



Economic Stabilization Task Force

Appointed by the City & Borough of Juneau's Mayor
Meeting Minutes from June 25, 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: EOC Planning Chief, Robert Barr; CDD Administrative Officer, Brenwynne Grigg; and CBJ Finance Director, Jeff Rogers

CBJ Assembly Members Present: Alicia Hughes-Skandijs, Loren Jones, and Greg Smith

Special Guest Speakers: Executive Director of Juneau Economic Development Council (JEDC), Brian Holst; Executive Director of Juneau Community Foundation (JCF), Amy Skilbred; and Executive Director of Juneau Arts and Humanities Council (JAHC), Nancy DeCherney

Approval of Minutes

MOTION: by Ms. Thomas to adopt the Economic Stabilization Task Force minutes from the June 18 meeting. Ms. Bell seconded the motion.

Hearing no objections, the motion was approved.

Agenda Changes

Mr. Mertz added PPE Grant to the agenda under Updates on Active Programs, presented by Ms. MacVay and Ms. Belton.

Update on Active Programs

Business Stabilization Grants Phase 1 Progress Report

Mr. Holst reported that the Juneau Economic Development Council (JEDC) have received 103 applications to date. Preliminary numbers show:

- 103 applications received
- 79 businesses have been quoted an award amount
- 18 business have funds in hand
- 85 businesses are still moving through the vetting process

The average amount requested is \$12 thousand and the average award is just under \$10 thousand. Award amounts range from the smallest awards of \$250 to the maximum award amount allowed at \$33 thousand.

Mr. Holst considered an idea for phase 2 of the grant program could include setting a minimum award amount. There are currently 11 grants with award amounts less than \$2 thousand. Thousands of self-employed individuals in Juneau have not applied for this grant. If they did apply, they will not qualify for much assistance due to calculation methodology. However, if the minimum award were set at \$2 thousand, there may be an increase in self-employed businesses applying, which could overwhelm the program at current funding levels. He encouraged the Task Force to consider the intent of the program and its targeted business structure.

Ms. MacVay asked Mr. Holst if they were experiencing delays due to incomplete applications. Mr. Holst replied that many applications received are missing information. JEDC is working with businesses to complete their application packages and assisting when able.

Ms. Bell stated the definition of long-term debt may need evaluation. Many businesses have incurred large credit card and inventory debt to stay afloat, and that does not quite meet the current definition in the grant program.

Ms. Martinson asked if any gaps in businesses' awareness of the program, either by sector or in general, have appeared. Mr. Holst replied that the City and Juneau Chamber of Commerce have marketed the program well and there seems to be an awareness. Some people misunderstand the program to be another loan instead of a grant or confuse it with the AK CARES Grant and think they are disqualified due to participation in the Federal Paycheck Protection Program.

Ms. Thomas asked if JEDC is able to track how many applicants give up during the application process, and if they are being flexible with the data requested from the business. Mr. Holst replied there are a few that give up, but it is not many, and JEDC is being flexible with the data needed as much as they are able.

Mr. Holst shared that many applicants enter the application process believing they will qualify for more grant money than they do. He's not exactly sure why this is the case, but it is something they are studying as they learn more.

ACTION ITEM: It was determined that additional marketing distinguishing the Juneau Business Sustainability Grant from AK CARES and Federal CARES programs is needed.

Conservation Corps Program

Mr. Botelho reported that Trail Mix deployed its first team into the field the week of the meeting and are currently interviewing applicants for crew leader positions. They are developing a process for documenting work to assess the effectiveness of the program.

Personal Protective Equipment (PPE) Grant

Ms. MacVay reported that she and Ms. Belton provided a report in the Task Force packet that is a concept summary of initiatives for a future PPE Grant proposal. They recommend dealing with facemasks separately from other PPE. They suggested that CBJ purchase facemasks in bulk, with a mechanism for distribution within the community. This could be a full grant or cost share program. Cost sharing could ensure usage but could also become complicated. Eligibility criteria needs to be established, along with a recommended purchase volume and distribution center.

Ms. MacVay reported that other PPE items, such as sneeze guards, cleaning supplies, and other items, receive a reimbursement of 75% of the purchase price for both retroactive and future purchases. She suggested providing a list of PPE sources that have proven to have adequate supplies of product with timely shipping to Juneau.

Ms. Bell stated that masks are a priority for the workforce and larger community; she supports expansion of the program to include nonprofits, state and city employees, and the public. Mr. Koelsch expressed support for offering this to the community at large.

Mr. Botelho said it could be simple to create an ordering mechanism for a business or nonprofit to indicate their anticipated need for masks over a specified period so the City could measure the degree of need in the community and purchase in bulk.

Mr. Mertz asked if it makes sense to interact with the EOC on this idea for input on logistics and demand. Mr. Rogers replied the EOC has been assessing this need. They are under the impression that the community is making and gifting masks at a rate that is appropriately meeting the need.

Ms. Thomas stated that, while mask availability could be a non-issue currently, the introduction of legislative work, tourism, and potential mandatory masking might create an issue down the road.

Future COVID-19 Testing

Mr. Barr reported that the Assembly will be hearing an ordinance related to local testing on June 29. The Emergency Operations Center (EOC) is exploring a variety of options for testing and processing tests locally. Three testing systems are under consideration, but Bartlett Regional Hospital (BRH) feels there is only one testing system, the Cepheid system, they can reliably staff. The Cepheid system is a rapid test that is in use in Juneau. BRH CEO Chuck Bill is negotiating a potential contract with Cepheid, but Cepheid can only commit to supplying 300 tests per week starting in September. This is not enough to meet the demands in Juneau.

Mr. Mertz asked what issues exist with the other testing systems. Mr. Barr replied that space and staffing seem to be the major roadblocks. Machines for other testing systems will not fit in the current BRH laboratory, measuring approximately 11' x 6' and 9' x 5'. Mr. Barr was unclear on the specifics of the staffing barriers, and Mr. Mertz recommended that Mr. Bill might speak on this issue at a future meeting.

Mr. Koelsch and Ms. Bell asked if the EOC has considered approaching SEARHC, the Tongass Testing Center, or another local provider for processing test results. Mr. Barr replied that due to licensing and waiver requirements, along with the need for the supervision of the medical director, it is more advantageous to utilize BRH since they already have those systems in place. He added that SEARHC is also doing Cepheid testing.

Non-Profit Grants / Projects Recommendation to Assembly

Ms. Thomas introduced Executive Director of JCF, Amy Skilbred, as instrumental in developing the nonprofit grant proposal. Ms. Thomas gave an overview of the proposal and asked the Task Force to consider a recommendation to the Assembly for this program. The recommendation consists of two primary grant programs, run sequentially. One program focuses on distributing grant assistance as quickly as possible for \$3.2 million, with \$200 thousand designated specifically to a food program. The estimated nonprofit need of \$3 million was calculated through consultation with Mr. Larry Persily, consultant to Kenai's nonprofit assistance program, Mr. Max Mertz's financial expertise, and Mr. Jeff Roger's access to 990 forms filed in Juneau.

The second recommendation is to set aside an additional \$3 million to focus on future social service needs leading into the fall. This will enable nonprofits to work on a plan for use of these funds.

Ms. Skilbred thanked the Foraker Group and Alaska Municipal League for their assistance and the information they provided that helped with the creation of the nonprofit grant proposal. During development, they were careful that the application process does not ask the applicant for more than is needed to assess an award amount, in order to keep the program simple.

Mr. Botelho asked if the funding level is adequate for all 501(c) organizations, and if they had considered limiting the program to specific types of 501(c) organizations. He stated he appreciated that the program addressed a variety of different types of nonprofits but wondered if the program should be more narrowly targeted to nonprofits experiencing the most harm due to COVID-19.

Mr. Mertz shared that according to GuideStar, there were 157 revenue producing nonprofits in Juneau in 2019. Nonprofits listed include fraternal orders, sports teams, veteran organizations, labor organizations, and more. Childcare businesses can be a 501(k) but can also be a 501(c)(3). He observed the grant proposal is structured in a way that takes other CARES funding into consideration when calculating the maximum award amount.

Mr. Mertz recommended limiting the nonprofit grant to the following 501(c) types:

Type	Description
501(c)(3)	Religious, Educational, Charitable, Scientific, Literary, Testing for Public Safety, to Foster National or International Amateur Sports Competition, or Prevention of Cruelty to Children or Animals Organizations
501(c)(4)	Civic Leagues, Social Welfare Organizations, and Local Association of Employees
501(c)(6)	Business Leagues, Chambers of Commerce, Real Estate Boards, etc.
501(c)(19)	Post or Organization of Past or Present Members of the Armed Forces
501(c)(23)	Veterans' Organization

Mr. Koelsch agreed the program should be narrower, targeting the nonprofits that are most in need.

Ms. Skilbred stated that the program could be narrowed, but suggested exercising caution because narrowing only to social service organizations would exclude many nonprofits that are in dire need of assistance. Examples of this include the Juneau Arts and Humanities Council, Perseverance Theatre, and cultural organizations.

Mr. Koelsch asked for clarification on faith-based nonprofits and whether that meant something like St. Vincent de Paul's retail store or a faith-based church. Mr. Mertz replied that it would include 501(c)(3) organizations such as Family Promise, and other religious organizations that carry out a charitable purpose. Mr. Botelho added that Salvation Army would be another example of a faith-based religious organization that provides charitable services regardless of a person's religious affiliation.

Ms. Thomas stated that, in order for a nonprofit to be eligible for a grant, it must be able to demonstrate a loss due to COVID-19 related impacts. Therefore, while a sports organization, for example, is an important part of Juneau's community, it still has to demonstrate a loss, whether through canceled fundraising efforts due to social distancing requirements or lower enrollment. Mr. Mertz confirmed that sports organizations are all classified as 501(c)(3), so they will be covered if they have experienced a loss.

Mr. Botelho asked to include 501(c)(7) organizations in the list of eligible nonprofits, in order to encompass social and recreational clubs that have clearly experienced loss, such as the Juneau Yacht Club and the Gastineau Channel Little League. There was no opposition expressed to adding 501(c)(7) to the list.

MOTION: by Mr. Mertz to limit the Nonprofit Grant Program to the following 501(c) organizations:

Type	Description
501(c)(3)	Religious, Educational, Charitable, Scientific, Literary, Testing for Public Safety, to Foster National or International Amateur Sports Competition, or Prevention of Cruelty to Children or Animals Organizations
501(c)(4)	Civic Leagues, Social Welfare Organizations, and Local Association of Employees
501(c)(6)	Business Leagues, Chambers of Commerce, Real Estate Boards, etc.
501(c)(7)	Social and Recreational Clubs
501(c)(19)	Post or Organization of Past or Present Members of the Armed Forces
501(c)(23)	Veterans' Organization

ADDITIONAL QUESTIONS:

Ms. Peters asked what organizations are being excluded from this motion. Mr. Botelho replied insurance companies, credit unions, and condo associations to name a few.

Hearing no objections, the motion was approved.

Mr. Mertz asked Ms. Skilbred to explain the \$25 thousand threshold mentioned in the grant.

Ms. Skilbred replied that if a nonprofit is receiving \$25 thousand or less in grant funding, they attest to the fact that they have experienced revenue loss, and no further documentation is needed. Grant administrators still reserve the right to request additional information if needed, but this is a good way to simplify and streamline the program by not requiring more paperwork than is actually needed. Any nonprofit receiving funding in excess of \$25 thousand is required to list specific COVID-19 related costs or revenue losses they have experienced and/or foresee through the end of December 2020. This will be used as a guide to determine the impact on the organization.

MOTION: by Mr. Botelho to move this Nonprofit Grant Program proposal forward to the Assembly for the creation of an ordinance with the modifications adopted prior for specific 501(c) organizations.

Ms. Bell seconded the motion.

Hearing no objections, the motion was approved.

Juneau Arts Proposal

Mr. Mertz introduced the Executive Director of JAHc, Nancy DeCherney and the work she has contributed to the Juneau ArtWorks Grant Proposal. Recommended ranges of funding for the program are \$250 thousand to \$500 thousand. It would follow the same process the JAHc has had in place for many years when issuing CBJ grants to artists.

This idea was brought to the Task Force by a public comment provided by Ms. Anjuli Grantham, who also serves on the Juneau Commission on Sustainability. From there, the idea has grown into a vision to support artists of all types who have lost gigs, sales, and employment, while at the same time memorializing what the community is going through and lifting people's spirits to help pull us through.

Ms. DeCherney stated that Ms. Grantham's suggestion helped them realize that many artists fall into a gap where they do not have access to other funds. A national statistic shows that 62% of creative workers and artists are out of work or unemployed.

Ms. DeCherney shared that at the 2020 Americans for the Arts convention, keynote speaker David Brooks from the New York Times expressed that the arts can be used to weave communities back together. Ms. DeCherney added that the arts can help to rebuild trust, work with social issues, and move us forward while providing meaningful work to people who have suffered harm and loss of income due to COVID-19.

Mr. Mertz asked Ms. DeCherney to outline the process that would be used to manage the program. Ms. DeCherney explained that a call would be released to the artist community; there are currently around 300 on their list alone. Artists would respond by submitting an application. Then, a panel of community members who represent the arts, the business community, and other segments of the population would review the projects and determine which artists would be funded. The JAHc is responsible for issuing the funding and tracking the work progress of the artists and collecting evaluations.

Mr. Botelho expressed enthusiasm for this idea as it impacts a segment of the community that would otherwise fall through the cracks.

Mr. Mertz advised that as the application is developed, there should be a mechanism for ensuring that the artist has experienced harm due to COVID-19. He feels there is a case due to the lack of tourism. He suggested that, if an artist who has received funding through the Business Stabilization Grant applies, the funding received be taken into consideration when processing applications.

MOTION: by Ms. Bell to forward the Juneau ArtWorks Grant Proposal to the Assembly at the \$500 thousand level of funding. Ms. Martinson seconded the motion.

DISCUSSION

Ms. Martinson stated that her own small business, which is driven by tourism, has displaced many artists. Additionally, the cancelation of Celebration was a large blow to many artists.

Mr. Koelsch expressed a desire for the art involved in the program to be of a positive and uplifting nature, because there is already so much negativity in our society due to dealing with the health and social issues.

OBJECTION

Ms. Thomas expressed support of the concept, but stated there has not been time to fully absorb this. She asked for additional time to consider the program rather than voting on the motion tonight.

Mr. Mertz replied that for the good of the Task Force, he suggested taking the week of June 29 off. Therefore, it would be two weeks before this proposal could move forward. Mr. Botelho suggested taking this up tomorrow at the conclusion of the Strategic Initiatives Work Session. The group was in favor of this to allow the Task Force additional time to consider the program.

The motion was postponed. The Task Force will hear the motion again at the conclusion of the June 26 Strategic Initiatives Work Session.

Strategic Initiatives Work Session

Ms. Bell shared the intent of the Strategic Initiatives Work Session on June 26 is to discuss the foundations of community and the future. She suggested that not all topics might be related to CARES funding but could be budget items and bond initiatives that would further the mission the Task Force has been given. Agenda items include broad topics such as education, communication, energy, workforce, housing, and public infrastructure.

Good of the Order

Mr. Koelsch expressed disappointment at the status of COVID-19 testing and stated he would like to see a decreased turnaround time for tests to enable safe travel. Mr. Mertz suggested inviting BRH CEO, Mr. Bill, to the next meeting to hear some of the challenges the hospital is experiencing and to gather more information.

Ms. Grigg announced the location of the Economic Stabilization Strategic Initiatives Work Session on Friday, June 26 at 12 p.m. at the Elizabeth Peratrovich Hall. Members of the public may join or call in to the number listed on the website at www.juneau.org/assembly/economic-stabilization.

Ms. Grigg added that Airlift NorthWest will be meeting with the Mayors and City Managers of Southeast Alaskan towns, and the President of Central Council of Tlingit and Haida Indian Tribes of Alaska to discuss the funding request presented to the Task Force on June 6, 2020. There are a limited number of slots for Task Force members at that meeting if they are interested.

Adjournment

The Economic Stabilization Task Force meeting is canceled for July 2. The next meeting will be held on July 9.

At 5:04 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