



Economic Stabilization Task Force

Appointed by the City & Borough of Juneau's Mayor
Meeting Minutes from June 18, 2020

Call to Order

The Economic Stabilization Task Force meeting was called to order at 3:01 p.m. by Ms. Thomas.

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: CDD Administrative Officer, Brenwynne Grigg; and CBJ Finance Director, Jeff Rogers

CBJ Assembly Members Present: Loren Jones and Greg Smith

Special Guest Speakers: Executive Director of JEDC, Brian Holst

Approval of Minutes

MOTION: by Mr. Mertz to adopt the Economic Stabilization Task Force minutes from the June 11 meeting. The motion was seconded by Ms. Bell.

AMENDMENT: by Mr. Botelho to include the minutes from June 4, 2020 in the motion to adopt.

The motion to adopt the Economic Stabilization Task Force minutes from June 4 and June 11, 2020, passed.

Update of Business & Non-Profit Grant Process

Ms. Thomas asked Mr. Rogers and Mr. Holst to provide updates on Phase 1 of the Business Stabilization Grant since its go-live date of Monday, June 15, 2020.

Mr. Rogers shared that JEDC has sent the first 20 applications to the CBJ for sales and property tax compliance review. The CBJ and JEDC have signed a grant agreement and CBJ will issue funds to JEDC for award disbursement on Monday, June 22, 2020.

Mr. Holst stated that as of today, they have received 73 applications. The first grant awards will be issued on Monday, June 22, 2020.

Status of Assembly Actions on Current ESTF Ordinances & Next Steps

Business Sustainability Grants Phases 2 & 3, and Proposed Amendments

Mr. Mertz reported that the Assembly Finance Committee discussed Ordinance 2019-06(AG), Phases 2 and 3 of the Business Sustainability Grant, on June 17, 2020. The Assembly was hesitant to make changes or decisions on the program until collecting information during Phase 1 of the grant. The Assembly referred the Ordinance 2019-06(AG) to a full Public Hearing on July 13, with a possible Work Session to amend the Ordinance on July 8.

Jobs Grant

Mr. Botelho reported the Assembly Finance Committee discussed Ordinance 2019-06(AH) and made minor changes.

- The following language was removed due to the small funding amount of \$1 million.
"WHEREAS, a COVID-19 Conservation Corps Program would help prevent the unemployment program of the State of Alaska from becoming insolvent, which is an eligible expense of CARES Act funds consistent with the Department of Treasury guidance dated May 28, 2020."
- The grant money will be distributed in smaller payments over time instead of in a lump sum at the beginning.

The Assembly Finance Committee moved Ordinance 2019-06(AH), with changes, to the full Special Assembly meeting at 6:00 p.m. on June 17.

At the Special Assembly meeting, Mr. Botelho shared that Assembly member Jones objected to the Ordinance due to:

- Concern over the amount of "whereas" clauses needed to justify the program;
- Concern over whether the program qualifies as a retraining program; and
- The seeming contradictions of being unable to purchase bridge or cabin kits while eligible projects include the construction of bridges and cabins.

Ordinance 2019-06(AH)(b) passed with a 7/1 vote, with Maria Gladyszewski being absent.

Non-Profit Grants/Projects Update

Ms. Thomas reported that the City is considering funding multiple grants that would be available to non-profits. To be eligible, non-profits must have a need related to COVID-19 that qualifies for CARES Act funding. This grant program is similar to the Business Stabilization Grant Program, but structured in a way that allows non-profits to receive assistance.

Ms. Thomas met with City Manager Rorie Watt, CBJ Finance Director Jeff Rogers, Foraker Group CEO Laurie Wolf, and Juneau Community Foundation Executive Director Amy Skilbred, to discuss the scope of need for non-profits, as well as a potential grant structure. It was decided the Economic Stabilization Task Force will recommend a program to the Assembly, the Assembly will determine a funding amount, and the Juneau Community Foundation will serve as the grant administrator.

Ms. Thomas and Ms. Skilbred met on June 13 to work on preliminary plans for a grant for Juneau non-profits and to establish an outline of need. They met again with Ms. Peters on June 15 to continue working on details of the grant. Ms. Skilbred has provided data from her contacts with many of the local non-profits, and Mr. Mertz provided data for financial analysis. Ms. Thomas and Ms. Skilbred have a meeting on June 19 with Mr. Larry Persily, who was hired by the Kenai Borough as a consultant to assist with developing grants with their CARES Act funding.

Ms. Thomas expects additional proposals for assistance from non-profits this week, and plans to discuss this topic more on the June 25 agenda.

Review of Public Comment Matrix

Ms. MacVay shared that two public comments were received since the last meeting, both of which are addressed as an agenda item in this meeting.

Strategic Initiatives Work Session

Ms. Thomas announced the Economic Stabilization Strategic Initiatives Work Session will be held next week or the first week of July, depending on when all of the Task Force members are available. Mr. Mertz and Ms. Bell will create the agenda.

Open Fact-Finding Group Reports

Cruise Ships

Mr. Koelsch reported that he spoke with City Manager Watt, and it seems that Task Force involvement is not needed for the cruise ship situation, as there is not much happening now.

Infrastructure

Mr. Koelsch met on June 12 with City Manager Watt, Mr. Rogers, Mr. Botelho, and Mr. Mertz, to discuss the long-range needs for infrastructure in Juneau. Due to the COVID-19 climate, interest rates are at an all-time low and the CBJ Enterprise Boards are in good financial shape for initiating new projects. At the beginning of 2020, the City was approximately \$55 million in debt. The General Obligation Bond is mainly School Bond debt, which is due to fall off budget obligations in three to four years. Mr. Rogers gave an overview of the City's ability to borrow. This calculation could be based off either 5% of CBJ's assessed value, the value of 1.5 millage, or \$5 thousand per Juneau inhabitant. This borrowing capacity results in a range of \$50 million to \$200 million, if necessary, for infrastructure. Mr. Botelho reported that he has been following up on a 2017 CBJ Finance Study, and researching a possible special election if the City identifies a package of infrastructure projects.

Mr. Rogers added that debt is inexpensive today when compared to historical norms. The CBJ debt is currently at a reasonable level. The State of Alaska's disposition on School Bond Debt Reimbursement is a large background factor, due to trends in recent years of the State vetoing that line item and not reimbursing municipalities. This results in either an increased Debt Service Mil Rate, or the Assembly funding this through the General Fund. The CBJ debt capacity is strong, between \$50 million and \$200 million.

Mr. Botelho is in the midst of drafting a written report, summarizing much of what has been shared by Mr. Rogers and Mr. Koelsch. He is in communication with the CBJ Clerks Office about a potential Special Election in late March and the timelines associated with that. Mr. Botelho will bring additional information on this topic in written form to the Task Force on June 25.

Ms. Thomas asked Mr. Rogers to share an overview of how the CARES Act views funding infrastructure projects.

Mr. Rogers shared that U.S. Treasury guidance is seemingly contradictory. On one hand, the CARES Act allows for the purchase of an asset to respond to a COVID-19 situation directly. An example of this would be to purchase a building, quickly retrofit it for a specific purpose, and repurpose it later. Possible COVID-19 related purposes could be to provide shelter to the homeless, a childcare center, a testing center, or a temporary hospital or clinic. It would be difficult to determine that a new construction would qualify, due to the time it would take to build; therefore, it would be unable to deal with an immediate emergency. Additionally, U.S. Treasury guidance disallows capital improvements for the purpose of general economic development. The conclusion is that CARES Act money may be used to purchase a specific asset that will allow the Emergency Operations Command (EOC) to rise to the need of the community due to the impacts of COVID-19.

Childcare for School-Aged Children

Ms. Martinson reported that she continues to gather information on childcare assistance for school-aged children. The conversation about the RALLY after-school program is growing larger and more complex due to in-flux Juneau School District plans for the fall semester.

Housing Assistance

Ms. MacVay reported that Juneau's unemployment numbers for May were released on June 15. She added that the City appears to be anticipating the need for another round of rental or housing assistance as it moves into the fall.

Mr. Rogers shared that the Assembly Committee of the Whole will discuss this on June 22. The Alaska Housing Development Corporation (AHDC) will provide updates, which may shape the Assembly's next steps.

Ms. MacVay stated that she anticipates that when the additional \$600 a week of CARES Act unemployment ends in August 2020, there will be an increased need for rental and mortgage assistance. The moratorium on evictions for federally backed mortgages has been pushed back to expire on August 31.

Communications

Ms. MacVay spoke with CBJ Public Information Officer, Ms. Lisa Phu, about a communications plan for the Task Force. Ms. Phu regularly communicates initiatives at the Assembly level, but not at the Task Force level unless requested to do so. Ms. Grigg has gathered information regarding some State-driven assistance programs and released details on them to social media. Ms. MacVay stated that, if the Task Force wants to release communication to the public on specific items still at the Task Force level, it needs to work through Ms. Grigg and Ms. Phu. The Task Force can reach out independently to the radio stations and the Chamber of Commerce as another way of broadcasting information.

Municipal Arts Matching Grant Program

Mr. Mertz shared that Assembly member Carole Triem has expressed interest in modifying Phases 2 and 3 of the Business Stabilization Grant to include reimbursement for the cost of retrofitting a business to meet COVID-19 demands, whether physical or technical, and for the purchase of PPE, such as masks for the customers, hand sanitizer, and other items.

As the concept evolved, it was determined that this grant should incentivize all businesses in Juneau to create safer environments for customer interaction, not just business who qualify for the Stabilization Grant. Therefore, a separate grant is being created so that all businesses can apply. Mr. Mertz presented Draft Ordinance 2020-XX for a COVID-19 Business Safety Program.

Ms. MacVay called attention to Section 4, Subsection (f) of the draft language, asking why the grant only reimburses for expenses incurred prior to the adoption of the Ordinance. She would prefer to see this incentivize businesses who have not made safety adjustments, in addition to reimbursing businesses that have. Currently, the estimated total grant value is around \$400 thousand, but additional research is needed to determine the final amount.

Mr. Botelho asked the Task Force to remember the magnitude of the demand. Juneau has 7 to 9 thousand business licenses in the Borough, though not all have physical storefronts or offices.

ACTION ITEM: Ms. Belton and Ms. MacVay will work further on the details of the Business Safety Grant.

Other Updates

Mr. Mertz directed the Task Force's attention to a referral just received in public comments by Ms. Anjuli Grantham on the SustainArts Juneau proposal. Mr. Mertz considers this a great idea, as many arts-based programs have experienced negative impacts from COVID-19. He suggested that by the following week it would become clear whether the Task Force could incorporate this into the non-profit grant program or whether it should be a separate initiative.

Ms. Thomas added that Ms. Laurie Wolf offered for the Foraker Group to provide information on what other communities are doing to support non-profits and social services. Ms. Thomas asked Ms. Bell if the community programs information is available on the Alaska Municipal League's website at this point.

Ms. Bell reported that when she spoke to Mr. Andreassen a week ago, their intent was to upload the information as quickly as possible. Later in the meeting, Mr. Mertz shared the link to this information: <https://www.akml.org/covid-19-information/actions-policy-2/>.

Mr. Botelho stated that he does not mind waiting until next week to discuss the SustainArts proposal. However, he feels the discussion regarding non-profit support has been largely focused on organizations, and notes this program is targeted at individual artists, many of which do not fit into a non-profit organization.

Mr. Mertz replied that the Juneau Arts and Humanities Council (JAHC) would qualify to receive non-profit grant funding. He is researching whether allowances could be made with certain non-profits, like the JAHC, to repackage their grant funding into smaller grants for individual artists, because that would be carrying out their mission.

Ms. Thomas added that the plan intends to include churches that have been helping meet community needs through their social service and food programs, even though they are not all classified as a non-profit.

Update on AK CARES Grant

Ms. MacVay reported that, as of June 16, the grant has received \$65 million in requests with just over 1,500 applications. They have approved 83 applications for \$2.5 million in total. The process is proving complex, and they are struggling to receive completed applications. The State is changing the program to allow PPP and EIDL recipients to apply for a grant if the dollar amount received is \$5 thousand or less. The program allows 501 C (6) organizations and non-profits to qualify. The State will allow businesses to return their PPP and EIDL funds to qualify for the grant. The program will not preclude applicants who have received CARES Act money through municipal grants as long as the money does not cover the same expenses.

Good of the Order

Ms. Belton shared that Central Council of the Tlingit and Haida Indian Tribes of Alaska (CCTHITA) has begun ordering PPE for distribution among community tribes in Southeast Alaska that are having issues sourcing materials.

Ms. Belton also shared that CCTHITA is researching having pods installed in their buildings to provide for isolated areas in common spaces with a lot of foot traffic. The pods have ultraviolet lights that disinfect the pod after each use. They hope to install some in the hallway of the Andrew Hope Building next to the display windows.

CCTHITA's Travel Operations Center recently began tracking and reporting on new COVID-19 cases, hospitalizations, deaths, and recovery in all of Southeast Alaska.

Mr. Koelsch asked if the Task Force needs to begin focusing on the Juneau School District's (JSD) plans for this fall. He is concerned there may be a large childcare problem, and thus an economic problem, if parents are unable to go to work because their children are participating in school from home multiple days a week.

Ms. Martinson shared she has been speaking with the JSD Superintendent, Dr. Bridget Weiss, as a fact-finding initiative, in response to the high level of concern among parents in Juneau. An additional item of concern is that many teachers have children themselves. The School District is concerned that teachers may be unable to work if they are also homeschooling their children half the week. The JSD is discussing whether to expand RALLY after-school care or to create a new program, along with a host of other ideas.

Mr. Botelho suggested the Task Force invite Mr. Brian Holst to speak on this topic as Chair of the School Board.

Mr. Holst shared that the School District anticipates scenarios where children will not be in school every day in the fall. Therefore, there will be a need for childcare when these children are not in school. However, the purpose of children not being in school full-time is to mitigate spread of COVID-19, and putting them in a place other than their home could be problematic. There needs to be support for parents to be able to be with children at home in order to support them in their schoolwork. One possibility is compensation for parents to stay home from work without it negatively impacting their earnings.

Mr. Koelsch asked Mr. Holst when a decision would be made. Mr. Holst replied that the School Board expects to have a broad strokes plan of what the fall/winter semester will look like on July 14.

Mr. Botelho stated that this issue would be crucial to economic stabilization in light of the need for an active work force while ensuring that care is provided to children. He suggested a team from the Task Force assist Ms. Martinson with this topic and approach the School Board with alternative plans.

Mr. Holst shared that the plan will not be absolute, because the State of Alaska has required every School District to submit a plan for operation under low, medium, and high COVID-19 case load scenarios, which are defined by the State. These scenario levels may change from week to week, and students' schedules one week may be different the next due to the COVID-19 case counts in the different communities. It is impossible to predict whether the fall/winter semester will be operating under a high, medium, or low scenario, or for how long.

Ms. Thomas announced the Strategic Initiatives Work Session would occur from 12 noon – 2 p.m. on Friday, June 26. Options for an in-person meeting will be pursued if a large enough meeting space can be secured.

Ms. Thomas also shared that the Regular Economic Stabilization Task Force meeting on Thursday, June 25 will proceed. Topics of discussion will include non-profit proposals, infrastructure updates, updates from Mr. Robert Barr on testing, and updates from Mr. Brian Holst on grants.

Adjournment

At 4:21 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