| FY2026 Forecast     | \$ 23.1     | \$ 13.8   | \$ 10.5     | \$ 24.2      | \$ 4.3 | \$ 75.9 |



**Remote Sales Tax Actuals, Projected, and Forecast - Net of Fees**  
**Updated 11/22/2023**

Section D, Item 2.

| Remote Sales Tax    | Q1<br>July - Sept | Q2<br>Oct - Dec | Q3<br>Jan - March | Q4<br>April - June | Total          |
|---------------------|-------------------|-----------------|-------------------|--------------------|----------------|
| FY2020 Actuals      | \$ -              | \$ -            | \$ 0.01           | \$ 0.22            | \$ <b>0.23</b> |
| FY2021 Actuals      | \$ 0.29           | \$ 0.43         | \$ 0.40           | \$ 0.48            | \$ <b>1.60</b> |
| FY2022 Actuals      | \$ 0.53           | \$ 0.73         | \$ 0.65           | \$ 0.74            | \$ <b>2.65</b> |
| FY2023 Budget       | \$ 0.70           | \$ 0.80         | \$ 0.70           | \$ 0.70            | \$ <b>2.90</b> |
| FY2023 Projected    | \$ 0.85           | \$ 0.96         | \$ 0.73           | \$ 0.76            | \$ <b>3.30</b> |
| FY2023 Actuals      | \$ 0.85           | \$ 0.96         | \$ 0.79           | \$ 1.00            | \$ <b>3.60</b> |
| Over/Under Budget   | \$ 0.15           | \$ 0.16         | \$ 0.09           | \$ 0.30            | \$ <b>0.70</b> |
| FY2024 Budget       | \$ 1.00           | \$ 1.00         | \$ 1.00           | \$ 1.00            | \$ <b>4.00</b> |
| FY2024 Actuals/Proj | \$ 1.01           | \$ 1.03         | \$ 0.91           | \$ 1.15            | \$ <b>4.10</b> |
| Over/(Under) Budget | \$ 0.01           | \$ 0.03         | \$ (0.09)         | \$ 0.15            | \$ <b>0.10</b> |
| FY2025 Forecast     | \$ 1.05           | \$ 1.07         | \$ 0.94           | \$ 1.19            | \$ <b>4.25</b> |
| FY2026 Forecast     | \$ 1.08           | \$ 1.10         | \$ 0.96           | \$ 1.22            | \$ <b>4.36</b> |

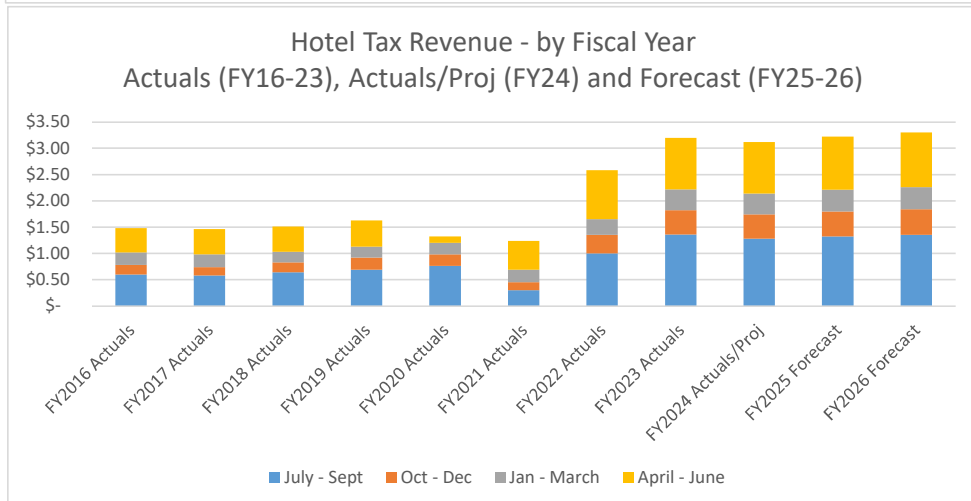
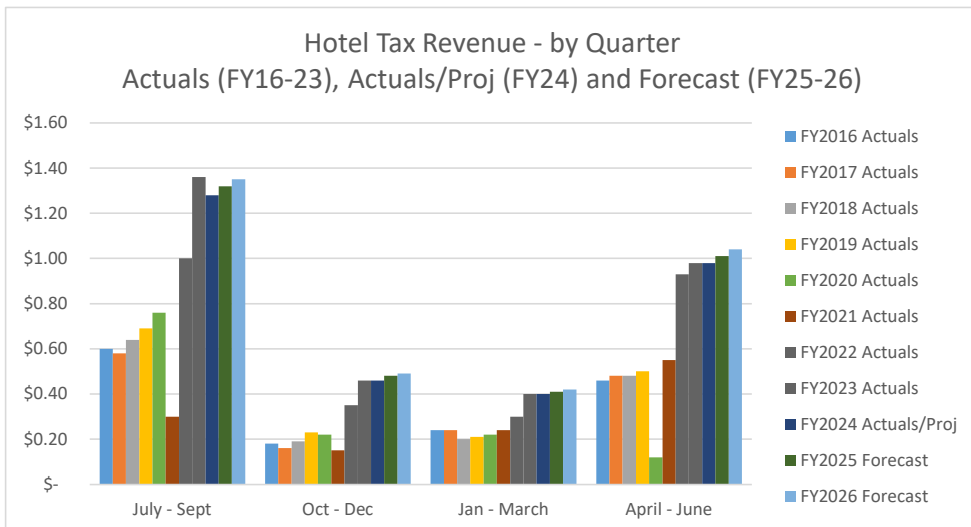


**Hotel Tax Actuals and Forecast**  
**Updated 11/22/2023**

*Section D, Item 2.*

| <b>Hotel Tax</b>    | <b>Q1</b><br>July - Sept | <b>Q2</b><br>Oct - Dec | <b>Q3</b><br>Jan - March | <b>Q4</b><br>April - June | <b>Total</b>     |
|---------------------|--------------------------|------------------------|--------------------------|---------------------------|------------------|
| FY2016 Actuals      | \$ 0.60                  | \$ 0.18                | \$ 0.24                  | \$ 0.46                   | \$ <b>1.48</b>   |
| FY2017 Actuals      | \$ 0.58                  | \$ 0.16                | \$ 0.24                  | \$ 0.48                   | \$ <b>1.46</b>   |
| FY2018 Actuals      | \$ 0.64                  | \$ 0.19                | \$ 0.20                  | \$ 0.48                   | \$ <b>1.51</b>   |
| FY2019 Actuals      | \$ 0.69                  | \$ 0.23                | \$ 0.21                  | \$ 0.50                   | \$ <b>1.63</b>   |
| FY2020 Actuals      | \$ 0.76                  | \$ 0.22                | \$ 0.22                  | \$ 0.12                   | \$ <b>1.32</b>   |
| FY2021 Actuals      | \$ 0.30                  | \$ 0.15                | \$ 0.24                  | \$ 0.55                   | \$ <b>1.24</b>   |
| FY2022 Actuals      | \$ 1.00                  | \$ 0.35                | \$ 0.30                  | \$ 0.93                   | \$ <b>2.58</b>   |
| FY2023 Budget       | \$ 0.86                  | \$ 0.26                | \$ 0.31                  | \$ 0.66                   | \$ <b>2.09</b>   |
| FY2023 Projected    | \$ 1.36                  | \$ 0.46                | \$ 0.50                  | \$ 1.00                   | \$ <b>3.32</b>   |
| FY2023 Actuals      | \$ 1.36                  | \$ 0.46                | \$ 0.40                  | \$ 0.98                   | \$ <b>3.20</b>   |
| Over/(Under) Budget | \$ 0.50                  | \$ 0.20                | \$ 0.09                  | \$ 0.32                   | \$ <b>1.11</b>   |
| FY2024 Budget       | \$ 1.40                  | \$ 0.47                | \$ 0.52                  | \$ 1.03                   | \$ <b>3.42</b>   |
| FY2024 Actuals/Proj | \$ 1.28                  | \$ 0.46                | \$ 0.40                  | \$ 0.98                   | \$ <b>3.12</b>   |
| Over/(Under) Budget | \$ (0.12)                | \$ (0.01)              | \$ (0.12)                | \$ (0.05)                 | \$ <b>(0.30)</b> |
| FY2025 Forecast     | \$ 1.32                  | \$ 0.48                | \$ 0.41                  | \$ 1.01                   | \$ <b>3.22</b>   |
| FY2026 Forecast     | \$ 1.35                  | \$ 0.49                | \$ 0.42                  | \$ 1.04                   | \$ <b>3.30</b>   |

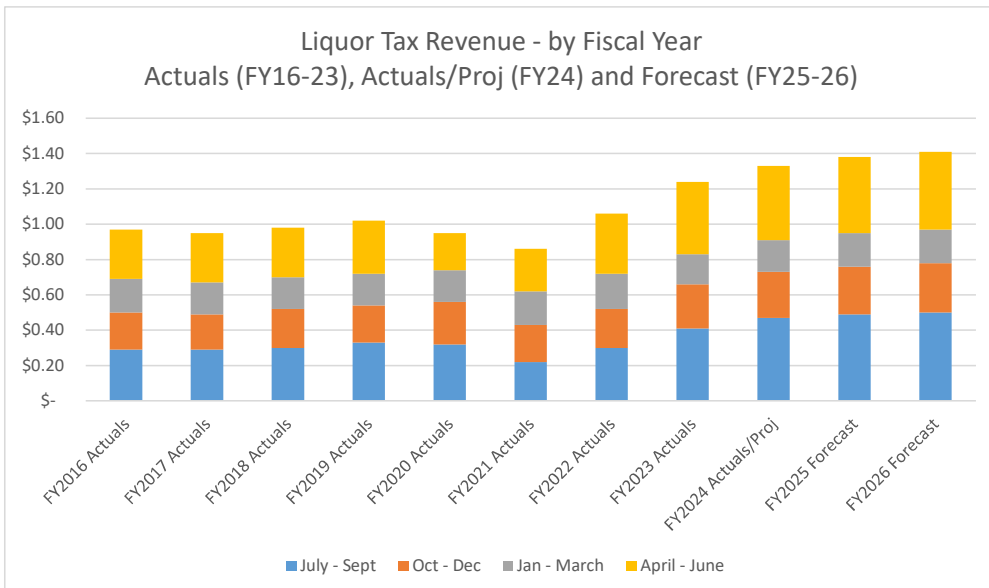
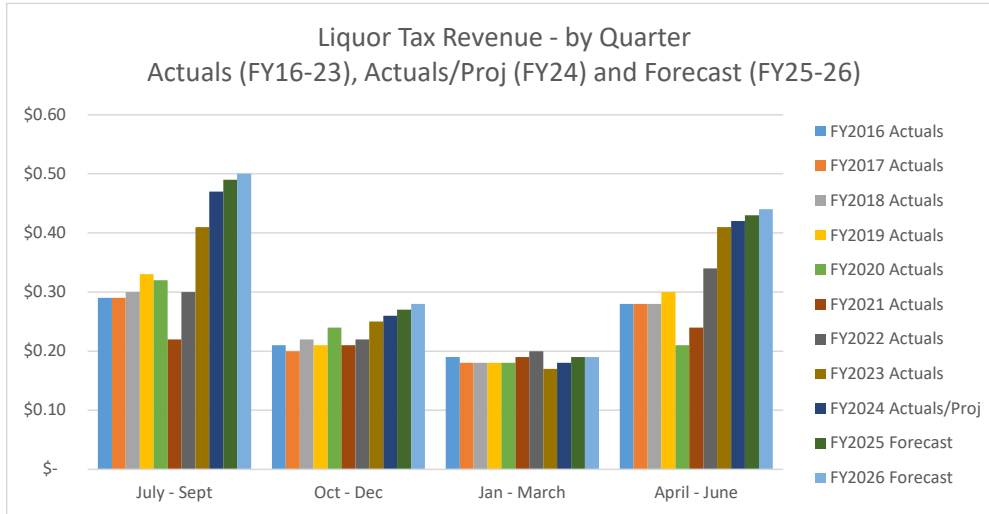
*Effective January 1, 2020 the hotel tax rate increased from 7% to 9%.*



**Liquor Tax Actuals and Forecast**  
Updated 11/22/2023

*Section D, Item 2.*

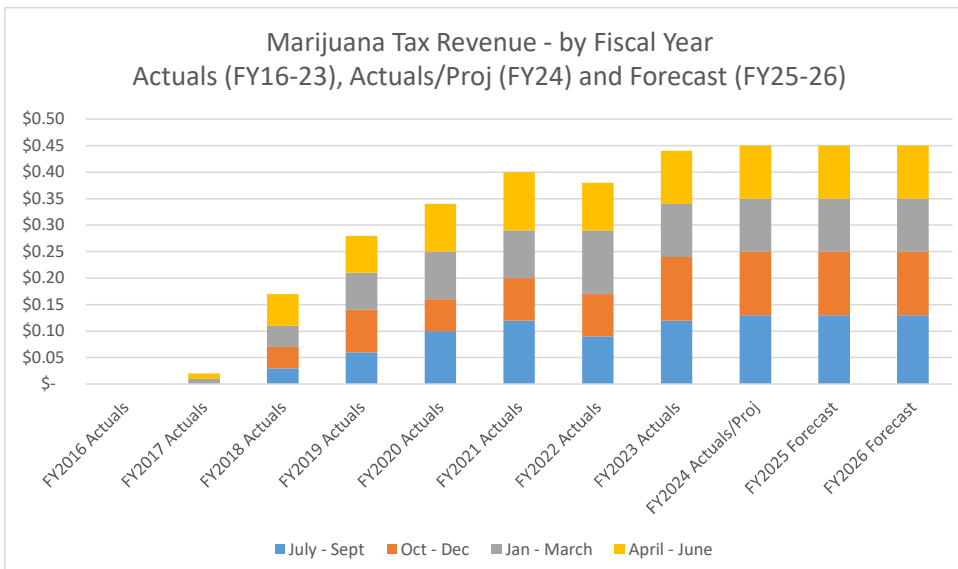
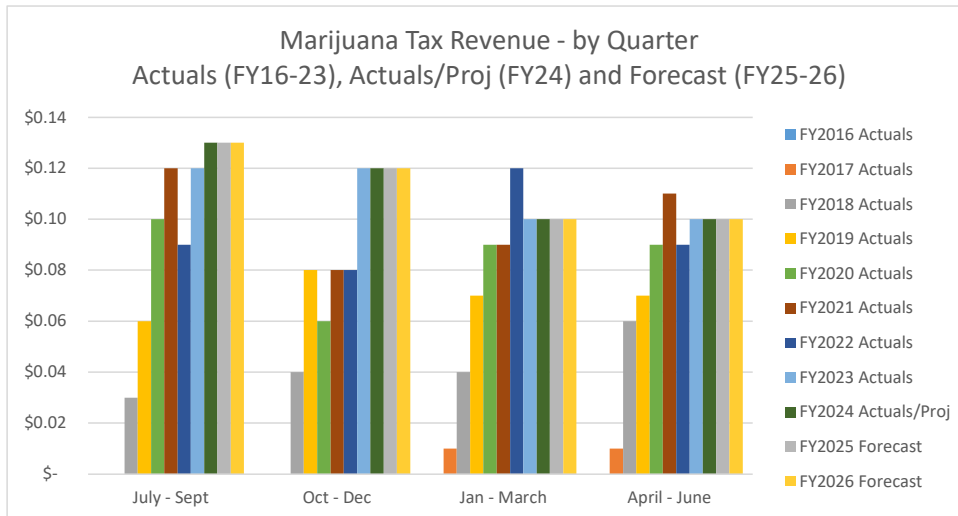
| Liquor Tax          | Q1<br>July - Sept | Q2<br>Oct - Dec | Q3<br>Jan - March | Q4<br>April - June | Total   |
|---------------------|-------------------|-----------------|-------------------|--------------------|---------|
| FY2016 Actuals      | \$ 0.29           | \$ 0.21         | \$ 0.19           | \$ 0.28            | \$ 0.97 |
| FY2017 Actuals      | \$ 0.29           | \$ 0.20         | \$ 0.18           | \$ 0.28            | \$ 0.95 |
| FY2018 Actuals      | \$ 0.30           | \$ 0.22         | \$ 0.18           | \$ 0.28            | \$ 0.98 |
| FY2019 Actuals      | \$ 0.33           | \$ 0.21         | \$ 0.18           | \$ 0.30            | \$ 1.02 |
| FY2020 Actuals      | \$ 0.32           | \$ 0.24         | \$ 0.18           | \$ 0.21            | \$ 0.95 |
| FY2021 Actuals      | \$ 0.22           | \$ 0.21         | \$ 0.19           | \$ 0.24            | \$ 0.86 |
| FY2022 Actuals      | \$ 0.30           | \$ 0.22         | \$ 0.20           | \$ 0.34            | \$ 1.06 |
| FY2023 Budget       | \$ 0.33           | \$ 0.25         | \$ 0.20           | \$ 0.32            | \$ 1.10 |
| FY2023 Projected    | \$ 0.41           | \$ 0.25         | \$ 0.24           | \$ 0.37            | \$ 1.27 |
| FY2023 Actuals      | \$ 0.41           | \$ 0.25         | \$ 0.17           | \$ 0.41            | \$ 1.24 |
| Over/(Under) Budget | \$ 0.08           | \$ -            | \$ (0.03)         | \$ 0.09            | \$ 0.17 |
| FY2024 Budget       | \$ 0.43           | \$ 0.26         | \$ 0.25           | \$ 0.39            | \$ 1.33 |
| FY2024 Actuals/Proj | \$ 0.47           | \$ 0.26         | \$ 0.18           | \$ 0.42            | \$ 1.33 |
| Over/(Under) Budget | \$ 0.04           | \$ -            | \$ (0.07)         | \$ 0.03            | \$ -    |
| FY2025 Forecast     | \$ 0.49           | \$ 0.27         | \$ 0.19           | \$ 0.43            | \$ 1.38 |
| FY2026 Forecast     | \$ 0.50           | \$ 0.28         | \$ 0.19           | \$ 0.44            | \$ 1.41 |



**Marijuana Tax Actuals and Forecast**  
Updated 11/22/2023

*Section D, Item 2.*

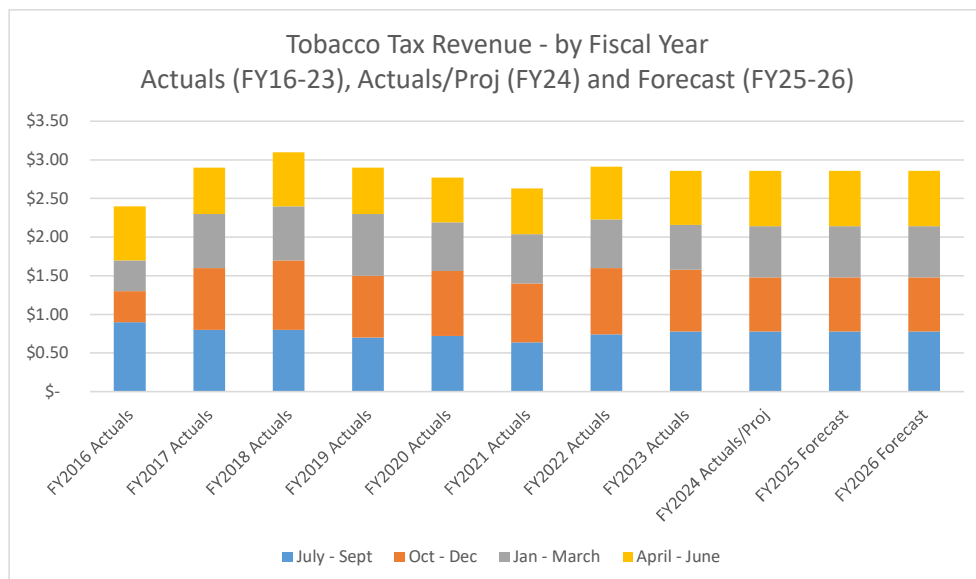
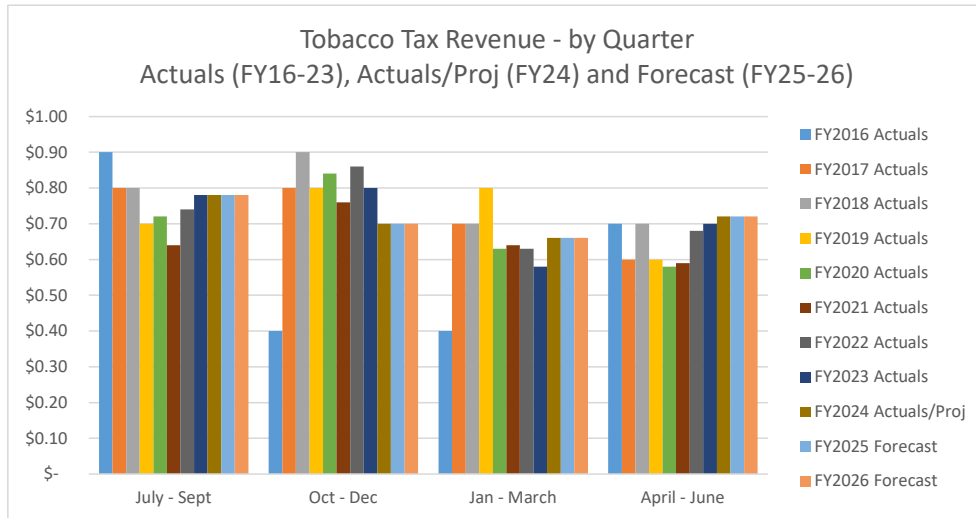
| <b>Marijuana Tax</b> | <b>Q1</b><br>July - Sept | <b>Q2</b><br>Oct - Dec | <b>Q3</b><br>Jan - March | <b>Q4</b><br>April - June | <b>Total</b> |
|----------------------|--------------------------|------------------------|--------------------------|---------------------------|--------------|
| FY2016 Actuals       | \$ -                     | \$ -                   | \$ -                     | \$ -                      | \$ -         |
| FY2017 Actuals       | \$ -                     | \$ -                   | \$ 0.01                  | \$ 0.01                   | \$ 0.02      |
| FY2018 Actuals       | \$ 0.03                  | \$ 0.04                | \$ 0.04                  | \$ 0.06                   | \$ 0.17      |
| FY2019 Actuals       | \$ 0.06                  | \$ 0.08                | \$ 0.07                  | \$ 0.07                   | \$ 0.28      |
| FY2020 Actuals       | \$ 0.10                  | \$ 0.06                | \$ 0.09                  | \$ 0.09                   | \$ 0.34      |
| FY2021 Actuals       | \$ 0.12                  | \$ 0.08                | \$ 0.09                  | \$ 0.11                   | \$ 0.40      |
| FY2022 Actuals       | \$ 0.09                  | \$ 0.08                | \$ 0.12                  | \$ 0.09                   | \$ 0.38      |
| FY2023 Budget        | \$ 0.11                  | \$ 0.08                | \$ 0.10                  | \$ 0.11                   | \$ 0.40      |
| FY2023 Projected     | \$ 0.12                  | \$ 0.12                | \$ 0.12                  | \$ 0.12                   | \$ 0.48      |
| FY2023 Actuals       | \$ 0.12                  | \$ 0.12                | \$ 0.10                  | \$ 0.10                   | \$ 0.44      |
| Over/(Under) Budget  | \$ 0.01                  | \$ 0.04                | \$ -                     | \$ (0.01)                 | \$ 0.04      |
| FY2024 Budget        | \$ 0.12                  | \$ 0.08                | \$ 0.10                  | \$ 0.11                   | \$ 0.41      |
| FY2024 Actuals/Proj  | \$ 0.13                  | \$ 0.12                | \$ 0.10                  | \$ 0.10                   | \$ 0.45      |
| Over/(Under) Adopted | \$ 0.01                  | \$ 0.04                | \$ -                     | \$ (0.01)                 | \$ 0.04      |
| FY2025 Forecast      | \$ 0.13                  | \$ 0.12                | \$ 0.10                  | \$ 0.10                   | \$ 0.45      |
| FY2026 Forecast      | \$ 0.13                  | \$ 0.12                | \$ 0.10                  | \$ 0.10                   | \$ 0.45      |



**Tobacco Tax Actuals and Forecast**  
Updated 11/22/2023

Section D, Item 2.

| <b>Tobacco Tax</b>  | <b>Q1</b><br>July - Sept | <b>Q2</b><br>Oct - Dec | <b>Q3</b><br>Jan - March | <b>Q4</b><br>April - June | <b>Total</b> |
|---------------------|--------------------------|------------------------|--------------------------|---------------------------|--------------|
| FY2016 Actuals      | \$ 0.90                  | \$ 0.40                | \$ 0.40                  | \$ 0.70                   | \$ 2.40      |
| FY2017 Actuals      | \$ 0.80                  | \$ 0.80                | \$ 0.70                  | \$ 0.60                   | \$ 2.90      |
| FY2018 Actuals      | \$ 0.80                  | \$ 0.90                | \$ 0.70                  | \$ 0.70                   | \$ 3.10      |
| FY2019 Actuals      | \$ 0.70                  | \$ 0.80                | \$ 0.80                  | \$ 0.60                   | \$ 2.90      |
| FY2020 Actuals      | \$ 0.72                  | \$ 0.84                | \$ 0.63                  | \$ 0.58                   | \$ 2.77      |
| FY2021 Actuals      | \$ 0.64                  | \$ 0.76                | \$ 0.64                  | \$ 0.59                   | \$ 2.63      |
| FY2022 Actuals      | \$ 0.74                  | \$ 0.86                | \$ 0.63                  | \$ 0.68                   | \$ 2.91      |
| FY2023 Budget       | \$ 0.68                  | \$ 0.82                | \$ 0.64                  | \$ 0.60                   | \$ 2.74      |
| FY2023 Projected    | \$ 0.73                  | \$ 0.85                | \$ 0.67                  | \$ 0.64                   | \$ 2.89      |
| FY2023 Actuals      | \$ 0.78                  | \$ 0.80                | \$ 0.58                  | \$ 0.70                   | \$ 2.86      |
| Over/(Under) Budget | \$ 0.10                  | \$ (0.02)              | \$ (0.06)                | \$ 0.10                   | \$ 0.12      |
| FY2024 Budget       | \$ 0.73                  | \$ 0.85                | \$ 0.67                  | \$ 0.64                   | \$ 2.89      |
| FY2024 Actuals/Proj | \$ 0.78                  | \$ 0.70                | \$ 0.66                  | \$ 0.72                   | \$ 2.86      |
| Over/(Under) Budget | \$ 0.05                  | \$ (0.15)              | \$ (0.01)                | \$ 0.08                   | \$ (0.03)    |
| FY2025 Forecast     | \$ 0.78                  | \$ 0.70                | \$ 0.66                  | \$ 0.72                   | \$ 2.86      |
| FY2026 Forecast     | \$ 0.78                  | \$ 0.70                | \$ 0.66                  | \$ 0.72                   | \$ 2.86      |







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 Woll and Assembly Finance Committee

DATE: November 29, 2023

FROM: Katie Koester, City Manager

RE: Assembly Retreat – Budget Questions

Finance Chair Woll will pose the following high-level questions for your deliberation and direction at the Assembly Retreat. Please feel free to reach out to the Manager's Office or Finance Director as you develop your thoughts in advance of the retreat.

- How aggressive/conservative are you with revenue forecasting, especially sales tax?<sup>i</sup>
- Levels of service – are there areas you want more, or less?
- How should we manage the debt service mill rate and bond capacity?
- What is your comfort level with spending fund balance on operations, increasing revenue, and/or decreasing services?

### **Recommendation:**

#### Information only ahead of Assembly Retreat

<sup>i</sup> Of the information Finance Director Flick has included in the 11/27/23 AFC packet are a series of budget assumptions that staff would make in under a "status-quo" set of directions from the Assembly. Those are summarized here:

- Inflation – anticipate 'normal' inflation overall for Alaska, perhaps some deflation in some sectors.
  - Impacts: commodities, supplies, services, sales tax revenue
- Tourism – anticipate cruise ship activity to be flat compared to summer 2023.
- Salaries – wage increases per the approved bargaining agreements
- Benefits – projecting a 5% increase to employer-paid benefit costs
- Property Assessments – too early in the assessment cycle to know, assume 2.5% value increase
- General Receipts – programmatic revenue (permits, participation fees, etc.) assume 2.5% growth
- General Fund Lapse – standard \$1M general fund lapse included in assumptions
- Structurally Balanced Budget – recurring revenue is sufficient to pay for recurring expenditures
  - Backing into property tax as the last piece of revenue to balance the budget.