



# Economic Stabilization Task Force

Appointed by the City & Borough of Juneau's Mayor

## Meeting Agenda Thursday, July 9, 2020 3:00 p.m.

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### Assembly Charge

The purpose of the task force is to review the economic landscape and make recommendations to the assembly. In particular, the task force should:

1. Examine federal and state government financial assistance programs and identify and prioritize any "gaps" that exist.
2. Identify and promote strategies that enable businesses to continue operations safely such as curbside pick-up, take-away, delivery, and other innovative services. Additionally, explore strategies that enable businesses and Juneau's economy to recover in the long term.
3. Act as Liaison with the Governor's Alaska Economic Stabilization Team

Time	Agenda Item	Presenter
3:00 p.m.	Call to Order	Mr. Mertz
3:01 p.m.	Approval of Agenda	Mr. Mertz
3:02 p.m.	Approval of Minutes	Open
3:05 p.m.	Update on Adopted Programs <ul style="list-style-type: none"> <li>• Business Stabilization Grant Phase 1 Progress Report</li> <li>• Jobs / Trails Program</li> <li>• Rental Housing Assistance</li> </ul>	Mr. Holst Mr. Botelho Ms. McVay
3:25 p.m.	Update on Active Legislation <ul style="list-style-type: none"> <li>• Nonprofit Grant</li> <li>• Juneau ArtWorks Grant</li> <li>• Business Grant Phase 2 / 3</li> <li>• PPE Grant</li> <li>• Infrastructure Bond Proposal</li> </ul>	Ms. Thomas Mr. Mertz Mr. Mertz Ms. MacVay Mr. Botelho
3:45 p.m.	Strategic Initiatives Action Items <ul style="list-style-type: none"> <li>• Homelessness</li> <li>• Education and Childcare</li> <li>• Workforce Development</li> </ul>	Ms. Thomas Ms. Martinson Ms. Bell
4:15 p.m.	Public Comment <ul style="list-style-type: none"> <li>• Comment Matrix</li> <li>• LifeMed Funding Request</li> </ul>	Ms. MacVay Mr. Mertz
4:30 p.m.	Good of the Order	Open



## Economic Stabilization Task Force

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Appointed by the City & Borough of Juneau's Mayor  
***DRAFT*** 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](http://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



# Economic Stabilization Task Force Strategic Initiatives Work Session

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Appointed by the City & Borough of Juneau's Mayor  
***DRAFT*** Action Notes from June 26, 2020

## Call to Order

The Economic Stabilization Task Force Strategic Initiatives Work Session was convened at the Elizabeth Peratrovich Hall at 12:05 p.m. by Co-Chair Linda Thomas. The Task Force expressed appreciation to Ms. Belton and Central Council Tlingit and Haida Indian Tribes of Alaska for providing the meeting room, technical support, and lunch.

Task Force Members Present: Linda Thomas, Max Mertz, 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

Assembly Members Present: Mayor Beth Weldon and Loren Jones

Special Guest Speakers: None

## Opening Comments

### Task Force Role

- Identify funding gaps
- Provide recommendations to the Assembly to stimulate the economy, keep the community safe, and initiate strategies that facilitate long-term recovery
- Serve as a liaison with the State of Alaska's economic stabilization team

Potential discussion topics should be expanded to include:

- The City itself and processes
- Address homelessness
- Impact of school schedule on the workforce
- Broader issue of childcare
- Focus on 2021 and beyond

Additional comments:

- Workforce development issues are acute, began before COVID, and tie into national issues
- We should identify strategies to attract remote workers, recognizing this is a competitive issue and a unique moment in time
- Broadband is important

- To attract young families we need housing, education, and childcare plus arts and activities
- What are growth industries that would attract young people and opportunities
- Seniors are now the largest sector of our population, what encourages them to remain in the community, stay safe
- We need accessible and timely COVID testing

### **Financial Capacity of CBJ and Infrastructure**

Mr. Botelho introduced the Infrastructure Report and presented arguments for why the CBJ Assembly should develop a project list for an infrastructure package to be voted on in an upcoming election in order to stimulate the economy.

- Infrastructure is a classic development tool to stimulate the economy
- Report drafted by Mr. Botelho illustrates municipal bonding capacity is available
- Can be augmented with reserves and other funds, including philanthropic organizations
- Projects are not identified at this stage
- Need to be mindful of the overall tax burden and debt
- CBJ should be ready for any state and federal stimulus programs
- City processes can move faster than a state bond package, which would be 2022 at the earliest
- Current mill rate is 1.2, which is a drop of .03 since 2010.
- Mr. Rogers comments:
  - As debt is added or retired, the mil rate goes up or down
  - Fund balance is available, however the CBJ has lost revenue from economic loss and state actions including changes on school debt
  - CARES funding continues to evolve; if the municipality can use CARES funding to replace lost revenue it will likely do that

**MOTION:** by Mr. Mertz to advance the Public Infrastructure memorandum to the Assembly with encouragement of early action and the addition of language supporting importance of job training to align with implementation. Mr. Botelho seconded the motion.

***Hearing no objections, the motion was approved.***

### **Homelessness**

- The issue is very apparent downtown
- Support CBJ funding for Glory Hall; we need a purpose-built facility and other programs to help people at risk
- Ties with prior recommendation for non-profit grants to address needs
- Need to take advantage of lack of traffic; use strike teams to identify and assist people
- Who is aggregating information and actions
- Need to improve coordination between CBJ, Homelessness Coalition, other organizations
- Need to address immediate issues and develop a 5-year plan
- A campus approach or systems approach for long-term solutions
- Warming center and campground are not enough
- Anchorage is looking at converting four sites to housing
- CARES Act funding can be used to acquire real property

**ACTION ITEM:** Ms. Thomas, Ms. Peters, and Mr. Forst will pursue additional fact-finding on the homelessness issue to bring before the Task Force.

## **Education and Childcare**

- Really want to see schools open, with kids in schools
- School district plan is expected to have three scenarios for different COVID-19 levels in the community
- Broad COVID-19 testing is critical to allowing the economy to function
- Need to weight safety factors; infection rate is low both in community and for kids
- We should anticipate changes to the schedule while we are waiting to get a vaccine
- Childcare is the single most important issue
- We need to develop programs for the 50% who will not be in school
- Facilitate a safety net that allows both parents to resume working
- School guidance and education delivery is evolving
- Need to join the initiative and understand gaps--including teens
- Invite school district to address the Task Force
- Examine actions in other communities

**ACTION ITEM:** Mr. Botelho, Ms. Martinson, and Mr. Koelsch will pursue additional fact-finding on the education and childcare issue to bring before the Task Force.

## **Workforce Development and Training**

- How can we attract remote workers
- What are training needs for recovery and for the future
- Retaining UAS is a major aspect of workforce development
  - Regents are forming a committee to examine options
- Employment is a priority of Central Council Tlingit and Haida Indian Tribes of Alaska
  - Vocational Training Resource Center is expanding distance delivery
  - Considering a construction academy
- FOLLOW-UP: Theresa, Laura, and Susan

**ACTION ITEM:** Ms. Belton, Ms. Martinson, and Ms. Bell will pursue additional fact-finding on the workforce development and training issue to bring before the Task Force.

## **Other Discussion**

- Has a gap analysis been done to identify business opportunities
- UAS was positioned to address training needs in medical services
- There was an effort to increase value added/light manufacturing
- Communications/broadband support other initiatives
- What are the industry-specific needs
  - JEDC, SE Conf, McDowell Group tracking data and business surveys
- Expanding our federal research capacity was a JEDC initiative
  - Ted Stevens marine Research Institute, USFS Lab, NOAA examples

- US Coast Guard is a huge aspect of our community in terms of service delivery, payroll, and volunteers
  - UAS training program was developed for USCG needs
- Unemployment is profound and growing

### **Resume Action Items from June 25 Task Force Meeting**

The Juneau ArtWorks Program proposal was reconsidered for recommendation to the Assembly. Ms. Thomas would like to see strong language in an ordinance tying this program to the COVID-19 business interruption clause.

- Artists have seen a year-over-year loss of income due to COVID-19
- Program could mirror the panel process for art review currently in place for other CBJ grants
- CCTHITA is implementing a similar program for their Certified Tribal Artist program
- Art program could be expanded to teach children who are at home during the school year

**MOTION:** by Ms. Bell to move the 2020 Juneau ArtWorks Program to the Assembly for consideration at the \$500 thousand funding level. Ms. Martinson seconded the motion.

***Hearing no objections, the motion passed.***

### **Adjournment**

The July 2 Economic Stabilization Task Force meeting is canceled, and meetings will resume on July 9. At 1:55 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



**To:** Rorie Watt, CBJ Manager  
**CC:** Jeff Rogers, CBJ Finance Director  
Mila Cosgrove, CBJ Deputy Manager  
**From:** Brian Holst, JEDC Executive Director  
**Date:** Tuesday, July 7, 2020  
**Re:** Update on COVID19 CBJ Sustainable Business Grant Program per CBJ Ordinance 2019-06 (AC)(b)(am)

**Reporting Period:** Monday, June 6 to Tuesday, July 7

## **1. INTRODUCTION AND OBJECTIVES**

CBJ Assembly adopted Ordinance 2019-06 (AC)(b)(am) which provides for \$3.5 million in grants to Juneau businesses experience financial hardship due to COVID19. Per the Ordinance, businesses must demonstrate Financial Hardship by showing a decline in business of 20% or more from 2019 to 2020. Once the qualify, they can then submit actual and estimated expenses for the period of April through August 2020 in three categories of “fixed” expenses: 1) utilities, 2) long-term debt, and 3) rent/leases. Thirty-three percent of those expenses, up to \$33,000, can be granted to businesses, including non-profits. This program is Phase One of a three phase program. Phases Two and Three may be adjusted to better meet the needs of the business community. An additional \$8.5 million is currently earmarked for these future phases.

This report covers the initial period of the program through the first week of July.

## **2. PROGRAM SECTION**

### ***a. Summary of Main Activities***

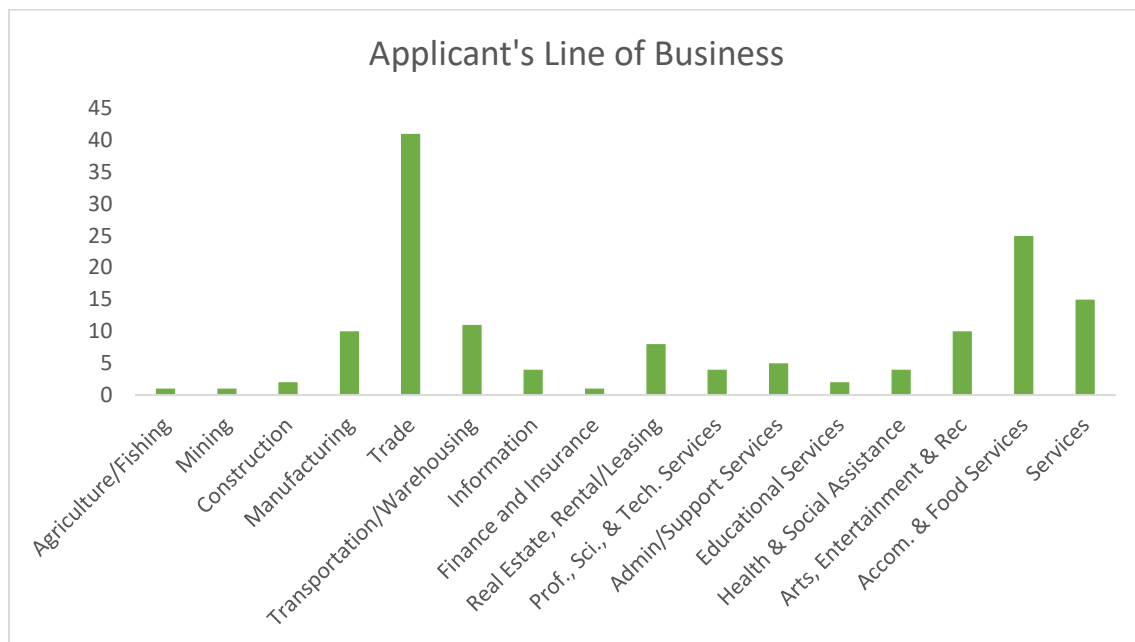
CBJ Assembly adopted Ordinance 2019-06 (AC)(b)(am) on Monday, June 8. On Wednesday, June 17, JEDC received and signed an agreement with CBJ to operate the program. Upon mutual agreement with CBJ Manager’s Office, JEDC opened up the application process on Monday, June 15. On Friday, June 19, JEDC received the first batch of twenty applications back from CBJ after the verification of CBJ reported revenues and tax compliance—a pre-requisite for the program. JEDC received funds for the program from CBJ on Monday, June 22. JEDC began issuing grants to qualified businesses that week.

### ***b. Significant Events and Accomplishments***

- JEDC has received 156 applications.
- Of that number, no application has been declined or set aside because of tax compliance issues, duplicate, incomplete, or withdrawn application.
- CBJ has reviewed tax compliance for 150 applications.

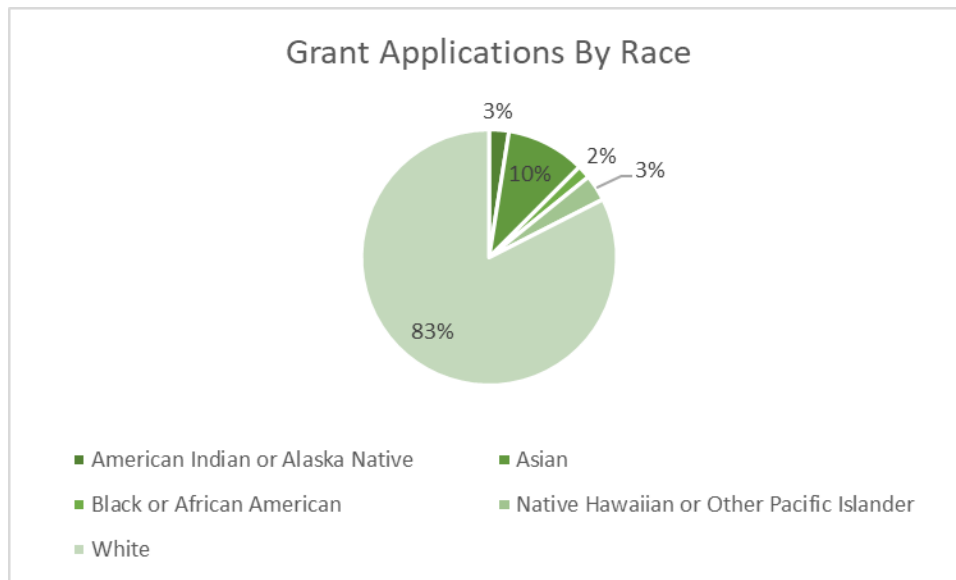
<b>Covid-19 Business Sustainability Grant Weekly Report: 7/07/20</b>		Applications	Dollars	Full-Time Jobs	Part-Time Jobs
<b>Total</b>		<b>156</b>		<b>633</b>	<b>472</b>
Post-Approval		79	\$ 811,946	226	314
	Money Sent	40	\$ 440,828	108	201
	Documents Sent	13	\$ 108,614	28	41
	Eligibility Report Sent	21	\$ 213,992	75	67
	Approved	5	\$ 48,512	15	5
Pre-Approval		77		407	158
	Final Review	34	\$ 416,721	216	73
	Initial Review	43		191	85

- The 79 businesses with approved grants have 226 part-time and 314 full-time positions during the period of April through August 2020, as reported/estimated by each applicant. This data is voluntary and 133 applicants provided employment information.

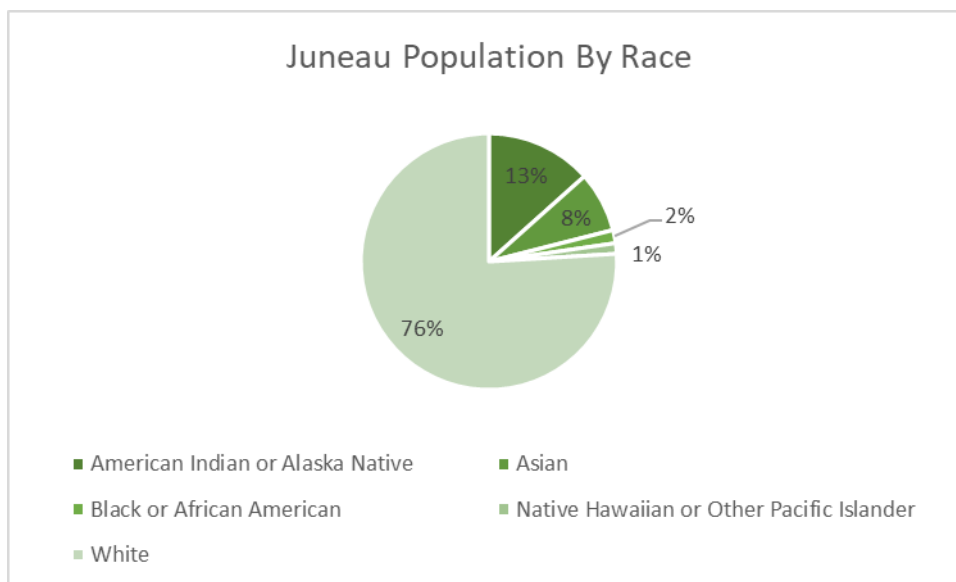


- For the grant program, we collected the abbreviated NAICS code (North American Industry Classification System) to determine business sector. See chart below for types of businesses in the application pool to date.





- Grant applicants were asked to voluntarily report their race. One-hundred and twenty applicants replied. The above pie chart shows the self-reported race of the first person listed in each application. Below is the distribution of race in Juneau. Based on these first applicants, it appears that American Indian/Alaska Native are the most under-represented race at this point in the program.



***c. Anticipated Challenges/Problems/Opportunities/Recommendations***

- Of the 79 approved applications, 35 have been approved for an amount less than \$6,000 and 12 have been approved for less than \$2,000.

- Grant size is averaging close to \$10,000 per award in Phase 1, which will require 300+ grants to fully allocate the resources.
- Business that pay high rents and/or have high long-term debt get the highest awards, many of which are located in the downtown area.
- JEDC is recommending changes to the Business Sustainability Grant Program, Phase 2 & 3 in a separate memo. For example, adding an Simplified Business Grant option would both increase the approved amount for many of the smaller grants and decrease the staff time required to process smaller grants.

### **3. ADMINISTRATIVE SECTION**

JEDC has not calculated its administrative costs in detail. Some costs include:

- JEDC personnel has invested 425 hours of effort.
- JEDC acquired HelloWorks software to manage paperless processes for the emergency loan program. We are now using this software also for the grant program, at a relatively small marginal cost.

**Brenwynne Grigg**

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**From:** Max Mertz  
**Sent:** Thursday, July 9, 2020 12:09 PM  
**To:** Brenwynne Grigg  
**Cc:** Linda Thomas  
**Subject:** Recommendations for changes to the Phase 2/3 business grant program

**EXTERNAL E-MAIL: BE CAUTIOUS WHEN OPENING FILES OR FOLLOWING LINKS**

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ESTF members, Susan Bell and I have met with members of the JEDC board and staff over the last two weeks regarding possible changes to the existing Phase 2 and 3 Business Sustainability Grant Ordinance. Please also see the memo from Brian Holst of JEDC. I have also met with the Mayor and Rob Palmer about feasibility and best way to implement the proposed changes.

I recommend the following changes to better implement the intent of the program and to best assist the businesses harmed by the grants:

1. Implement a simplified grant process for small businesses – Under this program businesses would be eligible for a grant not to exceed \$5,000 based on their 2019 gross sales as reported to the CBJ on their sales tax returns. The grant would be calculated based on 10% of the gross sales reported on the sales tax returns. As examples, if a business had \$25,000 in sales, they would qualify for a \$25,000 grant. A business with \$50,000 in gross sales would receive a \$5,000 grant, the maximum. A business with, say, \$60,000 in sales would only get the capped maximum of \$5,000, but could choose to opt into the program. Under this program, the documentation related to assertion of need would be changed to a self-assertion subject to verification by JEDC if they believed such verification was necessary.
2. Extend the eligibility period for expenses which currently starts on April 1 and ends on August 31, to instead end on October 31, increasing the number of months of eligible expenses to seven months from five months. JEDC recommended extending to September 30 as a means of increasing the average award size. I recommend including October as well, to further achieve larger grant sizes.
3. Allow businesses to include not only long-term debt, but also short-term debt (credit cards, lines of credit, inventory financing). The amount to allow would equal 20% of their balances, not to exceed \$10,000.
4. Allow businesses to include as an eligible cost amounts spent on inventory along with utilities in preparation for the summer season.
5. Combining phases 2 and 3. In order to simplify the ordinance, Rob Palmer recommended combining phases 2 and 3. I agreed with him on that and recommend that change.
6. Adding a provision that gives the City Manager the option of prorating available grant funds to eligible businesses based on demand on phase 2 and 3.

Max E. Mertz, CPA



**To:** Rorie Watt, CBJ Manager  
**CC:** Jeff Rogers, CBJ Finance Director  
 Mila Cosgrove, CBJ Deputy Manager  
**From:** Brian Holst, JEDC Executive Director  
**Date:** Wednesday, July 8, 2020  
**Re:** COVID-19 CBJ Sustainable Business Grant Program, Phase 2 & 3 Recommendations

### **Introduction**

The CBJ Assembly adopted Ordinance 2019-06 (AC)(b)(am), which provides for \$3.5 million in grants to Juneau businesses experiencing financial hardship due to COVID-19. Per the Ordinance, businesses must demonstrate financial hardship by showing a decline in business revenue of 20% or more from 2019 to 2020. A qualifying business may then submit actual and estimated expenses for the period of April 1 through August 31, 2020, in three categories of “fixed” expenses: 1) utilities, 2) long-term debt, and 3) rent/leases. Thirty-three percent (33%) of those expenses, up to \$33,000, can be granted to businesses, including non-profits. This program is Phase One of a three-phase program. Phases Two and Three may be adjusted to better meet the needs of the business community. An additional \$8.5 million is currently earmarked for these future phases. This memorandum outlines suggested changes to the CBJ Business Sustainability Grant Program Phases Two and Three, based on experience gained through the implementation of Phase One.

### **Phase One Observations**

Phase One of the CBJ Business Sustainability Grant Program is assisting many businesses adversely impacted by COVID-19. Here are some observations about the program:

- Grant size is relatively small.
- Applications can require 50 or more data points (various utilities for five months each, for example) and are considered burdensome by many applicants because of the amount of paperwork.
- Very small businesses are not applying.
- Award amounts are heavily influenced by high rent and high debt payments. Businesses located in downtown generally receive higher awards because of the relatively high rents.
- Maximum grant amount seems reasonable. The average size of an award in Phase One is approximately one-third of the maximum award.
- There is no minimum grant amount, which occasionally results in both a business and the grant administrator spending considerable time to process and award a very small grant.

### **Phase Two and Three Proposed Changes**

#### *1) Financial Hardship*

- No change.

## 2) Award Eligibility Calculations

- Make all award calculations based on six months, April through September. This will increase average award size.
- No expenses will be used for eligible expenses that would result in duplicate awards, which will require a verification from each recipient in each phase.

### Utilities:

- Minimum utility deduction of \$200 per month per business, or \$1,200 (or \$1,000, if five months). If a business would like to document and be considered for a higher utility amount, they can present documentation establishing actual expense.

### Debt Service:

- Long-term Debt should be redefined as Business Debt, as defined in the operating procedures by the Grant Administrator, which would allow other debts that meet the intent of the grant program to be considered in award calculations. This addresses the needs of the smallest businesses that want to apply.
- Debt payments on business-related credit card balances (or similar business lending products) can be considered. Eligible expenses will be calculated by using the average revolving debt (balance of capital not paid within the period) from the three dates of April 30, May 31 and June 30. Twenty percent of the balance of this business-related credit card (or similar) debt will be eligible for grant support.
- Business lines of credit can be included in the eligibility calculation. Twenty percent of balances as of June 30, 2020, on active business lines of credit can be included, up to an aggregate of \$10,000 in Phase Two and Three.
- Inventory loans can be included in the eligibility calculation. Twenty percent of the short-term debt (not less than 90 days) as of June 30, 2020, of inventory purchase debt is eligible for grant relief, up to an aggregate of \$10,000 in Phase Two and Three.
- Monthly payments on federal deferred emergency loans for the period of July through December 2020 can be included.
- JEDC Emergency Loan obligation should be considered eligible debt included in the grant reimbursement calculation. Up to six months (July through December 2020) of payments can be included in the grant at 66% for Phase Two and 33% for Phase Three as long as payments are made directly against the loan (not disbursed to the recipient but paid against the awardee's obligation). The JEDC Emergency Loan Program, funded by CBJ, was specifically defined by Ordinance as a bridge to other resources. Including reduction of six months of this COVID-19 incurred debt is consistent with the intent of both the loan and grant programs.

### Lease/Rents:

- No change.

### *3) Simplified Business Grant:*

Introduce an alternative, streamlined award methodology for very small businesses. If businesses opt-in to this program, they are eligible for one award. Applicants in Phase Two that received an award in Phase One can receive a second a simplified grant for the difference between a Phase One award and the total eligible through a Simplified Business Grant.

- Grants up to \$5,000 for any business operating in Juneau. Award is the lesser of \$5,000 or 10% of the of the sum of gross revenues in one twelve-month period, calculated based on the sum of twelve consecutive months of gross sales starting no earlier than January 2019 as reported to CBJ for gross sales on sales tax reporting. For businesses with fewer than 12 months of consecutive operations in Juneau, awards will be based on the months available through June 2020. For non-profits (or those not reporting Gross Sales to CBJ for a legitimate reason), the award is based on the annual revenue (excluding gaming-related operations) for a twelve-month fiscal year ending no earlier than June 2019. Minimum grant size is \$500. Any business with gross sales or revenues of less than \$5,000 a year should not apply. Sole Proprietorships and single-member LLCs (or similar) can apply, but the sum of awards cannot exceed \$5,000 to any individual.
- Applicants must meet all criteria of the Phase One grant program with one exception: Instead of the financial hardship criteria (demonstrating a 20% decline in gross sales from 2019 to 2020), applicants will certify that they are adversely impacted by COVID-19 and will include a brief explanation of adverse impact.
- This award is an alternate method to provide minimum relief to businesses in Juneau and cannot be added to other CBJ Business Sustainability Grant Program awards. An award of the dollar difference between a previous grant and a minimum award under this Simplified Business Grant can be made.

### *4) Future considerations:*

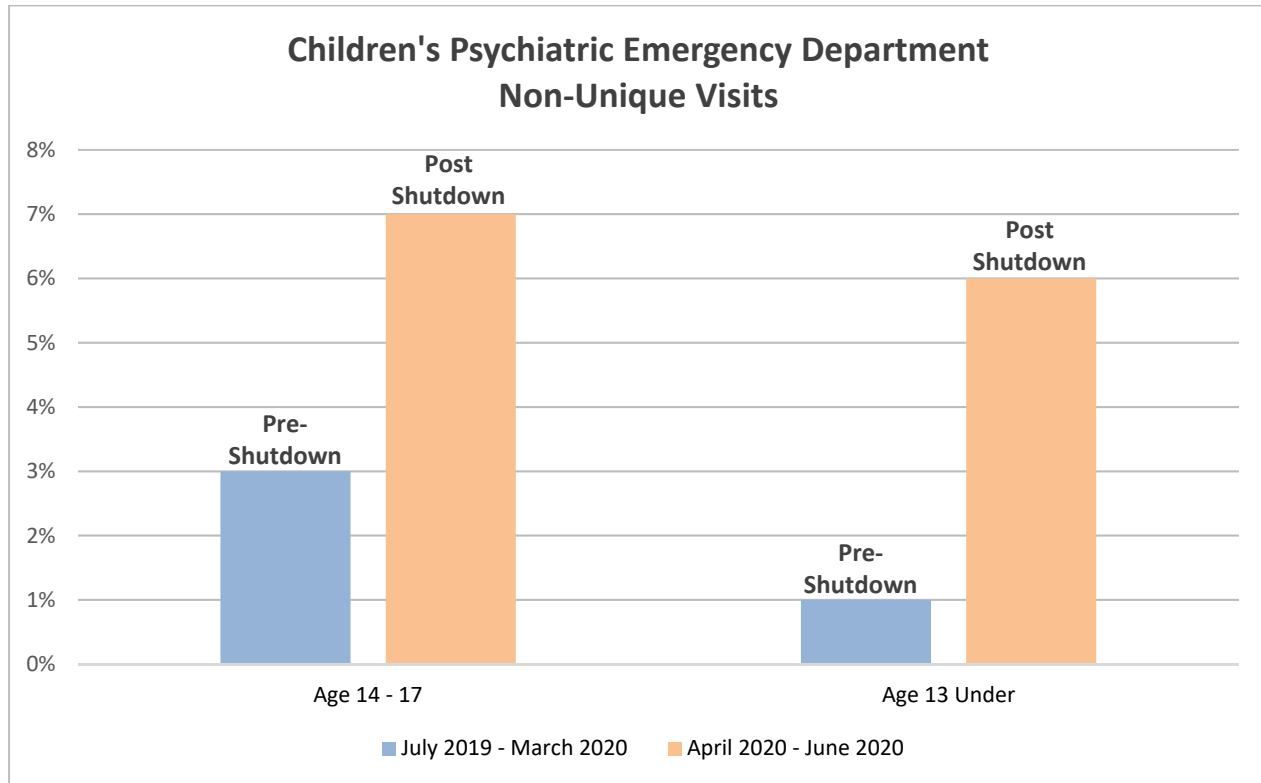
Should sufficient funds remain available as we head into Phase Three of this program, we recommend the following:

- Financial Hardship is calculated based on a decline in revenue of 20% or more between 2019 and 2020. Reducing the financial hardship threshold to 10% will result in more businesses being eligible for an award.
- Other business expenses that were not financed by debt, and are therefore covered in the Debt Service section, or addressed by other grant programs, be considered for addition.

### *5) Recommended Changes to Ordinance:*

- Change Long-Term Debt to Business Debt.
- Extend award calculation period end date from August 31 to September 30.

## Impacts of COVID-19 and the Related Shutdown on Children's Mental and Behavioral Health



July 2019 – March 2020	Number	Percentages	Monthly Average
<b>18 and Above</b>	911	96%	101
<b>14 – 17</b>	33	3%	4
<b>13 and Under</b>	6	1%	1
April 2020 – June 2020	Number	Percentages	Monthly Average
<b>18 and Above</b>	315	87%	105
<b>14 – 17</b>	27	7%	9
<b>13 and Under</b>	22	6%	7

- Nearly 50% of the children and adult patients assessed during the April 2020 – June 2020 period expressed this was their first time experiencing a Behavioral Health Crisis. Patients communicated a sharp increase in depression and anxiety due to stressors around their employment, housing, and family stress, due to impacts of COVID-19 on their lives.
- Stressors communicated by youth included isolation from their social support networks, lack of sports, and struggles with school during the last quarter of the 2019 – 2020 academic year.

*Data represents patients seen in the Bartlett Regional Hospital's Emergency Department, and is not inclusive of other mental and behavioral health providers in Juneau. Data sourced from Bartlett Behavioral Health.*

**Brenwynne Grigg**

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**From:** Brenwynne Grigg  
**Sent:** Wednesday, July 8, 2020 12:55 PM  
**To:** Max Mertz; Linda Thomas  
**Cc:** 'Bradley Grigg (bgrigg@bartletthospital.org)'  
**Subject:** FW: COVID-19 impact on Psych Emergency Services ("PES") at BRH  
**Attachments:** Impacts of COVID-19 and the Related Shutdown on Children's Mental and Behavioral Health.pdf

Hi Linda and Max,

I thought this might be useful information for the you or the Task Force when discussing education, childcare, and school services this fall. Mental and Behavioral Health Data from Bartlett Hospital shows the impact of COVID-19 and the related shutdown on children. The data shows that children ages 13 and under are experiencing the most heightened negative impacts.

Below is a statement from the Chief Behavioral Health Officer at Bartlett. Attached are the numbers and some visuals of the data that I put together based on information from Bradley Grigg. I've copied him on this email in case you have further questions of what the therapists at Bartlett are seeing.

To one person, they may view the numbers of children presenting as low. To another person, the rate of increase in children presenting to the hospital for mental health reasons is the beginning of a disturbing trend. These number represent the more advanced cases in children. These numbers do not reflect children who were doing great in February and are now experiencing situational depression but are not yet at the point of presenting at the hospital.

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Brenwynne Grigg | Administrative Officer Community Development Department | City & Borough of Juneau, AK  
 Location: 230 S. Franklin Street | 4th Floor Marine View Building  
 Office: 907.586.0766 | Cell: 907.723.8072

Fostering excellence in development for this generation and the next.

-----Original Message-----

**From:** Bradley F. Grigg <bgrigg@bartletthospital.org>  
**Sent:** Wednesday, July 8, 2020 7:45 AM  
**To:** Brenwynne Grigg <Brenwynne.Grigg@juneau.org>  
**Subject:** COVID-19 impact on Psych Emergency Services ("PES") at BRH

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Since July 1, 2019 BRH staff have provided on site 24/7 Masters Level Therapists stationed on campus, available to assess (pediatric and adult) patients who are experiencing a Behavioral Health Crisis to determine if inpatient treatment is needed to effectively treat the patient through said crisis. The following numbers reflect those who present in the Emergency Department with symptoms of depression, anxiety, thoughts of self-harm, thoughts of harm to others, and / or exhibiting signs of being gravely disabled.



General Stats:

- July 1, 2019 through March 31, 2020, BRH Psychiatric Emergency Services (PES) Staff conducted over 950 Crisis Assessments on patients. Of those 950, 39(4%) were under the age of 18.

- April 1, 2020 through June 30, 2020, BRH PES Staff assessed an average of 364 total patients during this 3-month timeframe; however, there were some significant changes in dynamics of the patients assessed.

1. Nearly 50% of the patients assessed during this time expressed this was their first time experiencing a Behavioral Health Crisis, communicating a sharp increase in depression and anxiety due to stressors around their employment, housing and family stress due to impacts of COVID on their lives.
2. Of the 364 patients assessed, 49 were under the age of 18. Of those 49, 22 were under the age of 14. Stressors for youth included isolation from their social support networks, lack of sports, struggles with school during the last quarter of the 2019-2020 academic year.

In essence, PES has seen a sharp rise in COVID related psychiatric crises in the last 3 months. BRH has added staffing to where there is 24/7 coverage of Masters Level Therapists and a Behavioral Health Technician to initiate Crisis Intervention Services as quickly as possible when needed.

Bradley F. Grigg, MA  
Chief Behavioral Health Officer  
Bartlett Regional Hospital  
3260 Hospital Drive  
Juneau, Alaska 99801  
Office: 907.796.8583  
Cell: 907.723.0548

## ESTF

## Public Comment Summary

June 25th, 2020

Letters Received since June 25<sup>th</sup>

Topic	Subtopic	Number of Comments	Topic Reviewed by ESTF	ESTF workgroup formed	Presented to Assembly	Referred
Business Development	Food Production	1	0	0	0	0
Business Development Total		1	0	0	0	0
Job Development	ArtWorks	2	0	0	0	0
Job Development Total		2	0	0	0	0
<b>Grand Total</b>		<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Food Production letter proposes a \$238,000 grant idea.

## All Comments:

Topic	Subtopic	Number of Comments	Topic Reviewed by ESTF	ESTF workgroup formed	Presented to Assembly	Referred
+ Total		0	0	0	0	0
+ Arts Community Total		1	1	0	0	0
+ Business Assistance Total		29	29	15	10	1
+ Business Development Total		7	6	1	0	4
+ Climate Change Total		1	1	0	0	1
+ Cruise Industry Total		4	4	3	0	1
+ Housing Assistance Total		4	4	2	2	1
+ Infrastructure & Construction Total		8	8	8	0	1
+ Job Development Total		7	5	1	1	0
+ Nonprofit Businesses Total		1	1	0	0	0
+ Personal Protective Equipment Total		1	1	0	0	0
+ Public Health Total		1	1	0	0	0
+ Reduce Cost of Living in Juneau Total		7	7	0	0	0
+ Shop Local Total		1	1	1	0	0
+ Task Force General Total		9	9	2	1	1
<b>Grand Total</b>		<b>81</b>	<b>78</b>	<b>33</b>	<b>14</b>	<b>10</b>



To the Finance Committee and the Assembly,

It has recently come to our attention that you will be discussing potential financial aid for medical transportation companies supporting southeast Alaska. As an Alaska owned and operated medevac company also working out of Juneau it is encouraging to hear of the Borough's commitment to the communities of southeast Alaska and to ensuring the viability of the companies that supply such a vital service to them. Despite also seeing a significant reduction in our flight volume and operating revenue due to COVID-19 we are dedicated to ensuring we can continue to provide medevac service in Juneau, the surrounding communities and throughout Alaska. Any funding that could be provided through this Task Force would be crucial to our ongoing commitment to providing this service.

For those on the Committee who are unfamiliar with us, LifeMed Alaska is a non-profit medical transportation company headquartered in Anchorage and has bases in Anchorage, Juneau, Fairbanks, Soldotna, Bethel, Palmer, Dutch Harbor and Kodiak. We provide 24/7 critical care air ambulance services throughout Alaska with full-scope transports for adult, pediatric, neonate (utilizing Neonatal Nurse Practitioners) and high-risk obstetric patients. We also are CLIA certified to carry blood products to meet the critical needs of patients during transport. In the event of the need to transport Covid-19 cases we have an ISO-POD in Juneau to be used if needed to protect both our patients and our crews. In our efforts to provide lifesaving service to all of Alaska we utilize jets, turboprops and helicopters to meet the various needs of our communities on and off the road system. In Juneau we use the Learjet 31 to provide timely transport throughout Southeast Alaska and to Washington state or other lower 48 hospitals for patients needing a higher level of care. We are accredited at the highest level for patient care quality and transportation safety by the Commission on Accreditation of Medical Transport Systems (CAMTS). Our clinical staff regularly sponsors training opportunities for many clinicians around the state. Recently our staff provided training in Juneau for the Capital City Fire/Rescue personnel in regard to Difficult Airway situations. In October we will also be offering training for the Neonatal Resuscitation Program (NRP) course taking place in Juneau.

Just like many small businesses in Alaska we have been significantly affected by recent developments. For the last few months we have seen a decrease in our flight volume of over 30% from 2019 levels and our June volume was down by 62.5 % compared to 2019. Clearly both the Alaska-specific COVID-19 impact and the significant reduction in tourism this year are taking a toll. Based on previous years we have seen a concurrent increase in funding requirements, mostly due to the need to provide significantly more personal protective equipment for our clinicians and pilots to avoid the spread of the virus. We have taken urgent steps to keep our costs down by suspending capital expenditures that can be put on hold and cancelling or reducing discretionary spending as much as possible

while maintaining patient care and safety standards. Even though we have no plans to reduce our operations, any funds would be vital to maintaining the viability of our organization as we continue to see such significant losses.

I and my staff in Juneau can be available for comment at any time and would be grateful for the opportunity to address this issue with you all in person at your convenience. Thank you for your consideration regarding LifeMed Alaska's current situation and ongoing contributions to meeting the medical transportation needs of those communities in Southeast Alaska. I am hopeful that we can be a part of future discussions about this matter.

Respectfully,

Russ Edwards



CEO, LifeMed Alaska

*We're on the Way*

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