



# ASSEMBLY FINANCE COMMITTEE AGENDA

March 01, 2023 at 6:00 PM

Zoom Webinar Only

<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. February 1, 2023

**D. AGENDA TOPICS**

2. CBJ/JSD/BRH Audit Presentation by Elgee Rehfeld

3. JSD Request for Supplemental FY23 Funding Outside-the-Cap

4. Impact of School Consolidation on State Funding

5. Harmari Short-Term Rental Data

6. Capital Civic Center Appropriation

7. General Obligation and Revenue Bond Ordinances

8. Export Manufacturing Exemptions

**E. SUPPLEMENTAL MATERIALS**

9. CBJ/JSD/BRH Audit Presentation

10. JSD FY23 Adopted Budget Outside-The-Cap Funding

11. JSD Victim of Financial Fraud

**F. NEXT MEETING DATE**

12. April 5, 2023

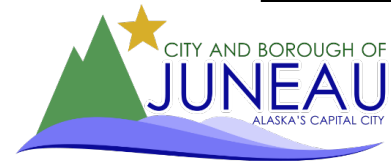
**G. ADJOURNMENT**

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

## ASSEMBLY FINANCE COMMITTEE MINUTES

February 01, 2023

### 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 7:15 pm by Chair Triem.

#### B. ROLL CALL

Committee Members Present: Carole Triem, Chair; Mayor Beth Weldon; Michelle Bonnet-Hale; Wade Bryson; Greg Smith; Alicia Hughes-Skandijs; Maria Gladziszewski

Committee Members Present Virtually: Christine Woll

Committee Members Absent: Wáahlaal Gíidaak

Staff Members Present: Rorie Watt, City Manager; Robert Barr, Deputy City Manager; Jeff Rogers, Finance Director; Adrien Speegle, Budget Manager; Robert Palmer, Municipal Attorney; Chelsea Swick, Risk Manager

Others Present: David Witthohn, Senior Portfolio Specialist at Insight Investment; Jason Celente, Senior Portfolio Manager at Insight Investment; David Keith, CEO of Bartlett Regional Hospital

#### C. APPROVAL OF MINUTES

##### 1. January 4, 2023

The minutes were approved as presented.

#### D. AGENDA TOPICS

##### 2. Investment Performance Update

Jeff Rogers, Finance Director, introduced David Witthohn, Senior Portfolio Specialist, and Jason Celente, Senior Portfolio Manager at Insight Investment, the City and Borough of Juneau's (CBJ) investment manager. Mr. Witthohn discussed the data presented on packet pages 7 – 15. In his presentation, Mr. Witthohn discussed current and forecasted economic conditions, personal savings and debt, the job market, residential real estate, and inflation. Mr. Witthohn expressed that the economy indicates that unemployment is at a 50 year low with more jobs available than job seekers. Mr. Witthohn explained that the economic conditions have been slowly improving, inflation has been slowing, and with low unemployment rates, it is projected that the general populous may positively impact Juneau's economy when the tourism season begins this spring.

Mr. Celente reviewed the CBJ's investment performance on packet pages 23 – 24. Mr. Celente reviewed the data on packet page 24 stating that losses have continued in Fiscal Year 2023, but have stabilized. Mr. Celente also stated that FY2023 is forecasted at ending with a recovery in estimated total returns.

### 3. Separating BRH Audit Provider

David Keith, CEO of Bartlett Regional Hospital (BRH), presented BRH's change of auditor proposed in the memo on packet pages 52 – 53. The memo requests that Bartlett Regional Hospital solicit and hire an auditing firm that specializes in healthcare administration and services. Currently, the CBJ, Juneau School District (JSD), and BRH utilize the same auditing firm. The current contracted auditing firm is Elgee Rehfeld which was selected in FY2022 on a one-year contract, with two options to renew in FY2023 and FY2024.

Assemblymembers Bryson and Hale disclosed that they utilize Elgee Rehfeld for personal auditing services.

*Assemblymember Woll left the meeting at 7:51 pm.*

Robert Palmer, Municipal Attorney, stated that Assemblymembers who utilize Elgee Rehfeld for personal and professional services, must declare they utilize Elgee Rehfeld's services and must indicate if they can vote on motions pertaining to Elgee Rehfeld in a neutral and fair manner. Assemblymember Bryson declared that he uses Elgee Rehfeld and requested to be recused from the discussion and decision. Chair Triem approved Assemblymember Bryson's request. Assemblymember Hale declared that she uses Elgee Rehfeld and requested that she remain in the discussion and decision-making. Chair Triem approved Assemblymember Hale's request.

In response to Assemblymember Hughes-Skandijs' questions, Mr. Keith explained that although BRH is experiencing unprecedented financial challenges, the potential of spending more on a new healthcare firm has the potential of allowing BRH to identify revenue and cost opportunities.

Mr. Keith responded to Assemblymember Gladziszewski's question, stating that BRH would be willing to honor Elgee Rehfeld's current contract which ends at the end of FY2024.

Mr. Rogers responded to Mayor Weldon's question about the potential cost of an audit shift. Mr. Rogers stated that he is not sure if there would be a cost change for BRH, but assumes it would increase because the cost is currently split three ways; and with a change for BRH, BRH would be solely financially responsible for their audit.

Assemblymember Smith asked if it would be advantageous to keep the same auditing firm as CBJ followed by a data analysis by a separate company to help find solutions to current revenue and cost challenges faced by BRH. Mr. Keith stated that he believes bringing in a company outside of the audit firm would not be as advantageous because an audit firm specializing in healthcare would be able to complete the audit and provide recommendations for cost savings and revenue growth.

**Motion: by Mayor Weldon directing BRH to finish their contract with Elgee Rehfeld, then seek a separate auditing firm during the next solicitation.**

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

**Amendment: by Assemblymember Hughes-Skandijs requesting that BRH complete its contract with Elgee Rehfeld and return to the Assembly prior to the subsequent audit period to discuss the option for separate solicitation.**

**Objection to the Amendment:** by Mayor Weldon for the purpose of a question. Mr. Rogers suggested that when the next audit solicitation takes place, the solicitation be structured in a way where auditors can bid on completing the audit for all three entities or only specific entities.

**Mayor Weldon removed her objection.**

Mr. Rogers responded to Assemblymember Hale's question, stating that the first year of Elgee Rehfeld's contract was FY2021, the second year was FY2022, and the third year will be FY2023; meaning the solicitation at the beginning of FY2024 will be for FY2024, FY2025, and FY2026.

**Objection to the Amendment:** by Assemblymember Hale.

**Roll Call Vote on Amendment:**

**Ayes:** Hughes-Skandijs, Smith, Gladziszewski, Triem

**Nays:** Hale, Weldon

**Amendment failed. Four (4) Ayes, Two (2) Nays.**

The Committee discussed that without five affirmative votes, no action could take place on this topic at this meeting.

**Mayor Weldon withdrew her original motion.**

**Motion:** by Assemblymember Smith to table the discussion of the BRH audit solicitation until December 2023 or January 2024.

**Motion passed by unanimous consent.**

#### **4. Annual Insurance/Risk Update**

Mr. Rogers introduced Chelsea Swick, CBJ Risk Manager. Ms. Swick reviewed CBJ's self-insured and fully insured programs on packet pages 78 – 99. CBJ's self-insured program covers health benefits, general and auto liability, employment practices, and workers' compensation.

In recent years, CBJ's insurance premiums and deductibles have increased due to nationwide disasters, inflation, high dollar claims, and a hard market. For example, high dollar claims such as the \$5M claim for the Riverbend School flood, increases CBJ's insurance rates. Not only have recent claims impacted CBJ's rates, but the current three year hard market is the longest hard market experienced in 30 years. Because of the extended hard market, underwriting has been more difficult, resulting in insurance companies performing their own risk analysis when determining how much coverage will be provided. As a result, CBJ has experienced more restrictive coverage and it is expecting current trends to continue until the US economy recovers and starts to experience deflation.

Ms. Swick discussed CBJ's Health Benefits Program on packet pages 87 – 91. CBJ's self-insured plan covers a total of 2,535 individuals. In FY2023, total budgeted expenditures amounted to \$23.3M. Current trends in health insurance and coverage costs are expected to continue increasing in the years to come. As noted on packet pages 88 and 89, CBJ's health claims have remained relatively steady in recent years due to employee wellness programs and education offered to staff.

Ms. Swick explained CBJ's property and casualty program revenues which are provided by CBJ, JSD, and BRH to cover the costs of insurance. In response to Chair Triem's question about the amount that JSD pays for insurance, Rorie Watt, City Manager, explained that in the past JSD explored options to self-insure, but going through CBJ's insurance bundle has proven to be the most cost effective savings. Ms. Swick summarized automobile insurance on packet pages 92 and 93, explaining that claims have decreased after multiple high medical cost claims made in previous years. CBJ is currently experiencing lower workers' compensation costs as demonstrated on packet page 94.

Ms. Swick discussed packet page 98 which reviewed CBJ's current cyber liability policy, the challenges experienced, and efforts to increase coverage moving forward.

**5. Follow-up on Deferred Comp Employer Match**

Chair Triem briefly introduced the agenda item.

**Motion:** by Mayor Weldon directing staff to include the cost of the deferred compensation match into the FY2024 budget, implement the program as soon as possible, and fund it with available FY2023 lapsing funds.

**Motion passed by unanimous consent.**

**6. Waste Management Garbage Pickup Costs**

*This memo was provided for information only and was not discussed.*

**7. Info Only: FY2024 Revised Budget AFC Calendar**

*This document was provided for information only and was not discussed.*

**E. SUPPLEMENTAL MATERIALS**

**8. Updated: Annual Insurance/Risk Update**

*This document replaced the document on packet pages 56 – 74 and had already been discussed.*

**9. Info Only: Juneau School District FY2023 Additional Funding Request**

*This memo was provided as information only and was not discussed.*

**F. NEXT MEETING DATE**

**13. March 01, 2023**

**G. ADJOURNMENT**

*The meeting was adjourned at 9:24 pm.*

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January 30, 2023

RE: Funding Juneau School District for FY23 Additional Funding outside the “Cap”

Dear Mayor Weldon and Members of the City and Borough of Juneau Assembly:

The Juneau School District plays a vital role in the Juneau community. The Juneau School District is grateful for its partnership with the City and Borough of Juneau. It relies on this partnership to enhance Juneau’s commitment to strongly supporting our school's contributions to the community of Juneau.

Juneau has been in the enviable position of having our schools generously funded by CBJ to the maximum allowable under the state funding formula, known as the “Cap,” for well over a decade. In addition, the financial commitment of CBJ for items allowable above the “cap” is a lifeline to our students and staff. We greatly appreciate the consistent financial support from CBJ for our students and seek to continue to invest wisely in our youth, supporting the vision to make Juneau the education Capital of Alaska.

At the January 10th regular board meeting, the Juneau School District’s Board of Education approved sending the City and Borough of Juneau Assembly letter to request additional outside the “cap” funding to resolve current deficits in our special revenue funds such as transportation, rally, and community schools and to meet a variety of other needs. The current request to the City and Borough of Juneau totals: \$2,540,737.

The following requests are as follows:

Pupil Transportation	\$1,283,853
Rally	\$750,000
Middle School Activities	\$80,000
June 2023 Summer School	\$200,000
Community Schools	\$226,884
<b>TOTAL</b>	<b>\$2,540,737</b>

Respectfully,

Deedie Sorensen  
Board President

# MEMORANDUM



**DATE:** March 1, 2023  
**TO:** Assembly Finance Committee  
**FROM:** Jeff Rogers, Finance Director

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

**SUBJECT: Calculation of State Funding Loss Due to School Consolidation**

The Finance Department has received several requests for assistance in understanding the Alaska School Foundation Formula, specifically as it relates to the fiscal impact of school consolidation. No doubt, the foundation formula is complex. I have attached a 7-page document from the Alaska Department of Education and Early Development that thoroughly describes the application of the formula. While it is difficult to summarize such a complex formula, it generally goes like this:

- Step 1. Adjust: Average Daily Membership (ADM) for School Size
  - Step 2. Apply: District Cost Factor
  - Step 3. Apply: Special Needs Factor
  - Step 4. Apply: Vocational & Technical Funding
  - Step 5. Add: Intensive Services Count
  - Step 6. Add: Correspondence Student Counts
- equals* District Adjusted (ADM)  
*times* Base Student Allocation (\$5,930)  
*equals* Basic Need  
*minus* Required Local Contribution (Property Value x 2.65 mills)  
*equals* State Funding Amount

The adjustment for school size effectively provides more state funding for smaller schools. Hence, when schools are consolidated, total state funding decreases. The attached results of our modeling describe the loss of state funding that would result from consolidation:

High School Consolidation	(\$925,911)	
Middle School Consolidation	(\$700,498)	
Elementary School Consolidation	(\$519,918)	<i>only one elementary school consolidated into the others</i>

Notably, the required local contribution and the maximum allowable local contribution are determined by CBJ's assessed value, not the foundation formula's calculation of basic need, so local funding would remain unaffected by school consolidation.

The foundation formula does provide a four-year step-down when state funding is lost due to school consolidation. For the first two years after consolidation, funding remains at 100% of pre-consolidation. In the third year, funding is 66% offset. In the fourth year, funding is 33% offset. In the fifth year after consolidation, the loss of state funding becomes fully realized.

This memo and the model results in no way recommends for or against school consolidation. It is merely responsive to the question of how much state funding would be lost in the event of school consolidation. Obviously, policy makers would need to review and evaluate the cost savings of school consolidation in comparison to the state funding lost.

I remain eager to work with school district staff to refine and improve the calculation model as an analytical and strategic planning tool.

**Alaska School Foundation Formula Comparison  
Change in State Funding Based on School Closure**

Section D, Item 4.

FY23 Status Quo School Allotment						FY23 Shifted School Allotment					
Status Quo ADM	Base	Mult	Ded	Status Quo Adjusted ADM		O / C	Shifted ADM	Base	Mult	Ded	Shifted Adjusted ADM
High Schools						High Schools					
826.5	794	0.84	750	857.86	TMHS / MONTESSORI / YAAKOOSGE	Open	1392.4	794	0.84	750	1,333.22
565.9	472	0.92	400	624.23	JUNEAU-DOUGLAS HIGH SCHOOL	Closed	0.0	N/A	N/A	N/A	-
23.0	39.6	1.62	20	44.46	JOHNSON YOUTH CENTER	N/A	23.0	39.6	1.62	20	44.46
Subtotal: High School				1,526.55	Subtotal: High School				1,377.68		
Middle Schools						Middle Schools					
455.2	472	0.92	400	522.34	DZANTIK'I HEENI	Open	455.2	472	0.92	400	522.34
407.7	472	0.92	400	478.68	FLOYD DRYDEN	Open	407.7	472	0.92	400	478.68
Subtotal: Middle School				1,001.02	Subtotal: Middle School				1,001.02		
Elementaries						Elementaries					
319.8	326	0.97	250	393.81	AUKE BAY ELEMENTARY	Open	319.8	326	0.97	250	393.81
275.5	326	0.97	250	350.84	HARBORVIEW includes TCLL	Open	275.5	326	0.97	250	350.84
81.0				117.45	JUNEAU CHARTER	N/A	81.0	N/A	N/A	N/A	117.45
268.7	326	0.97	250	344.23	MENDENALL RIVER	Open	268.7	326	0.97	250	344.23
261.2	326	0.97	250	336.92	KAXIDIGOOWU HEEN	Open	261.2	326	0.97	250	336.92
269.0	326	0.97	250	344.53	SAYEIK: GASTINEAU	Open	269.0	326	0.97	250	344.53
301.4	326	0.97	250	375.96	GLACIER VALLEY	Open	301.4	326	0.97	250	375.96
Subtotal: Elementary School				2,263.72	Subtotal: Elementary School				2,263.72		
Total Adjusted ADM				4,791.29	Total Adjusted ADM				4,642.42		
Hold Harmless				151.18	Hold Harmless				188.39		
Adjusted ADM (with Hold Harmless)				4,942.47	Adjusted ADM (with Hold Harmless)				4,830.81		
District Cost Factor				1.15	District Cost Factor				1.15		
Total After Adjustment for District Cost Factor				5,659.13	Total After Adjustment for District Cost Factor				5,531.28		
Special Needs Factor				1.20	Special Needs Factor				1.20		
Total After Adjustment for Special Education Factor				6,790.96	Total After Adjustment for Special Education Factor				6,637.54		
Vocational Education Factor				1.02	Vocational Education Factor				1.02		
Total After Adjustment for Special Education Factor				6,892.82	Total After Adjustment for Special Education Factor				6,737.10		
Special Education Intensive Factor (13*100)				1,300.00	Special Education Intensive Factor (13*100)				1,300.00		
Adjusted Students + Special Education				8,192.82	Adjusted Students + Special Education				8,037.10		
Correspondence (170.70* .90)				153.63	Correspondence (170.70* .90)				153.63		
Total District Adjusted ADM				8,346.46	Total District Adjusted ADM				8,190.74		
Base Student Allocation Value \$				5,930.00	Base Student Allocation Value \$				5,930.00		
Basic Need				\$49,494,508	Basic Need				\$48,571,088		
Required Local Effort (.00265 mills * 6,127,157,184)				\$16,236,967	Required Local Effort (.00265 mills * 6,127,157,184)				\$16,236,967		
QUALITY SCHOOLS (8346.46*16)				\$133,543	QUALITY SCHOOLS (8346.46*16)				\$131,052		
Total State Funding				\$33,391,085	Total State Funding				\$32,465,174		

**Change in State Funding from Status Quo (\$925,911)**

Assumptions:

- 1.) Any school closure redistributes all students to other schools at the same level (exc JYS and Charter)
- 2.) Assumes that all schools have capacity to absorb students from closed schools
- 3.) Assumes all other aspects of funding formula remains the same

*Applies to both Status Quo and Shifted Scenarios*



**Alaska School Foundation Formula Comparison  
Change in State Funding Based on School Closure**

Section D, Item 4.

FY23 Status Quo School Allotment						FY23 Shifted School Allotment					
Status Quo ADM	Base	Mult	Ded	Status Quo Adjusted ADM		O / C	Shifted ADM	Base	Mult	Ded	Shifted Adjusted ADM
<b>High Schools</b>						<b>High Schools</b>					
826.5	794	0.84	750	857.86	TMHS / MONTESSORI / YAAKOOSGE	Open	826.5	794	0.84	750	857.86
565.9	472	0.92	400	624.23	JUNEAU-DOUGLAS HIGH SCHOOL	Open	565.9	472	0.92	400	624.23
23.0	39.6	1.62	20	44.46	JOHNSON YOUTH CENTER	N/A	23.0	39.6	1.62	20	44.46
Subtotal: High School				1,526.55		Subtotal: High School					1,526.55
<b>Middle Schools</b>						<b>Middle Schools</b>					
455.2	472	0.92	400	522.34	DZANTIK'I HEENI	Open	862.9	794	0.84	750	888.39
407.7	472	0.92	400	478.68	FLOYD DRYDEN	Closed	0.0	N/A	N/A	N/A	-
Subtotal: Middle School				1,001.02		Subtotal: Middle School					888.39
<b>Elementaries</b>						<b>Elementaries</b>					
319.8	326	0.97	250	393.81	AUKE BAY ELEMENTARY	Open	319.8	326	0.97	250	393.81
275.5	326	0.97	250	350.84	HARBORVIEW includes TCLL	Open	275.5	326	0.97	250	350.84
81.0				117.45	JUNEAU CHARTER	N/A	81.0	N/A	N/A	N/A	117.45
268.7	326	0.97	250	344.23	MENDENALL RIVER	Open	268.7	326	0.97	250	344.23
261.2	326	0.97	250	336.92	KAXIDIGOOWU HEEN	Open	261.2	326	0.97	250	336.92
269.0	326	0.97	250	344.53	SAYEIK: GASTINEAU	Open	269.0	326	0.97	250	344.53
301.4	326	0.97	250	375.96	GLACIER VALLEY	Open	301.4	326	0.97	250	375.96
Subtotal: Elementary School				2,263.72		Subtotal: Elementary School					2,263.72
<b>Total Adjusted ADM</b>				<b>4,791.29</b>		<b>Total Adjusted ADM</b>					<b>4,678.67</b>
Hold Harmless				151.18		Hold Harmless					179.33
<b>Adjusted ADM (with Hold Harmless)</b>				<b>4,942.47</b>		<b>Adjusted ADM (with Hold Harmless)</b>					<b>4,858.00</b>
District Cost Factor				1.15		District Cost Factor					1.15
<b>Total After Adjustment for District Cost Factor</b>				<b>5,659.13</b>		<b>Total After Adjustment for District Cost Factor</b>					<b>5,562.41</b>
Special Needs Factor				1.20		Special Needs Factor					1.20
<b>Total After Adjustment for Special Education Factor</b>				<b>6,790.96</b>		<b>Total After Adjustment for Special Education Factor</b>					<b>6,674.89</b>
Vocational Education Factor				1.02		Vocational Education Factor					1.02
<b>Total After Adjustment for Special Education Factor</b>				<b>6,892.82</b>		<b>Total After Adjustment for Special Education Factor</b>					<b>6,775.01</b>
Special Education Intensive Factor (13*100)				1,300.00		Special Education Intensive Factor (13*100)					1,300.00
Adjusted Students + Special Education				8,192.82		Adjusted Students + Special Education					8,075.01
Correspondence (170.70* .90)				153.63		Correspondence (170.70* .90)					153.63
<b>Total District Adjusted ADM</b>				<b>8,346.46</b>		<b>Total District Adjusted ADM</b>					<b>8,228.65</b>
Base Student Allocation Value \$				5,930.00		Base Student Allocation Value \$					5,930.00
<b>Basic Need</b>				<b>\$49,494,508</b>		<b>Basic Need</b>					<b>\$48,795,895</b>
Required Local Effort (.00265 mills * 6,127,157,184)				\$16,236,967		Required Local Effort (.00265 mills * 6,127,157,184)					\$16,236,967
QUALITY SCHOOLS (8346.46*16)				\$133,543		QUALITY SCHOOLS (8346.46*16)					\$131,658
<b>Total State Funding</b>				<b>\$33,391,085</b>		<b>Total State Funding</b>					<b>\$32,690,586</b>

**Change in State Funding from Status Quo (\$700,498)**

Assumptions:

- 1.) Any school closure redistributes all students to other schools at the same level (exc JYS and Charter)
- 2.) Assumes that all schools have capacity to absorb students from closed schools
- 3.) Assumes all other aspects of funding formula remains the same

Applies to both Status Quo and Shifted Scenarios

**Alaska School Foundation Formula Comparison  
Change in State Funding Based on School Closure**

Section D, Item 4.

FY23 Status Quo School Allotment						FY23 Shifted School Allotment						
Status Quo	ADM	Base	Mult	Ded	Status Quo Adjusted ADM		O / C	Shifted ADM	Base	Mult	Ded	Shifted Adjusted ADM
High Schools						High Schools						
826.5	794	0.84	750		857.86	TMHS / MONTESSORI / YAAKOOSGE	Open	826.5	794	0.84	750	857.86
565.9	472	0.92	400		624.23	JUNEAU-DOUGLAS HIGH SCHOOL	Open	565.9	472	0.92	400	624.23
23.0	39.6	1.62	20		44.46	JOHNSON YOUTH CENTER	N/A	23.0	39.6	1.62	20	44.46
Subtotal: High School					1,526.55	Subtotal: High School					1,526.55	
Middle Schools						Middle Schools						
455.2	472	0.92	400		522.34	DZANTIK'I HEENI	Open	455.2	472	0.92	400	522.34
407.7	472	0.92	400		478.68	FLOYD DRYDEN	Open	407.7	472	0.92	400	478.68
Subtotal: Middle School					1,001.02	Subtotal: Middle School					1,001.02	
Elementaries						Elementaries						
319.8	326	0.97	250		393.81	AUKE BAY ELEMENTARY	Open	372.0	326	0.97	250	444.47
275.5	326	0.97	250		350.84	HARBORVIEW includes TCLL	Open	327.7	326	0.97	250	401.50
81.0					117.45	JUNEAU CHARTER	N/A	81.0	N/A	N/A	N/A	117.45
268.7	326	0.97	250		344.23	MENDENALL RIVER	Open	320.9	326	0.97	250	394.89
261.2	326	0.97	250		336.92	KAXIDIGOOWU HEEN	Closed	0.0	N/A	N/A	N/A	-
269.0	326	0.97	250		344.53	SAYEIK: GASTINEAU	Open	321.2	326	0.97	250	395.19
301.4	326	0.97	250		375.96	GLACIER VALLEY	Open	353.6	326	0.97	250	426.62
Subtotal: Elementary School					2,263.72	Subtotal: Elementary School					2,180.12	
Total Adjusted ADM					4,791.29	Total Adjusted ADM					4,707.69	
Hold Harmless					151.18	Hold Harmless					172.08	
Adjusted ADM (with Hold Harmless)					4,942.47	Adjusted ADM (with Hold Harmless)					4,879.77	
District Cost Factor					1.15	District Cost Factor					1.15	
Total After Adjustment for District Cost Factor					5,659.13	Total After Adjustment for District Cost Factor					5,587.34	
Special Needs Factor					1.20	Special Needs Factor					1.20	
Total After Adjustment for Special Education Factor					6,790.96	Total After Adjustment for Special Education Factor					6,704.81	
Vocational Education Factor					1.02	Vocational Education Factor					1.02	
Total After Adjustment for Special Education Factor					6,892.82	Total After Adjustment for Special Education Factor					6,805.38	
Special Education Intensive Factor (13*100)					1,300.00	Special Education Intensive Factor (13*100)					1,300.00	
Adjusted Students + Special Education					8,192.82	Adjusted Students + Special Education					8,105.38	
Correspondence (170.70* .90)					153.63	Correspondence (170.70* .90)					153.63	
Total District Adjusted ADM					8,346.46	Total District Adjusted ADM					8,259.02	
Base Student Allocation Value \$					5,930.00	Base Student Allocation Value \$					5,930.00	
Basic Need					\$49,494,508	Basic Need					\$48,975,989	
Required Local Effort (.00265 mills * 6,127,157,184)					\$16,236,967	Required Local Effort (.00265 mills * 6,127,157,184)					\$16,236,967	
QUALITY SCHOOLS (8346.46*16)					\$133,543	QUALITY SCHOOLS (8346.46*16)					\$132,144	
Total State Funding					\$33,391,085	Total State Funding					\$32,871,166	

**Change in State Funding from Status Quo (\$519,918)**

Assumptions:

- 1.) Any school closure redistributes all students to other schools at the same level (exc JYS and Charter)
- 2.) Assumes that all schools have capacity to absorb students from closed schools
- 3.) Assumes all other aspects of funding formula remains the same

Applies to both Status Quo and Shifted Scenarios

# Public School Funding Program Overview

Update January 2022



<b>PUBLIC SCHOOL FUNDING PROGRAM OVERVIEW</b>	<b>1</b>
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## **STUDENT BASED FORMULA**

### **District Adjusted Average Daily Membership (ADM)**

- Step 1. Adjust: ADM for School Size
  - Step 2. Apply: District Cost Factor
  - Step 3. Apply: Special Needs Factor
  - Step 4. Apply: Vocational & Technical Funding
  - Step 5. Add: Intensive Services Count
  - Step 6. Add: Correspondence Student Counts
- = District Adjusted (ADM)**

### **ADM Reporting Requirements**

ADM – is the average number of enrolled students during the 20-school day count period. The 20-school day count ends the fourth Friday of October. Reports are due within two weeks after the end of the 20-school day count period.

### **School Size Adjustment [Step 1]**

For each school in the district subtract from the ADM **all** correspondence counts. Adjust the remaining ADM of each school using the school size factor table, on page 4.

1. A community with an ADM under 10:  
Added to the smallest school with an ADM greater than 10.
2. A community with an ADM from 10 - 100:  
Grades K-12 ADM combined and adjusted once, adjusted as one school.
3. A community with an ADM from 101 – 425:  
ADM for grades K-6 and 7-12 are adjusted separately; adjusted as two schools.
4. A community with an ADM greater than 425:  
ADM is adjusted once for each facility administered as a separate school;  
unless it's the only school in the community then it's adjusted as two schools.

\* Alternative school with an ADM of 175 or greater *and* administered as a separate facility the ADM will be adjusted separately, unless:

- A. It's new and the 1<sup>st</sup> year of service with ADM between 120 to 175 receives an adjustment of 1.33; OR
- B. It had an ADM of 175 or greater in the prior year but drops below 175 in the current fiscal year receives an adjustment of 1.33; OR
- C. It has an ADM of less than 175 shall be counted as a part of the school in the district with the *highest* ADM.

\* Charter school with an ADM of 150 or greater is adjusted as a separate facility unless:

- A. It's new and the 1<sup>st</sup> year of service with ADM between 75 to 150 receives an adjustment of 1.45; OR
- B. It had an ADM of at least 75 in the prior year the current fiscal year receives an adjustment of 1.45; OR
- C. It continues to stay below 75 ADM then it receives an adjustment of 1.18.

Select the appropriate formula from the school size factor table to calculate the adjusted ADM for each school.

### School Size Table

Reference:	School Size:	Formula:
1.	10-19.99	39.60
2.	20-29.99	$39.60 + (1.62 * (ADM - 20))$
3.	30-74.99	$55.80 + (1.49 * (ADM - 30))$
4.	75-149.99	$122.85 + (1.27 * (ADM - 75))$
5.	150-249.99	$218.10 + (1.08 * (ADM - 150))$
6.	250-399.99	$326.10 + (.97 * (ADM - 250))$
7.	400-749.99	$471.60 + (.92 * (ADM - 400))$
8.	Over 750	$793.60 + (.84 * (ADM - 750))$

*Correspondence student counts are not adjusted for size (see step 5).*

### Hold Harmless Provision [Step 1a]

The Hold Harmless [HH] provision was enacted in 2008 for those districts experiencing a reduction in enrollment affecting their adjustment for school size. Eligibility is determined after the district's adjusted for school size ADM are calculated and totaled up for all schools. The sum-total of the district's adjusted for school size ADM is compared against the prior fiscal year [FY] total adjusted for school size ADM to determine if a decrease of 5% or greater has occurred. If yes, then the prior FY is locked in as the "base year" for three years. The new school size adjustment with HH continues through the rest of the formula adjustments. The HH provision is available to school districts over a three-year step-down provided the adjusted for school size ADM total stays below the established "base year".

- 75% of school size adjusted ADM difference between the current FY to the base FY.
- 50% of school size adjusted ADM difference between the second FY to the base FY.
- 25% of school size adjusted ADM difference between the third FY to the base FY.

### District Cost Factors [Step 2]

- Cost factors are specific to each school district and will range from 1.000 to 2.116.
- The department monitors the district cost factors and submits a report to the legislature on January 15 every other fiscal year, beginning in FY01.

*The district's school size adjusted ADM is multiplied by the district cost factor.*

### Special Needs Funding [Step 3]

Vocational education, special education (except intensive special education), gifted/talented education, and bilingual/bicultural education are block funded. A district must file a plan with the department indicating the special needs services that will be provided, per AS 14.17.420 (b), to qualify for special needs funding.

*The districts' previously adjusted ADM is now multiplied by the Special Needs factor of 1.20.*

**Vocational & Technical Funding [Step 4]**

*(Now referred to as Career & Technical Education or CTE)*

These funds are intended to assist districts in providing vocational and technical instruction for students enrolled in grades 7 through 12. This excludes costs associated with administrative expenses; and instruction in general literacy, math, and job readiness skills, AS 14.17.420(a)(3). *(Enacted in 2011)*

*The districts' previously adjusted ADM is now multiplied by the Career & Technical Education factor of 1.015.*

**Consolidation of Schools [Step 4a]**

This provision assists districts that choose to consolidate one or more schools within a community. Each of the affected schools' ADM in the base year (the year prior to consolidation) and the current year are adjusted through the vocational and technical factor, the result of each calculation is divided by its respective fiscal year's ADM total to arrive at the quotients. The difference between these two quotients is added back to the district's ADM being adjusted. A district may not: offset the decrease of a new facility being constructed; reopen the school being consolidated until seven or more years pass and provide evidence schools are over capacity; or reopen and reconsolidate more than once every seven years. The provision is applied to the out years as follows:

- First two fiscal years following consolidation is 100% offset of the reduction in basic need for the affected schools.
- Third fiscal year is 66% offset of those funds in basic need of the affected schools.
- Fourth fiscal year is 33% offset of those funds in basic need of the affected schools.

**Intensive Services Funding [Step 5]**

A school district receives funding for intensive special education students that:

- Are receiving intensive services;
- Are enrolled on the last day of the 20-school day count period, and;
- Have an established Individual Education Plan (IEP).

The districts intensive student count is multiplied by 13.

*The district's intensive calculation is added to the previously adjusted ADM.*

**Correspondence Programs [Step 6]**

Funding for correspondence programs is calculated by multiplying the correspondence ADM by 90%.

*The district's correspondence count calculation is now added to the previously adjusted ADM to arrive at the Final Adjusted ADM.*

**Basic Need**

Multiply the district Final Adjusted ADM by the Base Student Allocation [BSA] to determine Basic Need. The BSA is \$5,930 for FY2023.

## **PUBLIC SCHOOL FUNDING ELEMENTS**

The components of Public School Funding are *State Aid*, *Required Local Contribution*, and *Title VII Impact Aid*.

### **Required Local Contribution**

The local requirement is the equivalent of 2.65 mill tax levy on the full and true value of the taxable real and personal property in the district; and not to exceed 45% of the district's basic need for the preceding fiscal year.

### **Title VII Impact Aid**

Federal Impact Aid provides funds to school districts for children of parents living and/or working on federal property "in-lieu of local tax revenues." After deductions, 90% of the eligible funds are used in the calculation of state aid.

### **State Aid Entitlement**

Basic Need minus a Required Local Contribution minus 90% eligible Federal Impact Aid plus the amount of funding 'Floor' plus Quality School Grants equals State Aid Entitlement.

## **ADDITIONAL FUNDS ABOVE BASIC NEED**

### **Maximum Local Contribution**

The City or Borough can contribute more than is required but may not exceed the maximum local contribution. To calculate this, use the required local contribution plus 23% of basic need and those state funds calculated on adjusted ADM **or** a 2-mill equivalent of the full and true value of the taxable and real property within the district; whichever is *greater*. The additional amount is added to the required local effort to reach the maximum local contribution.

#### For Example:

None:

*23% of Basic Need & additional funding distributed on AADM = \$2,284,748 OR*  
*.002 of Full & True Value = \$943,296*

#### RESULT:

Required Local Effort:	\$1,249,867
<u>Additional Local Contribution:</u>	<u>+ 2,284,748</u>
<i>Maximum Local Contribution:</i>	<i>\$3,534,615</i>

### **Quality School Grants**

The district's adjusted ADM multiplied by \$16 generates the amount the school district is eligible to receive.



**Example:** Nome Public Schools projected average daily membership or ADM is 665.00 and 20.00 correspondence for a total of 685.00 ADM.

*Determining School Size Adjustment using the table from page 4.*

<u>School Name</u>	<u>Projected ADM</u>	<u>School Size Calculation</u>	<u>Result of School Size Calculation</u>
<i>Nome Elementary School</i>	<i>310</i>	<i><math>326.10 + (.97 \times (310 - 250))</math></i>	<i>384.30</i>
<i>Nome/Beltz Jr. &amp; Senior High School</i>	<i>295</i>	<i><math>326.10 + (.97 \times (295 - 250))</math></i>	<i>369.75</i>
<i>Anvil City Science Academy Charter School</i>	<i>60</i>	<i><math>1.18 \times 60</math></i>	<i>70.80</i>
<b>TOTAL School Size ADM</b>			<b>824.85</b>

*Is Nome still below the FY2020 base year and eligible for 25% of Hold Harmless provision? Yes*

**FY2020: 856.30 less FY2023: 824.85 = 31.45 x 25% = 7.86 + 824.85 = 832.71**

Hold Harmless adjusted Total School Size of **832.71** continues below.

(Go to the [2023 Foundation Report Projection](#) for coordinating Tab and Column Identifiers.)

<b>FOUNDATION FORMULA PROCESS</b>	<b>Data &amp; Calculation</b>	<b>Tab &amp; Column Identifier</b>
School Size Adjusted ADM	832.71	Tab 2 Col. F
Apply District Cost Factor	1.450	Tab 2 Col. G
<b>Subtotal</b>	<b>1,207.43</b>	Tab 2 Col. H
Apply Special Needs Factor	1.20	
<b>Subtotal</b>	<b>1,448.92</b>	Tab 2 Col. I
Apply the Career Technical Education Factor	1.015	
<b>Subtotal</b>	<b>1,470.65</b>	Tab 2 Col. J
Add Intensive Service Counts (Intensive student × 13) Nome has 14.	182	Tab 2 Col. K
<b>Subtotal</b>	<b>1,652.65</b>	Tab 2 Col. M
Add Correspondence at 90% of ADM. Nome has 20 correspondence ADM.	18.00	Tab 2 Col. N
<b>Total District Adjusted ADM</b>	<b>1,670.65</b>	Tab 2 Col. O
Multiply by \$5,930 base student allocation	\$5,930	
<b>Nome's BASIC NEED:</b>	<b>\$9,906,955</b>	Tab 1 Col. B
Deduct Required Local Contribution	(\$1,249,867)	Tab 1 Col. C
Deduct Eligible Federal Impact Aid	(\$10,490)	Tab 1 Col. F
<b>Total State Aid for Nome School District</b>	<b>\$8,646,598</b>	Tab 1 Col. G
Additional funds: Quality Schools Grant is Adjusted ADM x \$16	\$26,730	Tab 1 Col. H
<b>State Aid + Quality Schools = TOTAL Entitlement</b>	<b>\$8,673,328</b>	<b>Tab 1 Col. I</b>

# City & Borough of Juneau Assembly Finance Committee Meeting March 1, 2023

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## SHORT TERM RENTAL UPDATE

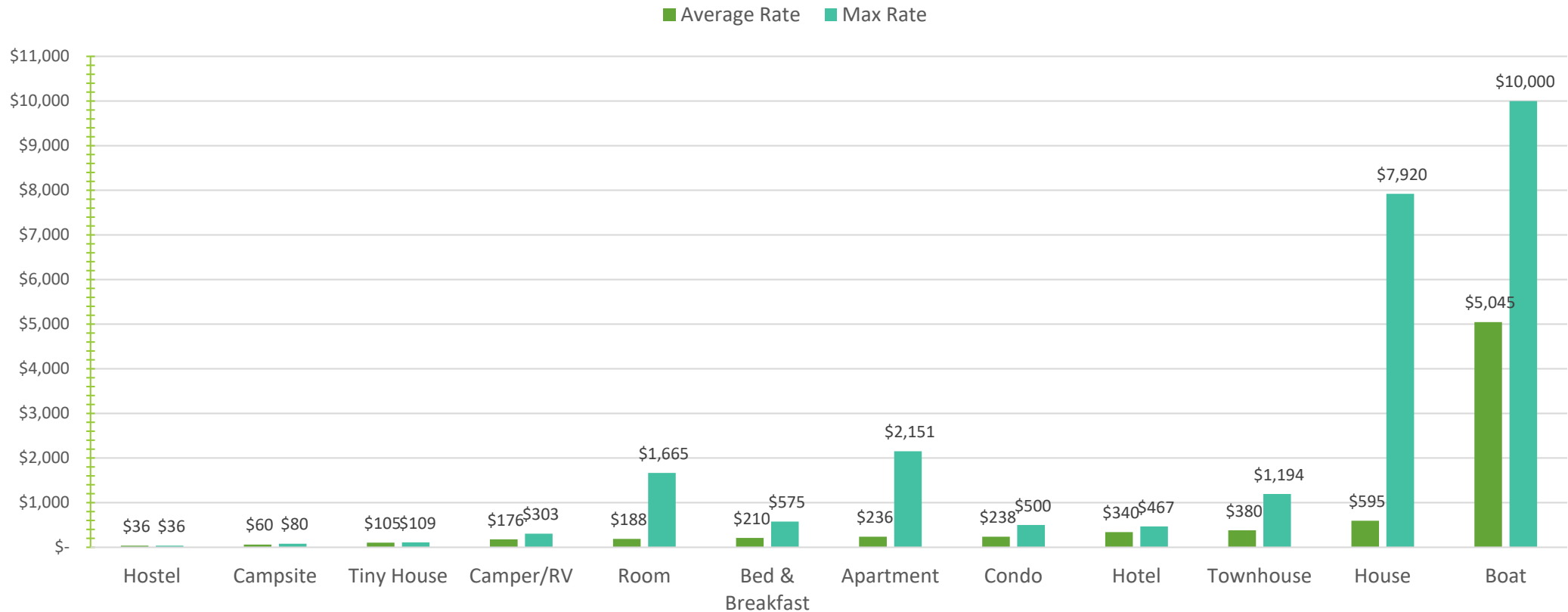
# Overview of STR Data

577	STR Active & Intermittent Listings in Juneau
12	STR Listings added in the past 30 days
34	STR Listings added in the past 90 days
302	STR Listings added in the past 365 days
486	Entire Home STR Listings
91	Shared-Home STR Listings
50,595	Booked Days for Active Listings in 2022
\$361.52	Average Nightly Rate
\$190.00	Median Nightly Rate

Data from 02.20.2023  
Includes Duplicate Listings

# Nightly Rates by Property Type

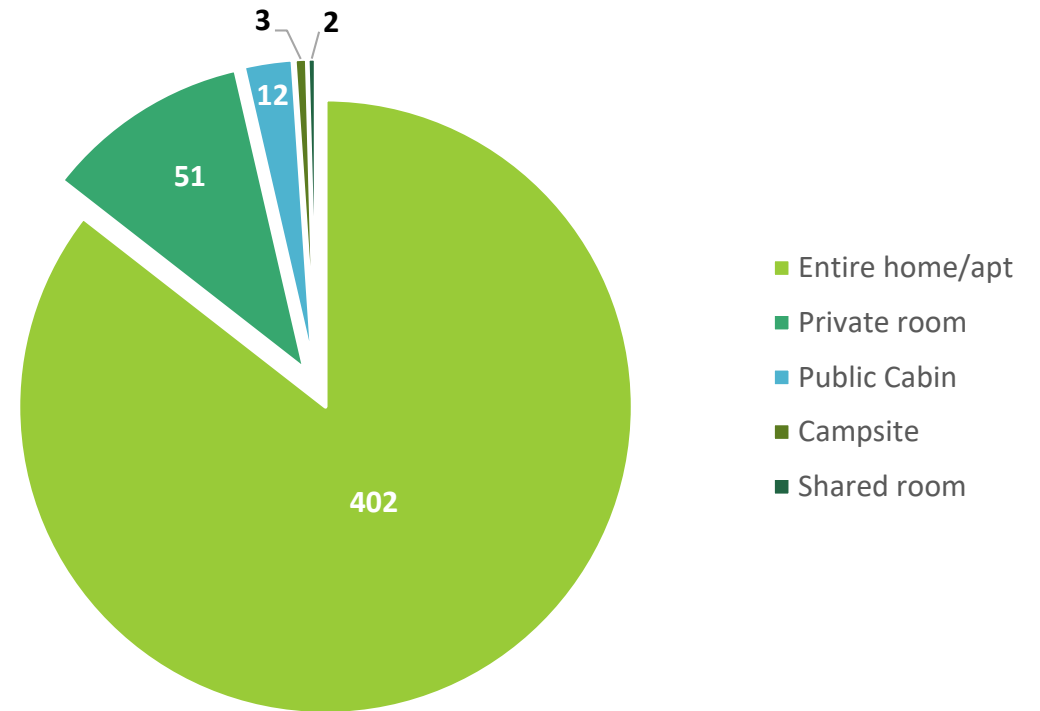
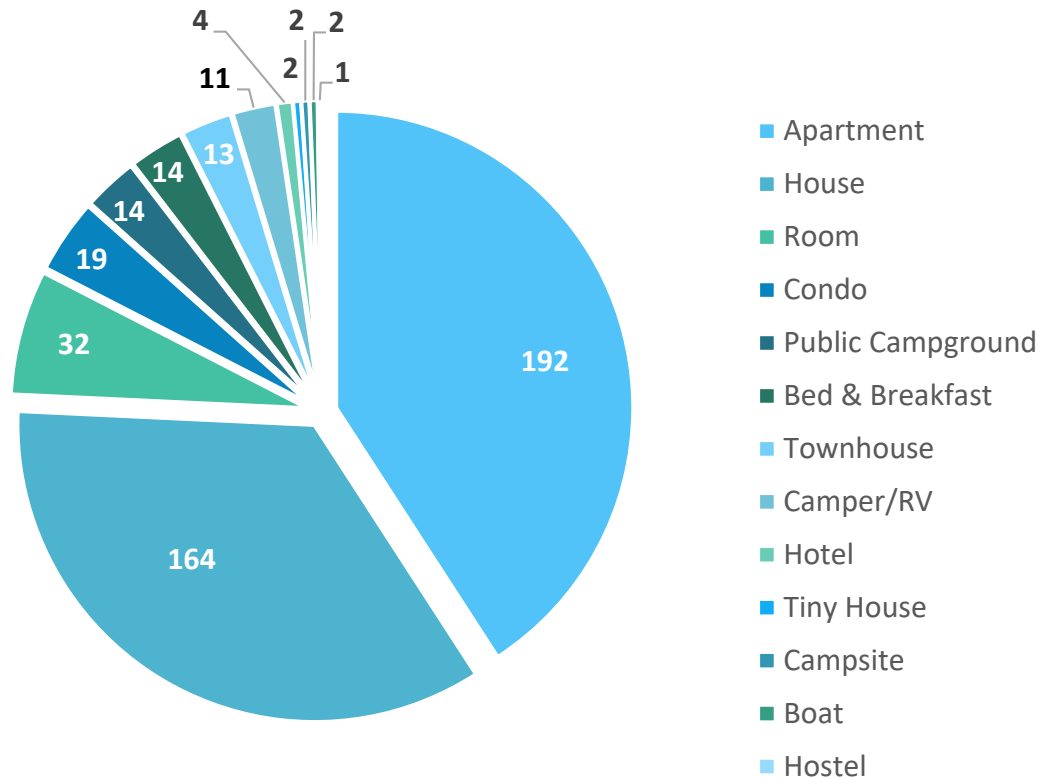
for active listings with bookings in the next 6 months



Data from 02.20.2023  
 Excludes Duplicate Listings

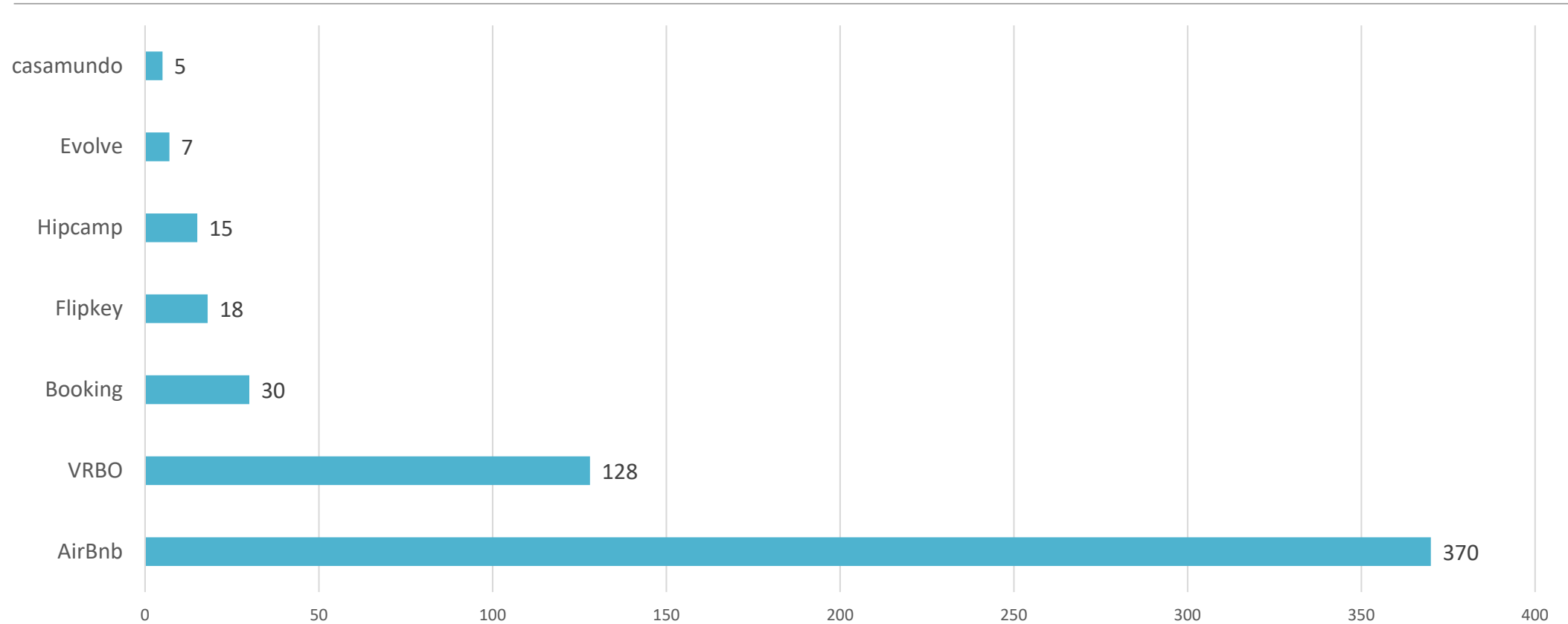
# Inventory

## by Property and Room Type



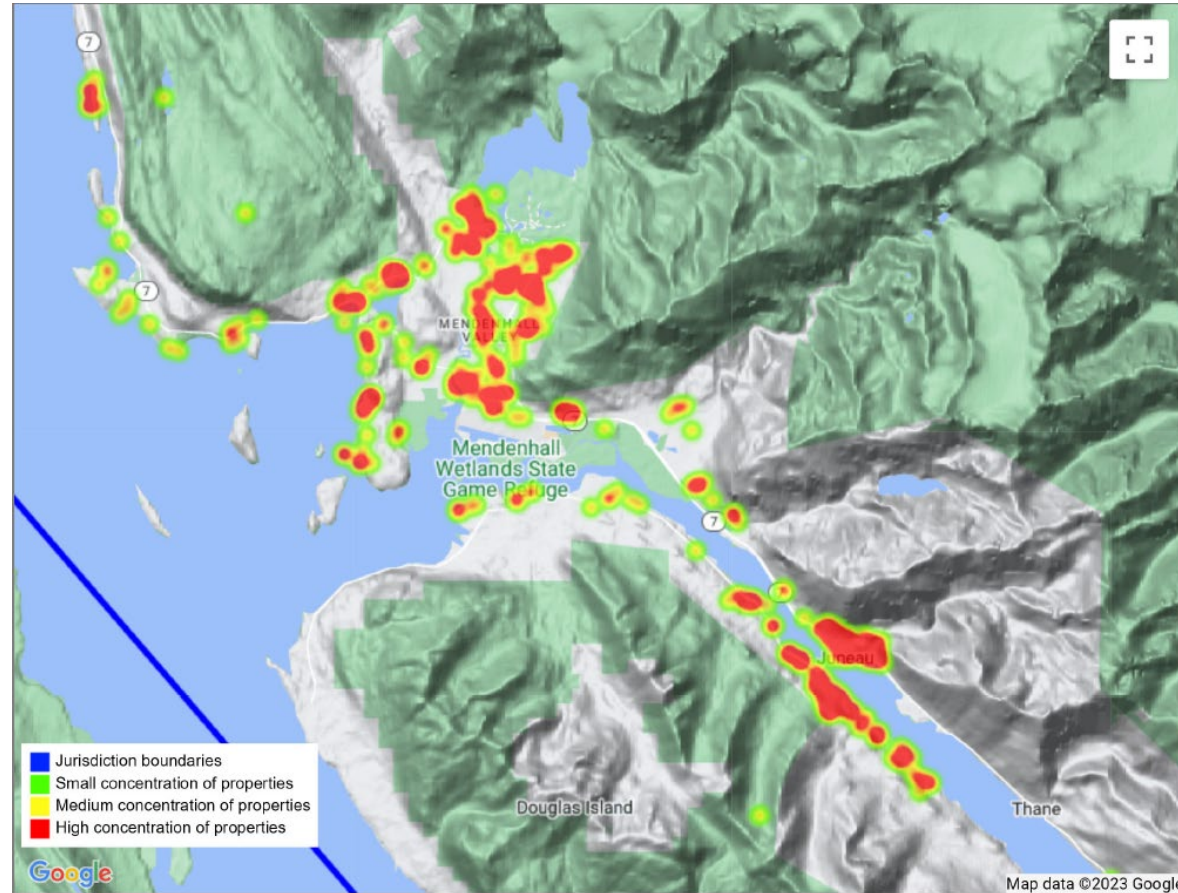
Data from 02.20.2023  
Excludes Duplicate Listings

# Listings by Platform



Data from 02.20.2023  
Includes Duplicate Listings

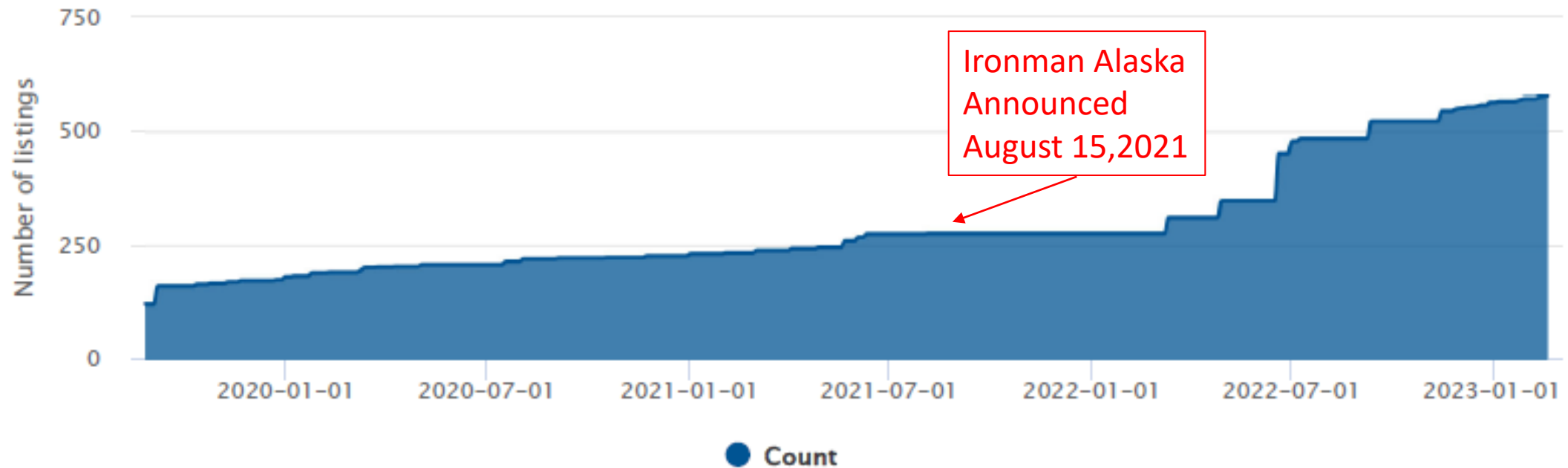
# STR Heat Map



Data from 02.20.2023  
Includes Duplicate Listings

Hamari Report © 2023 LTAS Technologies Inc. All Rights Reserved

# Number of Listings Over Time



Data from 02.20.2023  
Includes Duplicate Listings



# Challenges

## Dynamic Data

---

- Listings come and go
- New listings show up regularly
- Some operators may pull their listings down during certain periods in an attempt to avoid detection by regulating authorities
- It's difficult to get accurate data from inactive or intermittent listings
- Contractor currently has 353 “Inactive” listings in their database that don't get accounted for at all in our metrics

# Challenges

## Duplicate Listings

---

- At least 173 listings are duplicate
- Reflects 66 unique properties
- Another 65 presumed duplicate listings are currently unconfirmed
- Duplicates can appear across multiple platforms or the same platform
- Duplicates may have the same listing title or different titles to appeal to different travelers
- Difficult for the contractor to differentiate multiple units on the same property
  - e.g. multiple condos in the same complex
  - We kicked back 54 identified duplicates as not true duplicates

# Challenges

## Duplicate Listings

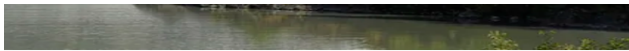
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- One property manager in town operates four properties, each with multiple units comprised of a mix of apartments and private rooms, with each unit as well as the entire house listed multiple times across several platforms
- 58 listings reflecting
  - 4 entire properties (11 listings)
  - 7 private rooms (21 listings)
  - 8 apartments (26 listings)

# Challenges

## Filtering out Non-STRs

- Listings with 30-day minimum stays
  - Not considered an STR under CBJ sales tax code
- Some hotels have listings on STR sites
- Campgrounds and Forest Service cabins are listed on Hipcamp



United States > Alaska > National Forests > Tongass National Forest >

### Windfall Lake Cabin

This listing needs a few more responses before we can provide a recommendation.
 

Review
 Upload
 Save to list
 Share

Description

Windfall Lake Cabin is located outside of Juneau and accessible via just over 3 miles of hiking trail or a float plane. There is an alternate route and seven mile hike along the Montana Creek Trail. The cabin itself features two single and two double bunks, furniture, propane furnace, wood stove, axe and splitting maul. Propane is even on the house. You will want to pack your own drinking and cooking water (or treat nearby sources), sleeping gear, cooking gear, lanterns, toilet paper, garbage bags, fire starter and fire extinguisher. Do the next visitors a solid and pack out before you leave.

Lodging provided

Essentials


Amenities

Book on Recreation.gov  
 Not instantly bookable on Hipcamp. Why?

February 2023
 

S	M	T	W	T	F	S
/	/	/	/	/	/	/
/	/	/	/	/	/	/
/	/	/	22	/	/	/
26	/	/				

Explore these bookable camps nearby:
 



**MIRAMAR ALASKA**  
 "You can appreciate the best sunrise in this spot with from view..."  
 9 Saves

# Challenges

## Inconsistent Property & Room Identification

---

- Not all sites have consistent identification, for example:
  - Airbnb calls out Private Room vs. Entire House/Apt
  - VRBO does not, but does call out Property Type
- Where not specifically called out, contractor derives from the listing title and/or description as best they can
- Hosts also inconsistently identify number of bedrooms/bathrooms
- Leads to inconsistent data
  - Raw data from contractor identifies 38 different property types
  - How to categorize: e.g. house, home, cottage, cabin, guesthouse, farmhouse

## Airbnb Listing

### #1 Luxury lodging in Juneau

★ 5.0 · 3 reviews · Juneau, Alaska, United States

Share Save



#### Private room in bed and breakfast hosted by Renda

8 guests · 1 bedroom · 1 bed · 1 private bath



\$575 night

★ 5.0 · 3 reviews

## VRBO Listing

### Suite in Luxury Downtown Juneau Retreat

Share Save



#### Elegant Historic Bed & Breakfast with Gourmet Dining and Scenic Views

Originally built in 1915, the historic Jorgenson House has been transformed into an elegant, boutique family-owned bed & breakfast and private event space located in a quiet, authentic downtown Juneau neighborhood.

Choose one of the four tranquil guest suites, each of which includes a private bath, decadent linens & a detailed touch of Alaska history. (NOTE: Price listed is per suite (2-3 guests), please send us a message if you are interest in pricing for the entire house.)

About Rooms & beds Amenities Reviews Map Host Policies Rates & availability

#### Know before you go

Check Covid restrictions [here](#)

### About this rental

**Bed & breakfast** **4 bedrooms** **5 bathrooms** **Spaces**  
6 beds · Sleeps 3 4 full baths · 1 half bath Kitchen · Deck/Patio · Dining Area

# Challenges

## Sales Tax Compliance

---

- CBJ provided contractor with a list of active sales tax accounts known to be STRs that was used to match up to listings
- Staff mailed 103 in first round of letters to STRs identified as not being registered
- Properties may be misidentified
- Merchants do not always provide property address of STRs
- Merchants may operate STRs on more than one property
- Merchants may have more than one line of business and their sales tax account may not be attached to a code that identifies it as an STR in the database

# Challenges

## Sales Tax Compliance

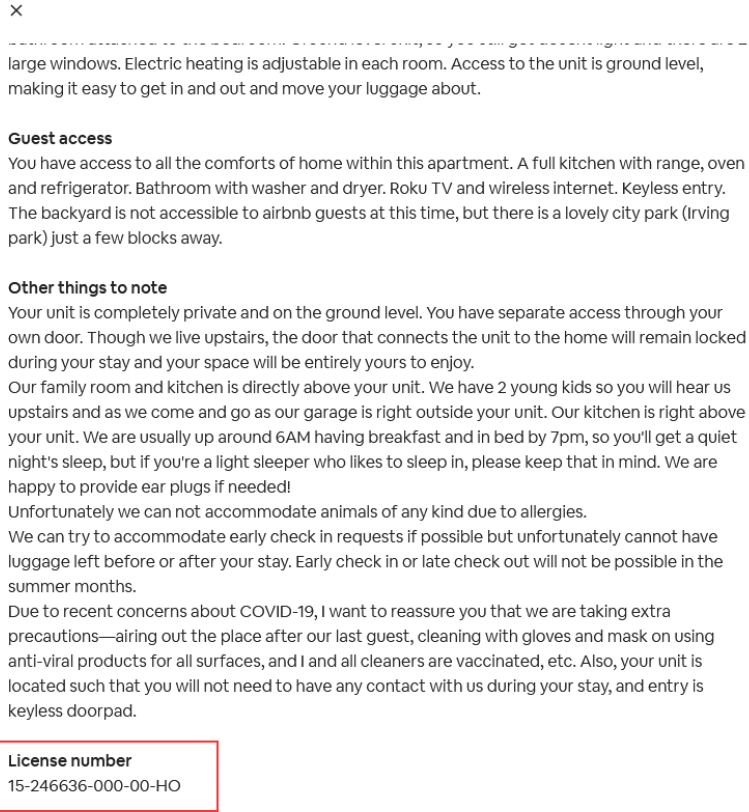
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- “Super Hosts” may operate dozens of listings across multiple platforms
  - They may not always use a consistent name or business name
  - They may or may not own all of the properties they are managing
- “Active” listings may have all dates blocked and are ghosting
- New STR operators don’t always understand the sales tax code
  - Frequently hear that a new operator thought Airbnb was collecting/remitting sales tax
- There are at three known companies operating in Juneau that manage listings and rentals on behalf of numerous owners



# STR Permitting

## Other Jurisdictions are Doing it

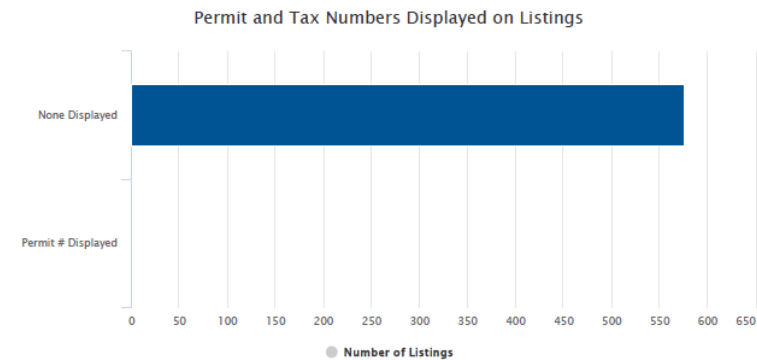


- STR registration is common in other jurisdictions
- Increasingly jurisdictions require listings to display an STR permit number
- Sales tax account numbers are also sometimes required to be displayed
  - CBJ cannot require the display of Sales Tax Account numbers because those are used by merchants to log into the online filing portal

# STR Permitting

## What Does it Get Us

- Quality inventory of STRs including
  - Property Type
  - Room Type
  - # of Bedrooms
  - Location
- Permits can easily be tied to Sales Tax Accounts to ensure compliance
- Able to better match up listings to parcels/owners and Sales Tax Accounts, giving us more reliable metrics
- Requiring the display of permit numbers in listings allows easier compliance monitoring



# STR Permitting

## What Does it Get Us

---

- Potential ability to monitor STRs for housing/zoning code violations
- Ensure owners are aware of the STRs
  - We had at least one identified STR being operated by renters without the knowledge of their landlord
- Easier to identify and respond to frequent noise or other complaints or party houses in a neighborhood tied to an STR

# Questions?

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Presented by: The Manager  
Introduced: February 27, 2023  
Drafted by: Finance

**ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA**

**Serial No. 2022-06(b)(AJ)**

**An Ordinance Appropriating \$5,000,000 to the Manager for the Capital Civic Center Capital Improvement Project; Funding Provided by General Funds and Hotel-Bed Tax Funds.**

WHEREAS, this appropriation is intended to leverage grant funding and should not be expended until such time as sufficient grant funding is secured for the project that would require local matching funds in the amount of this appropriation.

BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

**Section 1. Classification.** This ordinance is a noncode ordinance.

**Section 2. Appropriation.** There is appropriated to the Manager the sum of \$5,000,000 for the Capital Civic Center Capital Improvement Project (D12-051).

**Section 3. Source of Funds**

General Funds	\$2,500,000
Hotel-Bed Tax Funds	\$2,500,000

**Section 4. Effective Date.** This ordinance shall become effective upon adoption.

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

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

Attest:

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

Ordinance 2022-06(b)(AJ)  
Manager's Report

**An Ordinance Appropriating \$5,000,000 to the Manager for the Capital Civic Center Capital Improvement Project; Funding Provided by General Funds and Hotel-Bed Tax Funds.**

This ordinance would appropriate \$5 million for the Capital Civic Center CIP. This project is an expansion of Centennial Hall that will include upgrades to satisfy the goals of the business community, the travel industry, and the arts economy. This appropriation is intended to leverage grant funding and should not be expended until such time as sufficient grant funding is secured for the project that would require local matching funds in the amounts of this appropriation.

This request is funded equally by general funds and hotel-bed tax funds.

**ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA**  
**GENERAL OBLIGATION BONDS, 2023**

**Serial No. 2023-13**

AN ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF GENERAL OBLIGATION BONDS IN ONE OR MORE SERIES TO PROVIDE NOT TO EXCEED \$6,600,000 IN NET PROCEEDS; AND PROVIDING FOR THE FORM AND TERMS OF THE BONDS AND FOR UNLIMITED TAX LEVIES TO PAY THE BONDS.

Approved: March 20, 2023

Prepared by:

K&L GATES LLP  
Seattle, Washington

City and Borough of Juneau, Alaska  
Ordinance Serial No. 2023-13  
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\* This Table of Contents and the cover page are provided for convenience only and are not a part of this ordinance.



Presented by: The Manager  
 Introduced: 02/27/23  
 Drafted by: Bond Counsel

## ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2023-13

### **An Ordinance Providing for the Issuance and Sale of General Obligation Bonds in One or More Series to Provide Not to Exceed \$6,600,000 in Net Proceeds; and Providing for the Form and Terms of the Bonds and for Unlimited Tax Levies to Pay the Bonds.**

WHEREAS, at the regular municipal election held on October 4, 2022, pursuant to Ordinance Serial No. 2022-38, the Home Rule Charter of the City and Borough, and other resolutions and ordinances of the City and Borough, the qualified electors approved the issuance of general obligation bonds in the principal amount of not to exceed \$6,600,000 (the “Bond Authorization”); and

WHEREAS, it is deemed necessary and advisable and in the best interests of the City and Borough and its inhabitants that the City and Borough issue the Bond Authorization in one or more series in the principal amount of not to exceed \$6,600,000; and

WHEREAS, the Assembly has determined to delegate to certain City and Borough officials the authority, for a limited time, to solicit proposals for an Underwriter (as defined hereinafter) for the Bonds and accept and select the response deemed most favorable by the City and Borough; and

WHEREAS, the Assembly finds that it is in the best interest of the City and Borough to sell the bonds herein authorized on the terms and conditions set forth herein and in the bond purchase agreement(s) between the City and Borough and the Underwriter, as authorized by this ordinance;

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

**Section 1. Classification.** This ordinance is a noncode ordinance.

**Section 2. Definitions.** As used in this ordinance, the following words shall have the following meanings:

*Assembly* means the Assembly of the City and Borough of Juneau, Alaska as the same shall be duly and regularly constituted from time to time or any successor body.

*Beneficial Owner* means the beneficial owner of all or a portion of a Bond while such Bond is in fully immobilized form.

**Bond Authorization** means the \$6,600,000 principal amount of bonds authorized to be issued by the City and Borough pursuant to Ordinance Serial No. 2022-38.

**Bond Fund** means the “Debt Service Fund” of the City and Borough maintained pursuant to this ordinance.

**Bond Purchase Agreement** means the purchase agreement relating to each series of Bonds between the City and Borough and the Underwriter authorized to be entered into pursuant to Section 13 of this ordinance.

**Bond Register** means the registration books for the Bonds, maintained by the Bond Registrar, for the purpose of complying with the requirements of Section 149 of the Code and listing, inter alia, the names and addresses of all registered owners of the Bonds.

**Bond Registrar** means the financial institution selected by the City Manager or his/her designee as provided in Section 4 of this ordinance, for the purposes of registering and authenticating the Bonds, maintaining the Bond Register, and paying the principal of and interest on the Bonds.

**Bonds** means the City and Borough of Juneau, Alaska General Obligation Bonds, 2023[A/B] authorized to be issued pursuant to this ordinance in one or more series.

**Bond Year** means each one-year period that ends on the date selected by the City and Borough. The first and last Bond Years may be a shorter period. If no day is selected by the City and Borough before the earlier of the final maturity date of the Bonds or the date that is five years after the date of issuance of the Bonds, Bond Years end on each anniversary of the date of issue and on the final maturity date of the Bonds.

**City and Borough** means City and Borough of Juneau, Alaska, a municipal corporation duly organized and existing under and by virtue of the laws of the State of Alaska.

**City and Borough Representative** means the City Manager or such other official or employee of the City and Borough designated in writing by the City Manager.

**City Manager** means the city manager or interim city manager of the City and Borough.

**Code** means the federal Internal Revenue Code of 1986, as amended from time to time, and the applicable regulations thereunder.

**Construction Fund** means the fund maintained pursuant to Section 10 of this ordinance, into which shall be deposited the Bond proceeds, other than accrued interest.

**DTC** means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, as depository for the Bonds pursuant to Section 4 hereof.

**Finance Director** means the director or interim director of the finance department of the City and Borough.

**Financial Advisor** means PFM Financial Advisors LLC.

**Government Obligations** means direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America and bank certificates of deposit secured by such obligations.

**Letter of Representations** means a blanket issuer letter of representations from the City and Borough to DTC.

**MSRB** means the Municipal Securities Rulemaking Board or any successor to its functions.

**Net Proceeds**, when used with reference to a series of Bonds, means the principal amount of such series of Bonds, plus accrued interest and original issue premium, if any, and less original issue discount.

**Official Statement** means the Official Statement of the City and Borough pertaining to the sale of such series of Bonds, in either preliminary or final form.

**Private Person** means any natural person engaged in a trade or business or any trust, estate, partnership, association, company or corporation.

**Private Person Use** means the use of property in a trade or business by a Private Person if such use is other than as a member of the general public. Private Person Use includes ownership of the property by the Private Person as well as other arrangements that transfer to the Private Person the actual or beneficial use of the property (such as a lease, management or incentive payment contract or other special arrangement) in such a manner as to set the Private Person apart from the general public. Use of property as a member of the general public includes attendance by the Private Person at municipal meetings or business rental of property to the Private Person on a day-to-day basis if the rental paid by such Private Person is the same as the rental paid by any Private Person who desires to rent the property. Use of property by nonprofit community groups or community recreational groups is not treated as Private Person Use if such use is incidental to the governmental uses of property, the property is made available for such use by all such community groups on an equal basis and such community groups are charged only a de minimis fee to cover custodial expenses.

**Projects** means the capital improvements which are specified in Section 3 of Ordinance Serial No. 2022-38 of the City and Borough.

**Record Date** means the close of business on the 15th day prior to each day on which a payment of interest on the Bonds is due and payable.

**Registered Owner** means the person in whose name ownership of a Bond is identified in the Bond Register. For so long as the Bonds are held in book-entry only form, DTC shall be deemed to be the sole Registered Owner.

**Registrar Agreement** means the agreement between the City and Borough and the Bond Registrar entered into pursuant to Section 4 of this ordinance.

**Rule** means the SEC’s Rule 15c2-12 under the Securities Exchange Act of 1934, as the same may be amended from time to time.

**SEC** means the United States Securities and Exchange Commission.

**Term Bonds** mean the portion of such series of Bonds, if any, designated as “Term Bonds” in the Bond Purchase Agreement for such series of Bonds.

**Underwriter** means the initial purchaser or representative of the purchasers (if more than one firm acts collectively with one or more additional underwriting firms) of such series of Bonds.

**Interpretation and Rules of Interpretation.**

(a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to mean and include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(c) All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this ordinance; the words “herein,” “hereof,” “hereby,” “hereunder” and other words of similar import refer to this ordinance as a whole and not to any particular Article, Section or subdivision hereof.

**Section 3. Authorization of Bonds.** For the purpose of financing the Projects as authorized by the Bond Authorization and paying the costs of issuance of such bonds, the City and Borough shall issue its general obligation bonds in the aggregate principal amount of not to exceed \$6,600,000 but in any event providing no more than \$6,600,000 in net proceeds (principal amount plus premium, if any, less costs of issuance) (the “Bonds”). The Bonds shall be dated as of the date of initial delivery, shall be fully registered as to both principal and interest, shall be in denominations of \$5,000 each, or any integral multiple thereof, provided that no Bond of any series shall represent more than one maturity, shall be numbered separately in such manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification, and shall bear interest from their date payable on the dates and rates set forth in the respective approved Bond Purchase Agreement, and shall come due on the dates set forth in the Bond Purchase Agreement of the following years in the following estimated aggregate principal installments:

Maturity Year	Principal Amount*
2023	\$2,830,000
2024	620,000
2025	650,000
2026	685,000
2027	715,000
2028	755,000

Total: \$6,255,000\*

\* Principal maturities do not add to \$6,600,000, in anticipation of selling Bonds with original issue premium, generating not more than \$6,600,000 in net proceeds.

If the Bonds are sold in more than one series, the principal maturities of a series shall be applied to reduce the foregoing schedule as provided in the resolution approving the sale of that series; provided that in the aggregate the foregoing estimated principal amounts in any year are increased or decreased by no more than 15%, and *provided, further*, in the aggregate, the Bonds shall be issued in principal amounts that provide no more than \$6,600,000 (principal amount plus premium, if any, less costs of issuance) in net proceeds or \$6,600,000 in principal amount, whichever is less.

**Section 4. Registration, Exchange and Payments.**

(a) *Bond Registrar/Bond Register.* The City Manager or his/her designee is hereby authorized and directed to solicit proposals from and select a financial institution to act as authenticating agent, paying agent and bond registrar for each series of Bonds (the “Bond Registrar”) and to enter into a Registrar Agreement with the Bond Registrar pursuant to which the Bond Registrar will perform the duties specified for the Bond Registrar under this ordinance and hold and invest certain funds (Bond proceeds and debt service money) from time to time. The form of the Registrar Agreement shall be subject to the approval of the City and Borough Representative, which approval shall be presumed upon the execution thereof by the City and Borough Representative. So long as any Bonds of a series remain outstanding, the Bond Registrar shall make all necessary provisions to permit the exchange or registration or transfer of such series of Bonds at its principal corporate trust office. The Bond Registrar may be removed at any time at the option of the City and Borough Representative upon prior notice to the Bond Registrar, DTC, each entity entitled to receive notice pursuant to Section 14, and a successor Bond Registrar appointed by the City and Borough Representative. No resignation or removal of the Bond Registrar shall be effective until a successor shall have been appointed and until the successor Bond Registrar shall have accepted the duties of the Bond Registrar hereunder. The Bond Registrar is authorized, on behalf of the City and Borough, to authenticate and deliver such series of Bonds transferred or exchanged in accordance with the provisions of such series of Bonds and this ordinance and to carry out all of the Bond Registrar’s powers and duties under this ordinance. The Bond Registrar shall be responsible for its representations contained in the Certificate of Authentication on such series of Bonds.

(b) *Registered Ownership.* The City and Borough and the Bond Registrar, each in its discretion, may deem and treat the Registered Owner of each Bond of a series as the absolute owner thereof for all purposes (except as provided in Section 14 of this ordinance), and neither the City and Borough nor the Bond Registrar shall be affected by any notice to the contrary. Payment of any such Bond of a series shall be made only as described in Section 4(h) hereof, but such Bond may be transferred as herein provided. All such payments made as described in Section 4(h) shall be valid and shall satisfy and discharge the liability of the City and Borough upon such Bond to the extent of the amount or amounts so paid.

(c) *DTC Acceptance/Letter of Representations.* To induce DTC to accept the Bonds as eligible for deposit at DTC, the City and Borough has executed and delivered to DTC a Letter of Representations.

Neither the City and Borough nor the Bond Registrar will have any responsibility or obligation to DTC participants or the persons for whom they act as nominees (or any successor depository) with respect to the Bonds in respect of the accuracy of any records maintained by DTC (or any successor depository) or any DTC participant, the payment by DTC (or any successor depository) or any DTC participant of any amount in respect of the principal of or interest on Bonds of a series, any notice which is permitted or required to be given to Registered Owners under this ordinance (except such notices as shall be required to be given by the City and Borough to the Bond Registrar or to DTC (or any successor depository), or any consent given or other action taken by DTC (or any successor depository) as the Registered Owner. For so long as any Bonds of a series are held in fully-immobilized form hereunder, DTC or its successor depository shall be deemed to be the Registered Owner for all purposes hereunder (except as provided in Section 14), and all references herein to the Registered Owners shall mean DTC (or any successor depository) or its nominee and shall not mean the owners of any beneficial interest in such Bonds.

If any Bond shall be duly presented for payment and funds have not been duly provided by the City and Borough on such applicable date, then interest shall continue to accrue thereafter on the unpaid principal thereof at the rate stated on such Bond until such Bond is paid.

(d) *Use of Depository.*

(1) The Bonds shall be registered initially in the name of "CEDE & Co.", as nominee of DTC, with one Bond maturing on each of the maturity dates for each series of Bonds in a denomination corresponding to the total principal therein designated to mature on such date. Registered ownership of such immobilized Bonds, or any portions thereof, may not thereafter be transferred except (A) to any successor of DTC or its nominee, provided that any such successor shall be qualified under any applicable laws to provide the service proposed to be provided by it; (B) to any substitute depository appointed by the City and Borough Representative pursuant to subsection (2) below or such substitute depository's successor; or (C) to any person as provided in subsection (4) below.

(2) Upon the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository or a determination by the City and Borough Representative to discontinue the system of book-entry transfers through DTC or its successor (or

any substitute depository or its successor), the City and Borough Representative may hereafter appoint a substitute depository. Any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it.

(3) In the case of any transfer pursuant to clause (A) or (B) of subsection (1) above, the Bond Registrar shall, upon receipt of all outstanding Bonds of a series, together with a written request from the City and Borough Representative, issue a single new Bond for each maturity of such series then outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such written request of the City and Borough Representative.

(4) In the event that (A) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, and no substitute depository can be obtained, or (B) the City and Borough Representative determines that it is in the best interest of the Beneficial Owners of the Bonds of such series that such owners be able to obtain such Bonds in the form of Bond certificates, the ownership of such Bonds may then be transferred to any person or entity as herein provided, and shall no longer be held in fully-immobilized form. The City and Borough Representative shall deliver a written request to the Bond Registrar, together with a supply of definitive Bonds of such series, to issue Bonds of such series as herein provided in any authorized denomination. Upon receipt by the Bond Registrar of all then outstanding Bonds of such series together with a written request on behalf of the Assembly to the Bond Registrar, new Bonds of such series shall be issued in the appropriate denominations and registered in the names of such persons as are requested in such written request.

(e) *Registration of Transfer of Ownership or Exchange; Change in Denominations.* The transfer of any Bond of a series may be registered and Bonds of such series may be exchanged, but no transfer of any such Bond shall be valid unless such Bond is surrendered to the Bond Registrar with the assignment form appearing on such Bond duly executed by the Registered Owner or such Registered Owner's duly authorized agent in a manner satisfactory to the Bond Registrar. Upon such surrender, the Bond Registrar shall cancel the surrendered Bond of such series and shall authenticate and deliver, without charge to the Registered Owner or transferee therefor, a new Bond (or Bonds at the option of the new Registered Owner) of the same series, date, maturity, redemption provisions and interest rate and for the same aggregate principal amount in any authorized denomination, naming as Registered Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered Bond, in exchange for such surrendered and cancelled Bond. Any Bond may be surrendered to the Bond Registrar and exchanged, without charge, for an equal aggregate principal amount of Bonds of the same series, date, maturity, redemption provisions and interest rate, in any authorized denomination. The Bond Registrar shall not be obligated to register the transfer or to exchange any Bond during the 15 days preceding the date any such Bond is to be redeemed.

(f) *Bond Registrar's Ownership of Bonds.* The Bond Registrar may become the Registered Owner of any Bond with the same rights it would have if it were not the Bond Registrar, and to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as member of, or in any other capacity with respect to, any committee formed to protect the right of the Registered Owners of Bonds.

(g) *Registration Covenant.* The City and Borough covenants that, until all Bonds of a series have been surrendered and cancelled, it will maintain a system for recording the ownership of each Bond of such series that complies with the provisions of Section 149 of the Code.

(h) *Place and Medium of Payment.* Both principal of and interest on each series of Bonds shall be payable in lawful money of the United States of America. Interest on each series of Bonds shall be calculated on the basis of a 360-day year and twelve 30-day months. For so long as all Bonds of a series are in fully immobilized form, payments of principal and interest shall be made as provided to the parties entitled to receive payment as of each Record Date in accordance with the operational arrangements of DTC referred to in the Letter of Representations.

In the event that such series of Bonds are no longer in fully immobilized form, interest on such series of Bonds shall be paid by check or draft mailed to the Registered Owners at the addresses for such Registered Owners appearing on the Bond Register as of the Record Date, and principal of such series of Bonds shall be payable upon presentation and surrender of such Bonds by the Registered Owners at the principal office of the Bond Registrar; provided, however, that if so requested in writing by the Registered Owner of at least \$1,000,000 principal amount of such series of Bonds, interest will be paid by wire transfer on the date due to an account with a bank located within the United States.

## **Section 5. Redemption and Purchase of Bonds.**

(a) *Optional Redemption.* Each series of Bonds may be subject to optional redemption on the dates, at the price of par, and under the terms set forth in the Bond Purchase Agreement for such series of Bonds approved by the City and Borough Representative pursuant to Section 13.

(b) *Mandatory Redemption.* Each series of Bonds may be subject to mandatory redemption to the extent, if any, set forth in the Bond Purchase Agreement for such series of Bonds and as approved by the City and Borough Representative pursuant to Section 13.

(c) *Purchase of Bonds for Retirement.* The City and Borough reserves the right to purchase any of the Bonds of a series offered to the City and Borough at any price deemed reasonable to the City and Borough Representative.

(d) *Effect of Optional Redemption/Purchase.* To the extent that the City and Borough shall have optionally redeemed or purchased any Term Bonds prior to their scheduled mandatory redemption of such Term Bonds, the City and Borough may reduce the principal amount of the Term Bonds to be redeemed in like aggregate principal amount. Such reduction may be applied in the year specified by the City and Borough Representative.

(e) *Selection of Bonds for Redemption.* As long as the Bonds are held in book-entry only form, the selection of Bonds within a series and maturity to be redeemed shall be made in accordance with the operational arrangements in effect at DTC. If the Bonds are no longer held in uncertificated form, the selection of such Bonds within a series and maturity to be redeemed shall be made as provided in this subsection (e). If the City and Borough redeems at any one time



fewer than all of the Bonds having the same series and maturity date, the particular Bonds or portions of Bonds of such series and maturity to be redeemed shall be selected by lot (or in such other manner determined by the Bond Registrar) in increments of \$5,000. In the case of a Bond of a denomination greater than \$5,000, the City and Borough and Bond Registrar shall treat each Bond as representing such number of separate Bonds each of the denomination of \$5,000 as is obtained by dividing the actual principal amount of such Bond by \$5,000. In the event that only a portion of the principal sum of a Bond is redeemed, upon surrender of the such Bond at the principal office of the Bond Registrar there shall be issued to the Registered Owner, without charge therefor, for the then unredeemed balance of the principal sum thereof, at the option of the Registered Owner, a Bond or Bonds of like series, maturity and interest rate in any of the denominations herein authorized. If Bonds are called for optional redemption, portions of the principal amount of such Bonds, in installments of \$5,000 or any integral multiple of \$5,000, may be redeemed. If less than all of the principal amount of any Bond is redeemed, upon surrender of such Bond at the principal office of the Bond Registrar there shall be issued to the registered owner, without charge therefor, for the then unredeemed balance of the principal amount thereof, a new Bond or Bonds, at the option of the Registered Owner, of like series, maturity and interest rate in any denomination authorized by this ordinance.

(f) *Notice of Redemption.*

(1) Official Notice. Unless waived by any owner of Bonds to be redeemed, official notice of any such redemption (which notice may be conditional) shall be given by the Bond Registrar on behalf of the City and Borough by mailing a copy of an official redemption notice by first class mail at least 20 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

All official notices of redemption shall be dated and shall state:

- (A) the redemption date,
- (B) the redemption price,
- (C) if fewer than all outstanding Bonds are to be redeemed, the identification by series, maturity (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,
- (D) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and

- (E) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Bond Registrar.

On or prior to any redemption date, the City and Borough shall deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

(2) Effect of Notice; Bonds Due. If an unconditional notice of redemption has been given, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City and Borough shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Bond Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the Registered Owner a new Bond or Bonds of the same series and maturity in the amount of the unpaid principal. All Bonds which have been redeemed shall be canceled and destroyed by the Bond Registrar and shall not be reissued.

(3) Additional Notice. In addition to the foregoing notice, further notice shall be given by the City and Borough as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed. Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (A) the CUSIP numbers of all Bonds being redeemed; (B) the date of issue of the Bonds as originally issued; (C) the rate of interest borne by each Bond being redeemed; (D) the maturity date of each Bond being redeemed; and (E) any other descriptive information needed to identify accurately the Bonds being redeemed. Each further notice of redemption may be sent at least 25 days before the redemption date to the insurer, if any, the party entitled to receive notice pursuant to Section 14, and to the Underwriter for such series of Bonds or to its business successor, if any, and to such persons and with such additional information as the City and Borough Representative shall deem appropriate, but such mailings shall not be a condition precedent to the redemption of such Bonds.

(4) Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

(5) Amendment of Notice Provisions. The foregoing notice provisions of this Section 5, including but not limited to the information to be included in redemption notices and the persons designated to receive notices, may be amended by additions, deletions and changes in order to maintain compliance with duly promulgated regulations and recommendations regarding notices of redemption of municipal securities.

**Section 6. Form of Bonds.** The Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. \_\_\_\_\_ \$ \_\_\_\_\_

STATE OF ALASKA

CITY AND BOROUGH OF JUNEAU  
GENERAL OBLIGATION BOND, 2023[A/B]

INTEREST RATE: \_\_\_\_\_ MATURITY DATE: \_\_\_\_\_ CUSIP NO.: \_\_\_\_\_

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: \_\_\_\_\_

THE CITY AND BOROUGH OF JUNEAU, ALASKA (the “City and Borough”), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount indicated above and to pay interest thereon from \_\_\_\_\_, 2023, or the most recent date to which interest has been paid or duly provided for until payment of this bond at the Interest Rate set forth above, commencing on \_\_\_\_\_ 1, 20\_\_\_\_ and semiannually thereafter on the first day of each \_\_\_\_\_ and \_\_\_\_\_. Both principal of and interest on this bond are payable in lawful money of the United States of America. For so long as the bonds of this issue are held in fully immobilized form, payments of principal and interest thereon shall be made as provided in accordance with the operational arrangements of The Depository Trust Company (“DTC”) referred to in the Blanket Issuer Letter of Representations (the “Letter of Representations”) from the City and Borough to DTC. \_\_\_\_\_ is acting as the registrar, authenticating agent and paying agent for the bonds of this issue (the “Bond Registrar”).

This bond is one of an authorized issue of bonds of like date and tenor, except as to number, amount, rate of interest and date of maturity, in the aggregate principal amount of \$ \_\_\_\_\_ (the “Bonds”), and is issued pursuant to elections authorizing the same for the purpose of making capital improvements to facilities of the City and Borough.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under Ordinance Serial No. 2023-13 of the City and Borough (the “Bond Ordinance”) until the Certificate of Authentication hereon shall have been manually signed by or on behalf of the Bond Registrar. Capitalized terms used in this bond and not otherwise defined herein have the meanings given such terms in the Bond Ordinance.

The bonds of this issue are issued under and in accordance with the provisions of the Constitution and applicable statutes of the State of Alaska and ordinances duly adopted by the Assembly, including the Bond Ordinance.

The bonds of this issue are subject to redemption as stated in the Bond Purchase Agreement dated \_\_\_\_\_ for the Bonds.

The City and Borough has obligated and bound itself to make annual levies of ad valorem taxes upon all the taxable property within the City and Borough, without limitation as to rate or amount, in amounts sufficient, together with such other moneys of the City and Borough available for such purposes as the Assembly of the City and Borough may, from time to time, appropriate and make available to pay the principal of and interest on this bond as the same shall become due. The full faith, credit and resources of the City and Borough are hereby irrevocably pledged for the levy of such taxes and the prompt payment of such principal and interest. The pledge of tax levies for payment of principal of and interest on the bond may be discharged prior to maturity of the bond by making provision for the payment thereof on the terms and conditions set forth in the Bond Ordinance.

The bonds of this issue are not “private activity bonds” as such term is defined in the Internal Revenue Code of 1986, as amended (the “Code”). The City and Borough has not designated the bonds of this issue as “qualified tax-exempt obligations” under Section 265(b) of the Code for investment by banks, thrift institutions and other financial institutions.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Alaska to exist, to have happened, been done and performed precedent to and in the issuance of this bond have happened, been done and performed and that the issuance of this bond and the bonds of this issue does not violate any constitutional, statutory or other limitation upon the amount of bonded indebtedness that the City and Borough may incur.

IN WITNESS WHEREOF, the City and Borough of Juneau, Alaska has caused this bond to be executed by the manual or facsimile signature of its City Manager or his/her designee and attested by the manual or facsimile of the Clerk, and the official seal of the City and Borough to be impressed, imprinted or otherwise reproduced hereon, as of this \_\_\_\_ day of \_\_\_\_\_, 2023.

CITY AND BOROUGH OF  
JUNEAU, ALASKA

By \_\_\_\_\_ /s/ manual or facsimile  
City Manager or Designee

ATTEST:

\_\_\_\_\_/s/ manual or facsimile  
Clerk

The Certificate of Authentication for the Bonds shall be in substantially the following form:

CERTIFICATE OF AUTHENTICATION

Date of Authentication:

This bond is one of the General Obligation Bonds, 2023[A/B] of the City and Borough of Juneau, Alaska, dated \_\_\_\_\_, 2023, and described in the within-mentioned Bond Ordinance.

\_\_\_\_\_, as Bond Registrar

By \_\_\_\_\_  
Authorized Signer

**Section 7. Execution of Bonds.** The Bonds shall be executed on behalf of the City and Borough with the manual or facsimile signature of the City Manager or his/her designee, shall be attested by the manual or facsimile signature of the City and Borough Clerk, and the seal of the City and Borough shall be impressed or a facsimile thereof imprinted or otherwise reproduced thereon.

Only such Bonds as shall bear thereon a Certificate of Authentication in the form hereinbefore recited, manually executed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance. Such Certificate of Authentication shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this ordinance.

In case either of the officers who shall have executed the Bonds shall cease to be officer or officers of the City and Borough before the Bonds so signed shall have been authenticated or delivered by the Bond Registrar, or issued by the City and Borough, such Bonds may nevertheless be authenticated, delivered and issued and upon such authentication, delivery and issuance, shall be as binding upon the City and Borough as though those who signed the same had continued to be such officers of the City and Borough. Any Bond may also be signed and attested on behalf of the City and Borough by such persons who are at the actual date of delivery of such Bonds the proper officers of the City and Borough although at the original date of such Bonds any such person shall not have been such officer of the City and Borough.

**Section 8. Lost, Stolen, Destroyed or Mutilated Bonds.** In case any Bonds shall at any time become mutilated or be lost, stolen or destroyed, the City and Borough in the case of such mutilated Bonds shall, and in the case of such lost, stolen or destroyed Bonds in its discretion may, execute and deliver a new Bond of like tenor and effect in exchange or substitution for and upon the surrender and cancellation of such mutilated Bonds, or in lieu of or in substitution for such destroyed, stolen or lost Bonds, or if such stolen, destroyed or lost Bonds shall have matured, instead of issuing a substitute therefor, the City and Borough at its option pay the same without the surrender thereof. Except in the case where a mutilated Bonds is surrendered, the applicant for the issuance of a substitute Bond shall furnish to the City and Borough evidence satisfactory to it

of the theft, destruction, or loss of the original Bonds, and of the ownership thereof, and also such security and indemnity as may be required by the City and Borough, and no such substitute Bond shall be issued unless the applicant for the issuance thereof shall reimburse the City and Borough for the expenses incurred by the City and Borough in connection with the preparation, execution, issuance, and delivery of the substitute Bonds, and any such substitute Bond shall be equally and proportionately entitled to the security of this ordinance with all other bonds issued hereunder, whether or not the Bonds alleged to have been lost, stolen or destroyed shall be found at any time or be enforceable by anyone.

**Section 9. Pledge of Taxes and Credit.** The City and Borough hereby irrevocably covenants that, unless the principal of and interest on the Bonds are paid from other sources, it will make annual levies of taxes without limitation as to rate or amount upon all of the property in the City and Borough subject to taxation in amounts sufficient to pay such principal and interest as the same shall become due. The full faith, credit and resources of the City and Borough are hereby irrevocably pledged for the annual levy and collection of such taxes and for the prompt payment of such principal and interest. There is maintained in the office of the Finance Director a special fund of the City and Borough known as the “Debt Service Fund” (the “Bond Fund”), for the sole purpose of paying the principal of and interest on the Bonds and all other general obligation bonds of the City and Borough. Accrued interest, if any, received at the time of delivery of the Bonds shall be paid into the Bond Fund.

The City and Borough hereby irrevocably covenants and pledges for as long as the Bonds are outstanding that it will make provision for the payment of the principal of and interest on the Bonds in its annual budgets and further covenants that it will make annual levies of ad valorem taxes, for payment into the Bond Fund, upon all the property within the City and Borough subject to taxation, without limitation as to rate or amount, in amounts sufficient, with such other moneys available for such purposes as the Assembly from time to time may appropriate and order transferred to the Bond Fund, to pay the principal of and interest on the Bonds as the same shall be come due and payable.

**Section 10. Construction Fund for Proceeds of the Bonds.** There has heretofore been created in the office of the Finance Director of the City and Borough certain funds and accounts (the “Construction Fund”), into which shall be paid the proceeds of the Bonds (other than accrued interest which shall be deposited in the Bond Fund), and any and all other moneys which the City and Borough may now or later have on hand which are necessary and legally available to pay the costs authorized by Ordinance Serial No. 2022-38 and paying the costs of issuance of the Bonds. The Finance Director shall maintain records sufficient to account for the investment and expenditure of the Bond Authorizations.

Said funds shall be drawn upon for paying the costs authorized by Ordinance Serial No. 2022-38, for repaying any other funds or accounts of the City and Borough that may have advanced moneys for such purposes and for paying all expenses incidental to such purposes and the expenses incidental to the issuance of the Bonds. Bond proceeds in the Construction Fund may be invested in any legal investment for City and Borough funds and the proceeds thereof and earnings thereon shall be deposited in the Construction Fund or at the option of the Finance Director in the Bond Fund. In the event there are any proceeds of the Bonds left remaining in the

Construction Fund after the payment of all of such costs and expenses, the same may be used for any purpose permitted under Ordinance Serial No. 2022-38 or may be transferred to the Bond Fund or may be used for any purpose permitted under Section 10.10 of the Home Rule Charter of the City and Borough.

**Section 11. Defeasance.** In the event that money and/or noncallable Government Obligations maturing or having guaranteed redemption prices at the option of the holder at such time or times and bearing interest to be earned thereon in amounts (together with such money, if any) sufficient to redeem and retire part or all of the Bonds in accordance with the its terms, are hereafter irrevocably set aside in a special account and pledged to effect such redemption and retirement, then no further payments need be made into the Bond Fund or any account therein for the payment of the principal of and interest on the Bonds or portion thereof so provided for and the Bonds or portion thereof shall then cease to be entitled to any lien, benefit or security of this ordinance, except the right to receive the accounts so set aside and pledged, and the Bonds or portion thereof shall no longer be deemed to be outstanding hereunder.

**Section 12. Tax Covenants.**

(a) *Arbitrage Covenant.* The City and Borough hereby covenants that it will not make any use of the proceeds of sale of the Bonds or any other funds of the City and Borough which may be deemed to be proceeds of the Bonds pursuant to Section 148 of the Code and the applicable regulations thereunder which, if such use had been reasonably expected on the dates of delivery of the Bonds to the initial purchasers thereof, would have caused such Bonds to be “arbitrage bonds” within the meaning of said section and said regulations. The City and Borough will comply with the requirements of Section 148 of the Code and the applicable regulations thereunder throughout the term of the Bonds.

(b) *Private Person Use Limitation for Bonds.* The City and Borough covenants that for as long as the Bonds is outstanding, it will not permit:

(1) More than 10% of the Net Proceeds of the Bonds to be used for any Private Person Use; and

(2) More than 10% of the principal or interest payments on the Bonds in a Bond Year to be directly or indirectly (A) secured by any interest in property used or to be used for any Private Person Use or secured by payments in respect of property used or to be used for any Private Person Use, or (B) derived from payments (whether or not made to the City and Borough) in respect of property, or borrowed money, used or to be used for any Private Person Use.

The City and Borough further covenants that, if:

(3) More than five percent of the Net Proceeds of the Bonds is to be used for any Private Person Use; and

(4) More than five percent of the principal or interest payments on the Bonds in a Bond Year are (under the terms of this ordinance or any underlying arrangement) directly or

indirectly: (A) secured by any interest in property used or to be used for any Private Person Use or secured by payments in respect of property used or to be used for any Private Person Use, or (B) derived from payments (whether or not made to the City and Borough) in respect of property, or borrowed money, used or to be used for any Private Person Use, then, (i) any Private Person Use of the projects described in subsection (3) hereof or Private Person Use payments described in subsection (4) hereof that is in excess of the five percent limitations described in such subsections (3) or (4) will be for a Private Person Use that is related to the state or local governmental use of the projects funded by the Bonds, and (ii) any Private Person Use will not exceed the amount of Net Proceeds of the Bonds used for the state or local governmental use portion of the project to which the Private Person Use of such portion of the project relates. The City and Borough further covenants that it will comply with any limitations on the use of the projects by other than state and local governmental users that are necessary, in the opinion of its bond counsel, to preserve the tax status of the Bonds. The covenants of this section are specified solely to assure the continued exemption from regular income taxation of the interest on the Bonds. To that end, the provisions of this section may be modified or eliminated without any requirement for formal amendment thereof upon receipt of an opinion of the City and Borough's bond counsel that such modification or elimination will not adversely affect the tax status of the Bonds.

### **Section 13. Sale of Bonds.**

(a) *Bond Sale.* The City and Borough Representative shall select one or more underwriting firms to underwrite such series of Bonds through a process of soliciting proposals for underwriting. Upon the selection of one or more underwriters, the City and Borough Representative shall negotiate the terms of sale for such series of Bonds, including the terms described in this section, in a contract of sale (the "Bond Purchase Agreement").

The City and Borough Representative is authorized to negotiate and complete the sale of the Bonds to the Underwriter on terms and conditions consistent with this ordinance and the Bond Purchase Agreement for the Bonds. Such terms and conditions, including the final principal amount, date, principal amounts of each maturity, final interest rates, maturity dates and redemption provisions, all as provided for in this ordinance, shall be set forth in the Bond Purchase Agreement, all subject to the Assembly's approval by resolution, which resolution may, at the option of the Assembly, provide for delegation within parameters approved by the Assembly.

Subject to the terms and conditions set forth in this Section 13, the City and Borough Representative is hereby authorized to execute the final form of a Bond Purchase Agreement, upon his or her approval of the final interest rates, maturity dates, aggregate principal amount, principal maturities and redemption rights set forth therein. Following the sale of the Bonds, the Designated Representative shall provide a report to the Assembly, describing the final terms of the Bonds approved pursuant to the authority delegated in this section.

The City and Borough Representative is further authorized and directed to take such other actions to publicize or facilitate the sale as he/she may deem desirable or necessary, including, but not limited to, securing a rating on the Bonds from one or more of the established rating services.



(b) *Delivery; Documentation.* Upon the passage of this ordinance, the proper officials of the City and Borough, including the City and Borough Representative, are authorized and directed to undertake all other actions necessary for the prompt execution and delivery of the Bonds to the Underwriter thereof and further to execute all closing certificates and documents required to effect the closing and delivery of the Bonds in accordance with the terms of the Bond Purchase Agreement.

The City and Borough Representative and other City and Borough officials, agents, and representatives are hereby authorized and directed to do everything necessary for the prompt issuance, execution and delivery of the Bonds to the Underwriter and for the proper application and use of the proceeds of sale of the Bonds. In furtherance of the foregoing, the City and Borough Representative is authorized to approve and enter into agreements for the payment of costs of issuance, including Underwriter's discount, the fees and expenses specified in the Bond Purchase Agreement, including fees and expenses of Underwriter and other retained services, including Bond Counsel, Financial Advisor, rating agent, Bond Registrar, and other expenses customarily incurred in connection with issuance and sale of bonds.

(c) *Preliminary and Final Official Statements.* The City and Borough Representative is authorized to ratify and to approve for purposes of the Rule, on behalf of the City and Borough, the Official Statement (and any preliminary Official Statement) and any supplement thereto relating to the issuance and sale of the Bonds and the distribution of the Bonds pursuant thereto with such changes, if any, as may be deemed by him/her to be appropriate.

#### **Section 14. Undertaking to Provide Ongoing Disclosure.**

(a) *Contract/Undertaking.* This section constitutes the City and Borough's written undertaking for the benefit of the owners of the Bonds as required by Section (b)(5) of the Rule.

(b) *Financial Statements/Operating Data.* The City and Borough agrees to provide or cause to be provided to the Municipal Securities Rulemaking Board ("MSRB"), the following annual financial information and operating data for the prior fiscal year (commencing June 30, 2024 for the fiscal year ending June 30, 2023):

1. Annual financial statements, which may or may not be audited prepared in accordance with generally accepted accounting principles;
2. The assessed valuation of taxable property in the City and Borough;
3. Property taxes due and property taxes collected;
4. Property tax levy rate per \$1,000 of assessed valuation; and
5. Outstanding general obligation debt of the City and Borough.

Items 2-5 shall be required only to the extent that such information is not included in the annual financial statements.

Such annual information and operating data described above shall be provided on or before nine months after the end of the City and Borough's fiscal year. The City and Borough's current fiscal year ends June 30. The City and Borough may adjust such fiscal year by providing written notice of the change of fiscal year to the MSRB. In lieu of providing such annual financial information and operating data, the City and Borough may cross-reference to other documents available to the public on the MSRB's internet website.

If not provided as part of the annual financial information discussed above, the City and Borough shall provide the City and Borough's audited annual financial statement prepared in accordance generally accepted accounting principles when and if available to the MSRB.

(c) *Listed Events.* The City and Borough agrees to provide or cause to be provided, in a timely manner to the MSRB notice of the occurrence of any of the following events with respect to the Bonds not in excess of ten business days after the occurrence of the event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material or events affecting the tax status of the Bonds;
7. Modifications to rights of owners, if material;
8. Optional, contingent or unscheduled Bond calls other than scheduled sinking fund redemptions for which notice is given pursuant to Exchange Act Release 34-23856, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing the repayment of the Bonds, if material;
11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the City and Borough;
13. The consummation of a merger, consolidation, or acquisition of the City and Borough or the sale of all or substantially all of the assets of the City and Borough, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement to undertake such an action, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of the trustee, if material;
15. Incurrence of a financial obligation of the City and Borough, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City and Borough, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City and Borough, any of which reflect financial difficulties.

The term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Solely for purposes of information, but without intending to modify this agreement, with respect to the notice regarding property securing the repayment of the Bonds, the City and Borough will state in its preliminary and Final Official Statements that there is no property securing the repayment of the Bonds.

(d) *Notice Upon Failure to Provide Financial Data.* The City and Borough agrees to provide or cause to be provided, in a timely manner, to the MSRB notice of its failure to provide the annual financial information described in subsection (b) above on or prior to the date set forth in subsection (b) above.

(e) *EMMA; Format for Filings with the MSRB.* Until otherwise designated by the MSRB or the SEC, any information or notices submitted to the MSRB in compliance with the Rule are to be submitted through the MSRB’s Electronic Municipal Market Access system (“EMMA”), currently located at [www.emma.msrb.org](http://www.emma.msrb.org). All notices, financial information and operating data required by this undertaking to be provided to the MSRB must be in an electronic format as prescribed by the MSRB. All documents provided to the MSRB pursuant to this undertaking must be accompanied by identifying information as prescribed by the MSRB.

(f) *Termination/Modification.* The City and Borough's obligations to provide annual financial information and notices of material events shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. Any provision of this section shall be null and void if the City and Borough (1) obtains an opinion of nationally recognized bond counsel to the effect that the portion of the Rule that requires that provision is invalid, has been repealed retroactively or otherwise does not apply to the Bonds and (2) notifies the MSRB of such opinion and the cancellation of this section.

The City and Borough may amend this section with an opinion of nationally recognized bond counsel in accordance with the Rule. In the event of any amendment of this section, the City and Borough shall describe such amendment in the next annual report, and shall include a narrative explanation of the reason for the amendment and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City and Borough. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (1) notice of such change shall be given in the same manner as for a material event under Subsection (c), and (2) the annual report for the year in which the change is made shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

(g) *Bond Owner's Remedies Under this Section.* A Bond owner's right to enforce the provisions of this section shall be limited to a right to obtain specific enforcement of the City and Borough's obligations hereunder, and any failure by the City and Borough to comply with the provisions of this undertaking shall not be a default with respect to the Bonds under this ordinance.

(h) *Additional Information.* Nothing in this Section 14 shall be deemed to prevent the City and Borough from disseminating any other information, using the means of dissemination set forth in this Section 14 or any other means of communication, or including any other information in any annual financial statement or notice of occurrence of a material event, in addition to that which is required by this Section 14. If the City and Borough chooses to include any information in any annual financial statement or notice of the occurrence of a material event in addition to that specifically required by this Section 14 the City and Borough shall have no obligation under this ordinance to update such information or to include it in any future annual financial statement or notice of occurrence of a material event.

**Section 15. Severability.** If any one or more of the covenants or agreements provided in this ordinance to be performed on the part of the City and Borough shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements of this ordinance and shall in no way affect the validity of the other provisions of this ordinance or of the Bonds.

**Section 16. Effective Date.** This ordinance shall become effective thirty days after adoption.

ADOPTED this 20th day of March, 2023.

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Beth A. Weldon  
Mayor

ATTEST:

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Elizabeth J. McEwen  
Municipal Clerk

# **CERTIFICATE**

I, the undersigned, Clerk of the City and Borough of Juneau, Alaska (the “City and Borough”), Do HEREBY CERTIFY:

1. That the attached ordinance is a true and correct copy of Ordinance Serial No. 2023-13 (the “Ordinance”) of the City and Borough as finally passed at a regular meeting of the Assembly of the City and Borough (the “Assembly”) held on the 20th day of March, 2023, and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such special meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Assembly voted in the proper manner for the passage of the Ordinance; that all other requirements and proceedings incident to the proper passage of the Ordinance have been duly fulfilled, carried out and otherwise observed; and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_ day of March, 2023.

---

Elizabeth J. McEwen, Municipal Clerk  
City and Borough of Juneau

**ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA**  
**PORT REVENUE BONDS, 2023**

**Serial No. 2023-12**

AN ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF PORT REVENUE BONDS IN ONE OR MORE SERIES IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$5,100,000; PROVIDING FOR THE FORM AND TERMS OF THE BONDS; PROVIDING A METHOD OF PAYMENT THEREFOR; AND RESERVING THE RIGHT TO ISSUE REVENUE BONDS ON A PARITY WITH THE BONDS UPON COMPLIANCE WITH CERTAIN CONDITIONS.

Approved: March 20, 2023

Prepared By:

K&L GATES LLP  
Seattle, Washington

City and Borough of Juneau, Alaska  
Ordinance Serial No. 2023-12  
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\* This Table of Contents and the cover page are for convenience of reference and are not intended to be a part of this ordinance.



Presented by: The Manager  
Introduced: 02/27/23  
Drafted by: Bond Counsel

## ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

### Serial No. 2023-12

**An Ordinance Providing for the Issuance and Sale of Port Revenue Bonds in one or more series in the Aggregate Principal Amount of Not to Exceed \$5,100,000; Providing for the Form and Terms of the Bonds; Providing a Method of Payment Therefor; and Reserving the Right to Issue Revenue Bonds on a Parity with the Bonds upon Compliance with Certain Conditions.**

WHEREAS, the City and Borough of Juneau, Alaska (the “City and Borough”) maintains public facilities for the transfer of tourists visiting the City and Borough and a system of wharves and public parks; and

WHEREAS, certain of those facilities are in need of expansion and improvement (the “Project”); and

WHEREAS, the City and Borough is authorized by its Home Rule Charter to issue revenue bonds for capital project purposes without a vote of the electors; and

WHEREAS, the City and Borough has outstanding its Port Revenue Bond, 2014A (Non-AMT), currently outstanding in the principal amount of \$4,590,000 (the “2014A Bond”), issued pursuant to Ordinance Serial No. 2014-01 of the City and Borough adopted January 6, 2014, and Resolution No. 2676 adopted on January 27, 2014 (together, the “2014A Bond Ordinance”); and

WHEREAS, the City and Borough has outstanding its Port Revenue Refunding Bond, 2021 (AMT Forward Delivery), currently outstanding in the principal amount of \$12,505,000 (the “2021 Bond,” and together with the 2014 Bond, the “Outstanding Parity Bonds”), issued pursuant to the 2014A Bond Ordinance, as amended by Ordinance Serial No. 2015-11 adopted on March 16, 2015 and Resolution No. 2709 adopted on April 27, 2015, and by Ordinance Serial No. 2020-21 of the City and Borough adopted on May 18, 2020, as amended by Ordinance Serial No. 2021-15 adopted on April 26, 2021, and Resolution No. 2952 adopted on May 24, 2021 (collectively, the “2021 Bond Ordinance,” and together with the 2014A Bond Ordinance, the Outstanding Parity Bond Ordinances); and

WHEREAS, the Outstanding Parity Bond Ordinances authorize the Port to issue revenue bonds on a parity of lien with the Outstanding Parity Bonds upon compliance with the terms and conditions set forth in the Outstanding Parity Bond Ordinances, and said conditions will be met with respect to the bonds authorized herein; and

WHEREAS, the bonds herein authorized will be payable from certain fees imposed upon users of the City and Borough’s ports and harbors (hereinafter defined as “Port Development Fee Revenues”); and

WHEREAS, the Finance Director will hold a public hearing on the issuance of any series of the bonds herein authorized that will be private activity bonds as required by Section 147(f) of the Internal Revenue Code of 1986, as amended; and

WHEREAS, the Assembly has determined to delegate to the City and Borough Representative (as defined below) certain matters relating to the manner and timing of sale of the Bonds; and

WHEREAS, the Assembly finds that it is in the best interest of the City and Borough to sell the bonds in the aggregate principal amount of not to exceed \$5,100,000 herein authorized in one or more series as authorized by this ordinance;

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

**Section 1. Classification.** This ordinance is a noncode ordinance.

**Section 2. Definitions.** As used in this ordinance, unless a different meaning clearly appears from the context:

***Accreted Value*** means with respect to any Capital Appreciation Bonds, as of any date of calculation, the sum of the amount set forth in the proceedings authorizing their issuance as the amount representing the initial principal amount of such Capital Appreciation Bonds plus the interest accumulated, compounded and unpaid thereon as of the most recent compounding date. The Accreted Value shall be determined in accordance with the provisions of the ordinance authorizing the issuance of such Balloon Maturity Bonds.

***Annual Debt Service*** means the total amount of Debt Service for any Parity Bond or series of Parity Bonds or other evidences of indebtedness payable from Port Development Fee Revenues in any fiscal year or Base Period.

***Assembly*** means the Assembly of the City and Borough of Juneau as the same shall be duly and regularly constituted from time to time.

***Balloon Maturity Bonds*** means any evidences of indebtedness of the City and Borough payable from Port Development Fee Revenues which are so designated in the proceedings pursuant to which such indebtedness is incurred.

***Base Period*** means each of the two most recently completed fiscal years for which audited financial statements are available within the 36-month period immediately preceding the date of issuance of an additional series of Future Parity Bonds.

**Bond Purchase Contract** means, if the Bonds of a series shall be sold by Private Placement, the purchase contract or approved term sheet relating to such Bonds between the City and Borough and the Purchaser.

**Bonds** means the not to exceed \$5,100,000 par value City and Borough of Juneau, Alaska, Port Revenue Bond, 2023[A/B] [(AMT/Non-AMT)] authorized to be issued in one or more series pursuant to this ordinance.

**Bond Bank** means the Alaska Municipal Bond Bank, a public corporation and instrumentality of the State of Alaska, created pursuant to the provisions of Chapter 85, Title 44, Alaska Statutes, as amended.

**Bond Bank Bonds** means, if the Bonds of a series are sold to the Bond Bank, bonds to be issued by the Bond Bank to provide funds to be loaned to the City and Borough pursuant to the Loan Agreement.

**Bond Bank Reserve Agreement** means, if the Bonds of a series are sold to the Bond Bank, the Reserve Depositary Agreement, between the Bond Bank Trustee and the City and Borough.

**Bond Bank Trustee** means The Bank of New York Mellon Trust Company, N.A., as the trustee for the Bond Bank under the terms of the 2005 General Obligation Bond Resolution adopted by the Board of Directors of the Bond Bank on July 13, 2005 and shall include any successor thereto as provided in said resolution.

**Bond Fund** means the “Port Revenue Bond Debt Service [Fund][Account]” maintained in the office of the Finance Director pursuant to this ordinance.

**Bond Register** means the registration books for the Bonds, maintained by the Bond Registrar, for the purpose of complying with the requirements of Section 149 of the Code and listing, inter alia, the names and addresses of all registered owners of the Bonds.

**Bond Registrar** means the Finance Director, for the purposes of registering and authenticating the Bonds, maintaining the Bond Register, and paying the principal of and interest on the Bonds.

**Capital Appreciation Bonds** means any Future Parity Bonds all or a portion of the interest on which is compounded, accumulated and payable only upon redemption or on the maturity date of such Capital Appreciation Bonds. If so provided in the proceedings authorizing their issuance, Future Parity Bonds may be deemed to be Capital Appreciation Bonds for only a portion of their term. On the date on which Future Parity Bonds no longer are Capital Appreciation Bonds, they shall be deemed outstanding in a principal amount equal to their Accreted Value.

**City and Borough** means the City and Borough of Juneau, a municipal corporation organized and existing under the laws of the State of Alaska.

**City and Borough Representative** means the City Manager or such other official or employee of the City and Borough designated in writing by the City Manager.

**City Manager** means the city manager or interim city manager of the City and Borough.

**Code** means the United States Internal Revenue Code of 1986, as amended, together with all applicable rulings and regulations heretofore or hereafter promulgated thereunder.

**Consultant** means at any time an independent municipal financial consultant appointed by the City and Borough to perform the duties of the Consultant as required by this ordinance. For the purposes of delivering any certificate required by Section 15 hereof and making the calculation required by Section 15 hereof, the term Consultant shall also include any independent public accounting firm appointed by the City and Borough to make such calculation or to provide such certificate.

**Credit Facility** means any Qualified Letter of Credit or Qualified Insurance.

**Debt Service** means, for any period of time,

(1) with respect to any outstanding Capital Appreciation Bonds which are not designated as Balloon Maturity Bonds in the proceedings authorizing their issuance, the principal amount thereof shall be equal to the Accreted Value thereof maturing or scheduled for redemption in such period, and the interest payable during such period;

(2) with respect to any outstanding Fixed Rate Bonds, an amount equal to (A) the principal amount of such Fixed Rate Bonds due or subject to mandatory redemption during such period and for which no sinking fund installments have been established, (B) the amount of any payments required to be made during such period into any sinking fund established for the payment of any such Fixed Rate Bonds, plus (C) all interest payable during such period on any such outstanding Fixed Rate Bonds and with respect to Fixed Rate Bonds with mandatory sinking fund requirements, calculated on the assumption that mandatory sinking fund installments will be applied to the redemption or retirement of such Fixed Rate Bonds on the date specified in the proceedings authorizing such Fixed Rate Bonds; and

(3) with respect to all other series of Parity Bonds, other than Fixed Rate Bonds, Capital Appreciation Bonds, specifically including but not limited to Balloon Maturity Bonds and Parity Bonds bearing variable rates of interest, an amount for any period equal to the amount which would have been payable for principal and interest on such Parity Bonds during such period computed on the assumption that the amount of Parity Bonds as of the date of such computation would be amortized (i) in accordance with the mandatory redemption provisions, if any, set forth in the proceedings authorizing the issuance of such Parity Bonds, or if mandatory redemption provisions are not provided, during a period commencing on the date of computation and ending on the date 30 years after the date of issuance (ii) at an interest rate equal to the yield to maturity set forth in the 40-Bond Index published in the edition of *The Bond Buyer* (or comparable publication or such other similar index selected by the City and Borough) and published within ten days prior to the date of calculation or, if such calculation is being made in connection with the certificate required

by Section 15 hereof, then within ten days of such certificate, (iii) to provide for essentially level annual debt service of principal and interest over such period. Debt Service shall be net of any interest funded out of Bond proceeds. Debt Service shall include reimbursement obligations to providers of Credit Facilities to the extent authorized by ordinance or resolution.

**Federal Tax Certificate** means the certificate(s) executed on behalf of the City and Borough upon the issuance of the Bonds and including certain representations regarding the use and application of the Bond proceeds and the payment of rebatable arbitrage, if any, with respect to the Bonds.

**Finance Director** means the director of the finance department or interim director of the finance department of the City and Borough.

**Fitch** means Fitch Ratings, Inc., organized and existing under the laws of the State of Delaware, its successors and their assigns, and, if such organization shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, **Fitch** shall be deemed to refer to any other nationally recognized securities rating agency designated by the City Manager or his/her designee.

**Fixed Rate Bonds** means those Parity Bonds other than Capital Appreciation Bonds or Balloon Maturity Bonds issued under an ordinance in which the rate of interest on such Parity Bonds is fixed and determinable through their final maturity or for a specified period of time. If so provided in the proceedings authorizing their issuance, Parity Bonds may be deemed to be Fixed Rate Bonds for only a portion of their term.

**Future Parity Bonds** means any revenue bonds which the City and Borough may hereafter issue having a lien upon the Port Development Fee Revenues for the payment of the principal thereof and interest thereon equal to the lien of the Bonds upon the Port Development Fee Revenues.

**Government Obligations** means direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America and bank certificates of deposit secured by such obligations.

**Loan Agreement** means, if the Bonds of a series are sold to the Bond Bank, the Loan Agreement(s) for the Bonds by and between the City and Borough and the Bond Bank authorized to be entered into pursuant to Section 9 of this ordinance.

**Maximum Annual Debt Service** means highest dollar amount of Annual Debt Service in any fiscal year or Base Period for all outstanding Parity Bonds and/or for all subordinate lien evidences of indebtedness secured by Port Development Fee Revenues, as the context requires.

**Moody's** means Moody's Investors Service, Inc., its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, **Moody's** shall be deemed to refer to any other nationally recognized securities rating agency designated by the City Manager or his/her designee.

***Outstanding Parity Bond Ordinances*** means, collectively, the 2014A Bond Ordinance and the 2021 Bond Ordinance.

***Outstanding Parity Bonds*** means, collectively, the 2014A Bond and the 2021 Bond.

***Parity Bonds*** means the Outstanding Parity Bonds, the Bonds and any Future Parity Bonds.

***Parity Requirement*** means (i) historical Port Development Fee Revenues for the Base Period at least equal to or greater than 120% of Maximum Annual Debt Service for all Parity Bonds (including the Future Parity Bonds then proposed to be issued) or (ii) Port Development Fee Revenues, as adjusted by a Consultant, described in Section 15 of this ordinance, equal to at least 135% of Maximum Annual Debt Service for all Parity Bonds (including the Future Parity Bonds then proposed to be issued), commencing with the first fiscal year after the anticipated completion of the facilities to be financed with the proceeds of the Future Parity Bonds.

***Port Development Fee Fund*** means the special fund or subaccount of the City and Borough into which all Port Development Fee Revenues are deposited as collected.

***Port Development Fee Revenues*** means the port development fee imposed by Resolution No. 2552 of the Assembly and shall include any fees imposed by the City and Borough Assembly by ordinance or resolution to replace those specific fees.

***Port Facilities*** mean the port facilities owned by the City and Borough and the facilities affected by the use of the harbors of the City and Borough.

***Principal and Interest Account*** means the subaccount of that name created within the Bond Fund pursuant to Section 8 of this ordinance.

***Private Placement*** means the process by which the Bonds of a series are sold by private placement to a Purchaser selected by the City and Borough Representative.

***Project*** means the infrastructure and related capital improvements for the provision of shore power to cruise ships previously approved by the Assembly.

***Project Fund*** means the fund or account into which certain net proceeds of the Bonds issued for the Project shall be deposited.

***Purchaser*** means the initial purchasing entity or bank purchaser of the Bonds of a series if such Bonds are sold by Private Placement.

***Qualified Insurance*** means any non-cancelable municipal bond insurance policy or surety bond issued by any insurance company licensed to conduct an insurance business in any state of the United States (or by a service corporation acting on behalf of one or more such insurance companies) which insurance company or companies, as of the time of issuance of such policy or

surety bond, are currently rated in one of the two highest Rating Categories by two of the Rating Agencies.

**Qualified Letter of Credit** means any irrevocable letter of credit issued by a financial institution for the account of the City and Borough on behalf of registered owners of the Bonds, which institution maintains an office, agency or branch in the United States and as of the time of issuance of such letter of credit, is currently rated in one of the two highest Rating Categories by a Rating Agency.

**Rate Covenant** means Port Development Fee Revenues in each fiscal year at least equal to 120% of the amounts required in such fiscal year to be paid as scheduled debt service (principal and interest) on all Parity Bonds.

**Rating Agency** means Moody's or S&P or Fitch.

**Rating Category** means the generic rating categories of the Rating Agency, without regard to any refinement or gradation of such rating category by a numerical modifier or otherwise.

**Registered Owner** means the person named as the registered owner of a Bond in the Bond Register.

**Reserve Account** means the Reserve Account created in the Bond Fund pursuant to Section 8 of this ordinance.

**Reserve Requirement** means, with respect to Parity Bonds outstanding, the lesser of (a) 125% of Average Annual Debt Service, (b) 10% of the net proceeds of each series of Parity Bonds secured by the Reserve Account, or (c) Maximum Annual Debt Service.

**S&P** means S&P Global Ratings, Inc., its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, **S&P** shall be deemed to refer to any other nationally recognized securities rating agency designated by the City Manager or his/her designee.

**State** means the State of Alaska.

**2014A Bond** means the City and Borough's Port Revenue Bond, 2014A (Non-AMT), currently outstanding in the principal amount of \$4,590,000, issued pursuant to the 2014A Bond Ordinance.

**2014A Bond Ordinance** means Ordinance Serial No. 2014-01 of the City and Borough adopted January 6, 2014, and Resolution No. 2676 adopted on January 27, 2014.

**2021 Bond** means the City and Borough's Port Revenue Refunding Bond, 2021 (AMT Forward Delivery), currently outstanding in the principal amount of \$12,505,000, issued pursuant to the 2021 Bond Ordinance.

**2021 Bond Ordinance** means, collectively, the 2014A Bond Ordinance, as amended by Ordinance Serial No. 2015-11 adopted on March 16, 2015 and Resolution No. 2709 adopted on April 27, 2015, and Ordinance Serial No. 2020-21 of the City and Borough adopted on May 18, 2020, as amended by Ordinance Serial No. 2021-15 adopted on April 26, 2021, and Resolution No. 2952 adopted on May 24, 2021.

**Rules of Interpretation.** In this ordinance, unless the context otherwise requires:

- (a) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this ordinance, refer to this ordinance as a whole and not to any particular article, section, subdivision or clause hereof, and the term “hereafter” shall mean after, and the term “heretofore” shall mean before, the date of this ordinance;
- (b) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa;
- (c) Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons;
- (d) Any headings preceding the text of the several sections of this ordinance, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this ordinance, nor shall they affect its meaning, construction or effect;
- (e) All references herein to “articles,” “sections” and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof.
- (f) Words importing the singular number include the plural number and vice versa.

**Section 3. The Project.** This Assembly hereby ratifies and approves the infrastructure and related capital improvements for the provision of shore power to cruise ships (the “Project”). The Project has and will be undertaken in accordance with specifications and contracts for acquisition and construction approved by the Assembly from time to time.

It is hereby provided that said Project shall be subject to such changes as to details of design or any other details of said Project as may be authorized by the Assembly either prior to or during the actual course of construction.

The City and Borough may proceed with the construction and installation of the Project as herein authorized, either alone or in conjunction with the construction of other facilities, and in whole, or in successive parts or units from time to time as may be found advisable.



**Section 4. Costs of the Project.** The estimated cost of the Project is hereby declared to be, as near as may be, the sum of up to \$20,000,000 which is expected to be paid from port revenues, fees and federal grants, in addition to the proceeds of the Bonds.

**Section 5. Authorization of Bonds.**

(a) *Authorization.* The City and Borough shall issue and sell not to exceed \$5,100,000 of its port revenue bonds (the “Bonds”) in one or more series for the purpose of providing permanent financing for the construction of the Project, funding the Reserve Requirement and paying the costs of issuance of the Bonds.

(b) *Bond Details.* The Bonds shall be designated as the “City and Borough of Juneau, Alaska Port Revenue Bond, 2023[A/B] [(AMT/Non-AMT)],” shall be dated as of the date established pursuant to Section 9, shall be fully registered as to both principal and interest, shall be numbered separately in such manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification, and shall bear interest from their date payable on the dates set forth in each respective approved Loan Agreement, and shall come due on the dates set forth in the approved Loan Agreement or Bond Purchase Contract of the following years in the following estimated aggregate principal installments:

Maturity Year	Principal Amount
2023	\$ 155,000
2024	275,000
2025	285,000
2026	295,000
2027	305,000
2028	320,000
2029	330,000
2030	345,000
2031	355,000
2032	370,000
2033	385,000
2034	395,000
2035	410,000
2036	430,000
2037	445,000

If the Bonds are sold in more than one series, the principal maturities of a series shall be applied to reduce the foregoing schedule as provided in the resolution approving the sale of that series; provided that in the aggregate the foregoing estimated principal amounts may increase or decrease in any year by 25%, and *provided, further*, in the aggregate, the Bonds shall be issued in principal amounts that provide no more than \$5,100,000 (principal amount plus premium, if any, less costs of issuance) in net proceeds or \$5,100,000 in principal amount, whichever is less.

**Section 6. Registration, Exchange and Payments.** The Finance Director shall act as authenticating agent, paying agent and registrar for the Bonds (collectively, the “Bond Registrar”). The principal of and interest on the Bonds shall be payable in lawful money of the United States of America. Interest on the Bonds shall be calculated on the basis of a 360-day year and twelve 30-day months. Interest on the Bonds shall be paid by check or draft of the Bond Registrar mailed (on the date such interest is due) to the Registered Owners or nominees at the addresses appearing on the Bond Register on the fifteenth day of the month preceding each interest payment date. Principal of the Bonds shall be payable upon presentation and surrender of the Bonds to the Bond Registrar by the registered owners or nominees at the office of the Bond Registrar. Notwithstanding the foregoing, if the Bond Bank is the Registered Owner of the Bonds, payments of principal of and interest on the Bonds shall be made to the Bond Bank in accordance with each Loan Agreement.

The Bonds may be transferred only on the Bond Register maintained by the Bond Registrar for that purpose upon the surrender thereof by the registered owner or nominee or his/her duly authorized agent and only if endorsed in the manner provided thereon, and thereupon a new fully registered Bond of like series, principal amount, maturity and interest rates shall be issued to the transferee in exchange therefor. Upon surrender thereof to the Bond Registrar, the Bond is interchangeable for a bond or bonds in any authorized denomination of an equal aggregate principal amount and of the same series, interest rates and maturities. Such transfer or exchange shall be without cost to the Registered Owner or transferee.

The City and Borough may deem the person in whose name each Bond is registered to be the absolute owner thereof for the purpose of receiving payment of the principal of and interest on such Bond and for any and all other purposes whatsoever.

**Section 7. Priority of Payments from Port Development Fee Fund.** There is maintained a special revenue fund of the City and Borough known as the “Port Development Fee Fund” into which all Port Development Fee Revenues are deposited. All Port Development Fee Revenues shall be deposited in the Port Development Fee Fund. The Port Development Fee Fund shall be held separate and apart from all other funds and accounts of the City and Borough and the Port Development Fee Revenues deposited in such Fund shall be used only for the following purposes and in the following order of priority:

First, to pay the interest on any Parity Bonds, including reimbursements to the issuer of a Qualified Letter of Credit or Qualified Insurance if the Qualified Letter of Credit or Qualified Insurance secures the payment of interest on Parity Bonds and the proceedings authorizing such Parity Bonds provides for such reimbursement;

Second, to pay the principal of any Parity Bonds, including reimbursements to the issuer of a Qualified Letter of Credit or Qualified Insurance if the Qualified Letter of Credit or Qualified Insurance secures the payment of principal of Parity Bonds and the proceedings authorizing such Parity Bonds provides for such reimbursement;

Third, to make all payments required to be made into the Reserve Account to secure the payment of the principal of and interest on the Bonds and to make all payments required to be

made into any reserve account hereafter established to secure the payment of the principal of or interest on any Future Parity Bonds, including reimbursements to the issuer of a Qualified Letter of Credit or Qualified Insurance if the Qualified Letter of Credit or Qualified Insurance fulfills the Reserve Requirement in whole or in part and the proceedings authorizing such Parity Bonds provides for such reimbursement;

Fourth, to make all payments required to be made into any revenue bond redemption fund or revenue warrant redemption fund and debt service fund or reserve fund created to pay and secure the payment of the principal of and interest on any other revenue bonds or revenue warrants of the City and Borough having a lien upon the Port Development Fee Revenues junior and inferior to the lien thereon for the payment of the principal of and interest on Parity Bonds; and

Fifth, to retire by redemption or purchase any outstanding revenue bonds or revenue warrants of the City and Borough, remaining Port Development Fee Revenues may also be used to make necessary additions, betterments, improvements and repairs to or extensions and replacements of the Port Facilities, or for any other lawful City and Borough purposes.

**Section 8. Bond Fund.** A special account of the City and Borough designated as the “Port Revenue Bond Debt Service [Fund][Account]” (the “Bond Fund”) has heretofore been created in the office of the Finance Director for the purpose of paying and securing the payment of the Bonds and all Parity Bonds. The Bond Fund shall be held separate and apart from all other accounts of the City and Borough and shall be a trust account for the owner of Parity Bonds. The Bond Fund shall be divided into two separate accounts: a Principal and Interest Account for the payment of the principal of and interest on Parity Bonds and the payment of redemption premium, if any, whether due at maturity or redemption prior to maturity and a Reserve Account for the purpose of additionally securing the repayment of Parity Bonds.

(a) *Payments Into Principal and Interest Account.* The Finance Director may direct all or a portion of the original issue premium to be deposited in the Principal and Interest Account. As long as any Parity Bonds remain outstanding, the City and Borough hereby irrevocably obligates and binds itself to set aside and pay from the Bond Fund into the Principal and Interest Account those amounts necessary, together with such other funds as are on hand and available in the Principal and Interest Account, to pay the interest or principal and interest next coming due on outstanding Parity Bonds. Such payments from the Port Development Fee Fund shall be made on or prior to the due date for such installment of principal and interest.

(b) *Priority of Lien of Payments into Principal and Interest Account.* Said amounts so pledged to be paid into the Bond Fund with respect to the Bonds are hereby declared to be a prior lien and charge upon the Port Development Fee Revenues superior to all other charges of any kind or nature whatsoever, except that the amounts so pledged are of equal lien to the lien and charge thereon of any Future Parity Bonds.

(c) *Reserve Account.* A Reserve Account (the “Reserve Account”) is hereby authorized to be created in the Bond Fund for the purpose of securing the payment of the principal of and interest on all Parity Bonds. The City and Borough hereby covenants to deposit into the Reserve Account on the date of issuance of the Bonds from Bond proceeds and/or from funds of

the City and Borough legally available therefor an amount equal to the Reserve Requirement with respect to the Bonds.

The City and Borough further covenants and agrees that when said required deposits have been made into the Reserve Account, it will at all times maintain therein an amount at least equal to the Reserve Requirement with respect to all outstanding Parity Bonds. Whenever there is an insufficient amount in the Bond Fund, including the Reserve Account and the Principal and Interest Account to pay the principal of and interest on all outstanding Parity Bonds when due, the money in the Reserve Account may be used to pay such principal and interest. Money in the Reserve Account may be withdrawn to redeem and retire, and to pay the interest due to such date of redemption on any outstanding Bonds, so long as the money left remaining on deposit in the Reserve Account is equal to the Reserve Requirement with respect to all outstanding Parity Bonds.

The City and Borough may satisfy the Reserve Requirement, in whole or in part with a Qualified Letter of Credit or Qualified Insurance. In making the payments and credits to the Reserve Account required by this subsection (c), to the extent that the City and Borough has obtained Qualified Insurance or a Qualified Letter of Credit for specific amounts required pursuant to this section to be paid out of the Reserve Account, such amounts so covered by Qualified Insurance or a Qualified Letter of Credit shall be credited against the amounts required to be maintained in the Reserve Account by this subsection (c) to the extent that such payments and credits to be made are insured by an insurance company, or guaranteed by a letter of credit from a financial institution. A Qualified Letter of Credit shall not be cancelable on less than 30 days' notice to the City and Borough, and Qualified Insurance shall be noncancellable. In the event of any cancellation of a Qualified Letter of Credit, the Reserve Account shall be funded in accordance with the third paragraph of this subsection (c) as if the Parity Bonds for whose benefit the Qualified Letter of Credit was issued which then remain outstanding had been issued on the date of such notice of cancellation.

In the event that the City and Borough elects to meet the Reserve Requirement through the use of a Qualified Letter of Credit, Qualified Insurance or other equivalent credit enhancement device, the City and Borough may contract with the entity providing such Qualified Letter of Credit, Qualified Insurance or other equivalent credit enhancement device that the City and Borough's reimbursement obligation, if any, to such entity shall be made from Port Development Fee Revenues available after the payments described in Paragraphs First through Third in Section 7 hereof have been made.

In the event a deficiency in the Principal and Interest Account shall occur, the deficiency shall be made up from the Reserve Account by the withdrawal of cash therefrom for that purpose and by the sale or redemption of obligations held in the Reserve Account, if necessary, in such amounts as will provide cash in the Reserve Account sufficient to make up any such deficiency, and if a deficiency still exists immediately prior to an interest payment date and after the withdrawal of cash, the City and Borough shall then draw from any Qualified Letter of Credit, Qualified Insurance, or other equivalent credit facility that secures the Parity Bonds in sufficient amount to make up the deficiency. Such draw shall be made at such times and under such conditions as the agreement for such Qualified Letter of Credit or such Qualified Insurance shall provide. Any deficiency created in the Reserve Account by reason of any such withdrawal shall

then be made up within one year of the date of withdrawal from Port Development Fee Revenues after making necessary provision for making the payments described in Paragraphs First through Third in Section 7 hereof.

(d) *Application and Investment of Moneys in the Bond Fund.* Money in the Principal and Interest Account not needed to pay the interest or principal installment and interest next coming due on Parity Bonds may be used to prepay Parity Bonds. Money in the Bond Fund therein may be invested in any legal investment for the funds of the City and Borough. All interest earned and income derived by virtue of such investments shall remain in the Bond Fund (or respective account therein) and be used to meet the required deposits into any account therein.

**Section 9. Sale of Bonds.** The Assembly has determined that it is in the best interest of the City and Borough to delegate to the City and Borough Representative the authority to approve the manner of sale of the Bonds of each series. Initially, the City and Borough Representative is hereby authorized to determine whether the Bonds of a series shall be sold by Private Placement or to the Bond Bank. If the Bonds of a series are sold by Private Placement, the City and Borough Representative shall select the purchasing entity or bank to purchase the Bonds through a process of soliciting proposals for purchase. Upon the selection of a Purchaser, the City and Borough Representative shall negotiate the terms of sale for the Bonds, including the terms described in this section, in a Bond Purchase Contract. If the Bonds of a series are sold to the Bond Bank, the City and Borough Representative shall negotiate the terms of the sale for the Bonds in a Loan Agreement.

The City and Borough Representative is authorized to negotiate and complete the sale of the Bonds in one or more series to the Purchaser on terms and conditions consistent with this ordinance and the respective Bond Purchase Contract or to the Bond Bank on terms and conditions consistent with this ordinance and the respective Loan Agreement for the Bonds. Following the sale of a series of Bonds, such terms and conditions, including the final principal amount, date, principal installment payment schedule, interest rates, payment dates and prepayment provisions, all as provided for in this ordinance, shall be set forth in a Bond Purchase Contract or a Loan Agreement, all subject to the Assembly's approval by resolution, which resolution may, at the option of the Assembly, provide for delegation within parameters approved by the Assembly.

**Section 10. Undertaking to Provide Ongoing Disclosure.** The City and Borough will execute a certificate for ongoing disclosure in form and substance satisfactory to the purchaser of the Bonds, and the City Manager or his/her designee is hereby authorized and directed to execute such certificate.

**Section 11. Insurance.** If a series of Bonds is sold to the Bond Bank, the Bond Bank may, with the consent of the City and Borough and on terms and conditions acceptable to the City and Borough, obtain a policy of municipal bond insurance guaranteeing the payment when due of the principal of and interest on a series of the Bond Bank's Bonds issued to provide funds for the loan to the City and Borough pursuant to a Loan Agreement. By the Loan Agreement, the City Manager or his/her designee may approve any such policy of municipal bond insurance and authorize all other officers, agents, attorneys, and employees of the City and Borough to cooperate with the bond insurer in preparing such additional agreements, certificates, and other

documentation on behalf of the City and Borough, consistent with this ordinance, as shall be necessary or advisable in providing for such policy of municipal bond insurance.

The City Manager or his/her designee also may obtain a surety policy in order to satisfy the Reserve Requirement on the condition that the surety policy meets the requirements of Qualified Insurance on terms and conditions determined to be acceptable to the City Manager or his/her designee. The City Manager or his/her designee may execute such additional agreements or certificates and provide such documentation to the issuer of such surety policy as shall be necessary or advisable in providing for such surety policy.

In connection with the initial issuance and sale of the Bonds to the Bond Bank, and notwithstanding the provisions of Section 19 of this ordinance to the contrary, the Assembly may by resolution modify any of the covenants or other provisions of this ordinance as may be required by a provider of bond insurance or a surety policy for the Bond Bank's Bonds.

**Section 12. Disposition of Proceeds of the Bonds.** The Finance Director may direct that all or a portion of the original issue premium also be deposited in the Principal and Interest Account. Unless the Reserve Requirement is satisfied with a Credit Facility or other port revenues, a portion of the Bond proceeds in the amount designated by the Finance Director shall be deposited in the Reserve Account in order to meet the Reserve Requirement. The City and Borough shall maintain a fund or account for the Projects (the "Project Fund"). The balance of the proceeds of sale of the Bonds of a series shall be deposited in the Project Fund or a subaccount therein, and shall be expended solely to pay the cost of issuing and selling that series of Bonds and, together with other available moneys of the City and Borough, shall be used to reimburse the City and Borough for funds already distributed for the costs of the Project, and to pay the costs of completing the Project, as the case may be. Money in the Project Fund shall be invested by the Finance Director, pending disbursement, in any legal investment for City and Borough funds, and interest earnings shall be deposited in the Project Fund.

**Section 13. Defeasance.** In the event that money and/or noncallable Government Obligations maturing or having guaranteed redemption prices at the option of the holder at such time or times and bearing interest to be earned thereon in amounts (together with such money, if any) sufficient to redeem and retire part or all of the Bonds in accordance with the its terms, are hereafter irrevocably set aside in a special account and pledged to effect such redemption and retirement, then no further payments need be made into the Bond Fund or any account therein for the payment of the principal of and interest on the Bonds or portion thereof so provided for and the Bonds or portion thereof shall then cease to be entitled to any lien, benefit or security of this ordinance, except the right to receive the accounts so set aside and pledged, and the Bonds or portion thereof shall no longer be deemed to be outstanding hereunder.

**Section 14. Specific Covenants.** The City and Borough hereby covenants and agrees with the owners of the Bonds that for as long as the Bonds remain outstanding as follows:

(a) *Rate Covenant.* The City and Borough will maintain the rates established in the ordinance and resolution authorizing and imposing the fees that constitute the Port Development Fee Revenues and will collect such amounts for so long as any Bonds are outstanding as will

maintain the Rate Covenant. Nothing in this Rate Covenant shall preclude the City and Borough from increasing the fees or otherwise modifying the Port development fee as long as there is a net increase in the Port development fee as a result of such modification.

(b) *Port Facilities Maintenance.* The City and Borough will at all times maintain and keep the Port Facilities in good repair, working order and condition, and also will at all times operate such facilities and the business in connection therewith in an efficient manner and at a reasonable cost.

(c) *Books and Records.* The City and Borough will, while the Bonds remain outstanding, keep proper and separate accounts and records in which complete and separate entries shall be made of all transactions relating to the Port Facilities, and it will furnish the original purchaser or purchasers of the Bonds or any subsequent owner or owners thereof, at the written request of such owner or owners, complete operating and income statements of the Port Facilities in reasonable detail covering any fiscal year, showing the financial condition of the Port Facilities and compliance with the terms and conditions of this ordinance, not more than 120 days after the close of such fiscal year, and it will grant any owner or owners of at least 25% of the outstanding Bonds the right at all reasonable times to inspect the entire Port Facilities and all records, accounts and data of the City and Borough relating thereto. Upon request of any owner of any of said Bonds, it will also furnish to such owner a copy of the most recently completed audit of the City and Borough's accounts.

(d) *Ordinance a Contract.* This ordinance shall constitute a contract with the registered owners of the Bonds, and upon any default hereunder, said owner shall have the right to institute a mandamus action in any court of competent jurisdiction to compel performance by the City and Borough in accordance with the terms of this ordinance.

(e) *Tax Covenants.* The Finance Director is an officer of the City and Borough whose duties include the holding of such hearings as may be required under the Code in order to assure the tax exempt status of the Bonds. The Finance Director will hold a public hearing on the issuance of the Bonds as needed. The City and Borough covenants to undertake all actions required to maintain the tax-exempt status of interest on the Bonds under Section 103 of the Code as set forth in the Federal Tax Certificate(s) that will be executed at the closing for the Bonds.

The City and Borough has not designated the Bonds as "qualified tax-exempt obligations" under Section 265(b)(3) of the Code for banks, thrift institutions and other financial institutions.

## **Section 15. Future Parity Bonds.**

(a) *Conditions upon the Issuance of Future Parity Bonds.* As long as the Bonds remain outstanding, the City and Borough hereby further covenants and agrees that it will not issue any obligations having a lien on the Port Development Fee Revenues prior to the lien thereon of the Bonds and further that it will not issue any Future Parity Bonds except in accordance with the conditions of this Section 15. The City and Borough hereby reserves the right to issue additional revenue obligations, which shall constitute a charge and lien upon the Port Development Fee Revenues equal to the lien thereon of the Bonds. Except as provided in subsection (b) below, the

City and Borough shall not issue any series of Future Parity Bonds or incur any additional indebtedness with a parity lien or charge on Port Development Fee Revenues (*i.e.*, on a parity of lien with Parity Bonds at the time outstanding) unless:

(1) the City and Borough shall not have been in default of its Rate Covenant for the immediately preceding fiscal year;

(2) The ordinance authorizing the issuance of such Future Parity Bonds shall provide that the Reserve Requirement shall be funded no later than the date of delivery of the Future Parity Bonds and shall include the covenants set forth in Section 14 of this ordinance (including the tax covenant, to the extent applicable); and

(3) there shall have been filed a certificate (prepared as described in subsection (c) or (d) below) demonstrating fulfillment of the Parity Requirement, commencing with the first full fiscal year following the date on which any portion of interest on the series of Future Parity Bonds then being issued no longer will be paid from the proceeds of such series of Future Parity Bonds.

(b) *No Certificate Required.* The certificate described in the foregoing subsection (a)(3) shall not be required as a condition to the issuance of Future Parity Bonds:

(1) if the Future Parity Bonds being issued are for the purpose of refunding outstanding Parity Bonds and the annual debt service requirements for each year in which Parity Bonds are then outstanding are not increased as a result of the refunding; or

(2) if the Future Parity Bonds are being issued to pay costs of construction of facilities of the Port Facilities for which Parity Bonds have been issued previously and the principal amount of such Future Parity Bonds being issued for completion purposes does not exceed an amount equal to an aggregate of 15% of the principal amount of Parity Bonds theretofore issued for such facilities and reasonably allocable to the facilities to be completed as shown in a written certificate of the City and Borough Representative, and there is delivered a Consultant's certificate stating that the nature and purpose of such facilities has not materially changed.

(c) *Certificate of the City and Borough Without A Consultant.* If required pursuant to the foregoing subsection (a)(3), a certificate may be delivered by the City and Borough (executed by the City and Borough Representative) without a Consultant if Port Development Fee Revenues for the Base Period (confirmed by an independent auditor) conclusively demonstrate that the Parity Requirement will be fulfilled commencing with the first full fiscal year following the date on which any portion of interest on the series of Future Parity Bonds then being issued will not be paid from the proceeds of such series of Future Parity Bonds.

(d) *Certificate of a Consultant.* Unless compliance with the requirements of subsection (a)(3) have been otherwise satisfied (as provided in (b) or (c) above), compliance with the Parity Requirement shall be demonstrated conclusively by a certificate of a Consultant.



In making the computations of Port Development Fee Revenues for the purpose of certifying compliance with the Parity Requirement, the Consultant shall use as a basis the Port Development Fee Revenues for the Base Period. Such Port Development Fee Revenues shall be determined by adding the following:

(1) The historical Port Development Fee Revenues of the City and Borough for any 12 consecutive months out of the 30 months immediately preceding the month of delivery of the Future Parity Bonds being issued as determined by a Consultant; and

(2) The estimated annual revenue to be derived from any additional fees and charges that have been established by the Assembly as new Port Development Fee Revenues that have not been previously included in any of the sources of net revenue described in this subsection (d).

(e) *Subordinate Lien Obligations.* Nothing herein contained shall prevent the City and Borough from issuing revenue bonds or other obligations which are a charge upon the Port Development Fee Revenues junior or inferior to the payments required by this ordinance to be made out of such Revenue to pay and secure the payment of any outstanding Parity Bonds.

(f) *Refunding Obligations.* Nothing herein contained shall prevent the City and Borough from issuing revenue bonds to refund maturing Parity Bonds for the payment of which moneys are not otherwise available.

**Section 16. Lost, Stolen or Destroyed Bonds.** In case a Bond shall be lost, stolen or destroyed, the Bond Registrar may authenticate and deliver a new Bond of like amount, date and tenor to the owner thereof upon the owner's paying the expenses and charges of the Bond Registrar and the City and Borough in connection therewith and upon his filing with the Bond Registrar and the City and Borough evidence satisfactory to both that such Bond was actually lost, stolen or destroyed and of his ownership thereof, and upon furnishing the City and Borough and the Bond Registrar with indemnity satisfactory to both.

**Section 17. Form of Bonds and Registration Certificate.** The Bonds shall be in substantially the following form:

NO. \_\_\_\_\_ UNITED STATES OF AMERICA \$ \_\_\_\_\_  
STATE OF ALASKA

CITY AND BOROUGH OF JUNEAU  
PORT REVENUE BOND, 2023[A/B] [(AMT/Non-AMT)]

INTEREST RATES: See Below

FINAL MATURITY DATE:

REGISTERED OWNER:

PRINCIPAL AMOUNT:

THE CITY AND BOROUGH OF JUNEAU, ALASKA (the “City and Borough”), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, the Principal Amount indicated above in accordance with the installment payment schedule set forth below (unless prepaid prior thereto as provided herein) and to pay interest thereon from \_\_\_\_\_, 20\_\_, or the most recent date to which interest has been paid or duly provided for until payment of this bond at the interest rates set forth below, payable on \_\_\_\_\_ 1, 20\_\_ and semiannually thereafter on the first day of each \_\_\_\_\_ and \_\_\_\_\_.

Year of Principal Installment Payment (_____ 1)	Principal Installment Amount	Interest Rate
	\$	

Both principal of and interest on this bond are payable in lawful money of the United States of America. Installments of principal of and interest on this bond shall be paid by check or draft mailed to the Registered Owner at the address appearing on the Bond Register on the 15<sup>th</sup> day of the month preceding the interest payment date, and principal of this bond shall be payable upon presentation and surrender of this bond by the Registered Owner at the principal office of the Finance Director of the City and Borough of Juneau, Alaska (the “Bond Registrar”). [Notwithstanding the foregoing, so long as the Bond Bank is the Registered Owner of this bond,

payments of principal of and interest on the Bond shall be made to the Bond Bank in accordance with the Loan Agreement.]

This bond is a port revenue bond of the Borough and is issued pursuant to Ordinance Serial No. 2023-12 (the “Bond Ordinance”) for the purpose of making certain improvements to the Port Facilities.

The bond is subject to prepayment as described in the [Bond Purchase Contract/Loan Agreement.]

The City and Borough hereby covenants and agrees with the owner and holder of this bond that it will keep and perform all the covenants of this bond and the Bond Ordinance.

The City and Borough does hereby pledge and bind itself to set aside from such Port Development Fee Revenues, and to pay into said Bond Fund the various amounts required by the Bond Ordinance to be paid into and maintained in said Fund, all within the times provided by said Bond Ordinance.

To the extent more particularly provided by the Bond Ordinance, the amounts so pledged to be paid from the Port Development Fee Fund out of the Port Development Fee Revenues into the Bond Fund and the account therein shall be a lien and charge thereon equal in rank to the lien and charge upon said revenue of the amounts required to pay and secure the Outstanding Parity Bonds, the payment of any port revenue bonds of the City and Borough hereafter issued on a parity with the bonds of this issue and superior to all other liens and charges of any kind or nature.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Ordinance until the Certificate of Authentication hereon shall have been manually signed by the Bond Registrar.

[This bond [is][is not] a “private activity bond” as such term is defined in the Internal Revenue Code of 1986, as amended (the “Code”). ]This bond is not a “qualified tax-exempt obligation” under Section 265(b) of the Code for banks, thrift institutions and other financial institutions.

It is hereby certified and declared that this bond is issued pursuant to and in strict compliance with the Constitution and laws of the State of Alaska and ordinances of the City and Borough, including the Bond Ordinance, and that all acts, conditions and things required to be done precedent to and in the issuance of this bond have happened, been done and performed.

IN WITNESS WHEREOF, City and Borough of Juneau, Alaska has caused this Bond to be executed by the manual or facsimile signature of the City Manager or his/her designee and authenticated by the manual or facsimile signature of Clerk of the City and Borough as of this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

CITY AND BOROUGH OF  
JUNEAU, ALASKA

By \_\_\_\_\_ /s/ manual or facsimile  
City Manager or Designee

ATTEST:

\_\_\_\_\_/s/ manual or facsimile  
Clerk

The Certificate of Authentication for the Bonds shall be in substantially the following form:

CERTIFICATE OF AUTHENTICATION

Date of Authentication:

This bond is the Port Revenue Bond, 2023[A/B] [(AMT/Non-AMT)] of the City and Borough of Juneau, Alaska, dated \_\_\_\_\_, 2023, and described in the within-mentioned Bond Ordinance.

CITY AND BOROUGH OF JUNEAU, ALASKA  
FINANCE DIRECTOR, as Bond Registrar

By \_\_\_\_\_  
Finance Director

**Section 18. Execution of Bonds.** The Bonds shall be executed on behalf of the City and Borough with the manual or facsimile signature of the City Manager or the Finance Director or his/her respective designee, shall be attested by the manual or facsimile signature of the City and Borough Clerk, and the seal of the City and Borough shall be impressed or a facsimile thereof imprinted or otherwise reproduced thereon.

Only such Bonds as shall bear thereon a Certificate of Authentication in the form hereinbefore recited, manually executed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance. Such Certificate of Authentication shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this ordinance.

In case either of the officers who shall have executed the Bonds shall cease to be officer or officers of the City and Borough before the Bonds so signed shall have been authenticated or

delivered by the Bond Registrar, or issued by the City and Borough, such Bonds may nevertheless be authenticated, delivered and issued and upon such authentication, delivery and issuance, shall be as binding upon the City and Borough as though those who signed the same had continued to be such officers of the City and Borough. The Bonds may also be signed and attested on behalf of the City and Borough by such persons who are at the actual date of delivery of such Bond the proper officers of the City and Borough although at the original date of such Bonds any such person shall not have been such officer of the City and Borough.

## **Section 19. Supplements and Amendments.**

(a) *Without Consent of Owner.* The City and Borough from time to time and at any time may adopt an ordinance or ordinances supplemental hereto, which ordinance or ordinances thereafter shall become a part of this ordinance, for one or more or all of the following purposes:

(1) To add to the covenants and agreements of the City and Borough in this ordinance contained and other covenants and agreements thereafter to be observed, which shall not adversely affect the interests of the owners of the Bonds, or to surrender any rights or power herein reserved to or conferred upon the City and Borough.

(2) To make such provisions for the purpose of curing any ambiguities or of curing, correcting or supplementing any defective provision contained in this ordinance in regard to matters or questions arising under the ordinance as the Assembly may deem necessary or desirable and not inconsistent with the ordinance and which shall not adversely affect the interest of the owner of Parity Bonds.

Any such supplemental ordinance of the Assembly may be adopted without the consent of the owner of the Bonds at any time outstanding, notwithstanding any of the provisions of this section.

(b) *With Owner's Consent.* With the consent of the owners of Parity Bonds, the Assembly of the City and Borough may adopt an ordinance or ordinances supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this ordinance or of any supplemental ordinance; provided, however, that no such supplemental ordinance shall extend the fixed maturity of the Bonds, or reduce the rate of interest thereon, or extend the time of payments of interest from their due date, or reduce the amount of the principal thereof, or reduce any premium payable on the redemption thereof without the consent of the owner of each Parity Bond so affected.

It shall not be necessary for the consent of the owner under this subsection to approve the particular form of any proposed supplemental ordinance, but it shall be sufficient if such consent shall approve the substance thereof.

(c) *Effective Date of Modification.* Upon the adoption of any supplemental ordinance pursuant to the provisions of this section, this ordinance shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations of the City and Borough under this ordinance shall thereafter be determined, exercised and enforced thereunder,

subject in all respect to such modification and amendments, and all the terms and conditions of any such supplemental ordinance shall be deemed to be part of the terms and conditions of this ordinance for any and all purposes. A copy of each supplemental ordinance shall be provided to the owners of the Bonds.

**Section 20. Compliance with Parity Conditions.** The Assembly hereby finds and determines, as required by Section 15 of Ordinance Serial No. 2014-01, as amended, that each of the following conditions will be satisfied at the time of issuance of the Bonds of each series:

(a) the City and Borough will not have been in default of its Rate Covenant for the immediately preceding fiscal year;

(b) the ordinance for the Bonds provides that the Reserve Requirement will be funded no later than the date of delivery of the Bonds and includes the covenants set forth in Section 14 of Ordinance No. 2014-01, as amended (including the tax covenant); and

(c) there will have been filed a certificate (prepared as described in subsection 15(c) or (d) of Ordinance Serial No. 2014-01, as applicable) demonstrating fulfillment of the Parity Requirement, commencing with the first full fiscal year following the date on which any portion of interest on the series of Bonds being issued no longer will be paid from the proceeds of such series of Bonds.

The conditions contained in Ordinance Serial No. 2014-01 having been complied with or assured, the payments required herein to be made out of the Port Development Fee Fund out of the Port Development Fee Revenues into the Bond Fund, including the Reserve Account, to pay and secure the payment of the principal of and interest on the Bonds of a series shall constitute a lien and charge upon Port Development Fee Revenues equal in rank with the lien and charge thereon for the payments required to be made for the Outstanding Parity Bonds.

**Section 21. Severability.** If any one or more of the covenants or agreements provided in this ordinance to be performed on the part of the City and Borough shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements in this ordinance and shall in no way affect the validity of the other provisions of this ordinance or of the Bonds.

**Section 22. Effective Date.** This ordinance shall become effective thirty days after adoption.

ADOPTED this 20th day of March, 2023.

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Beth A. Weldon  
Mayor

ATTEST:

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Elizabeth J. McEwen  
Municipal Clerk

CERTIFICATE

I, the undersigned, Clerk of the City and Borough of Juneau, Alaska (the “City and Borough”), DO HEREBY CERTIFY:

1. That the attached Ordinance Serial No. 2023-12 (herein called the “Ordinance”) is a true and correct copy of an Ordinance of the City and Borough as finally adopted at a meeting of the Assembly held on the 20th day of March, 2023 and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a quorum of the Assembly was present throughout the meeting and a legally sufficient number of members of the Assembly voted in the proper manner for the adoption of the Ordinance; that all other requirements and proceedings incident to the proper adoption of the Ordinance have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_ day of March, 2023.

---

Elizabeth J. McEwen, Municipal Clerk  
City and Borough of Juneau



## MEMORANDUM OFFICE OF THE ASSESSOR

155 S Seward Street  
Juneau, AK 99801  
Phone: (907) 586-5215 Ext 4906

Fax: (907) 586-4520

E-Mail: Mary.Hammond@juneau.gov

Date: February 10, 2023

To: Mayor and Assembly

From: Mary Hammond, Assessor

**RE: Economic Development – Export Manufacturing Exemption**

The Assessor's Office received the following 2023 Export Manufacturing Exemption Applications for business personal property used in manufacturing. The Assembly must approve any export manufacturing exemption for real or business personal property, CBJ 69.10.020(1)(c).

The property owners listed below have had Assembly approval in the past. It is recommended that their new applications be approved.

2023	AK GLACIER SEAFOOD INC	AKBEV GROUP LLC	FORBIDDEN PEAK BREWERY	DEVILS CLUB BREWING CO
Total Assessed Value	3,009,782	9,621,941	310,668	187,644
Mandatory Exempt Amount	100,000	100,000	100,000	100,000
Taxable Value	2,909,782	9,521,941	210,668	87,644
Tax Amount @ FY23 Estimated Mill Rate (10.56)	30,727	100,552	2,225	926
Prior Years Export Mfg Exempt Value	418,619	1,596,263	178,889	16,670
New Export Mfg Exempt Value	635,458	262,374	-	12,676
Total Export Mfg Exempt Value	1,054,077	1,858,637	178,889	29,346
Taxable Value Before Mandatory Exemption Value	1,955,705	7,763,304	131,779	158,298
Mandatory Exempt Value	100,000	100,000	100,000	100,000
Total Taxable Value after both exemptions	1,855,705	7,663,304	31,779	58,298
Total Amount Paid@ FY23 Estimated Mill Rate (10.56)	19,596	80,924	336	616
Total Prior Years Export Mfg Tax Exempt	4,421	16,857	1,889	176
Total New Export Mfg Tax Exempt	6,710	2,771	-	134
Total Tax to be Exempted	11,131	19,627	1,889	310

Attached are copies of their applications.

## A. Export Manufacturing

CBJ 69.10.020(10) provides for exempting qualifying manufacturing property from assessment and taxation. Qualifying property may receive a declining five-year percentage exemption from the property's market value as follows:

- 100% exemption in year 1
- 80% exemption in year 2
- 60% exemption in year 3
- 40% exemption in year 4
- 20% exemption in year 5

Property owners seeking an exemption must file a request with the Assessor's Office on or before January 31 of each year. The code places the authority for approving the manufacturing exemption requests with the Assembly.

The Assessor's Office has received three property manufacturing exemption requests for the 2023 tax year (FY24 budget year).

1. Alaska Glacier Seafood's, Inc. filed a manufacturing exemption for machinery, equipment totaling \$635,458 (\$6,710 in property tax).

In addition, Alaska Glacier Seafood's has \$418,619 in property qualifying from prior years, for a total 2023 assessment exemption of \$1,054,077 or (\$11,131 in property taxes).

The Assessor's Office has determined that the property exemption request meets the code requirements and recommends approval of this exemption request.

2. Alaskan Brewing Company, LLC filed a manufacturing exemption for machinery, equipment, furniture and fixtures, computers and software, and vehicles totaling \$262,374 (\$2,771 in property tax).

In addition, Alaskan Brewing has \$1,596,263 in property qualifying from prior years, for a total 2023 assessment exemption of \$1,858,637 (\$19,627 in property taxes).

The Assessor's Office has determined that the property exemption request meets the code requirements and recommends approval of this exemption request.

3. Forbidden Peak Brewery did not file a manufacturing exemption for machinery, equipment for the assessment year 2023.


Forbidden Peak Brewery has \$178,889 in property qualifying from prior years, for a total 2023 assessment exemption of \$178,889 (\$1,889 in property taxes).

4. Devils Club Brewing filed a manufacturing exemption for machinery, equipment totaling \$12,676 (\$134 in property tax).

Devils Club Brewing has \$12,670 in property qualifying from prior years, for a total 2023 assessment exemption of \$29,346 (\$310 in property taxes).

The Assessor's Office has determined that the property exemption request meets the code requirements and recommends approval of this exemption request.

**I recommend approval of these exemption requests.**

  
Mary Hammond  
Assessor

2-10-2023  
Date



Fiscal Year 2022 Audit Presentation

March 1, 2023

Karen Tarver, CPA

Elgee Rehfeld, LLC



## FY22 AUDIT TEAMS

- **CBJ – Karen Tarver**
  - Adam Sycks, Jill Smith, Cody Campbell, Tim Lewis, Andrew Ringle, Brayden Massey-Jones, Katie Tarver, Ryan Beason
- **BRH – Sarah Griffith**
  - Adam Sycks, Jill Smith, Tim Lewis, Katie Tarver, Anujin Bayarjargal
- ▶ **JSD – Karen Tarver**
  - Jill Smith, Cody Campbell, Andrew Ringle, Katie Tarver, Batsuren Ganbat, Anujin Bayarjargal

# TIMING OF AUDITS

## City and Borough of Juneau (CBJ)

Fieldwork - August and October-March

FY22 FS – to be issued in March 2023

FY22 Compliance Audits – will be completed in March 2023

## Bartlett Regional Hospital (BRH)

Fieldwork - August and September

FY22 FS – issued in November

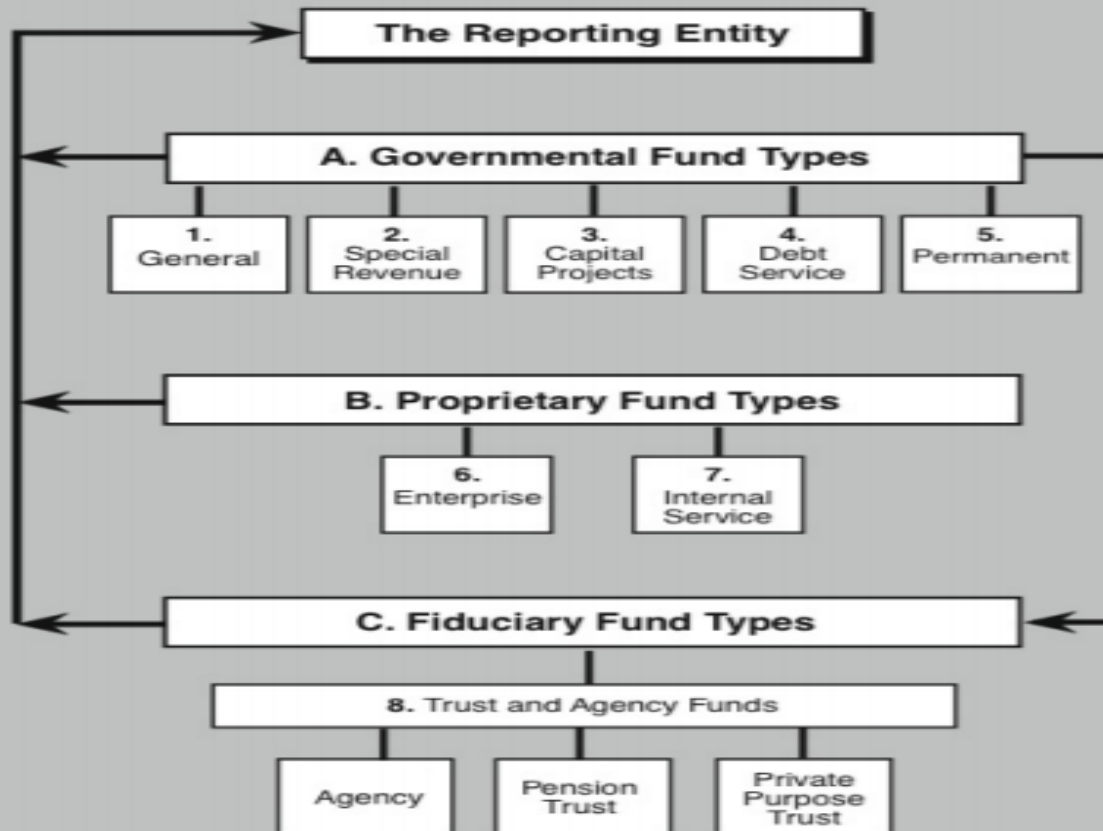
## Juneau School District (JSD)

Fieldwork - July and September

FY22 FS & Compliance Audits – issued in November

# CBJ – PRIMARY GOVERNMENT

## Primary Government

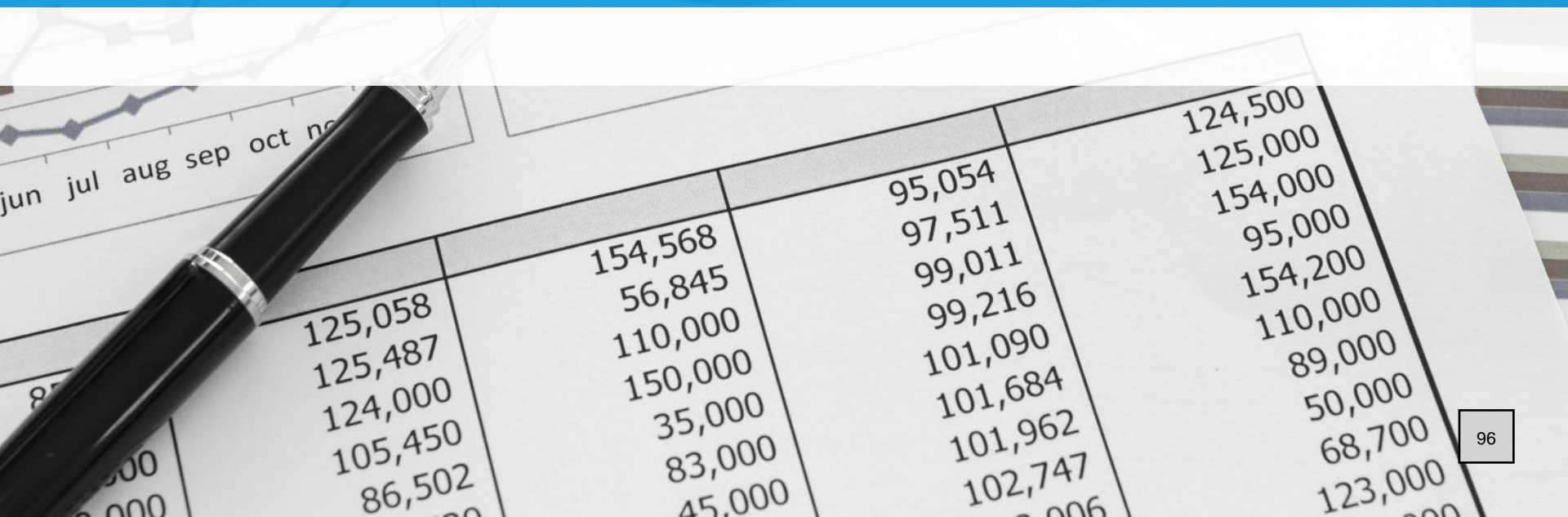


# CBJ'S ACTIVITIES AND FUNDS

Section E, Item 9.

- **Governmental Activities**
  - General Fund
  - General Debt Service
  - Special Revenue Funds – 11
  - Capital Project Funds – 5
  - Permanent Fund
- **Business-Type Activities**
  - Enterprise Funds – 6 (includes BRH)
- **Internal Service Funds – 3** (allocated into Governmental and Business-Type Activities)
- **Fiduciary Funds – 2**
- **Component Unit – Juneau School District**

# "ACFR" ANNUAL COMPREHENSIVE FINANCIAL REPORT





# CBJ ACFR CONTENTS

## BASIC FINANCIAL STATEMENTS

AUDITOR EXPRESSES AN  
OPINION ON  
GOVERNMENTAL AND  
BUSINESS-TYPE ACTIVITIES,  
EACH MAJOR FUND, AND  
AGGREGATE REMAINING  
FUND INFORMATION AND  
NOTES TO THE BASIC  
FINANCIAL STATEMENTS

Basic Financial Statements include:

- **Government Wide Financial Statements**  
(Governmental & Business-Type Activities)
  - Statement of Net Position
  - Statement of Activities
- **Fund Financial Statements**
  - Governmental Funds
    - Balance Sheet
    - Statements of Revenues, Expenditures and Changes in Fund Balances
  - Proprietary Funds
    - Statement of Net Position
    - Statement of Activities
    - Statement of Cash Flows
  - Fiduciary Funds
    - Statement of Net Position
    - Statement of Activities
- **Notes to the Basic Financial Statements**

# CBJ ACFR CONTENTS

## REQUIRED SUPPLEMENTARY INFORMATION

AUDITOR DOES NOT  
EXPRESS AN OPINION OVER  
REQUIRED SUPPLEMENTARY  
INFORMATION

Required Supplementary Information includes:

- **Management Discussion and Analysis**
- **Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual**
  - Presented for each governmental major fund
- **Schedules of Proportionate Share of the Net Pension and Net OPEB Liabilities**
- **Schedules of Contributions to Alaska Public Retirement System and OPEB Plans**

# CBJ ACFR CONTENTS

## SUPPLEMENTARY INFORMATION

AUDITOR EXPRESSES AN 'IN  
RELATION TO' OPINION ON  
SUPPLEMENTARY  
INFORMATION

NO OPINION IS EXPRESSED  
ON THE OTHER  
SUPPLEMENTARY  
INFORMATION

Supplementary Information includes:

- **Combining statements**
  - Non-Major Governmental Funds
  - Enterprise Funds
- Individual fund statements
- Capital Assets Used in Operation of Governmental Funds schedule
- Current and Closed Capital Project Schedules

Other Supplementary Information includes:

- **Introductory section**
- **Statistical section**

# ANNUAL FINANCIAL REPORTS OF CBJ, BRH AND JSD

- **City and Borough of Juneau (CBJ)**
  - ▶ ACFR (Annual Comprehensive Financial Report)
  - ▶ Compliance Reports
    - ▶ Federal and State Major Programs & Schedules
    - ▶ FAA Passenger Facility Charges Program and Schedule
- **Bartlett Hospital Regional Hospital (BRH)**
  - ▶ Financial Statements
- **Juneau School District (JSD)**
  - ▶ Financial Statements
  - ▶ Compliance Reports
    - ▶ Federal and State Major Programs & Schedules
    - ▶ State of Alaska DEED Tuition Rate Report

# SIGNIFICANT TRANSACTION CYCLES

- **CBJ and JSD**
  - **Treasury** – Cash, Investments, Taxation (CBJ), other Revenue and Related Receivables
  - **Capital Assets** (CBJ only)
  - **Debt Instruments** (CBJ only)
  - **Expenditure** – Purchasing, Accounts Payable, Inventory and Supplies, and Payroll
  - **Budget**
  - **Risk** (Concentrated at CBJ)
  - **Financial Reporting**
  - **Compliance** – Legal, General Grant and Specific (including Passenger Facility Charges and Tuition Rate Report)
- **BRH**
  - **Revenue Cycle** – Patient/consumer services revenue from admissions through billing including related management of contractual and bad debt recording
  - **Property, Plant and Equipment**
  - **Expenditure** – Purchasing, Accounts Payable, Inventory and Supplies, and Payroll
  - **Financial Reporting**
  - **Compliance** – Legal, General Grant and Specific

# INDEPENDENT AUDITOR'S REPORT – OPINIONS

Section E, Item 9.

## DRAFT INDEPENDENT AUDITOR'S REPORT

To the Members of the Assembly  
City and Borough of Juneau, Alaska

### **Report on the Audit of the Financial Statements**

#### *Opinions*

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City and Borough of Juneau, Alaska (City and Borough), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City and Borough's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City and Borough, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

# INDEPENDENT AUDITOR'S REPORT – BASIS FOR OPINIONS

Section E, Item 9.

## *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and Borough and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

# INDEPENDENT AUDITOR'S REPORT – MANAGEMENT'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Section E, Item 9.

## *Responsibilities of Management for the Financial Statements*

The City and Borough's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City and Borough's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



# INDEPENDENT AUDITOR'S REPORT – OUR RESPONSIBILITIES

Section E, Item 9.

## *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

# INDEPENDENT AUDITOR'S REPORT AUDITOR'S RESPONSIBILITY UNDER GAAS

Section E, Item 9.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City and Borough's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City and Borough's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

# AUDIT PROCESS

Testing of Significant Internal Controls

Testing of Balances and Significant Transactions  
and Disclosures

Concluding on Work

Drafting Auditor Reports

Issuance

# CHANGES IN FISCAL YEAR 2022 IMPACTING AUDIT APPROACH

- GASB No. 87, Leases
- COVID funding
- Increased audit risk identified in immaterial account balances at BRH
- Turnover in Finance & Treasury departments
- Budgetary compliance

# BARTLETT REGIONAL HOSPITAL FY22 AUDIT RESULTS

- Unmodified Opinion on Financial Statements
- Findings Reported to the Hospital Board
  - Significant Deficiency 2022-001 – Internal controls over Financial Reporting – Purchasing Process (BRH)
- Detailed Presentation with the BRH Finance Committee
- Note: Federal and State financial assistance is audited as part of CBJ's single audit and is not yet completed for FY22.

# JUNEAU SCHOOL DISTRICT FY22 AUDIT RESULTS

- **Unmodified Opinions on Financial Statements and Federal and State major Programs**
  - No findings or questioned costs for compliance programs
  - No audit adjustments to the financial statements
- **Findings Reported to the Juneau School Board**
  - 2022-001 Significant Deficiency in Internal Controls over Financial Reporting and Compliance with CBJ Charter, Article 13 Section 7
  - 2022-002 Significant Deficiency in Internal Controls over Financial Reporting – Medicaid Billing
- **Other Informal communications with management**
  - GASB Statement No. 87 – Leases impact
  - Budgeting and Policies & Procedures updates
  - Methods for cash collections
  - Coordination with State of Alaska for FY23 budget
- **Presentation to the School Board and CBJ Finance Committee**

# CBJ FY22 AUDIT STATUS

## ACFR / Financial Statements audit

- In progress – expect to issue in March 2023
- Significant delays in the production of the ACFR
- Current expectation is to issue unmodified opinions with 2 findings

## Federal and State Compliance audits

- In progress – expect to issue in March 2023
- Significant delays in the production of the ACFR resulted in delay compliance audit

# CBJ – FY22 COMPLIANCE AUDITS IN PROGRESS

- State Major Program
  - 1 major program
    - 55% of total state assistance for FY22

## Federal Major Programs

- 4 major programs
  - 85% of total federal assistance for FY22
    - 16% Airport related
    - 4% CIP related
    - 79% Covid related funding
      - 11% Hospital related
      - 68% Governmental and enterprise funds

## FAA Passenger Facility Charges Schedule



# CBJ - LETTER TO THE ASSEMBLY

Auditor Responsibility

Planned Scope and Timing  
of Audit and Significant  
Risks Identified

Compliance Regarding  
Independence

Entity's Significant  
Accounting Policies Aspects

- Significant Accounting Policies –  
Use & Changes
- Significant Accounting Estimates
- Significant Disclosure

Uncorrected and Corrected  
Misstatements

Difficulties, Disagreements,  
Representations and  
Consultations with or by  
Management

Other Significant Matters,  
Findings or Issues

# LETTER TO THE ASSEMBLY – SIGNIFICANT ACCOUNTING POLICIES

- Adoption of GASB:
  - *No. 87, Leases*
- Prior Period Adjustments to ACFR
  - Restatements related to the reclassification of a fund from enterprise to governmental and correction for fixed asset/prepaid amounts.

# LETTER TO ASSEMBLY - SIGNIFICANT ESTIMATES

- **Pension and OPEB Assets, Liabilities, Deferred In/Outflows**
  - Based on information provided by the State of Alaska
- **Accounts, Taxes, Assessments and Other Receivables**
  - Based on historical collection, market conditions
  - Assumes ability to collect
  - Accuracy of allowance for doubtful accounts
- **Self-insurance reserves for claims liabilities**
  - Represents reserves for reported and unreported losses
  - Based on an estimated (by an actuary) ultimate cost of settling the claims
- **Provider Relief Funds (BRH)**
  - Based on guidance made available by U.S. Department of Health and Human Services, at time financials were issued.

## LETTER TO ASSEMBLY – UNCORRECTED AND CORRECTED MISSTATEMENTS

### Still in progress but include:

- Change in presentation of fund balance between committed and unassigned in the Sales Tax Special Revenue Fund to conform with GASB No. 54 reporting requirements.
- Omitted lease disclosures
- Corrections to capital asset, debt, lease, fund balance disclosures
- Corrections to Capital Project schedules (supplementary information) and Capital Project amounts in basic financial statements
- Correction classification of current and long-term compensated absences in BRH Enterprise Fund
- Correct classification of non-operating revenue from operating to non-operating

## LETTER TO THE ASSEMBLY - INTERNAL CONTROL MATTERS AND RECOMMENDATIONS

### **DRAFT** Finding 2022-001: Material Weakness in Internal Controls over Financial Reporting – ACFR Preparation Process

- We recommend management complete a formal evaluation of:
  - Process used to compile information for the ACFR
  - Software used to compile the ACFR
  - Review procedures and resources used in reviewing the ACFR

We recommend an update to the ACFR preparation process, to ensure there are controls in place to mitigate the risks identified in the evaluation and to ensure accurate and timely preparation of the ACFR.

## LETTER TO THE ASSEMBLY - INTERNAL CONTROL MATTERS AND RECOMMENDATIONS

### **DRAFT** Finding 2022-002: Significant Deficiency in Internal Controls over Financial Reporting – Lease Standard Implementation Procedure Documentation

- We recommend management complete a formal evaluation of the procedures and documentation associated with accounting and reporting under the lease standard (GASB No. 87). Improved documentation and departmental guidance is needed to ensure accurate and timely preparation of the ACFR lease information.

LETTER TO THE  
ASSEMBLY - INTERNAL  
CONTROL MATTERS  
AND  
RECOMMENDATIONS

**DRAFT** Finding 2022-003: Significant Deficiency  
in Internal Controls over Financial Reporting –  
Purchasing Processes (BRH Enterprise Fund)

- We recommend management complete a formal evaluation of the risks and controls associated with the purchasing cycle, as well as all other financial functions, and ensure controls are in place to mitigate the risks identified.

LETTER TO  
THE  
ASSEMBLY –  
OTHER  
INTERNAL  
CONTROL  
COMMENTS  
DRAFT

Review of Financial Related Policies and  
Procedures

Finance & Treasury Department Task  
Management

Utilization of Software for ACFR Preparation



LETTER TO  
THE  
ASSEMBLY –  
STATUS OF  
PRIOR YEAR  
FINDING &  
COMMENTS  
DRAFT

Finding 2021-001: Significant Deficiency in Internal Controls over Financial Reporting – Purchasing Processes, Bartlett Regional Hospital Enterprise Fund

*Finding repeated as 2022-003 due to timing of corrective action occurring late in FY22*

Other Internal Control Matters:

- Further Develop and Document Accounting Procedures
  - We recommended management continue to formalize documentation, including the controller's ACFR review procedures.

*Comment is Repeated and part of 2022-001*

# CONCLUSION

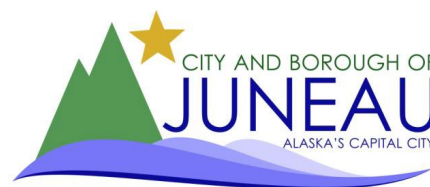
- Thank you to the CBJ Finance and Treasury Departments, JSD Finance, and BRH's Finance staff for their assistance in our audits. It has been a challenging year and those we interacted with have responded in a professional manner and worked diligently to provide the information needed for our audits.
- We are happy to sit down with members of the Assembly to discuss any items related to our audits.
- Questions?

# Requests for Outside of Cap Funding

<b>Request for Funding</b>	
<b>Subject to CBJ Assembly approval</b>	
<b>General School Operations</b>	\$28,491,200
<b>Requests Beyond the Local Allowable Contribution</b>	
<b>K-12 Programs:</b>	
High School Activities	1,200,000
Middle School Activities	105,000
Transportation	150,000
Food Service	75,000
<b>Other Programs:</b>	
Kinder Ready	450,000
Community Schools	95,000
Learn to Swim	50,000
RALLY	150,000
<i>Total Requests Outside the Cap</i>	\$2,275,000
<b>Total Requests for Funding</b>	<b>\$30,766,200</b>

Section E, Item 10.

# MEMORANDUM



**DATE:** March 1, 2023

**TO:** Assembly Finance Committee

**FROM:** Jeff Rogers, Finance Director

**SUBJECT:** **Juneau School District Victim of Financial Fraud**

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

On December 7, 2022, I was alerted by the Juneau School District that they were the victim of a fraudulent financial scheme. They reported that an individual claiming to be one of JSD's vendors requested banking information for ACH payments to be changed. JSD did not detect the fraud at this time. Resulting from the change in banking information, two payments were made to the fraudulent actor via ACH:

- \$93,477.17 on October 7, 2022
- \$175,600.23 on November 4, 2022

On December 7, 2022, CBJ Finance staff immediately contacted the FBI, JPD, CBJ Law, and First National Bank of Alaska (FNBA). Due to the long time elapsed since the payments, recovery of funds was not possible. The case remains open with the FBI, but these kinds of frauds are numerous and notoriously difficult to investigate.

This fraud is eerily reminiscent of the similar fraud that happened to CBJ roughly four years ago. These actors appear to have used the exact same method: a written request for a vendor's ACH payments to go to an alternate bank account. After the similar fraud four years ago, CBJ enacted procedural changes to stop these kinds of fraudulent attacks. Namely, CBJ now follows the new industry best practice, which is to separately contact the vendor in question at known contact information before changing any payment instructions. That secondary contact did not happen at JSD in this case, and the payment instructions were changed. A careful review of the fraudulent written request to change banking instructions does reveal a spoofed email address that varied slightly from the vendor's last known email address. Hindsight is 20/20, but these kinds of frauds are preventable. All financial entities should now be on high alert for the tell-tales signs of this particular scheme, and control procedures should be in place to prevent it.

At this time, the financial burden of this crime is falling directly on JSD, but it does not have to. CBJ is self-insured for these kinds of criminal events, and our self-insured retention starts at \$250,000. Hence, if JSD files a claim with CBJ Risk Management, the first \$250,000 would be paid from the CBJ Risk Fund and the remaining portion (\$19,077.40) would likely be eligible for recovery via insurance coverage. However, the CBJ Risk Manager has not received a claim from JSD, so no payment has been made from the Risk Fund to JSD at this time. Likewise, no claim has been made to our third-party insurers for the portion that may be covered.

Since mid-December, CBJ Finance, Law, Risk, and the Manager have been in regular contact with JSD staff about the importance of disclosing this financial crime to the public. To-date, that disclosure has not occurred. Hence, I feel it is my fiduciary responsibility as the CBJ Finance Director to disclose this event to the CBJ Assembly and the Juneau public at this time.