



ASSEMBLY FINANCE COMMITTEE AGENDA

May 14, 2025 at 5:30 PM

Assembly Chambers/Zoom Webinar

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

Please note the Assembly Finance Committee meeting will start with an Executive Session.

A. CALL TO ORDER

B. ROLL CALL

C. EXECUTIVE SESSION

1. Discussion on Collective Bargaining (5:30 pm - 5:45 pm)

The City Manager recommends the Assembly recess into executive session to discuss an update to collective bargaining negotiations, the immediate knowledge of which would adversely affect the finances of the municipality.

Suggested Motion: *I move that the Assembly enter into Executive Session to discuss collective bargaining negotiations, the immediate knowledge of which would adversely affect the finances of the municipality and ask for unanimous consent*

D. APPROVAL OF MINUTES

2. May 7, 2025 (Supplemental Material)

E. AGENDA TOPICS

3. Eaglecrest

4. FY26 Budget Risks (Supplemental Material)

5. Pending List - For Action

6. Set Mill Rates - For Action

7. Final FY26 Budget Decisions

a) CIP Resolution 3090 - forwarded to the full Assembly on May 7, 2025

b) Mill Levy Ordinance 2025-03

c) CBJ Budget Ordinance 2025-01

8. Information Only:

a) Fund Balances - updated May 8, 2025

F. NEXT MEETING DATE

9. May 21, 2025

G. SUPPLEMENTAL MATERIALS

10. May 7, 2025 Minutes

11. Eaglecrest Revenue Model & Additional Information

12. FY26 Budget Risks

13. Information Only: Private Dock Passenger Fee Funding Clarification Memo

14. Information Only: Fund Balances - Updated May 14, 2025

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, e-mail: city.clerk@juneau.gov.



DATE: May 9, 2025

TO: Chair Woll and Assembly Finance Committee

FROM: Angie Flick, Finance Director

SUBJECT: Funding Options for Eaglecrest

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

The purpose of this memo is to provide a range of funding options for the Assembly Finance Committee (AFC) to consider when determining the path forward on Eaglecrest’s FY 26 budget. Similar to many other decisions before the AFC, there are nearly infinite combinations of possibilities. The intent here is to provide details and consequences for both ends of a spectrum and a couple of natural mid-point solutions.

Definitions

There are a few terms to define so that we are all operating with the same meaning.

Enterprise Department – an Enterprise Department (or operation) is an entity within CBJ that has an expectation to operate like a business and bring in sufficient revenue to cover both operating needs as well as one-time and capital needs. Eaglecrest is not an Enterprise Operation. CBJ’s enterprises include Airport, BRH, Docks, Harbors, Water and Wastewater programs.

Eaglecrest Department – The natural question following the above definition is “what is Eaglecrest, if not an enterprise?”. It is a department, like others in CBJ, that provide services to the public. It does have its own special revenue funds (similar to Lands) for tracking revenue and expenses.

Economic Life Cycle – this term simply refers to a common pattern of periods of growth or peaks and contraction or valleys over time. The length of the cycle depends on subject matter at hand. With respect to Eaglecrest, an economic life cycle could be good snow winters and bad snow winters, and it can also be reflective of the imbalance of revenue to expenses as a new product (gondola) becomes operational versus the revenue to expenses picture after the product is operational.

Reserve – for purposes of this discussion a reserve is the preservation of a sum of funds that is held, and unavailable for other uses until a set of criteria is met.

Problem Statement

In the FY26 proposed budget, Eaglecrest’s revenue and expenses are as follows:

\$2,856,700	Eaglecrest Generated Revenue (operating)
\$ 930 000	General Fund Subsidy (operating)
\$3,786,700	Total Sources
\$6,559,900	Operating Expenses
\$2,773,200	Deficit from FY26 operations
\$ 514,200	Deficit from FY25 and earlier operations
\$3,287,400	Total anticipated deficit

Assuming agreement on the amount of operating expenses, what is to be done about the \$3.3M deficit?

Ends of the Spectrum

The two ends of the funding spectrum for Eaglecrest are:

1. Fully funding the operations (recurring costs) with recurring revenue. In the current environment, that manifests as either decreases in operations other places or an increase in the mill rate to generate property tax revenue (recurring revenue).
2. Acknowledge that Eaglecrest is in the trough of an economic life cycle and allow expenses to create a negative draw on fund balance. In this situation, it means Eaglecrest's special revenue fund will run into a deficit for FY26. Accordingly, a reserve is placed on another fund balance equal to the anticipated deficit.

The remainder of this memo will more fully explore the two ends of the spectrum and provide a couple of natural mid-point solutions.

Fully Fund Operations with Recurring Revenue

In this scenario, the AFC will determine the amount of expenditure authority (operating) that Eaglecrest will be allowed, determine the revenue brought in by Eaglecrest and provide the rest as an operating General Fund subsidy. In this scenario, the AFC is holding firm to the idea that operating expenses should always be funded through operating revenues. This scenario places the least amount of risk on the city finances. It does require the AFC to determine if they wish to increase the revenue via a mill rate increase or if they prefer to make an operating reduction in another general fund program.

The General Fund subsidy could be managed two ways. The first is a straight transfer to the Eaglecrest fund of the full amount in the first period of the fiscal year. This is the method normally employed by CBJ. It provides the Eaglecrest Fund with the full amount of subsidy at the start and should ensure the fund does not go into a negative balance. The second way would be to direct staff to transfer only the amount of the general fund subsidy required to keep the Eaglecrest Fund from being negative. This analysis could be done quarterly, in December/June or at the end of the fiscal year.

Fully Fund Operations with One-Time Revenue

In this scenario, the AFC will determine the amount of expenditure authority (operating) that Eaglecrest will be allowed, determine the revenue brought in by Eaglecrest and provide the rest as a one-time General Fund subsidy. This moves away from the position that recurring expenses should be paid for with recurring revenue and creates unstructurally balanced budget for Eaglecrest. However, it also reduces risk on the city by providing funding today for the FY26 anticipated expenditures, compared to the options below. The subsidy could be managed in the same two methods described above.

If the AFC decides to use this mechanism or other one-time funding, the AFC may need to provide direction that only temporary or non-permanent employees may be hired for positions that are funded with one-time funding. This may create some complications for Eaglecrest in segregating positions this way. However, it is not appropriate to fund ongoing positions with one-time funding. If one-time funding is not approved in the next cycle, those staff would need to be released from service.

Currently, the FY26 Proposed Budget includes \$930,000 of recurring General Fund subsidy. The AFC could determine to make the full subsidy to Eaglecrest one-time rather than having a mix of recurring and one-time funding. If the full subsidy is taken from fund balance (one-time), that would create \$930,000 of recurring revenue space in the General Fund for other recurring expenses.

Limit Eaglecrest Operating Expenses to Eaglecrest Generated Revenue

In this scenario, the operating General Fund subsidy is removed, and Eaglecrest is expected to operate as an Enterprise Department immediately. For FY26, the Eaglecrest generated revenue is \$2,856,700. If the AFC wishes to move forward with this option, it requires a reduction in Eaglecrest's expenses of \$3,703,200 from the proposed budget of \$6,559,900; and removal of the support from the General Fund totaling \$930,000.

This scenario would be the most impactful to Eaglecrest operations and represents a budget lower than FY24 actual operating expenses. This option does not limit the AFC from infusing general funds for one-time or capital purposes.

Fully Fund Operations with a Loan

This scenario (and the next) requires the AFC to agree with two assumptions:

1. CBJ should be in the business of operating a year-round mountain recreation area.
2. Eaglecrest will be 'profitable' in the near future.

If there is agreement on these two assumptions, then an argument can be made that Eaglecrest is in the trough of an economic life cycle and will have a growth cycle in a time frame that is acceptable. Through this acknowledgment, there's an expectation that Eaglecrest will be able to return the funds to repay the loan consistent with the loan terms.

In this scenario, the AFC will determine the amount of expenditure authority (operating) that Eaglecrest will be authorized, determine the revenue brought in by Eaglecrest and provide the rest as a loan. This moves away from the position that recurring expenses should be paid for with recurring revenue and moves into the idea Eaglecrest is in a trough of the economic life cycle and will have sufficient revenue in the future to repay the loan. The AFC would need to direct staff to draw up an ordinance with the details of the loan. The Eaglecrest Board and the Assembly would need to approve the loan. The loan amount would be a reduction in the General Fund's Fund Balance which would be returned as the loan is repaid. This is similar to a General Fund subsidy using fund balance, but has the requirement of repayment.

In this scenario, the AFC should determine if the \$930,000 General Fund subsidy currently in the proposed budget should remain or if the \$930,000 becomes part of the loan.

A Central Treasury Loan is not appropriate as those are restricted to the procurement/creation of a capital asset, not to funding operations. Using the Restricted Budget Reserve is also not appropriate as this is not an emergency.

Fully Fund Operations with a Deficit

Similar to the "Fully Fund Operations with a Loan" scenario, the AFC must agree that:

1. CBJ should be in the business of operating a year-round mountain recreation area.
2. Eaglecrest will be 'profitable' in the near future.

With concurrence on these two assumptions, then an argument can be made that Eaglecrest is in the trough of an economic life cycle and will have a growth cycle in a time frame that is acceptable. This scenario allows Eaglecrest to operate as their appropriation allows. Eaglecrest-generated revenue above expectations will reduce the deficit amount. Code does require that this scenario be offset by a reserve. The restricted budget reserve, the unrestricted general fund or another available fund balance could be held in reserve to meet this requirement. This reserve is held until either the deficit is resolved through positive operations (repayment of the deficit) or until the Assembly determines the deficit will never be resolved and the reserve pays off the deficit.

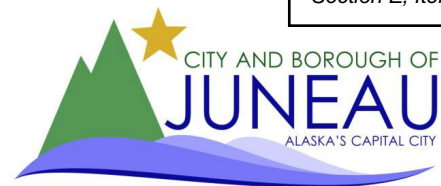
In this scenario, the AFC should determine if the \$930,000 General Fund subsidy currently in the proposed budget should remain or if the full amount of operations should be part of the trough of the economic lifecycle.

The differences of this scenario as opposed to the loan are:

- A fund balance needs to be restricted as the reserve. This allows the fund balance to remain in place, although not accessible for other uses. Whereas the loan requires an expense of the fund balance.
- The more revenue Eaglecrest makes each year, the better the financial position for the Eaglecrest Fund.

Summary

There are several ways to address the proposed shortfall (planned deficit) in Eaglecrest's FY26 budget position. If the AFC determines that Eaglecrest will be allowed to operate with a deficit, no action is required and the total deficit amount will be reserved within the Restricted Budget Reserve.



DATE: May 9, 2025

TO: Chair Woll and Assembly Finance Committee

FROM: Angie Flick, Finance Director

SUBJECT: Budget Decisions for Eaglecrest

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

The purpose of this memo is to provide a roadmap of decisions that need to be made with respect to Eaglecrest’s FY 2026 budget. The Assembly and Eaglecrest Board met jointly on March 5, 2025. Per the memo included in that packet, the Manager’s Proposed Budget includes the budget request as approved by the Eaglecrest Board and provided by Eaglecrest General Manager Cimmons. The AFC needs to determine what to include in the budget that is forwarded to the full Assembly for approval as part of Ordinance 2025-01 “CBJ Budget Ordinance”. Decisions (or intentional non-decisions) are required on the operating budget, one-time budget request, an incremental revenue/expense request and a CIP increase request. These are outlined below

Operating and One-Time Budget

In the FY26 proposed budget, Eaglecrest’s revenue and expenses are as follows:

\$2,856,700	Eaglecrest Generated Revenue (operating)
<u>\$ 930 000</u>	<u>General Fund Subsidy (operating)</u>
\$3,786,700	Total Sources
\$6,324,900	Eaglecrest Expenses (operating)
<u>\$ 235,000</u>	<u>One-time Expenses*</u>
\$6,559,900	Total Expenses

If the AFC intentionally takes no action on the above budget amounts, the proposed budget will be moved forward with Ordinance 2025-01. Eaglecrest has prepared two additional smaller operating options if the Assembly wishes to make reductions to the above expenses, these are included in the packet following this memo.

One-Time Expenditures*

Two pieces of equipment are included in the one-time budget request:

\$225,000	Snowcat replacement
<u>\$ 10,000</u>	<u>Snowplow purchase</u>
\$235,000	Total one-time expense request

These one-time expenditures can either be addressed separately from the operating budget or included with the operating budget above. If the AFC takes no action, these two replacement requests will be included in the CBJ Budget Ordinance.

Revenue and Expenditure Increment Request

Eaglecrest is about to celebrate it’s 50th anniversary! They have requested authority for \$47,000 in expenses to purchase retail items that will be sold at the Eaglecrest store as well as some promotional funding in anticipation of bringing in \$48,600 in revenue from sales. This expense and revenue have not been included in the proposed budget and requires AFC action to be included Ordinance 2025-01 “CBJ Budget Ordinance”.

Capital Request

As has been discussed at the April 5 budget introduction meeting and in other conversations, Eaglecrest has a need to address many maintenance issues. They have requested \$226,000 be added to their Mountain Maintenance CIP for work in FY26. This is in addition to the \$350,000 that has historically been included on the annual CIP resolution.

Option 1 - Eaglecrest Full Budget Request**Matches Expenditures in Budget Book & FY26 Eaglecrest Budget Request Table***Approve Full Budget (Additional FTEs + 40% Personnel Increase + Commodities/Fleet Increase)**

Expenditure Authority Increase/(Decrease)	-
Deficit (unless replaced with General Funds or Loan)	(2,763,900)
FTE Increase	6.43
Revenue Coordinator (0.39 FTE → 1.0 FTE)	0.61
Youth Community Outreach Coordinator (Unfunded in Prior Years)	1.00
Administrative Coordinator (New)	1.00
Equipment Mechanic/Manager (New)	1.00
Laborer (0.28 FTE → 1.0 FTE)	0.72
Laborer (0.28 FTE → 1.0 FTE)	0.72
Ski Patrol Supervisor (0.40 FTE → 1.0 FTE)	0.60
Summer Trail Worker (New)	0.39
Summer Trail Worker (New)	0.39

Consequential Operational Impact:

- Supports successful recruitment of vacant positions
- Increases outreach, programming and revenue
- Supports year-round medical support
- Allows program directors to lead programs and be strategic
- Catches up on deferred maintenance
- Maintains fleet and equipment at appropriate levels

Option 2 - Eaglecrest Budget Request with Fewer Additional FTEs**Reduces Additional FTE Request by 2.21 FTEs***Approve Adjusted Budget (Additional FTEs + 40% Personnel Increase + Commodities/Fleet Increase)**

Expenditure Authority Increase/(Decrease)	(301,140)
Deficit (unless replaced with General Funds or Loan)	(2,462,760)
FTE Increase	4.22
Revenue Coordinator (0.39 FTE → 1.0 FTE)	0.61
Youth Community Outreach Coordinator (Unfunded in Prior Years)	1.00
Administrative Coordinator (New)	1.00
Equipment Mechanic/Manager (New)	1.00
Laborer (0.28 FTE → 1.0 FTE)	0.72
Laborer (0.28 FTE → 1.0 FTE)	0.72
Ski Patrol Supervisor (0.40 FTE → 1.0 FTE)	0.60
Summer Trail Worker (New)	0.39
Summer Trail Worker (New)	0.39

Consequential Operational Impact:

- Limits outreach, programming and revenue growth
- Increases costs/safety risks associated with degrading fleet
- Maintains lag in revenue recognition and transmittals
- No year-round medical support (only winter)

Option 3 - Eaglecrest Budget Request with Fewer Additional FTEs**Reduces Additional FTE Request by 2.99 FTEs***Approve Adjusted Budget (Additional FTEs + 40% Personnel Increase + Commodities/Fleet Increase)**

Expenditure Authority Increase/(Decrease)	(343,700)
Deficit (unless replaced with General Funds or Loan)	(2,420,200)
FTE Increase	3.44
Revenue Coordinator (0.39 FTE → 1.0 FTE)	0.61
Youth Community Outreach Coordinator (Unfunded in Prior Years)	1.00
Administrative Coordinator (New)	1.00
Equipment Mechanic/Manager (New)	1.00
Laborer (0.28 FTE → 1.0 FTE)	0.72
Laborer (0.28 FTE → 1.0 FTE)	0.72
Ski Patrol Supervisor (0.40 FTE → 1.0 FTE)	0.60
Summer Trail Worker (New)	0.39
Summer Trail Worker (New)	0.39

Consequential Operational Impact (in addition to Option 2)

- Reduces trail maintenance and safety
- Deteriorating trail conditions

AFC's Pending List - FY26 Budget Process

As of May 8, 2025

Note: Material Page Number References are from Online Meeting Packets

Section E, Item 5.

											Materials			
#	Expenditure Description	Proposed in Manager's Budget	Request	GF Request Over FY25 (Recurring)	GF Request Over Manager's	Approved Amount (Over Manager's)	Mill Rate Equivalent (Recurring)	Status	Decision Date	One-Time or Recurring	Meeting Date & Packet Page	Meeting Date & Packet Page	Meeting Date & Packet Page	Budget Book
CBJ Internal Funding Requests														
1	Juneau School District Non-Instructional Funding ("outside the cap")	2,040,000	2,115,000	75,000	75,000	75,000	0.01	Approved	5/7/2025	Recurring	4/5/25 Packet Page 270			Page 100
2	Streets - Fish Creek Road Eaglecrest Winter Maintenance (Grader Equipment Purchase)	-	423,000	-	423,000		n/a			One-Time	5/7/25 Packet Page 3			
3	Tlingit Haida Childcare Tenant Improvements	-	1,000,000	-	1,000,000		n/a			One-Time	5/14/2025 Packet Pages 11-12			
4	Dzantik'l Heeni Playground Project Site Preparation	-	735,000	-	735,000		n/a			One-Time	5/14/2025 Packet Pages 13-16			
5	Restricted Budget Reserve Contribution	-	3,300,000	-	3,300,000		n/a			One-Time				
External Funding Requests														
6	AEYC - Juneau Child Care Apprenticeship Program (Kelly)	-	250,000	-	250,000	-	n/a			One-Time	4/16/25 Packet Pages 22- 25	4/30/25 Packet Pages 41-42		Page 82
7	American Legion Auke Bay Post 25 - Centennial Hall Veteran Event Rental Space (Adkison)	-	2,000	2,000	2,000	-	-			Recurring	4/16/25 Packet Pages 26- 27	4/30/25 Packet Page 42	4/30/25 Packet Page 50-52	
8	Coastal Alaska Avalanche Center - Juneau's Backcountry Avalanche Forecast (Smith)	-	30,000	-	30,000	-	n/a			One-Time	4/16/25 Packet Pages 28- 29	4/30/25 Packet Pages 42-43		
9	Downtown Business Association - Family-Friendly Capital City (Bryson)	-	75,000	35,000	75,000	-	-			Recurring	4/16/25 Packet Pages 30- 33	4/30/25 Packet Page 44	4/30/25 Packet Pages 52-57	Page 82
10	Friends of the Marie Drake Planetarium - Planetarium Upgrade with Auxiliary Portable (Kelly)	-	78,000	-	78,000	-	n/a			One-Time	4/16/25 Packet Pages 34- 35	4/30/25 Packet Page 44	4/30/25 Packet Page 58	
11	JAHC - Major Grants & Inflationary Increase (Adkison/Bryson)	202,000	384,263	182,263	182,263	-	-			Recurring	4/16/25 Packet Pages 36- 38	4/30/25 Packet Page 45		Page 82
12	JCF - Social Service Grants Increase (Hall)	1,803,900	2,303,900	500,000	500,000	-	-			Recurring	4/16/25 Packet Pages 39- 41	4/30/25 Packet Page 46	4/30/25 Packet Pages 59-62	Page 82

AFC's Pending List - FY26 Budget Process

As of May 8, 2025

Note: Material Page Number References are from Online Meeting Packets

Section E, Item 5.

											Materials			
#	Expenditure Description	Proposed in Manager's Budget	Request	GF Request Over FY25 (Recurring)	GF Request Over Manager's	Approved Amount (Over Manager's)	Mill Rate Equivalent (Recurring)	Status	Decision Date	One-Time or Recurring	Meeting Date & Packet Page	Meeting Date & Packet Page	Meeting Date & Packet Page	Budget Book
13	The League of Women Voters Juneau - Capital Students - Capitol Visits (Smith)	-	10,000	10,000	10,000	-	-			Recurring	4/16/25 Packet Pages 42-58	4/30/25 Packet Page 46	4/30/25 Packet Pages 63-64	
14	REACH, Inc. - Group Home Heat Pump Installations and 7-Passenger Van Purchase (Bryson)	-	100,000	-	100,000	-	n/a			One-Time	4/16/25 Packet Pages 59-61	4/30/25 Packet Page 46-48		
15	Southeast Alaska Food Bank - Strengthening Food Security Through Program Expansion and Collaboration (Adkison/Bryson)	-	150,000	150,000	150,000	-	-			Recurring	4/16/25 Packet Pages 62-64	4/30/25 Packet Page 48	4/30/25 Packet Pages 65-66	
16	Trail Mix, Inc. - Eaglecrest Biking and Hiking Trail Construction and Improvement (Steininger)	-	54,000	-	54,000	-	n/a			One-Time	4/16/25 Packet Pages 65-66	4/30/25 Packet Page 48		
17	United Way of Southeast Alaska - Working Together to Prepare for and Recover from Disasters (Hughes-Skandijs)	-	40,000	40,000	40,000	-	-			Recurring	4/16/25 Packet Pages 67-69	4/30/25 Packet Page 49	4/30/25 Packet Page 67	
Total Requests					7,004,263	75,000	0.01							

Assembly Approved FY2026 Actions		
GF - One-Time	-	n/a
GF - Recurring	75,000	0.01
GF - Loan	-	n/a
Total	75,000	0.01



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

TO: Chair Bryson & Assembly Lands, Housing, and Economic Development Committee
DATE: May 5, 2025
FROM: Robert Barr, Deputy City Manager
RE: Floyd Dryden

At the March 17 LHED meeting, the committee provided direction to proceed with a lease to Tlingit & Haida (T&H) for use of Floyd Dryden. That lease is scheduled to be introduced at the 5/19 Regular Assembly meeting.

Additionally, T&H has requested financial support to construct tenant improvements inside of Floyd Dryden, in order to make the space appropriate and licensable for childcare. Their cost estimate for this work is \$1M. If the LHED + Assembly decide to proceed with financial support, staff recommend this come in the form of a grant. Funding source options include General Fund or the MD/FD Deferred Maintenance CIP. If the LHED + Assembly decide not to offer a grant or to offer a partial grant, an alternative option could be for CBJ to provide the funding upfront and in return increase the lease rate to cover the costs over the term of the lease. The current lease rate has been negotiated to be around \$2/sf and is based on building operating costs.

The remainder of this memo is from T&H, outlining what three different grant options enable:

- ***\$500K grant:*** *This funding level would allow us to address immediate safety and accessibility requirements, including ADA-compliant restrooms near Classroom 205, restroom modifications for young children, basic security access controls, targeted repairs, and deep cleaning. However, it would not provide the comprehensive upgrades needed for a fully functional early education environment.*
- ***\$750K grant:*** *This increased funding would allow us to build upon the core upgrades with features enhancing comfort and daily functionality, such as a washer and dryer, select carpet upgrades, additional cosmetic work, and basic safety measures in the indoor play area. Nevertheless, critical elements for a fully operational and safe early education facility would still be lacking.*
- ***A full \$1 million grant*** *is essential to bring the entire plan to life and create a truly safe, welcoming, and fully functional learning space for the families we serve. This comprehensive funding level would cover all necessary upgrades, including:*
 - *New exterior doors in all sleeping rooms for enhanced safety*
 - *Complete ADA and restroom upgrades throughout the facility*
 - *Comprehensive paint and finish repairs across all classrooms*
 - *Flooring improvements as needed to create appropriate learning environments*
 - *Thorough cleaning of all spaces to ensure a healthy environment*
 - *Comprehensive security access controls throughout the facility*
 - *Full sprinkler and lighting protection in all indoor play areas*

- *Washer and dryer installation to support the daily operational needs of an early education program*

In conclusion, while we are grateful for any level of support, only the full \$1 million grant will equip the Tribe with a facility that is truly ready and fully capable of delivering crucial early education services to our community.

Recommendation

Discuss and forward a recommendation to the Assembly Finance Committee for inclusion in your FY26 budget process.



DATE: May 6, 2025

TO: Christine Woll, Chair
Joint Assembly/School Board Facilities Committee

THROUGH: Denise Koch, Engineering and Public Works Director

FROM: Lisa Eagan Lagerquist, Interim Architecture Section Lead

SUBJECT: Dzantik'i Heeni (DH) Playground

Several cost options for a playground at Dzantik'i Heeni (DH) have been considered to date.

The \$1.8M estimate was the total project cost based on 65% complete design documents prepared by Corvus Design and presented at the December 2, 2024, Public Works and Facilities Committee (PWFC) meeting. At that same PWFC meeting, the Committee instead recommended a \$575K project cost for the playground.¹

At the January 22, 2025, Joint Assembly/JSD Facilities Committee meeting, CBJ staff provided Options A through C ranging from \$280K to \$367K. The options also had additive alternatives that include options for play structures, a concrete ADA sidewalk and fencing.²

At the March 21, 2025, Joint Assembly/JSD Facilities Committee (JA/JSDFC) Meeting³, staff presented more options for the proposed playground at DH ranging in budgets from \$880K, \$1.2M, and \$1.5M⁴.

Most recently staff were directed to estimate the cost of providing just safety play surfacing, concrete slab, site prep, and ADA access for a few options. See attachments.

- Option 1: Footprint for Pre-K and K-5 play equipment - \$660k total project cost (TPC); \$470K construction cost (CC).
(This is the same footprint shown in the \$830K TPC option with K-5 composite Play structure brought to the committee on March 21, 2025.)
- Option 2: Footprint for Pre-K and K-5 play equipment and Pre-K swing area. \$800k TPC/ \$570K CC.

The understanding is that JSD will pursue donations of labor and resources to provide play equipment.

¹ <https://mccmeetings.blob.core.usgovcloudapi.net/juneauak-pubu/MEET-Packet-23bf0a759f20493d9a7b10799cb8a667.pdf>

² <https://mccmeetingspublic.blob.core.usgovcloudapi.net/juneauak-meet-ad6b194c95ea4c2bace550edd87f5da3/ITEM-Attachment-001-cecaf4ad7a824cf48b37d4f9979e6a89.pdf>

³ <https://mccmeetings.blob.core.usgovcloudapi.net/juneauak-pubu/MEET-Packet-a56ebd6c102b4774b350d19944e47743.pdf>

⁴ <https://mccmeetingspublic.blob.core.usgovcloudapi.net/juneauak-meet-a56ebd6c102b4774b350d19944e47743/ITEM-Attachment-001-7b0e9d22c1144df283d1c6ea9cd83e7b.pdf>

Both of the above options include limited fencing around the playground equipment area 65% design documents. Completing a perimeter fence that encompasses the covered play area, and the existing sports field is estimated to cost an additional ~\$70K. To calculate a more exact cost, land surveying is required. The JSD could potentially use deferred maintenance funds to cover a perimeter fence in a project separate from the playground.

Currently the DH playground project is out of budget.

Staff requests guidance on: 1) which option to send to the Assembly for a funding request; and 2) direction on whether to include the perimeter fencing in the project cost for the DH playground or to fund it from JSD deferred maintenance or other funding sources.

Attachment:

- A. DH Playground – Slab and Safety Surfacing for May 6 meeting graphic

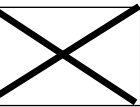



Option 1 - \$660K TPC/\$470K CC:

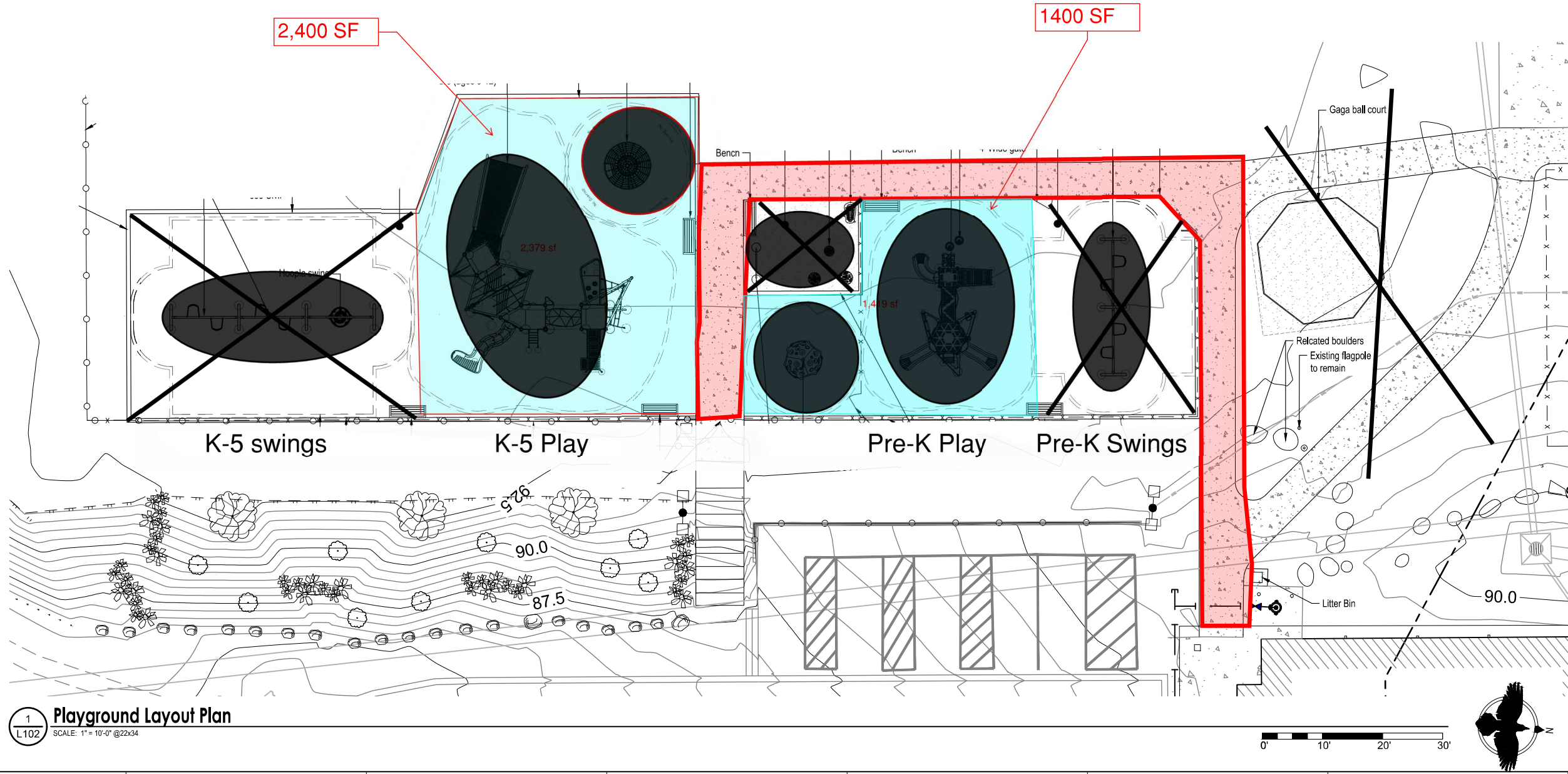
Install safety surfacing in all areas except both Pre-K and K-5 swing areas.

- 1. ADA sidewalk.
- 2. Safety surfacing in blue shaded areas. 3800 SF.
- 3. Provide new fencing per 65% plans

CC- Construction Cost, TPC - Total Project Cost.

LEGEND:

-  No concrete slab nor safety surfacing.
-  Future equipment location.
-  Concrete ADA path
-  Safety Surfacing



Drawing J:\CBL-24-05 DH Playground\2 - CAD\Corvus-Sheets.dwg last saved on 11/7/2024 4:57 PM was plotted by Bradley Little on 11/7/2024 5:20 PM

Drawing J:\CB-L-24-05 DH Playground\2 - CAD\Corvus-Sheets.dwg last saved on 11/7/2024 4:57 PM was plotted by Bradley Little on 11/7/2024 5:20 PM

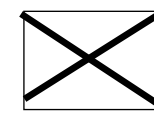
Option 2 - \$800K TPC/\$570K CC:

Install safety surfacing in all areas except K-5 swing areas.

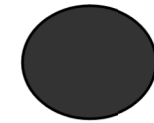
1. ADA sidewalk.
2. Safety surfacing in blue shaded areas. 4800 SF.
3. Provide new fencing per 65% plans

CC- Construction Cost, TPC - Total Project Cost.

LEGEND:



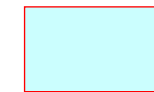
No concrete slab nor safety surfacing.



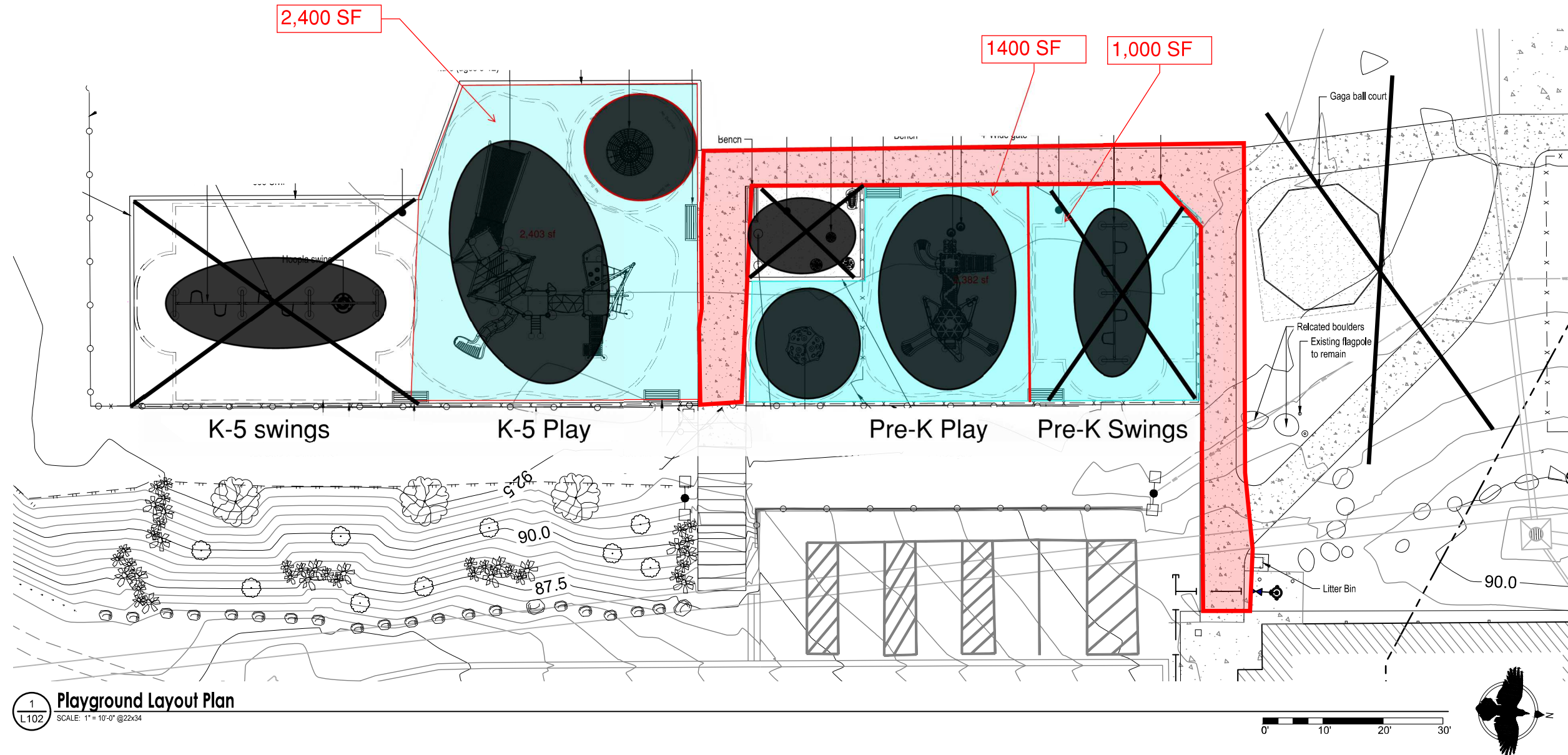
Future equipment location.



Concrete ADA path



Safety Surfacing



Presented by: The City Manager
Introduced: April 5, 2025
Drafted by: Engineering & Public Works Department

RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 3090 vAFC1

**A Resolution Adopting the City and Borough Capital
Improvement Program for Fiscal Years 2026 through 2031,
and Establishing the Capital Improvement Project Priorities
for Fiscal Year 2026.**

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 2026 through Fiscal Year 2030, and has determined the capital improvement project priorities for Fiscal Year 2026.

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 2026-2031," dated June 1, 2025, 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 2026 - 2031," are pending capital improvement projects to be undertaken in FY26:

**FISCAL YEAR 2026
GENERAL SALES TAX IMPROVEMENTS**

DEPARTMENT	PROJECT	FY26 BUDGET
Eaglecrest	Deferred Maintenance /Mountain Operations Improvements	\$ 350,000
Manager's Office	Emergency Services Grant Coordination	100,000
Manager's Office	Zero Waste	100,000
P& R - Facilities Maintenance	Deferred Building Maintenance	1,265,000
P& R - Facilities Maintenance / CCFR	Juneau Fire Station Mechanical System Replacement - Kitchen/Dayroom Remodel	100,000
Parks & Recreation	Park & Playground Deferred Maintenance and Repairs	325,000
Parks & Recreation	Trail Improvements	250,000
Parks & Recreation	Sports Field Resurfacing & Repairs	300,000
Parks & Recreation	OHV Park and Trails	50,000
Community Development	Comprehensive Plan Update	482,700
Manager's Office	Outburst Flooding Improvements and Agency Coordination	100,000
General Sales Tax Improvements Total		\$ 3,422,700

**FISCAL YEAR 2026
AREAWIDE STREET SALES TAX PRIORITIES**

DEPARTMENT	PROJECT	FY26 BUDGET
Street Maintenance	Pavement Management	\$ 1,212,000
Street Maintenance	Sidewalk & Stairway Repairs	200,000
Street Maintenance	Areawide Drainage Improvements	200,000
Street Maintenance	Gold Creek Flume Repairs	600,000
Street Maintenance	Dudley Street Improvements	3,400,000
<i>Wastewater Utility</i>	<i>Dudley Street Sewer Infrastructure</i>	<i>103,000</i>
Street Maintenance	North Franklin (2nd to 6th)	2,700,000
<i>Wastewater Utility</i>	<i>North Franklin Sewer Infrastructure</i>	<i>335,000</i>
Street Maintenance	Nowell Ave Reconstruction	1,600,000
<i>Water Utility</i>	<i>Nowell Ave Water Infrastructure</i>	<i>300,000</i>
<i>Wastewater Utility</i>	<i>Nowell Ave Sewer Infrastructure</i>	<i>100,000</i>
Capital Transit	FTA Grant Match & Infrastructure Repairs - Bus Barn Sprinkler Upgrades, Garage Doors, Charging Infrastructure, Security & Safety Upgrades.	620,000
Capital Transit	New Transit Maintenance Shop Building Planning	50,000
Manager's Office	Juneau Douglas North Crossing (JDNC)	250,000
Manager's Office	Zero Waste	50,000
Areawide Street Sales Tax Priorities Total		\$ 11,720,000

**FISCAL YEAR 2026
TEMPORARY 1% SALES TAX PRIORITIES
Voter Approved Sales Tax 10/01/23 - 09/30/28**

DEPARTMENT	PROJECT	FY26 BUDGET
P& R - Facilities Maintenance / CCFR	Juneau Fire Station Mechanical System Replacement	\$ 2,350,000
P& R - Facilities Maintenance	Floyd Dryden and Marie Drake	2,160,000
Manager's Office	Affordable Housing Fund	1,000,000 *
Manager's Office	Childcare Funding	1,000,000 *
Parks and Recreation	Valley Parks Shop Equip Building	800,000
Parks and Recreation	Paving Repairs	200,000
School District	JSD Buildings Facility Maintenance	1,000,000
Manager's Office	Aak'w Village District Parking (North SOB Parking)	1,150,000
Lands / Manger's Office	Telephone Hill Redevelopment	500,000
Manager's Office	Public Safety Communication Radio Infrastructure	1,500,000
Manager's Office	Information Technology	750,000
Harbors	Aurora Harbor	400,000
Lands / Manger's Office	Pederson Hill Development	1,850,000
Temporary 1% Sales Tax Priorities Total		\$ 14,660,000

* denotes Operating Budget Funding

**FISCAL YEAR 2026
MARINE PASSENGER FEE PRIORITIES**

DEPARTMENT	PROJECT	FY26 BUDGET
Wastewater Utility	Wastewater System Upgrades	\$ 2,000,000
Marine Passenger Fee Priorities Total		\$ 2,000,000

**FISCAL YEAR 2026
PORT DEVELOPMENT FEE PRIORITIES**

DEPARTMENT	PROJECT	FY26 BUDGET
Docks	Shore Power	\$ 3,000,000
Port Development Fee Priorities Total		\$ 3,000,000

**FISCAL YEAR 2026
STATE MARINE PASSENGER FEE PRIORITIES**

DEPARTMENT	PROJECT	FY26 BUDGET
Parks & Recreation	Marine Park Improvements	\$ 2,500,000
Docks	Seawalk	2,000,000
Docks	Downtown Seawalk Cameras	1,000,000
Docks	Downtown Piling Inspection	200,000
Manager's Office	Public Wi-Fi	771,500
Manager's Office	Wayfinding Signage Improvements	50,000
Capital Transit	Covered Bus Stop at Mendenhall Loop Rd.	70,000
Wastewater Utility	Wastewater System Upgrades	1,000,000
Water Utility	Water System Upgrades	100,000
State Marine Passenger Fee Priorities Total		\$ 7,691,500

**FISCAL YEAR 2026
BARTLETT HOSPITAL ENTERPRISE FUND**

DEPARTMENT	PROJECT	FY26 BUDGET
Bartlett Hospital	Deferred Maintenance	\$ 3,000,000
Bartlett Hospital Enterprise Fund Total		\$ 3,000,000

**FISCAL YEAR 2026
DOCKS AND HARBORS FUND**

DEPARTMENT	PROJECT	FY26 BUDGET
Harbors	Aurora Harbor Drive Down Float	\$ 2,800,000
Harbors	Statter Breakwater	600,000
Harbors	Secure Storage - Little Rock Dump	300,000
Docks	Statter Harbor Phase IIID - Curb, gutter and paving	500,000
Docks and Harbors Fund Total		\$ 4,200,000

**FISCAL YEAR 2026
FACILITIES MAINTENANCE FUND**

DEPARTMENT	PROJECT	FY26 BUDGET
P& R - Facilities Maintenance	Floyd Dryden Deferred Maintenance	\$ 300,000
Facilities Maintenance Fund Total		\$ 300,000

**FISCAL YEAR 2026
LANDS & RESOURCES FUND**

DEPARTMENT	PROJECT	FY26 BUDGET
Lands & Resources	Pits and Quarries Management, Infrastructure Maintenance and Expansion	\$ 100,000
Lands & Resources	Pederson Hill Development	400,000
Lands & Resources	Auke Bay Prop Devo and Disposal	250,000
P& R - Facilities Maintenance	Floyd Dryden Deferred Maintenance	722,000
Lands & Resources Fund Total		\$ 1,472,000

**FISCAL YEAR 2026
WASTEWATER ENTERPRISE FUND**

DEPARTMENT	PROJECT	FY26 BUDGET
Wastewater Utility	Franklin (2nd to 6th) Sewer Infrastructure	\$ 50,000
Wastewater Utility	Dudley Street Sewer Infrastructure	460,000
Wastewater Utility	JDPT SCADA and Instrumentation Upgrades	300,000
Wastewater Utility	Pavement Management Program - Utility Adjustments	33,000
Wastewater Utility	MWWTP SBR Waste Pumps Replacement	375,000
Wastewater Utility	JDTP Waste Pump Replacement	100,000
Wastewater Utility	MH SBR Foam Knockdown Sprays	50,000
Wastewater Utility	Flood Repairs - View Drive Lift Station	50,000
Wastewater Utility	Areawide Collections Systems Improvements - MH structures	350,000
Wastewater Utility	Areawide Collections Systems Improvements - Kiowa MH Structure	320,000
Wastewater Utility	MWWTP Improvements	2,500,000
Wastewater Enterprise Fund Total		\$ 4,588,000

**FISCAL YEAR 2026
WATER ENTERPRISE FUND**

DEPARTMENT	PROJECT	FY26 BUDGET
Water Utility	Dudley Street Water Infrastructure	\$ 1,500,000
Water Utility	Vintage Boulevard and Clinton Drive Reconstruction	250,000
Water Utility	Pavement Management - Utility Adjustments	11,000
Water Utility	Potable Water Distribution Instrumentation	100,000
Water Utility	MOV Installations & Communications	150,000
Water Utility	North Franklin Water Infrastructure	515,000
Water Utility	Nowell Ave Water Infrastructure	85,000
Water Utility	Water Pipeline Condition Assessment	150,000
Water Utility	Fritz Cove / Mendenhall Peninsula Water Replacement	750,000
Water Enterprise Fund Total		\$ 3,511,000

ORDINANCE 2025-01 CAPITAL PROJECTS FUNDING TOTAL

\$ 57,565,200

ORDINANCE 2025-01 OPERATING BUDGET FUNDING TOTAL

\$ 2,000,000 *

(c) The following list, as set forth in the "City and Borough of Juneau Capital Improvement Program, Fiscal Years 2026-2031," are capital improvement projects identified as priorities proposed to be undertaken beginning in FY26, but are dependent on other unsecured funding sources. As the sources are secured, the funds will be appropriated:

**FISCAL YEAR 2026
AIRPORT UNSCHEDULED FUNDING**

DEPARTMENT	PROJECT		
Airport	Acquire Snow Removal Equipment	\$	5,000,000
Airport	Construct 26 MALSR		6,700,000
Airport	Design E-1 Ramp		750,000
Airport	Channel Flying Property Acquisition		3,000,000
Airport	ADA Elevator Access Departure Lounge Ground Load Gate 6		2,500,000
Airport Unscheduled Funding Total		\$	17,950,000

**FISCAL YEAR 2026
UNSCHEDULED FUNDING**

DEPARTMENT	PROJECT		
Capital Transit	FTA Grants - Bus Barn Electric Bus Charging Infrastructure, Security, Safety, Repairs and Upgrades	\$	4,860,000
Capital Transit	FTA Grant: - New Bus Maintenance Facility		200,000
Harbors	Aurora Harbor Drive Down Float		11,200,000
Harbors	Statter Harbor - Zinc Anodes - ADOT Harbor Grant		500,000
Harbors	Echo Cove Launch Float -Pittman Robertson Grant		200,000
Manager's Office	NOAA Transformation Habitat Restoration and Coastal Resilience Grant - Mendenhall River Glacial Outburst		1,500,000
Parks and Recreation	OHV Recreational Trails Program Grant		300,000
Parks and Recreation	LWCF GRANT - Savikko Park Restroom Replacement		600,000
Public Works	Upper Jordan Creek Sediment Control		5,000,000
Public Works	Highlands Storm Drainage Repairs		5,000,000
School District	JSD Renew American Schools Grant - HVAC Upgrades		3,000,000
Unscheduled Funding Total		\$	32,360,000

Section 2. Fiscal Year 2026 Budget. It is the intent of the Assembly that the capital improvement project budget allocations as set forth in the FY26 pending Capital Improvements List in Section 1(b), above, not already appropriated, shall become a part of the City and Borough's Fiscal Year 2026 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, 2025.

Beth A. Weldon, Mayor

Attest:

Elizabeth J. McEwen, Municipal Clerk

Presented by: The Manager
Introduced: April 5, 2025
Drafted by: Finance

Ordinance of the City and Borough of Juneau

Serial No. 2025-03

**An Ordinance Establishing the Rate of Levy for Property Taxes
for Calendar Year 2025 Based Upon the Proposed Budget for Fiscal Year 2026.**

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, 2025, based upon the proposed budget for Fiscal Year 2026 beginning July 1, 2025.

<u>Operation Mill Rate by Service Area</u>	<u>Millage</u>
Roaded Service Area	2.45
Fire Service Area	0.31
Areawide	6.35
Operating Total	9.11
 Debt Service	 1.08
Total	10.19

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

Adopted this _____ day of _____, 2025.

Beth A. Weldon, Mayor

Attest:

Elizabeth J. McEwen, Municipal Clerk

Presented by: The Manager
Introduced: April 5, 2025
Drafted by: Finance

Ordinance of the City and Borough of Juneau
Serial No. 2025-01

**An Ordinance Appropriating Funds from the Treasury
for FY26 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, 2025, and ending June 30, 2026. It is anticipated that these estimated funding sources will meet the appropriations set forth in Section 3 of this ordinance.

ESTIMATED REVENUE:	
State Support	\$ 15,577,000
Federal Support	4,415,900
Taxes	143,099,300
Charges for Services	204,423,800
Licenses, Permits, Fees	14,213,300
Fines and Forfeitures	385,300
Rentals and Leases	7,896,800
Investment & Interest Income	10,178,700
Sales	642,900
Other Revenue	2,021,600
Total Revenue	<u>402,854,600</u>
General Governmental Fund Balance Decrease	9,985,500
All Other Funds Fund Balance Decrease	9,650,700
Support From Other Funds	114,225,000
Total Estimated Funding Sources	<u>\$ 536,715,800</u>

Section 3. Appropriation. The following amounts are hereby appropriated for the fiscal year beginning July 1, 2025, and ending June 30, 2026.

APPROPRIATION:

General Governmental Funds:

Mayor and Assembly	\$ 10,534,100
Administration:	
City Manager	4,113,900
City Clerk	971,800
Information Technology	4,849,800
Fire/Emergency Medical Services	15,424,400
Community Development	4,127,200
Finance	7,573,100
Human Resources	990,400
Law	2,655,400
Libraries	4,329,700
Parks and Recreation:	
Parks and Landscape	3,387,800
Administration and Recreation	5,875,900
Aquatics	3,063,900
Centennial Hall (Visitor Services)	708,700
Police	22,538,400
Public Works & Engineering:	
General Engineering	369,200
RecycleWorks	2,480,000
Streets	7,054,500
Transit	8,389,200
Support to Other Funds:	
School District	37,044,700
All Other Funds	1,863,600
Interdepartmental Charges	(6,798,800)
Capital Projects Indirect Cost Allocation	(650,000)
Total	140,896,900

Special Revenue Funds:

Sales Tax	1,545,400
Hotel Tax	86,100
Tobacco Excise Tax	77,200
Affordable Housing	302,500
Downtown Parking	1,057,200
Eaglecrest	6,559,900
Lands	1,985,100
Marine Passenger Fee	20,100
Port Development	20,100
Support to Other Funds	95,728,600
Total	107,382,200

Debt Service Funds	9,608,800
Special Assessment Funds:	
Special Assessment	137,400
Support To Other Funds	4,700
Total	142,100
Jensen-Olson Arboretum	112,100
Enterprise :	
Juneau International Airport	13,631,100
Bartlett Regional Hospital	152,881,500
Harbors	5,521,700
Docks	3,075,200
Water	4,962,000
Wastewater	14,776,400
Support to Other Funds	16,216,000
Interdepartmental Charges	(40,200)
Total	211,023,700
Internal Service Funds:	
Facilities Maintenance	4,692,100
Fleet and Equipment Reserve	11,090,800
Public Works Fleet Maintenance	2,743,800
Risk Management	37,793,500
Support to Other Funds	300,000
Interdepartmental Charges	(50,185,400)
Total	6,434,800
Capital Projects:	
Capital Projects	59,970,300
CIP Engineering	1,144,900
Support to Other Funds	-
Total	61,115,200
Total Appropriation	\$ 536,715,800

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

Adopted this__ day of _____, 2025.

Beth A. Weldon, Mayor

Attest:

Elizabeth J. McEwen, Municipal Clerk

General Government

	Unrestricted Balance	Restricted Balance	TOTAL	Mill Rate Equivalent
FY25 Projected Ending Balance	22,076,151	16,555,000	38,631,151	
<i>(FY24 Ending Balance minus Change in Fund Balance)</i>				
Facility/Tenant Improvements	(3,300,000)			
Comprehensive Plan Update	(482,700)			
FY25 Decision - Heat Smart FY26 Amount	(222,900)			
FY25 Decision - AEYC Parents as Teachers	(133,300)			
Communications Strategy: Website Redesign	(100,000)			
Alaska Committee Window Replacement	(100,000)			
Departmental One-Time Costs	(98,600)			
FY26 Anticipated Savings	(1,738,200)			
Change in Fund Balance	(6,175,700)	-	(6,175,700)	
FY26 Projected Ending Balance - Proposed Budget	15,900,451	16,555,000	32,455,451	
Library - Restore Funding from Loss of IMLS Federal Funding	(130,200)			0.02
Communications Division Commodities & Services	(85,725)			0.01
Cold Weather Emergency Shelter Facility Modifications	(75,000)			one-time
RecycleWorks Junked Vehicle Contract Increase	(71,000)			0.01
Law - Office Assistant (1.0 FTE)	(65,900)			0.01
Park Ranger FTE Increase (0.50 FTE to 1.0 FTE)	(38,900)			0.01
Streets - Fish Creek Road Eaglecrest Winter Maintenance Operations	17,500			(0.00)
Deappropriation of Tenant Improvements CIP	3,300,000			one-time
FY26 Projected Ending Balance - Adopted Budget*	18,751,226	16,555,000	32,455,451	0.06
<i>Updated as of May 8, 2025</i>				
By resolution, Restricted Budget Reserve balance should be:		25,791,000		

Other Fund Balances Available for Appropriation

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

Unrestricted Funding Sources

Hotel-Bed Tax Fund	464,500
Affordable Housing Fund	2,745,200
Tobacco Excise Tax Fund	67,600
Total Other Unrestricted Fund Balances	3,277,300

Restricted per CLIA Settlement Agreement

Marine Passenger Fee Fund	67,300
Port Development Fee Fund	1,257,200
Total Other Restricted Fund Balances	1,324,500

Updated as of May 8, 2025

ASSEMBLY FINANCE COMMITTEE MINUTES

May 7, 2025, at 5:30 PM

Assembly Chambers/Zoom Webinar



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

A. CALL TO ORDER

The meeting was called to order at 5:30 pm by Chair Woll.

B. ROLL CALL

Committee Members Present: Chair Christine Woll; Mayor Beth Weldon; Greg Smith; Paul Kelly; Maureen Hall; Neil Steininger; Ella Adkison; Alicia Hughes-Skandijs; Wade Bryson

Staff Members Present: Katie Koester, City Manager; Robert Barr, Deputy City Manager; Angie Flick, Finance Director; Adrien Wendel, Budget Manager; Catherine Melville, Juneau Public Libraries Director; Joe Wanner, Bartlett Regional Hospital Chief Executive Officer; Alexandra Pierce, Tourism Manager

C. APPROVAL OF MINUTES

1. April 30, 2025

The April 30, 2025 minutes were approved as presented.

D. AGENDA TOPICS

2. Manager's Proposed Increments & Budget Amendments – For Action

Chair Woll pointed the Committee to the memo on page two of the packet, as well as the list of the increments proposed in the Manager's Proposed Budget on page three. She mentioned that the intent for this meeting was for the Committee to ask questions on these items instead and then take action on the list.

Library – Restore Funding from Loss of IMLS Federal Funding

Assemblymember Smith asked for an explanation of what interlibrary loans were and what impact the elimination of federal funding for them would have on the average library patron.

Catherine Melville, Juneau Public Libraries Director, explained that interlibrary loan services is a system that enables local libraries to reach out to other libraries within a larger network, throughout the country, to get a hold of a specific item that a patron desires to check out. She explained that it makes up for gaps in the local library's collection.

Assemblymember Adkison asked for details about the library's reduction of staff due to federal spending cuts. Ms. Melville replied that the cuts would result in new funding needed for staff to cover the State program that would replace the interlibrary loan service and other programs.

Mayor Weldon asked for an estimate of how many residents in Juneau use the interlibrary loan service.

Ms. Melville answered that in the previous fiscal year there were around 390 requests for the service.

Ms. Melville answered further Committee questions.

Robert Barr, Deputy City Manager, explained the current challenging situation Juneau libraries were in. He described the difficulty in restarting these programs that could potentially see cuts from federal funding and mentioned that the amount of effort it would take to rehire and train staff, as well as resubscribe to services, could be substantial. He stated that even in the best-case scenario, the current volatility at the federal level gave no assurances that steady funding would continue in the future.

Assemblymember Kelly asked if it would be appropriate to make funding the library for either funding scenario conditional on whether the federal grants are eventually received or not.

Katie Koester, City Manager, stated that in any situation where grant funding was to be received, that funding would supplant the use of the general funds. Because a surplus would lapse into the general fund, there was no need to care for a case where funding might be applied twice.

Ms. Melville answered further Committee questions.

Streets – Fish Creek Road Eaglecrest Winter Maintenance (Grader Equipment Purchase)

Mayor Weldon asked, for the Fish Creek Road Eaglecrest Winter Maintenance request to purchase grader equipment, why the funding wasn't coming out of the fleet replacement budget.

Ms. Koester explained that departments pay into the fleet replacement account over time to fund future purchases and in this case there were no past contributions made to afford the purchase of a new grader.

Assemblymember Smith asked if the City took over maintenance of Fish Creek Road, would that technically mean that the City would be receiving funds from Eaglecrest as well as from the Alaska Department of Transportation. He asked if it was possible to use the Fleet Reserve Fund and have Eaglecrest pay back those funds back into the Fleet Reserve Fund over three to four years.

Angie Flick, Finance Director, explained that this funding scenario would not work because department fleet reserve funds are not setup to take money out from the fund for purchases of new equipment. These funds are instead setup and tied to the useful life of current equipment, paid into by appropriate amounts over time, so that when replacement equipment is needed those reserves can be drawn from. She shared that a better way to look for one time funding for new equipment would be through a Capital Improvement Plan (CIP).

Assemblymember Hughes-Skandijs asked Ms. Koester if foregoing a piece of equipment or tapping into General Fund balance would be the best case when looking for an alternate funding source for this item.

Ms. Koester replied that two alternative approaches would need to be discussed with Engineering and Public Works. She explained that foregoing an equipment purchase would be difficult. She stated that looking at the CIP projects and allocating funding from that category would be the other approach.

Cold Weather Emergency Shelter Facility Modifications (Bathrooms + Sprinklers + Cots/Bedding)

Assemblymember Kelly asked Mr. Barr if he could elaborate on the risks he identified in the memo on page five of the packet.

Mr. Barr replied that the first risk was the potential need for more room in the shelter. He stated that the second risk was tied to the capacity of the operator being able to staff operations at the level needed. He shared that the third risk was the challenge in going through the Request for Proposal process to find a replacement operator if the current operator discontinued running the program.

Assemblymember Smith asked for details to understand the need to increase staffing for park patrols due to issues from homelessness.

Mr. Barr explained that these park ranger patrols happen on parks, playgrounds and Parks & Recreation managed land. The park rangers engage with people camping in park spaces to maintain cleanliness and connect those people with services when needed.

CCFR – Sobering Center – Operations Relocated to Bartlett

Assemblymember Hall asked if there were any updates from Staff on the plan to relocate the Sobering Center to Bartlett Regional Hospital.

Mr. Barr shared that there were funds currently allocated to Saint Vincent de Paul that would be recovered for CIP's cited in the memo on page four of the packet, under option three. These projects included replacing carpet with hard surfacing, installing some new doors, and installing some security devices. He shared that he didn't anticipate the need for new capital funding under option three.

Assemblymember Steininger informed the Body of a potential conflict of interest, as he currently sits on the Finance Committee for Saint Vincent De Paul. He shared that the City Attorney confirmed that engagement in conversation on this item was permissible.

Assemblymember Hall informed the Body of a potential conflict of interest, as she currently sits on the Board of Saint Vincent De Paul. She stated that the City Attorney confirmed that there was no conflict if she were to engage in conversation on this item.

Joe Wanner, Bartlett Regional Hospital (BRH) Chief Executive Officer, outlined the short-term and long-term plans for the facility space Rainforest Recovery Center used to occupy on the hospital campus. He shared that there had been conversations with two specialty groups for services needed in Juneau (dermatology and cardiology) in the short-term. He stated that these services had potential to bring additional revenue to BRH, mostly through lab revenue.

Mr. Wanner explained that in the long term the facilities would need to be updated and that the last operating room updates were twenty years ago. He shared that operating rooms are the lifeblood of hospital revenue and support non-revenue producing services.

Assemblymember Adkison stated that she recalled Juneau had difficulty obtaining a cardiology unit in the past because the community didn't have the population to support it. She asked what changed to make this a possibility now.

Mr. Wanner replied that a cardiology group from Anchorage was interesting in coming to Juneau and that this group was driving the ongoing conversation.

Mayor Weldon asked if the Sobering Center were to be renovated, was there another location for it to be temporarily held.

Mr. Wanner stated that the Rainforest Recovery Center building could be used to hold the Sobering Center during renovations.

Motion: by Mayor Weldon to move to approve the Manager's Proposed Increments to the FY26 Budget besides item one and item three and ask for unanimous consent.

Motion passed by unanimous consent.

Motion: by Assemblymember Smith to move that the Assembly direct Staff to find a short-term location using BRH facilities for the Sobering Center, and work with BRH to find a long-term solution that may be located at BRH and may be funded in whole or in part by BRH.

Motion passed by unanimous consent.

Motion: by Assemblymember Smith to move item three and change the funding source by Staff finding a CIP or alternative funding source to provide for the \$423,000.

Ms. Flick asked the maker of the motion that, if Staff were able to bring more options next week, would it be more appropriate to move the \$423,000 funding to the Pending List and address it at the next Finance Committee meeting.

Assemblymember Smith withdrew his motion.

Motion: by Assemblymember Smith to move item three to the Pending List with a request to Staff to find an alternative funding source.

Motion passed by unanimous consent.

The Committee recessed at 6:22 pm.

The Committee reconvened at 6:31 pm.

3. Capital Improvement Plan Amendments

Chair Woll stated that for the CIP discussion the floor would be opened for questions. After discussion there would be a motion and a potential for amendments to that motion.

Assemblymember Adkison asked what the total project cost for the Manager's Office tenant improvements plan would be.

Ms. Koester answered that there was about \$14.5 million in existing City Hall accounts as well as the \$3.3 million in CIP funds for the project proposed in the budget.

Mayor Weldon asked why the Statter Harbor new office roof item was struck out in the memo on page twelve of the packet.

Ms. Flick answered that an ordinance coming in May 2025 would transfer funds for the project within Fiscal Year (FY) 25, so those funds would not be needed for FY26.

Assemblymember Smith asked for an explanation of the \$750,000 funding for Information Technology.

Mr. Barr explained that this expense was due to the system wide software implementations currently planned for the Community Development Department and the Assessor's Office.

Motion: by Mayor Weldon to move the amended CIP Resolution 3090 to the full Assembly.

Objection: by Assemblymember Adkison to make an amendment on the motion.

Amendment: by Assemblymember Adkison to move to amend Resolution 3090 by striking the \$3.3 million for tenant improvements.

Assemblymember Adkison spoke to her amendment sharing that, due to the uncertainty in the economy, it would be more advantageous to move the \$3.3 million to the Pending List with the intent of putting it into the Restricted Budget Reserve.

Objection: by Mayor Weldon for the purpose of stating that those funds are needed to move forward with office space improvement at the Burns Building.

Assemblymembers Steininger, Hughes-Skandijs, Bryson, and Smith expressed support for the amendment, citing that the funds would be better put in the Restricted Budget Reserve to be reallocated at a later time.

Mayor Weldon removed her objection.

The amendment to the motion passed by unanimous consent.

The motion as amended passed by unanimous consent.

4. School District Budget – For Action

Ms. Flick pointed the Body to page fifteen of the packet which shows the Juneau School District (JSD) FY26 funding request. She stated that there was a \$75,000 increment above the cap funding related to food service and community schools requested by JSD. She stated that the expectation was for action to be taken on Ordinance 2025-02, as shown on page sixteen of the packet, at the May 19th meeting.

Motion: by Mayor Weldon to move ordinance 2025-02 to the full Assembly.

Motion passed by unanimous consent.

Motion: by Mayor Weldon to move the outside of the cap \$2,115,000 JSD funding to the full Assembly.

Assemblymember Smith asked, if the Assembly approves funding outside cap, would the Manager's Proposed Budget in future years include that funding increase as JSD's baseline.

Ms. Flick answered that normally the Manager's Proposed Budget would include that as an operational increase. The Assembly can decide to give the City Manager direction at the Winter Retreat whether to make the increase status quo or a one-time increase. She shared that operational funds are typically treated as recurring.

Motion passed by unanimous consent.

5. Passenger Fee Plan – For Action

Chair Woll clarified to the Committee that this was the last opportunity for questions and conversation on the Passenger Fee Plan topic and action was needed on it in this meeting.

Motion: by Mayor Weldon to move the Passenger Fee proposal to the full Assembly.

Mayor Weldon asked for an explanation from Alexandra Pierce, Tourism Manager, of the total amounts on page twenty of the packet.

Ms. Pierce explained that when the initial Passenger Fee budget was presented to the Committee the Assembly had not made some of the operational decisions related to the Communications Department. She shared that this initial budget equaled the total amount of passenger fees that were expected to be taken in but now included an addition of around a couple \$100,000 over the original projected amount.

Assemblymember Adkison asked if her assumption was correct that the Clean Technology Revolving Loan program hadn't found an organization to administer the program.

Ms. Pierce answered that those funds were already appropriated last year and because they weren't used, the funds lapsed back. She stated that the funds are being reappropriated and that there was ongoing conversation between Staff and the Visitor Industry Task Force to discuss the terms of the Clean Technology Revolving Loan program.

Mayor Weldon shared that due to last year's Crossing Guard program contract not being fulfilled, she has asked Ms. Pierce to work with Travel Juneau to look at the FY25 accounts to see if any funds for that program had lapsed.

Objection: by Assemblymember Hughes-Skandijs.

Amendment to the Motion: by Assemblymember Hughes-Skandijs to move to amend the Passenger Fee Proposal by striking AJ Dock and Franklin Dock funding allocations for access control security and restroom maintenance.

Objection: by Assemblymember Bryson for the purpose of supporting the original motion.

Assemblymember Bryson stated that the five dollars collected on each cruise ship visitor are to be spent on services for all cruise ship visitors no matter which dock their ship used. He shared that it did not seem fair to strike AJ Dock and Franklin Dock funding from the proposal.

Objection: by Mayor Weldon for the same justification as Assemblymember Bryson.

Objection: by Chair Woll for the purpose of a question.

Chair Woll asked Ms. Pierce, based on previous Assembly direction, if this was the last year the private dock restroom maintenance and access control security funding requests would be included in the Passenger Fee Proposal.

Ms. Pierce confirmed that to be correct based on her understanding of the direction given by the Assembly.

Chair Woll expressed that she was comfortable funding these items for FY26 but would not support funding them in the future.

Assemblymember Smith asked if there was any legal risk to not funding these items for private docks within the context of the settlement agreement with the Cruise Line International Association (CLIA).

Ms. Pierce stated that to the best of her knowledge, based on a previous ruling in a lawsuit between CBJ and CLIA, it is legal to provide passenger fee funding to private docks but not a requirement.

Roll Call Vote on Amendment to the Motion

Ayes: Hughes-Skandijs, Kelly, Adkison

Nays: Bryson, Mayor Weldon, Steininger, Hall, Smith, Chair Woll

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

Objection: by Assemblymember Smith for the purpose of a question.

Assemblymember Smith asked Ms. Pierce what the Passenger Fee Fund balance would be at the end of FY26, if the original proposal were to be approved.

Ms. Pierce stated that the Passenger Fee projection shows a fund balance of \$1.4 million at the end of FY26.

Objection: by Mayor Weldon for the purpose of a question.

Mayor Weldon asked for the breakdown of the funding request for the Downtown Business Association (DBA) Ambassador program.

Ms. Pierce stated that she didn't have a breakdown of that funding request in front of her but that it did total \$75,000 for the program.

Amendment to the Motion: by Assemblymember Smith to move to amend the Passenger Fee Proposal by adding \$75,000 for the DBA Ambassador Program, with the intent that the program seeks to reduce impacts on City staff regarding tourism questions at the Cash Office and Downtown Transit Center.

The Committee took a brief at-ease.

Assemblymember Steininger declared a potential conflict of interest as his partner sits on the DBA Board. He shared that after speaking with the City Attorney it was found that he could legally participate in the conversation on this item.

Objection: by Chair Woll for the purpose of a question.

Chair Woll asked Ms. Pierce if she could confirm that part of her role was to monitor whether these tourism programs were needed in future years and did not rely entirely on Assembly direction to include them in funding requests or not.

Ms. Pierce confirmed that Chair Woll's assessment was true.

The amendment to the motion passed by unanimous consent.

Amendment to the Motion: by Assemblymember Hughes-Skandijs to move to amend the Passenger Fee Proposal by striking the \$70,000 allocation for the covered bus stop at Mendenhall Loop Road.

Objection: by Assemblymember Adkison in support of funding the covered bus stop.

Assemblymember Kelly expressed support for Assemblymember Adkison's objection.

Mayor Weldon expressed support for the amendment to strike the covered bus stop funding.

Assemblymember Steininger asked for confirmation that there is currently \$300,000 in a CIP for covered bus stops in Juneau.

Ms. Flick confirmed in the affirmative and that these funds were allocated for covered bus stops borough wide.

Roll Call Vote on Amendment to the Motion

Ayes: Hughes-Skandijs, Mayor Weldon, Bryson, Chair Woll

Nays: Adkison, Kelly, Smith, Steininger, Hall

Amendment failed. Four (4) Ayes, Five (5) Nays.

The motion as amended passed by unanimous consent.

Motion: by Assemblymember Smith to move that the Assembly direct the Manager and Staff to use passenger fees in the FY27 Budget and program them as they see fit for the Capital Civic Center project.

Objection: by Assemblymember Hughes-Skandijs and Assemblymember Adkison.

Motion: by Mayor Weldon to move to postpone this discussion until next week.

Objection: by Assemblymember Smith.

The Committee discussed the motion.

Mayor Weldon withdrew her motion.

Chair Woll expressed that she would not be supporting Assemblymember Smith's motion because she would only support appropriation of passenger fees for the Capital Civic Center if it were coupled with deappropriation of general funds from the project. The general funds were appropriated to act as grant match for federal funding, but the possibility of future federal funding seems unlikely in the current federal administration.

Roll Call Vote on the Motion

Ayes: Smith, Mayor Weldon, Bryson, Kelly

Nays: Adkison, Steininger, Hall, Hughes-Skandijs, Chair Woll

Amendment failed. Four (4) Ayes, Five (5) Nays.

Chair Woll explained that a few assemblymembers had expressed they had changes they wanted to make to the Pending List before the FY26 Budget was finalized. She shared that two committee chairs had motions made in their committees' meetings this week and that those were going to be formally moved to the Pending List in this meeting.

Motion: by Assemblymember Bryson to move a \$1 million allocation for Tlingit Haida childcare tenant improvements to the Pending List.

Motion passed by unanimous consent.

Chair Woll handed the gavel to Assemblymember Hughes-Skandijs to act as chair.

Motion: by Assemblymember Woll to move to the Pending List \$735,000 for the Dzantik'i Heeni playground project site preparation.

The Committee took a two minute at-ease.

Assemblymember Kelly stated that the City Attorney had advised him to declare that his stepson would no longer be a student at the school and he was no longer in conflict for discussion on this topic.

Motion passed by unanimous consent.

Acting Chair Hughes-Skandijs handed the gavel back to Assemblymember Woll.

Motion: by Assemblymember Adkison to move to the Pending List an appropriation of \$3.3 million from the General Fund to the Restricted Budget Reserve and ask for unanimous consent.

Motion passed by unanimous consent.

6. Information Only

Ms. Flick directed the Committee to page 37 of the packet which shows the Pending List. She stated that changes from the actions taken on that list would be shown in the next meeting's packet. She shared that on page 39 of the packet the General Fund balance based on the actions from previous meetings was shown. She discussed updates to the AFC budget calendar. She stated that in next week's meeting the intention was to start the meeting with an Executive Session related to the collective bargaining agreements.

E. NEXT MEETING DATE

7. May 14, 2025

F. SUPPLEMENTAL MATERIALS

8. April 30, 2025 Minutes

9. Downtown Ambassador Program Clarification Memo

10. Info Only: Other Fund Balances Available for Appropriation

11. Info Only: AFC Budget Calendar – *updated May 7, 2025*

H. ADJOURNMENT

The meeting was adjourned at 7:56 pm.

DATE: May 11, 2025

TO: Chair Woll and Assembly Finance Committee

FROM: Mike Satre, President, Eaglecrest Board

SUBJECT: Funding Options for Eaglecrest

The purpose of this memo is to provide additional information to the Assembly Finance Committee (AFC) in regard to Eaglecrest Fund Balance in support of the memo from Finance Director Flick on May 9.

In prior meetings with the Assembly, it has been generally understood that Eaglecrest will enter into a negative fund balance as we transition to full year operations, but the question remains of just how much and how long.

Background

Eaglecrest has always required general fund (GF) support for its operations. Since 2000, GF support has ranged from a low of \$358,100 in 2000 to a high of \$1.44M in the FY25 budget. However, even with GF support, fund balances for Eaglecrest are generally slightly positive and range from a high of \$422k in 2000 to a low of -\$807k in 2007. In fact, from 2003-2013, Eaglecrest carried a negative fund balance. Table 1 has the details of revenue, expenses, GF support and fund balance from 2000-Present.

In order for Eaglecrest to generate a positive fund balance that will allow it to self-fund capital improvements and provide a return to the City, the decision was made to purchase a gondola in order to facilitate year-round operations at Eaglecrest. Once the gondola purchase was complete, the City entered into an agreement with Goldbelt, Inc. in order to fund the installation of the gondola and partner with them on summer operations.

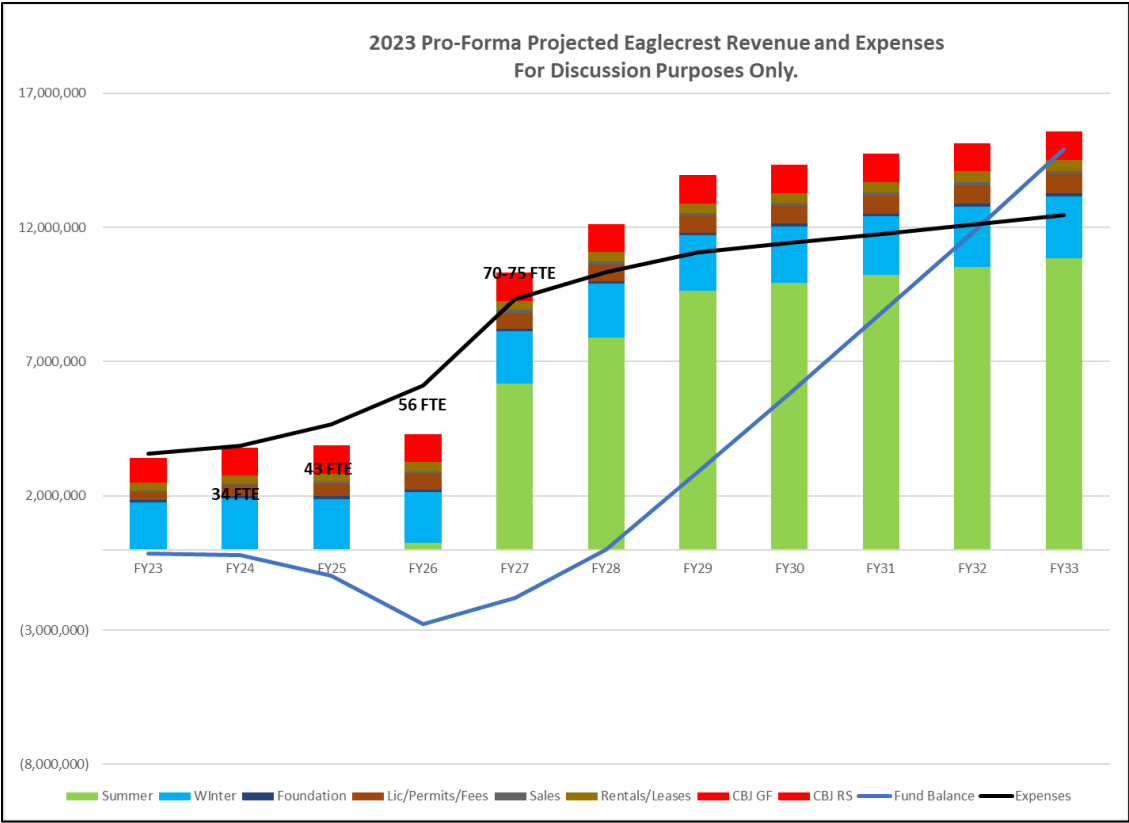
Table 1

	Eaglecrest Financial History						
	Fiscal Year	Revenues	Expenses	GF Support	Operational Result	Fund Balance	Cost Recovery
Actual	2000	\$ 1,174,330	\$ 1,409,882	\$ 358,100	\$ 122,548	\$ 422,207	83%
Actual	2001	\$ 772,842	\$ 1,344,989	\$ 358,100	\$ (214,047)	\$ 208,160	57%
Actual	2002	\$ 1,061,114	\$ 1,596,916	\$ 358,100	\$ (177,702)	\$ 30,458	66%
Actual	2003	\$ 470,893	\$ 1,399,255	\$ 388,100	\$ (540,262)	\$ (509,804)	34%
Actual	2004	\$ 1,110,423	\$ 1,641,870	\$ 388,100	\$ (143,347)	\$ (653,151)	68%
Actual	2005	\$ 1,057,928	\$ 1,610,295	\$ 488,100	\$ (64,267)	\$ (717,418)	66%
Actual	2006	\$ 1,089,369	\$ 1,795,484	\$ 594,302	\$ (111,813)	\$ (829,231)	61%
Actual	2007	\$ 1,460,172	\$ 2,038,425	\$ 600,000	\$ 21,747	\$ (807,484)	72%
Actual	2008	\$ 1,496,611	\$ 2,094,687	\$ 650,000	\$ 51,924	\$ (755,560)	71%
Actual	2009	\$ 1,680,879	\$ 2,333,294	\$ 700,000	\$ 47,585	\$ (707,975)	72%
Actual	2010	\$ 1,661,436	\$ 2,298,074	\$ 750,000	\$ 113,362	\$ (594,613)	72%
Actual	2011	\$ 1,761,638	\$ 2,402,519	\$ 750,000	\$ 109,119	\$ (485,494)	73%
Actual	2012	\$ 1,958,429	\$ 2,468,678	\$ 750,000	\$ 239,751	\$ (245,743)	79%
Actual	2013	\$ 1,976,769	\$ 2,528,769	\$ 750,000	\$ 198,000	\$ (47,743)	78%
Actual	2014	\$ 1,987,696	\$ 2,597,762	\$ 750,000	\$ 139,934	\$ 92,191	77%
Actual	2015	\$ 1,426,177	\$ 2,137,283	\$ 712,500	\$ 1,394	\$ 93,585	67%
Actual	2016	\$ 1,381,911	\$ 2,037,598	\$ 662,500	\$ 6,813	\$ 100,398	68%
Actual	2017	\$ 1,791,461	\$ 2,472,364	\$ 700,000	\$ 19,097	\$ 119,495	72%
Actual	2018	\$ 1,488,396	\$ 2,242,360	\$ 700,000	\$ (53,964)	\$ 65,531	66%
Actual	2019	\$ 1,667,695	\$ 2,419,250	\$ 725,000	\$ (26,555)	\$ 38,976	69%
Actual	2020	\$ 1,694,161	\$ 2,527,544	\$ 1,030,399	\$ 197,016	\$ 235,992	67%
Actual	2021	\$ 2,166,455	\$ 3,390,013	\$ 1,053,252	\$ (170,306)	\$ 65,686	64%
Actual	2022	\$ 2,333,194	\$ 3,005,968	\$ 875,000	\$ 202,226	\$ 267,912	78%
Actual	2023	\$ 2,510,653	\$ 3,590,761	\$ 930,000	\$ (150,108)	\$ 117,804	70%
Actual	2024	\$ 2,572,590	\$ 3,906,047	\$ 1,055,500	\$ (277,957)	\$ (160,153)	66%
Budget	2025	\$ 2,852,000	\$ 4,310,100	\$ 1,448,800	\$ (9,300)	\$ (169,453)	66%

2023 Financial Pro-Forma for year-round operations at Eaglecrest.

In 2023, Eaglecrest staff updated a financial pro-forma for year-round operations that indicated significant future revenues from summer operations, yet also showed that there would be a period of time in which the fund balance would be negative before full summer revenues could be realized. This pro-forma was presented to the Assembly in January 2024, during a joint meeting between the Eaglecrest Board and the Assembly and again in January 2025. The chart in figure Figure 1 was presented at the 2024 meeting.

Figure 1



This chart, which at the time assumed summer revenues from the gondola in FY27, shows that revenue balance would be negative through FY28, with a maximum negative value of \$2.76M in FY26. The negative fund balance was primarily due to moving from 34 FTE in FY24 to 70-75 FTE in FY27. While the fund balance was expected to be negative for five fiscal years, it was also projected to be >\$10M by FY32. It should also be noted that this pro-forma did not attempt to address the low rates of pay for Eaglecrest staff until after summer operations were implemented, unlike the current budget proposal which attempts to address that now. This model also does not include capital investments at Eaglecrest, While timelines have changed since the creation of this pro-forma, the basic assumptions are still valid, and the next step will be to redo this financial model with new pay assumptions and updated timelines.

Duncan Fund Balance Model

In 2024, the City Manager contracted with Kirk Duncan to provide an analysis of Eaglecrest finances and projected summer revenue. In his report, he provided three models for summer revenue; aggressive, moderate, and conservative and their projected impacts to fund balance. Table 2 shows his results with the conservative model leading to a negative fund balance through 2043 and the aggressive model with a negative fund balance through 2030.

Table 2

			Aggressive			Moderate			Conservative	
			Gondola	Fund		Gondola	Fund		Gondola	Fund
	Winter		Pricing	Balance		Pricing	Balance		Pricing	Balance
	Operating		Model	No Capital		Model	No Capital		Model	No Capital
Fiscal Year	Deficit		Income	Investment		Income	Investment		Income	Investment
2026	\$(2,151,200)			\$ (3,070,653)			\$ (3,070,653)			\$ (3,070,653)
2027	\$ (973,150)			\$ (4,043,803)			\$ (4,043,803)			\$ (4,043,803)
2028	\$(1,040,966)		\$ 978,175	\$ (4,106,593)		\$ 262,999	\$ (4,821,769)		\$ (452,177)	\$ (5,536,945)
2029	\$(1,112,747)		\$2,164,240	\$ (3,055,100)		\$1,169,990	\$ (4,764,526)		\$ 175,740	\$ (6,473,952)
2030	\$(1,188,709)		\$2,765,611	\$ (1,478,197)		\$1,605,611	\$ (4,347,623)		\$ 445,611	\$ (7,217,049)
2031	\$(1,269,078)		\$3,974,892	\$ 1,227,617		\$2,504,892	\$ (3,111,809)		\$1,034,892	\$ (7,451,235)
2032	\$(2,464,564)		\$5,308,762	\$ 4,071,815		\$4,498,762	\$ (1,077,611)		\$1,258,762	\$ (8,657,037)
2033	\$(2,587,792)		\$6,614,450	\$ 8,098,473		\$5,654,450	\$ 1,989,047		\$1,814,450	\$ (9,430,379)
2034	\$(2,717,181)		\$7,201,672	\$12,582,963		\$5,529,172	\$ 4,801,037		\$1,689,172	\$ (10,458,389)
2035	\$(2,853,040)		\$8,105,131	\$17,835,054		\$6,357,631	\$ 8,305,628		\$1,557,631	\$ (11,753,798)
2036	\$(2,995,692)		\$8,438,339	\$23,277,700		\$6,682,637	\$11,992,573		\$ 3,339,512	\$ (11,409,978)
2037	\$(3,145,477)		\$8,098,238	\$28,230,461		\$8,098,238	\$16,945,333		\$ 3,589,488	\$ (10,965,968)
2038	\$(3,302,751)		\$9,108,462	\$34,036,173		\$9,108,462	\$22,751,045		\$ 4,819,625	\$ (9,449,094)
2039	\$(3,467,888)		\$8,948,573	\$39,516,857		\$8,948,573	\$28,231,729		\$ 5,934,823	\$ (6,982,159)
2040	\$(3,641,283)		\$8,780,689	\$44,656,263		\$8,780,689	\$33,371,135		\$ 7,946,939	\$ (2,676,503)
2041	\$(3,823,347)		\$9,766,911	\$50,599,827		\$9,766,911	\$39,314,699		\$ 7,770,661	\$ 1,270,811
2042	\$(4,014,514)		\$9,581,819	\$56,167,132		\$9,581,819	\$44,882,004		\$ 8,675,569	\$ 5,931,866
2043	\$(4,215,240)		\$9,387,472	\$61,339,364		\$9,387,472	\$50,054,237		\$ 8,481,222	\$ 10,197,848

As with the 2023 pro-forma, capital is not included, however the Duncan model does start to address the pay rates in FY26. These models more closely reflect the current timeline for construction and operation of the gondola and assume it will generate revenue in FY28.

Present Situation

The proposed budget for Eaglecrest will result in a FY26 draw on fund balance of \$2,773,200 (cumulative -\$3,287,400 fund balance). This is less than the fund balance shown in the Duncan models, but roughly equal to the maximum negative value from the 2023 pro-forma. While the 2023 pro-forma still needs to be updated with the current budget proposal and construction timelines, implementing the FY26 budget proposal will likely lead to a roughly -\$5.5M maximum negative fund balance, and push achieving a positive fund balance into roughly FY30.

Conclusion and Next Steps

Based off the 2023 pro-forma and the Duncan models, the Assembly needs to consider that Eaglecrest is facing at least five fiscal years of negative fund balance with a possible maximum negative value of \$5.5M. However, the future is still bright as all but the conservative Duncan model show that after FY2032 the fund balance will steadily grow and that Eaglecrest will be self-sustaining.

The next step for Eaglecrest is to re-work the 2023 pro-forma with current budgetary assumptions as well as take a new look at all options for personnel and equipment required to run summer operations. This will be required to be complete before the end of 2025 so that it can be used for future CBJ budget exercises.



DATE: May 13, 2025

TO: Chair Woll and Assembly Finance Committee

FROM: Katie Koester, City Manager

SUBJECT: **FY26 Budget Risks**

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

The purpose of this memo is to provide an update on FY26 funding issues and budget risks as we know them today. The economic impacts of Federal and State Government decisions are wide ranging and ever shifting.

Secure Rural Schools

Congress failed to extend the Secure Rural School program which means the program expired at the end of FY23 and will not be renewed without a new vote. Without reauthorization, the Forest Service must follow the amended 1908 Act, which results in lower payments to states (25% of gross receipts generated on Forest Service lands during the fiscal year is distributed). The State lost \$12M of funding due to this program not being reauthorized. CBJ was notified that our FY25 Title I allocation was reduced by \$523K, and the Title III distribution was reduced from \$45K to \$0. The FY26 proposed budget included funding of \$550K for Title I. This amount should be reduced to the amount received in FY25 - \$27K. This results in a \$500K reduction in expected fund balance available for FY25; and a revenue reduction of \$523K in FY26.

Community Assistance

The State has lowered the recapitalization of the Community Assistance funding source from \$30.0M to \$13.3M which will reduce CBJ's allocation down nearly zero in FY26. The Manager's Proposed Budget included Community Assistance revenue at \$624K which is no longer likely.

Sales Tax

Currently, Sales Tax (and other related sales-type taxes) are coming in very close to projections, with the exception of Tobacco Excise Tax which is falling even further than predicted. At this time, no action is required on sales tax-type revenue. Staff will continue to monitor performance. The next big update will be available mid-August with the April – June quarterly filing; however if negative trending seems to emerge, staff will alert the Assembly.

Other Unknowns

There are several other unknowns that have potential impact on CBJ and the community:

1. Youth Shelter Grants (CBJ receives \$156K in direct funding)
2. CDBG funding for homelessness and childcare
3. Medicaid funding
4. Recession

In summary, the draft FY26 budget is **\$1.147M short in revenue** due to recent federal and state budget decisions. This is roughly .17 mills.



155 Heritage Way
Juneau, Alaska 99801
PHONE: (907) 586-5240
FAX: (907) 586-5385

Alexandra.Pierce@juneau.gov

TO: Assembly Finance Committee
FROM: Alexandra Pierce, Visitor Industry Director
DATE: May 13, 2025
RE: Private Dock Passenger Fee Funding Clarification

The purpose of this memo is to clarify that CBJ is funding private docks for only half of FY26 (up to \$360,000 for restrooms and security at both docks). No action is necessary, however there was some confusion at the May 7 AFC that prompted the drafting of this clarifying memo.

On January 8, 2025, the Assembly Finance Committee discussed the passenger fee allocations to private docks. At the time the committee directed staff to discontinue passenger fee restroom, security, and maintenance funding to the private docks and to Docks & Harbors when the rate increases take effect at the start of the 2026 cruise season. This would mean funding those functions through the end of CY25, meaning that they would not be funded for the second half of FY26. These funds are not grants. The private docks submit receipts for reimbursement. Thus, the funding MOAs would be written to allow reimbursement for restroom maintenance and security services through the end of December 2025.

This was reflected in the Marine Passenger Fee budget. To summarize:

- Currently, private docks will receive passenger fee funding until December 31, 2025.
- New dockage fees will take effect at the beginning of 2026.
- Private docks will not receive any reimbursement in CY 2026.

Recommendation: Informational only.

General Government				
	Unrestricted Balance	Restricted Balance	TOTAL	Mill Rate Equivalent
FY25 Projected Ending Balance	22,076,151	16,555,000	38,631,151	
<i>(FY24 Ending Balance minus Change in Fund Balance)</i>				
FY25 Secure Rural Schools Funding Reduction	(523,000)			
FY25 Projected Ending Balance - <i>Updated May 14, 2025</i>	21,553,151	16,555,000	38,108,151	
Facility/Tenant Improvements	(3,300,000)			
Comprehensive Plan Update	(482,700)			
FY25 Decision - Heat Smart FY26 Amount	(222,900)			
FY25 Decision - AEYC Parents as Teachers	(133,300)			
Communications Strategy: Website Redesign	(100,000)			
Alaska Committee Window Replacement	(100,000)			
Departmental One-Time Costs	(98,600)			
FY26 Anticipated Savings	(1,738,200)			
Change in Fund Balance	(6,175,700)	-	(6,175,700)	
FY26 Projected Ending Balance - Proposed Budget	15,377,451	16,555,000	31,932,451	
Library - Restore Funding from Loss of IMLS Federal Funding	(130,200)			0.02
Communications Division Commodities & Services	(85,725)			0.01
Cold Weather Emergency Shelter Facility Modifications	(75,000)			one-time
RecycleWorks Junked Vehicle Contract Increase	(71,000)			0.01
Law - Office Assistant (1.0 FTE)	(65,900)			0.01
Park Ranger FTE Increase (0.50 FTE to 1.0 FTE)	(38,900)			0.01
Streets - Fish Creek Road Eaglecrest Winter Maintenance Operations	17,500			(0.00)
Deappropriation of Tenant Improvements CIP	3,300,000			one-time
FY26 Projected Ending Balance - Adopted Budget*	18,228,226	16,555,000	31,932,451	0.06
<i>Updated as of May 14, 2025</i>				
By resolution, Restricted Budget Reserve balance should be:		25,791,000		

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

Unrestricted Funding Sources	
Hotel-Bed Tax Fund	464,500
Affordable Housing Fund	2,745,200
Tobacco Excise Tax Fund	67,600
Total Other Unrestricted Fund Balances	3,277,300
Restricted per CLIA Settlement Agreement	
Marine Passenger Fee Fund	67,300
Port Development Fee Fund	1,257,200
Total Other Restricted Fund Balances	1,324,500
<i>Updated as of May 8, 2025</i>	