



Economic Stabilization Task Force

Appointed by the City & Borough of Juneau's Mayor
Minutes from June 4, 2020

Call to Order

The Economic Stabilization Task Force meeting was called to order at 3:00 p.m. by Mr. Mertz.

Task Force Members Present: Max Mertz, Linda Thomas, Susan Bell, Theresa Belton, Bruce Botelho, Eric Forst, Ken Koelsch, Lauren MacVay, Laura Martinson, and Terra Peters

Task Force Members Absent: None

Staff Present: Assistant Attorney, Teresa Bowen; P&R Deputy Director, Michele Elfers; CDD Administrative Officer, Brenwynne Grigg; CDD Director, Jill Maclean; CBJ Attorney, Robert Palmer; and, Finance Director, Jeff Rogers

CBJ Assembly Members Present: Mayor Beth Weldon, Alicia Hughes-Skandjis, Loren Jones, and Greg Smith

Special Guest Speakers: None

Approval of Minutes

MOTION: by Mr. Botelho to adopt the Economic Stabilization Task Force minutes from the May 21 meeting. The motion was seconded by Ms. Thomas.

Hearing no objections, the motion passed.

Review of Public Comment Matrix

Ms. MacVay shared that the focus of recent comments has shifted to job development and safety in the downtown.

Status of Assembly Action on Current ESTF Recommendations & Next Steps

Business Sustainability Grants

Mr. Mertz reported on Draft Ordinance 2019-06(AC)(b), an ordinance appropriating up to \$3.5 million to the Manager for Phase 1 of a COVID-19 Business Sustainability Grant Program, with funding provided by the CARES Act Special Revenue Fund. This draft ordinance was discussed at the Assembly Committee of the Whole meeting on June 1. Public hearing and a vote is scheduled for the June 8 Assembly Meeting. Draft Ordinance 2019-06(AC)(b) reflects minor changes made by the Assembly from the ordinance

approved by the Task Force. Mr. Mertz anticipates future changes based on discussions by the Assembly.

Mr. Mertz asked for Task Force action on Draft Ordinance 2019-06(AG), an ordinance appropriating up to \$8.5 million to the Manager for Phases 2 and 3 of a COVID-19 Business Sustainability Grant program, with funding provided by the CARES Act Special Revenue Fund. This draft ordinance is scheduled for introduction to the Assembly on June 8. Mr. Mertz explained that most of the provisions of this draft ordinance are identical to Phase 1 of the grant program, and the primary difference is the additional funding added to support businesses at higher percentages. Any changes made to Ordinance 2019-06(AC)(b) at adoption will be reflected in Ordinance 2019-06(AG).

MOTION: by Mr. Botelho to forward Draft Ordinance 2019-06(AG) to the Assembly for action. The motion was seconded by Mr. Forst.

Hearing no objections, the motion passed.

Jobs Grant

Mr. Botelho introduced Draft Ordinance 2019-06(AH), an ordinance appropriating up to \$1 million for a COVID-19 Conservation Corps program, with funding provided by the CARES Act Special Revenue Fund. He expressed appreciation to Mr. Rob Palmer, Mr. Jeff Rogers, Trail Mix, Inc., CBJ Parks and Recreation, and Eaglecrest. Mr. Botelho stated there is potential to access additional future funding through other Federal programs.

Mr. Botelho shared that Mr. Palmer has included a list of “whereas” statements at the beginning of the Ordinance, which are findings that justify the use of CARES Act money. Funding for the program remains at \$1 million. Funding distribution between the three organizations remains a moving target, but the identification of projects is underway and all parties are mobilizing quickly. He stated that Section 2 in the Ordinance references FY21 funding, but the Finance Department can use FY20 funding to place crews in the field prior to July 1 if workforce is in place. The eligibility requirements found in Section 4, Subsection (b), directs crewmember positions to be limited to those who are experiencing unemployment due to the COVID-19 pandemic. Section 4, Subsection (e) states that projects must be on public property. Section 4, Subsection (f) lists specific projects, and Section 4, Subsection (g) is a catchall so that organizations have the discretion to work on other projects, so long as it is consistent with this Ordinance.

Mr. Palmer addressed a small nuance in the arrangement. The Assembly appropriated \$300 thousand to a Trail Work Development Program prior to this Ordinance. The City intends to de-appropriate this funding and use the Conservation Corps Program to absorb that cost, if it is able.

Mr. Rogers stated that he and Mr. Palmer have exchanged comments on the best way to resolve the City’s fiscal situation due to COVID-19. He is confident that Finance can find a way for the program to work from a technical perspective, while allowing the work to move forward at a fast pace. It is the intent of CBJ Finance to fund a program with this Ordinance that can start immediately and run through September 2020.

Mr. Mertz referenced Section 4, Subsection (d), which expressly excludes expensive materials such as cabin kits and pre-constructed bridges, and asked why this was the case since Section 4, Subsection (f)(3), of the Ordinance identifies bridge improvements on trails as an eligible project. Mr. Palmer explained that U.S. Treasury guidance prohibits the use of CARES Act funds for capital improvements. However, funds may be used to purchase tools, hire contractors, rent equipment, or haul the lumber needed to mill the bridges onsite.

MOTION: by Mr. Botelho to endorse this ordinance as written for consideration by the Assembly. The motion was seconded by Mr. Mertz.

Hearing no objections, the motion passed.

K – 12 Childcare Assistance

Ms. Martinson has been gathering information from Ms. Joy Lyon, Executive Director of the Association for the Education of Young Children (AEYC). Ms. Lyon has identified a gap in childcare for working families, as state and city childcare assistance does not apply to school-aged children. Many parents are unable to return to work and afford RALLY, an extracurricular school-based childcare program, during the summer months. RALLY rates have increased by 40% this summer due to increased COVID-19-related expenses appertaining to social distancing, sanitizing, temperature checks, and other added measures. The revised curriculum geared toward smaller groups of children that discourages interaction has necessitated an additional three staff for the summer months, and six staff for the school year months.

Ms. Martinson expressed uncertainty whether CARES Act funding can be granted to RALLY since they are a school district program. Further research on how to assist with this problem is needed. The draft grant proposal Ms. Martinson presented represents a subsidy to cover the difference in funding due to the cost increase.

The RALLY program expects half of their enrollment to come from children in low-income families. Work is in progress with Juneau Economic Development Council (JEDC) to determine what percentage of enrolled children will be from families with essential workers. Ms. Martinson shared that 65% of workers in Juneau are deemed essential. RALLY estimates an additional \$25 per child per month in PPE expenses for the summer. This estimate drops to an additional \$12.50 per child per month during the school year.

The total need for a grant program covering the gap in increased RALLY expenses is \$200,991.

Mr. Mertz stated that there are more details to work out before this proposal is ready for deliberation, and that Ms. Martinson's update is meant to share findings so far.

Mr. Botelho expressed concern that the school district may be on a half-day schedule in the fall, and children of all ages will not be receiving classroom instruction for portions of their days. This will also be a major impediment to parents with fulltime employment going back to work. He suggested the Task Force engage with the school district quickly, as this is a looming crisis and their chance to mitigate the impacts is now.

Ms. Martinson shared that 30% of school-aged children are enrolled in a food program, and that the Task Force should consider how those children will eat when they are not in the classroom.

Mr. Forst agreed, saying that they should expect applications for RALLY services to increase if parents are unable to send their children to school.

Overview of \$53 Million CARES Act Funding Disbursement Presented at Assembly

Ms. Thomas thanked Mr. Rogers for helping to develop a pie chart showing the disbursement of \$53 million in CARES Act funding, which was presented to the Assembly on June 1. The pie chart shows where CARES Act money has already been designated, or potentially designated, resulting in an undesignated amount of \$18.5 million. This tool was helpful for the Assembly while discussing the sectors of the economy already being addressed, and in realizing which sectors of the economy need increased attention. The Assembly determined that non-profits and food programs need increased assistance. The Assembly asked the Manager to present a recommendation for the allocation of the remaining funds. Assembly member Triem volunteered to research the needs of non-profits. The Task Force has discussed coalescing the health and social services need, and Kenai has a grant program targeted at non-profits. Ms. Thomas asked the Task Force to review that program and come to the next meeting with ideas.

Mr. Rogers stated that he expects to receive additional guidance from the U.S. Treasury on eligible expenses, and that the math for the pie chart may change slightly. He thanked Ms. Thomas for leading the City in looking at the big picture of funding distribution.

Ms. MacVay stated that, originally, the CBJ Housing Rental Assistance Program used \$200 thousand from the Affordable Housing Fund. She asked if the City replaced the \$200 thousand with CARES Act money and transferred it back into the Affordable Housing Fund for future use. Mr. Rogers replied this was the case. Ms. MacVay informed the Task Force that the Alaska Housing Development Corporation (AHDC) must remit unused funds to the City at the end of June 2020. She asked if any unused money might be repackaged for disbursement for a modified future use. Mr. Rogers replied that the Assembly is discussing the future need for housing assistance, both rental and mortgage, when other federal and state programs expire.

Discussion on Funding Availability & Communication

Ms. MacVay reported that she started to aggregate the various resources currently in Juneau, and discussed the intended audience for the information. She plans to reach out to the CBJ Public Information Officer to discuss a strategy to share the findings with the broadest audience possible.

Strategic Planning Setup for Universe of Economic Stabilization Needs

Ms. Thomas suggested scheduling a time in the next few weeks to brainstorm on strategic planning. By then, the grant programs should be active, no longer requiring the full attention of the Task Force. Ms. Thomas suggested discussing areas of need for non-profits, revisiting what the Task Force has accomplished, and discussing any holes that might still exist in stabilizing Juneau economy.

Mr. Mertz voiced support for a Task Force Work Session that is longer in length than normal Task Force meetings. Ms. Thomas asked staff to share some initial dates available on the City Calendar, and volunteered to poll the Task Force to settle the date.

Open Fact-Finding Group Reports

Cruise Ship Protocol

Mr. Koelsch shared that not much is happening with cruise ships. There are some small cruise lines already engaging with the CBJ Assembly, but most of the large cruise lines have canceled the 2020 season in Alaska. Ms. Thomas reported a 92% loss in cruise ship traffic in Juneau this year. Ms. Martinson reported that, after listening to American Cruise Line representatives speak to the Assembly on June 1, she understood that cruise ship passengers will intermingle in the community after receiving a negative COVID-19 test, and the economic boost could be larger than previously anticipated through hotel, shopping, and restaurant activity. As of today, Juneau may see its first small cruise boat on June 25 or 26.

Restaurant and Small Business

Mr. Forst reported on the conversation he and Ms. Peters had with Mr. Brian Holst, Executive Director at JEDC, on the “Shop Local” loyalty-based app idea. He sees potential benefits but continues to collect additional information on the program. He and Ms. Peters will participate in a Zoom meeting with the app programmers next week for questions and answers. He added that Travel Juneau is hosting a “Summer Solstice” marketing event to promote local shopping.

Ms. Peters spoke to a large local movement, for local spending, with local currencies. A community in Massachusetts has a local currency called BerkShares, which has been in circulation since 2006. Over 400 local businesses and local banks participate in this program. It appears to have affected the community in a positive way. Ms. Peters shared that some local businesses are looking at a “Small Business Summer” marketing event with a “First Friday Kick-off” in July and a Gallery Walk, if the COVID-19 situation allows.

Tribal Assistance Options

Ms. Belton shared that Central Council for Tlingit & Haida (CCTHITA) is still budgeting their CARES Act funding and discussing appropriate projects. CCTHITA hosts a Facebook Live event every Thursday at noon where people can share ideas. She will notify the Task Force as projects receive approval.

Infrastructure

Ms. Thomas suggested that infrastructure, and its eligibility for CARES Act funding, might be a fact-finding area worth pursuing. Mr. Botelho stated that he believes Juneau has the capacity to pursue this topic without CARES Act limitations, and some brainstorming and creative ideas could advance the discussion. Ms. MacVay suggested training programs intended to provide the human resources that will advance infrastructure projects.

The Task Force discussed placing a bond ordinance for a package of infrastructure projects on the voters’ ballot in the fall of 2020. Due to the need for public process, selecting projects the public will

support, and moving those through the Assembly introduction and approval process by the first meeting in August, the Task Force decided to pursue this idea for the 2021 Fall Election instead. Mr. Botelho reminded the Task Force that Juneau has held special elections in the past. Mr. Koelsch stated the availability of Federal funding for infrastructure projects could change around the November Presidential Election. Ms. Bell asked the Task Force to remember its existing long-range plans, which prioritize various projects that are currently unfunded, when developing this list. Ms. Thomas asked Mr. Botelho and Mr. Koelsch to bring more information on this topic before the Task Force as they conduct their research.

Homelessness in the Downtown

It was determined that co-chairs Mr. Mertz and Ms. Thomas will discuss the topic of homelessness in the downtown with Mayor Weldon, requesting direction on whether they should pursue solutions for this broad of a topic or focus on other areas.

Rental Housing Assistance

Ms. MacVay asked if the Assembly needs the Task Force to look more into housing assistance. She believes that, unless federal programs extend their expiration dates, there will be a resurgence of people who are unable to afford their home beginning in August 2020. She reported that AHDC has had requests for mortgage assistance.

Ms. Martinson reported that she spoke with Mr. Lennon Weller, an Economist with the State of Alaska, Department of Labor (SOA DOL); they anticipate receiving the Pandemic Unemployment Assistance (PUA) numbers for Juneau around June 15. She stated that she feels this fact-finding group needs to keep an eye on the situation, because if the PUA program ends in July, there will be increased need in August.

Juneau Emergency Loan Program

Ms. MacVay and Ms. Peters met with JEDC about the status of the Juneau Emergency Loan Program. Feedback indicates the need for conversations about modification of the terms of the loan program. At this time, JEDC plans to approach the city and does not need Task Force involvement.

Needs Assessment for Juneau

Ms. Martinson stated that the Assembly is interested in a Needs Assessment for the community, and that she was unsure of the Task Force's potential involvement. Ms. Thomas reported the City Manager is looking at how to best approach this request from the Assembly; the Task Force will wait for direction.

Good of the Order

Ms. Bell reported that the Task Force Work Session resulted in suggestions for types of information and data needs that would be helpful, and suggested JEDC could complement the brainstorming. She asked the Task Force to invite Mr. Brian Holst to present ideas for harnessing the two groups' efforts.

Ms. Martinson shared that churches are a source of social services in Juneau, and that they are experiencing negative effects of COVID-19 through a decrease in donations, inability to pay staff, and

inability to operate food pantries. Ms. Thomas asked that the Task Force consider this when discussing a non-profit and social services assistance program next week. Discussions between City Manager Watt, Ms. Teri Tibbett with the State of Alaska Mental Health Board, and Ms. Amy Skilbred with the Juneau Community Foundation are underway regarding opportunities for simplified grant programs for non-profits and other social service areas. Ms. Carole Triem is the Assembly lead on this topic and may want a discussion with the Task Force after more information is gathered.

Ms. MacVay announced that the AK CARES Grant Program opened June 1. CBJ and JEDC loans do not preclude participation in the program, but JEDC loans are not eligible as an expense for grant funding.

Mr. Botelho, in thinking about a Needs Assessment, asked co-chairs Mertz and Thomas to consider meeting with the Juneau Chamber of Commerce and JEDC about the waterfront, in order to identify areas for long-term need and recommendations for leadership.

Mr. Koelsch asked if there is a single location to review the COVID-19 assistance programs being put into place by communities across Alaska. He has heard of various programs but does not want to miss a successful idea in implementation elsewhere. Ms. Bell stated she would follow up on this request.

Mr. Mertz reminded the Task Force that the crisis is not over and the full need is unknown. The Business Sustainability Grants are designed with flexibility to target the unknown need in phases 2 and 3. With fall unemployment benefits expiring, he worries about what is to come. Could Juneau lose skilled people from the local work force, making economic recovery more difficult? He hopes to see some CARES Act money reserved to meet future need that may become emergent.

At 4:29 p.m., the meeting was adjourned.

Appointed Task Force Members

Max Mertz, Co-Chair • Linda Thomas, Co-Chair • Susan Bell • Theresa Belton • Bruce Botelho

Eric Forst • Ken Koelsch • Lauren MacVay • Laura Martinson • Terra Peters