

**City and Borough of Juneau**  
**Assembly Finance Committee Meeting**  
**Wednesday, April 25, 2018, 5:30 p.m.**

The AFC meeting will convene following a Special Assembly Meeting beginning at 5:30 p.m.  
**Assembly Chambers**

- I. Call to Order**
  
- II. Roll Call**
  
- III. Approval of Minutes**  
Wednesday, April 18, 2018 (pg. 2)
  
- IV. Youth Activities Board (YAB) Presentation (pg. 5)**
  
- V. Downtown Business Association (DBA) Presentation (pg. 7)**
  
- VI. Bartlett Regional Hospital (pg. 10)**
  
- VII. Proposed Mill Rate Presentation (pg. 23)**
  
- VIII. Debt Service Presentation (pg. 26)**
  
- IX. Information Items**
  - A. Pending List for the FY19 Proposed Budget (pg. 30)**
  - B. AFC Meeting Schedule (pg. 31)**
  
- X. Next Meeting Date**  
Thursday, May 3, 2018
  
- XI. Adjournment**

**DRAFT**  
**City and Borough of Juneau**  
**Minutes - Assembly Finance Committee Meeting**  
**Wednesday, April 18, 2018, 5:30 p.m.**

**I. Call to Order**

The meeting was called to order at 5:31 PM by Jesse Kiehl, Chair.

**II. Roll Call**

Committee Members Present: Jesse Kiehl, Chair; Norton Gregory, Loren Jones, Rob Edwardson, and Mayor Ken Koelsch.

Committee Members Participating Telephonically: Mary Becker.

Committee Members Absent: Beth Weldon, Jerry Nankervis, and Maria Gladziszewski.

Staff Present: Rorie Watt, City Manager; Mila Cosgrove, Deputy City Manager; Bob Bartholomew, Finance Director; Kirk Duncan, Parks and Recreation Director; Lindsey Foster, Parks & Recreation; ; Dave Scanlan, Eaglecrest Manager; Scott Ciambor, Chief Housing Officer; Sam Muse, Controller; and Elisabeth Jensen, Budget Analyst.

Others Present: Liz Perry, President & CEO, Travel Juneau; Jennifer Adams, Juneau Center Director, Alaska Small Business Development Center; Brian Holst, Executive Director, Juneau Economic Development Council (JEDC); Alec Mesdag, Chair, JEDC Board of Directors; Max Mertz, Chair, CBJ Aquatics Board.

**III. Approval of Minutes**

The April 11, 2018 minutes were approved as presented.

**IV. Travel Juneau – Funding Request**

Liz Perry, Director, Travel Juneau; presented the FY19 Proposed budget for Travel Juneau. Ms. Perry responded to questions from the committee.

**Mayor Koelsch, moved to approve \$860,000, the Hotel Tax portion of the Travel Juneau budget as presented by the Manager, and place MPF funded portion of Travel Juneau FY19 Proposed budget as presented by the Manager in the amount of \$373,100, on the AFC's Pending List.**

**Without OBJECTION.**

## **Minutes - Assembly Finance Committee Meeting Wednesday, April 18, 2018, 5:30 p.m.**

### **V. Alaska Small Business Development Center (SBDC) – Funding Request**

Jennifer Adams, Director, SBDC; presented the FY19/20 budget request for SBDC, with no change to funding from FY18. Ms. Adams responded to questions from the committee.

**Mayor Koelsch, moved to approve the SBDC budget as presented by the Manager.  
Without OBJECTION.**

### **VI. Juneau Economic Development Council (JEDC) – Funding Request**

Brian Holst, Executive Director, JEDC; and Alec Mesdag, Board Chair, JEDC; presented information regarding the JEDC FY19 Budget, with a request for base funding to increase from \$300,000 to \$325,000. They also outlined three options, totaling an additional request of \$165,000 in FY19.

The three additional options for the Assembly to consider include:

- 1.) \$25,000 – Invest in Juneau’s Entrepreneurial Capacity
- 2.) \$30,000 – Pursue Innovation in Ocean and Maritime Industry
- 3.) \$50,000 – Attract Talent to Juneau: Choose Juneau
- 4.) \$60,000 - Visitor Industry Growth

Mr. Holst and Mr. Mesdag responded to questions from the committee.

**Loren Jones, moved to approve the JEDC FY19 Proposed budget as presented by the Manager, and place the additional \$25,000 base funding increment and four additional options for the FY19 Proposed budget in the amount of \$165,000, on the AFC’s Pending List.**

**Mr. Edwardson, initially objected, and then WITHDREW any objection.  
Without OBJECTION.**

*The meeting recessed at 6:57 PM.*

*The meeting reconvened at 7:09 PM.*

### **VII. Aquatics Board – FY19 Budget**

Kirk Duncan, Parks and Recreation Director; and Max Mertz, Aquatics Board Chair; presented the FY19 Proposed budget and responded to questions from the committee along with Mr. Bartholomew.


**Loren Jones, moved to approve the Aquatics FY19 Proposed budget as presented by the Manager.  
Without OBJECTION.**

# **Minutes - Assembly Finance Committee Meeting**

## **Wednesday, April 18, 2018, 5:30 p.m.**

- VIII. Mental Health Trust – Sale of Public Safety Building and Property**  
Rorie Watt, City Manager, presented pages 38 – 121 of the meeting packet, mostly focusing on pages 38 – 39 featuring a memo containing his recommendations for the Assembly to proceed with the purchase of the property for the MHT’s requested price of \$488,231 using a grant provided from the State of Alaska as the fund source.  
Mr. Watt responded to questions from the committee.  
No committee action was requested or taken.
- IX. Marine Passenger Fee Recommendations – For Action**  
The item will be re-calendared allowing for remaining questions to be addressed on items such as TWIC, Litigation Fees, Restrooms South of Library Downtown and Wayfinding.
- X. Property Tax Breaks for Economic Development**  
Bob Bartholomew, Finance Director; and Scott Ciambor, Chief Housing Officer; discussed pages 133 – 141 of the meeting packet, and did not ask for action to be made during the meeting – instead trying to explore options and get ahead of the curve before the public begins to request these types of incentives. Committee asked numerous questions and requested additional information on effectiveness of tax incentives.
- XI. Info Item – Juneau Parks Foundation – Chris Mertl memo**  
Chris Mertl’s email on page 142 of the meeting packet was briefly discussed and was accepted by Mayor Koelsch in lieu of Mr. Mertl’s in-person testimony as had been requested by the Mayor during the AFC meeting of April 11, 2018 during the Juneau Community Foundation discussion.
- XII. Info Item – AFC Meeting Schedule**  
The potential for changing the date of the May 2<sup>nd</sup> AFC meeting was discussed and will be followed up in the coming week.
- XIII. Next Meeting Date**  
Wednesday, April 25, 2018, immediately following the Special Assembly meeting at 5:30 p.m.
- XIV. Adjournment**  
Meeting was adjourned at 8:55 PM.



To: Jesse Kiehl, Finance Committee Chair  
 CBJ Assembly  
 From: Tom Rutecki, Chair   
 Youth Activity Board  
 Subject: FY19 Youth Activity Grant Funding  
 Date: April 25, 2018

**FY19 Funding**

The City Manager has submitted a balanced budget that recommends allocating \$332,500 of the 1% Sales Tax for youth activity grants in Fiscal Year 2019 (FY19). The Youth Activity Board (YAB) is tasked with allocating these funds amongst various community non profit organizations serving the youth of Juneau.

The YAB is required by Resolution 2820 to place a sum equal to five percent of the amount allocated into a contingency account to fund unanticipated events. \$332,500 minus the five-percent contingency (\$16,625) leaves the general youth activities fund with **\$315,875 to distribute for FY19 overall grant funding.**

CBJ share of Youth Activity funding	\$332,500
Contingency Fund (5%)	<u>(\$16,625)</u>
Total grant funding	\$315,875

**FY19 Grant Process**

This year the YAB reviewed 27 proposals totaling **\$492,842.50** in requests and is recommending funding for all 27 of the programs. In FY18, the YAB reviewed 26 proposals totaling \$496,135.50 and funded all 26 of those programs.

Grant proposals are divided into three categories: Sports, Arts, and Academic/Other for evaluation and ranking. The nine Youth Activity Board members\* are each assigned to one of those categories so that three members review all grants in each category. In addition to the many hours spent individually evaluating and scoring each proposal, Board members spend two evenings publicly reviewing the proposals. The second and final meeting consists of the Board reaching agreement on the groups to be funded and their recommended funding level. The attached list contains the Board's recommendations for FY19.

**Recommendation**

The Youth Activity Board recommends that the Finance Committee approve the funding recommendations on the attached list.

**\* Youth Activity Board Members**

- Chair:** Tom Rutecki
- General Public representatives:** Bonita Nelson, Edric Carrillo, Joyce Vick, Kristen Romanoff, Liz Brooks, Elizabeth Balstad
- Youth representative:** Kathy Tran
- Juneau Arts and Humanities representative:** Mary (MK) MacNaughton
- Parks and Recreation Advisory Committee representative:** Tom Rutecki



**FY19 YOUTH ACTIVITY GRANT TOTALS**

<b>REQUESTING ORGANIZATION</b>	<b>NAME OF PROGRAM</b>	<b>AMOUNT REQUESTED</b>	<b>Final Recommendation</b>
<b>ACADEMIC</b>			
Discovery Southeast	Nature & Exploration- Discover Juneau	\$10,175.00	\$10,175.00
SAIL	ORCA Youth Program	\$21,180.00	\$14,116.00
AWARE, Inc	Girls on the Run/Boys Run	\$8,820.00	\$8,300.00
AEYC-SEA	Dimond Park Preschool Health Club	\$13,350.00	\$10,000.00
Girl Scouts of Alaska	Believe in the Power of Girl	\$14,200.00	\$9,400.00
Big Brothers, Big Sisters	Juneau Youth Activities Program	\$14,097.50	\$7,500.00
Juneau Economic Development Council	STEM Summer Explore at Gruening Park	\$14,280.00	\$4,100.00
	<b>Total Program Amount Requested</b>	<b>\$96,102.50</b>	<b>\$63,591.00</b>
<b>ARTS</b>			
The Canvas Art Studio	Canvas Youth Outreach	\$18,075.00	\$12,068.00
Juneau Dance Theatre	Juneau Fine Arts Camp	\$29,000.00	\$16,000.00
Juneau Jazz & Classics	JJ&C Education & Outreach	\$20,000.00	\$14,300.00
Juneau Symphony, Inc.	Juneau Student Symphony	\$12,500.00	\$8,000.00
Friends of Alaska State Museum	Art & Science at the APK	\$9,535.00	\$5,535.00
Perseverance Theatre	Summer Theatre Art Rendezvous-STAR 2018	\$24,260.00	\$16,526.00
Juneau Tlingit & Haida Comm. Council	Raven Eagle Summer Culture Camp	\$5,000.00	\$3,200.00
	<b>Total Program Amount Requested</b>	<b>\$118,370.00</b>	<b>\$75,629.00</b>
<b>SPORTS</b>			
Gastineau Channel Little League	Youth Baseball, Softball and tball	\$40,500.00	\$34,500.00
Juneau Douglas Ice Association	Youth Hockey Program	\$21,700.00	\$18,950.00
Juneau Soccer Club	JSC Competitive & Developmental Soccer	\$33,010.00	\$25,300.00
Glacier Swim Club	Youth Competitive Swimming	\$24,100.00	\$23,000.00
Juneau Youth Football League	Standards & Practices of Safety for Participants	\$32,200.00	\$16,500.00
Juneau Youth Sailing	Youth on the Water	\$15,670.00	\$7,000.00
Hooptime Basketball	Elementary & Middle School Basketball	\$8,000.00	\$5,355.00
Juneau Skating Club	Youth Ice Skating./Youth Synchronized Skating	\$34,890.00	\$11,200.00
Midnight Suns Softball	Girls Fast Pitch Softball	\$15,000.00	\$10,000.00
Juneau Jumpers	Juneau Jumpers	\$18,000.00	\$2,700.00
Juneau Ski Club	JSC Safety & Training Equipment	\$15,700.00	\$13,000.00
Juneau Youth Wrestling	Youth Wrestling Program	\$14,600.00	\$7,350.00
Sealaska Heritage Institue	Latseen Hoop Camp	\$5,000.00	\$1,800.00
	<b>Total Program Amount Requested</b>	<b>\$278,370.00</b>	<b>\$176,655.00</b>
	<b>Total FY19 Amount Requested</b>	<b>\$492,842.50</b>	<b>\$315,875.00</b>



## **FY19 Request for CBJ Support**

The Downtown Business Association [DBA] is seeking \$75,000 in funds for the upcoming fiscal year from the City & Borough of Juneau as a match to private contributions. This will help the DBA continue their efforts of becoming an accredited Main Street America city by 2020 as well as increase staff time to strategically implement the work of our volunteer committees that work within the Main Street approach of Design, Promotion, Economic Vitality and Organization.

### **This investment from the City and Borough of Juneau will see the following results:**

- Increased sales tax
- Maintaining high property value
- Supporting Juneau's tourist and arts economy
- Enhancing Juneau as Alaska's Capital City
- Improving the quality of life for all its residents

### **FY2018 Successes – organized by the DBA's objectives:**

#### **Downtown is a family-friendly destination:**

- Improved Gallery Walk with a NEW Trolley Edition bringing over 2000 downtown.
- Introduced Neighbor's Day with over 300 children in attendance. The purpose of this event was to increase awareness of family-friendly activities downtown.
- Introduced Kid's Day with a day full of events happening all over downtown.
- List of kid-friendly activities in the Downtown area for cruise-ship passengers in development.
- Organized a Downtown Color Run for April 29, 2018.

#### **Foster an attractive, safe, and clean environment that attracts people downtown:**

- Supported the construction of new downtown housing on Second and Franklin.
- Partnered with Travel Juneau and designed Downtown Deals coupons for conference delegate bags.
- Organized a Startup Week panel with the Juneau Economic Development Council to promote entrepreneurship in downtown.
- Began conversations to advocate for second story building renovations and expand cooperation with CBJ Housing Officer and CDD Staff.
- Supported the construction of The New JACC.
- Collaborated with Eaglecrest and Parks & Recreation to market winter tourism and improve streetscape by acquiring a Chair Lift for a new park bench project.
- Designed stencils and completed a Rain Paint art installation trial in Marine Park.
- Started DBA re-branding effort. First product was hiring local artist to create new map.



- Created a Downtown Juneau Restaurant Week.
- Met with the Mayor to discuss working closer with Mayor's office on furthering downtown projects and issues.
- Started exploring a private security cooperative for downtown members.
- Collaborating with Bike to Work Day to host a downtown core event.
- Collaborating with the National Landscape society to host a Parklet Day September 26.

**Improve access to, from, and within downtown:**

- Successfully implemented a shared umbrella pilot program in collaboration with the Alaska Committee and the Juneau Economic Development.
- Advocated for holiday free parking for downtown customers.
- Collaborated with Juneau District Heat to secure a parking lot for Gallery Walk.
- Collaborated with Juneau Tours & Whale Watch to provide a trolley during Gallery Walk and Kid's Day.

**Administrative achievements:**

- Increased DBA membership by 25%.
- Started a Fundraising Committee.
- Developed a Sponsorship package.
- Added a second pull-tab location to increase financial sustainability.
- Created a detailed 2018 work plan for all four standing committees which now meet regularly.
- Introduced board member elections and term limits to improve engagement, accountability, and quality of governance.
- At the mayor's request, coordinated the effort to raise money to help downtown officer Colon's family that was affected by two hurricanes.
- Membership building and recruiting
  - Started quarterly Member Mixers highlighting individual businesses.
- Working on Main Street Accreditation (which may be slowed by the fact that Alaska does not have a Main Street State Coordinator—something we are working on as well).

**FY 2019 Plan -- With these new funds we plan to implement DBA's Main Street Goals:**

- Advance Main Street accreditation to meet 2020 goal.
- Create opportunities to support and incubate new downtown businesses.
- Collaborate on the Choose Juneau campaign to entice more talent to downtown Juneau.
- Collaborate with JEDC, Docks and Harbors, CBJ and visitor industry to successfully embrace 10% tourism growth this next year (and anticipate similar growth in FY20).
- Work with small cruise operators to help extend the busy season into April.
- Increase DBA membership by 10%.





- Submit a grant application to AARP to fund the Chairlift Bench in Pocket Park to promote winter travel.
- Raise \$37,500 of private sector funding.
- Attend Main Street Conference and Training in Seattle in March 2019.
- Continue following the strategic work plan through the four working committees.
- Expand cooperation and resources to increase number of people living downtown.
- Build a solid communication pattern with the CBJ to assure that priorities of the CBJ and the DBA can be implemented smoothly and work for all interested parties.

# Bartlett Regional Hospital



**Fiscal 2019 Budget  
Presented to CBJ Assembly on April 25, 2018**



A City and Borough of Juneau Enterprise Fund

# **Bartlett Regional Hospital**

## **Our Mission**

**Bartlett Regional Hospital provides its community with quality, patient-centered care in a sustainable manner.**

## **Our Vision**

**Bartlett Regional Hospital will be the best community hospital in Alaska.**

## **Our Values**

**At Bartlett Regional Hospital we C.A.R.E.**

### **Courtesy**

**We act in a positive, professional and considerate manner, recognizing the impact of our actions on the care of our patients and the creation of a supportive work environment.**

### **Accountability**

**We take responsibility for our actions and their collective outcomes; working as an effective, committed and cooperative team.**

### **Respect**

**We treat everyone with fairness and dignity by honoring diversity and promoting an atmosphere of trust and cooperation. We listen to others, valuing their skills, ideas and opinions.**

### **Excellence**

**We choose to do our best and work with a commitment to continuous improvement. We provide high quality, professional healthcare to meet the changing needs of our community and region.**

# Agenda

Introduction

Brenda Knapp, President, BRH Board  
Chuck Bill, Chief Executive Officer

Assumptions

Chuck Bill  
Joe Wanner, Chief Financial Officer

Sources of Funding

Fiscal 2019 Capital Budget for Operations

Summary

Chuck Bill

Comments, Questions and Answers

# Fiscal 2019 Budget Assumptions

1. Fiscal 2019 will be a transition year as Bartlett implements Revenue Cycle and Service Line improvements.
2. Bartlett has experienced a significant increase in services to patients having government insurance (i.e., Medicaid, Medicare, VA/Champus) while services to patients having commercial insurance have decreased. The Fiscal 2019 budget assumes that this trend will continue – leading to a negative trend in Net Revenues.
3. Hospital in-patient and out-patient volumes will not measurably change from Fiscal 2018.
4. The Bartlett Board approved the Fiscal 2019 budget with market adjustments up to a blended increase of 5%.

This fee increase contributes additional net revenues of \$2.8 million when total charges increase approximately \$7.8 million. (Fee increases for services provided to patients with government insurance do not result in increased reimbursement.)

# Fiscal 2019 Budget Assumptions

5. Bartlett budgeted \$3.45 million for the Rural Demonstration Program. This is a conservative estimate based on the first two years of the program.
6. Bartlett will receive grant \$'s including:
  - A. \$1,463,000 from CBJ from Liquor and Cigarette Tax proceeds.
  - B. \$447,500 from State of Alaska Division of Behavioral Health primarily for RRC's operations. This is a \$50,000 reduction from Fiscal 2018.
  - C. \$350,000 for Medical Assisted Treatment for the treatment of Opiate Addiction.
7. Budgeted Salaries and Wages includes:
  - An estimated wage increase
  - Step increases of 1.5% based on an average
  - Manpower budgeted at fully staffed based on current and open positions. No new positions were included in the budget
  - Contract labor budgeted to allow for possible vacancies



# Fiscal 2019 Budget Assumptions

8. BRH will use \$5,800,000 of operating funds to purchase capital equipment and make capital repairs. Roughly \$1,000,000 of this equipment was budgeted in FY18.
9. BRH will use \$1,200,000 of operating funds and \$2,500,000 in sales tax funds to make Capital Improvements, including the remodeling of RRC, Roof replacement for the Medical Arts Building, Siding replacement for the Administration Building and Asphalt replacement.

# CBJ Appropriations Summary for FY 17, FY 18 and FY 19/20

## BRH (Hospital) Budget OVERVIEW

	FY17 Actuals	FY18		FY19 Proposed Budget	FY20 Proposed Budget
		Amended Budget	Projected Actuals		
<b>EXPENSES:</b>					
Personnel Services	\$ 76,611,876	59,037,600	65,149,122	66,337,936	67,746,384
Commodities and Services	23,865,602	24,627,800	25,784,892	26,668,250	27,201,615
Capital Outlay	2,614,555	5,000,000	5,000,000	5,785,000	6,000,000
Debt Service	1,652,100	1,657,400	1,647,413	1,651,209	1,661,862
Support to General Fund	258,800	250,000	250,000	250,000	250,000
Support to Capital Projects	4,550,000	-	-	-	-
<b>Total Expenses</b>	<b>109,552,933</b>	<b>90,572,800</b>	<b>97,831,427</b>	<b>100,692,395</b>	<b>102,859,861</b>
<b>FUNDING SOURCES:</b>					
Charges for Services	95,706,199	88,434,100	96,949,963	100,175,269	102,679,651
State Grants	853,741	541,000	866,139	797,515	752,764
Interest Income	337,009	272,300	255,308	392,000	392,000
Support from:					
Liquor Tax	945,000	945,000	945,000	975,000	975,000
Tobacco Excise Tax	518,000	518,000	518,000	518,000	518,000
Marine Passenger Fee	131,600	-	-	-	-
<b>Total Funding Sources</b>	<b>98,491,549</b>	<b>90,710,400</b>	<b>99,534,410</b>	<b>102,857,784</b>	<b>105,317,414</b>
<b>FUND BALANCE:</b>					
Fund Balance Reserve	1,705,300	1,705,300	1,705,300	1,705,300	1,705,300
Beginning Available Fund Balance	60,029,601	48,968,217	48,968,217	50,671,200	52,836,589
Increase (decrease) in Fund Balance	(11,061,384)	137,600	1,702,983	2,165,389	2,457,553
<b>End of Period Fund Balance</b>	<b>\$ 50,673,517</b>	<b>50,811,117</b>	<b>52,376,500</b>	<b>54,541,889</b>	<b>56,999,442</b>
<b>STAFFING</b>	<b>464.30</b>	<b>463.90</b>	<b>438.77</b>	<b>464.11</b>	<b>464.00</b>

## Questions/Comments

Thank you!

Chuck Bill, Chief Executive Officer 907.796.8438

Joe Wanner, Chief Financial Officer 907.796.8402

# Appendices

# Fiscals 2018 and 2019 Budgeted Results

	FY 2018 BUDGET	FY 2018 PROJECTED	FY 2019 BUDGET
Inpatient Revenue	\$60,397,030	\$62,003,844	\$64,483,997
Outpatient Revenue	\$84,529,016	\$88,914,272	\$94,249,128
<b>Total Patient Revenue - Hospital</b>	<b>\$144,926,046</b>	<b>\$150,918,116</b>	<b>\$158,733,125</b>
RRC Revenue	\$4,351,904	\$4,560,828	\$4,560,828
Physician Revenue	\$9,985,516	\$11,107,226	\$11,662,587
<b>Total Gross Patient Revenue</b>	<b>\$159,263,466</b>	<b>\$166,586,170</b>	<b>\$174,956,540</b>
Contractual Allowances	\$67,558,174	\$64,930,440	\$70,054,609
Charity Care and Bad Debt	\$5,088,318	\$4,874,686	\$5,350,663
<b>Total Deductions from Revenue</b>	<b>\$72,646,493</b>	<b>\$69,805,126</b>	<b>\$75,405,272</b>
<i>Deductions as Percentage of Total Gross Patient Revenues</i>	<i>45.6%</i>	<i>41.9%</i>	<i>43.1%</i>
<b>Net Patient Revenue</b>	<b>\$86,616,973</b>	<b>\$96,781,044</b>	<b>\$99,551,268</b>
Other Operating Revenue	\$2,007,244	\$1,707,518	\$2,029,416
<b>Total Operating Revenue</b>	<b>\$88,624,219</b>	<b>\$98,488,562</b>	<b>\$101,580,684</b>
Salaries, Wages, & Contract Labor	\$37,313,807	\$43,188,396	\$43,132,513
Physician Wages & Contracts	\$4,913,140	\$6,442,726	\$6,086,998
Employee Benefits	\$19,477,837	\$19,869,606	\$20,709,168
	\$61,704,784	\$69,500,728	\$69,928,679
	69.6%	70.6%	68.8%
<b>Operating Expenses</b>			
Medical Professional Fees	\$651,960	\$959,594	\$939,067
Non-Medical Professional Fees	\$2,720,781	\$2,026,514	\$2,154,968
Materials & Supplies	\$11,070,774	\$11,647,348	\$12,229,388
Utilities	\$1,626,823	\$1,344,820	\$1,492,818
Maintenance & Repairs	\$3,100,893	\$3,078,232	\$3,246,871
Rentals & Leases	\$635,106	\$766,284	\$676,071
Insurance	\$480,666	\$488,074	\$487,216
Depreciation & Amortization	\$7,566,678	\$7,304,130	\$7,671,990
Interest Expense	\$670,930	\$658,922	\$638,664
Other Operating Expenses	\$1,257,373	\$976,046	\$1,094,584
<b>Total Expenses</b>	<b>\$91,486,767</b>	<b>\$98,750,692</b>	<b>\$100,560,316</b>
<b>Income (Loss) from Operations</b>	<b>-\$2,862,548</b>	<b>-\$262,130</b>	<b>\$1,020,368</b>
Interest Income	\$259,880	\$255,308	\$392,000
Other Non-Operating Income	\$1,966,284	\$1,802,908	\$1,898,455
<b>Total Non-Operating Revenue</b>	<b>\$2,226,165</b>	<b>\$2,058,216</b>	<b>\$2,290,455</b>
<b>Net Income (Loss)</b>	<b>-\$636,382</b>	<b>\$1,796,086</b>	<b>\$3,310,823</b>

# Fiscals 2018 and 2019 Cash Flow

	FY 2018 <u>PROJECTED</u>	FY 2019 <u>BUDGET</u>
Projected Net Income (Loss)	\$ 1,796,086	\$ 3,310,823
Add-back		
Depreciation	\$ 7,304,130	\$ 7,671,990
Interest Expense	\$ 658,922	\$ 638,664
Cash Available	<u>\$ 9,759,138</u>	<u>\$ 11,621,477</u>
Debt Service	\$ 1,647,413	\$ 1,651,209
Purchase of Capital Assets	\$ 5,000,000	\$ 5,875,000
Expenditures for CIP Projects	\$ 300,000	\$ 900,000
Total Out-flows	<u>\$ 6,947,413</u>	<u>\$ 8,426,209</u>
Net Change in Cash	<u>\$ 2,811,725</u>	<u>\$ 3,195,268</u>



# Bartlett Fund Balance

	<u>FY2018</u>	<u>FY2019</u>
Revenues:	98,071,410	101,364,784
Expenditures:	91,184,014	93,256,186
Transfer to/from Capital Projects:	5,985,880	(650,000)
Debt Service:	1,647,413	1,651,209
Other Finance Sources (Uses)	(3,537,000)	(4,292,000)
<b>Increase (decrease) in Fund Bal (FB):</b>	<u><b>7,688,863</b></u>	<u><b>2,815,389</b></u>
 Beg Unrestricted FB	 <u>4,497,177</u>	 <u>12,186,040</u>
 Ending UnRestr FB, including Pension Liab:	 12,186,040	 15,001,429
 Add Back Pension Liability	 69,123,712	 69,123,712
 <b>Ending UnRestr FB, not including Pension Liab:</b>	 <u><b>81,309,752</b></u>	 <u><b>84,125,141</b></u>

# Fiscal 2019 Capital Budget Summary

<u>DEPARTMENT</u>	<u>DESCRIPTION</u>	<u>\$'s</u>
Ultrasound	Phillips Ultrasound (4)	720,858
Pharmacy	Infusion Pumps	525,000
IS	OpSus Recover Solution	400,000
Facilities	Boiler Room Ventilation (Help Lab Heat)	200,000
IS	Oncology Module - Meditech	189,000
IS	Network Switches - Cisco Catalyst 3850	345,000
IS	Evaluate Two Factor Authentication & Proximity system	170,000
Facilities	Hawk Boiler Upgrade	160,000
IS	Philips to Meditech: Upgrade & Interface (IECG)	145,000
IS	Critical Care Flowsheet	135,000
PAS	E-Forms/Signature	130,000
Facilities	JMC Fire Alarm Replacement	125,000
	Other Capital Requests	2,540,142
	<b>Board of Directors Approved Capital Budget</b>	<b>5,785,000</b>

# PROPERTY ASSESSMENT AND TAXATION

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## AUTHORITY

The City and Borough of Juneau’s authorization to levy a property tax is provided under Alaska State Statute Section 29.45. Under this section, the State *requires* the Assessor to assess property at full and true value as of January 1 each year. The full and true value is the estimated price that the property would bring in an open market in a sale between a willing seller and a willing buyer (AS 29.45.110)). The area wide projected “taxable” assessed value (full and true less exempted properties) for the 2019 fiscal year, (2018 calendar year) is \$4.92 billion, up from \$4.85 billion (a 1.4% increase) in 2018.

The rate of levy is to be fixed by Assembly resolution, determined annually before June 15, per AS 29.45.240. The State of Alaska requires a number of property exemptions that municipalities must exempt when taxing property (AS 29.45.030).

The taxable assessed value is net of a projected \$346 million of property exemptions The Senior Citizen and Disabled Veteran exemption is about 76% of the total. In FY19, these exemptions are projected to reduce property tax revenue by \$3.8 million.

## ASSESSED VALUE CHANGES

The Assessor is projecting areawide taxable assessed values, net of estimated property appeals, for FY19 (calendar 2018) at \$4.92 billion. This amount includes both real and business personal property assessments. This represents an increase of \$65.5 million increase (1.4%) over the previous year. The City Assessor attributes the assessed value growth to increased residential home prices and new construction.

The table presented below shows the assessed values by service area for both real and business personal property.

### PROJECTED TAXABLE ASSESSED VALUES BY SERVICE AREA (in millions)

<u>Service Area</u>	<u>2017</u>	<u>2018 Projected Values</u>		<u>Total</u>
	<u>Certified Roll</u>	<u>Real Property</u>	<u>Personal Property</u>	
Capital City Fire	\$4,361.4	\$4,217.76	\$208.5	\$4,426.3
Roaded Service Area	\$4,386.1	\$4,243.73	\$209.0	\$4,452.8
Areawide	\$4,854.9	\$4,555.80	\$364.6	\$4,920.4

# PROPERTY ASSESSMENT AND TAXATION

## MILLAGE RATES AND RESTRICTIONS

A one-mill levy is equal to one tenth of one percent (0.1%). A CBJ resident charged the “total mill rate” of 10.66 mills is paying property taxes equal to 1.06% of their assessed value. A one-mill levy assessed borough-wide will generate \$4.9 million in property tax revenues. The CBJ has three overlapping taxing areas (Areawide, Roaded and Fire) plus a separate debt service mill levy. Property can be subject to taxation in one, two or all three of these levies plus the debt service mill levy. Approximately 89.6% of taxable property is subject to the combined mill levy for the three taxing areas.

<u>Mill Levy</u>	<u>FY17</u>	<u>FY18</u>	<u>Proposed FY19</u>	<u>Proposed FY20</u>
<b>Operational</b>				
Areawide	6.60	6.70	6.70	6.70
Roaded Service Area	2.30	2.30	2.30	2.30
Capital City Fire/Rescue	0.36	0.36	0.36	0.36
Total Operational	9.26	9.36	9.36	9.36
<b>Debt Service</b>				
	1.40	1.30	1.30	1.30
<b>Total Mill Levy</b>	<b>10.66</b>	<b>10.66</b>	<b>10.66</b>	<b>10.66</b>
Mill Change		-	-	-
% Change		-	%	-

The 2018 property assessments do not include an estimated \$290 million in required State exemptions for 1,838 (estimated) senior citizens and disabled veterans. Under State law, the responsibility for paying this property tax falls to the State of Alaska. However, the State has not appropriated funds for this mandated property tax exemption program for a number of years. The amount of FY19 property tax revenues that the CBJ will not collect from the State under the senior citizens and disabled veterans assessment exemption program is estimated at \$2.9 million.

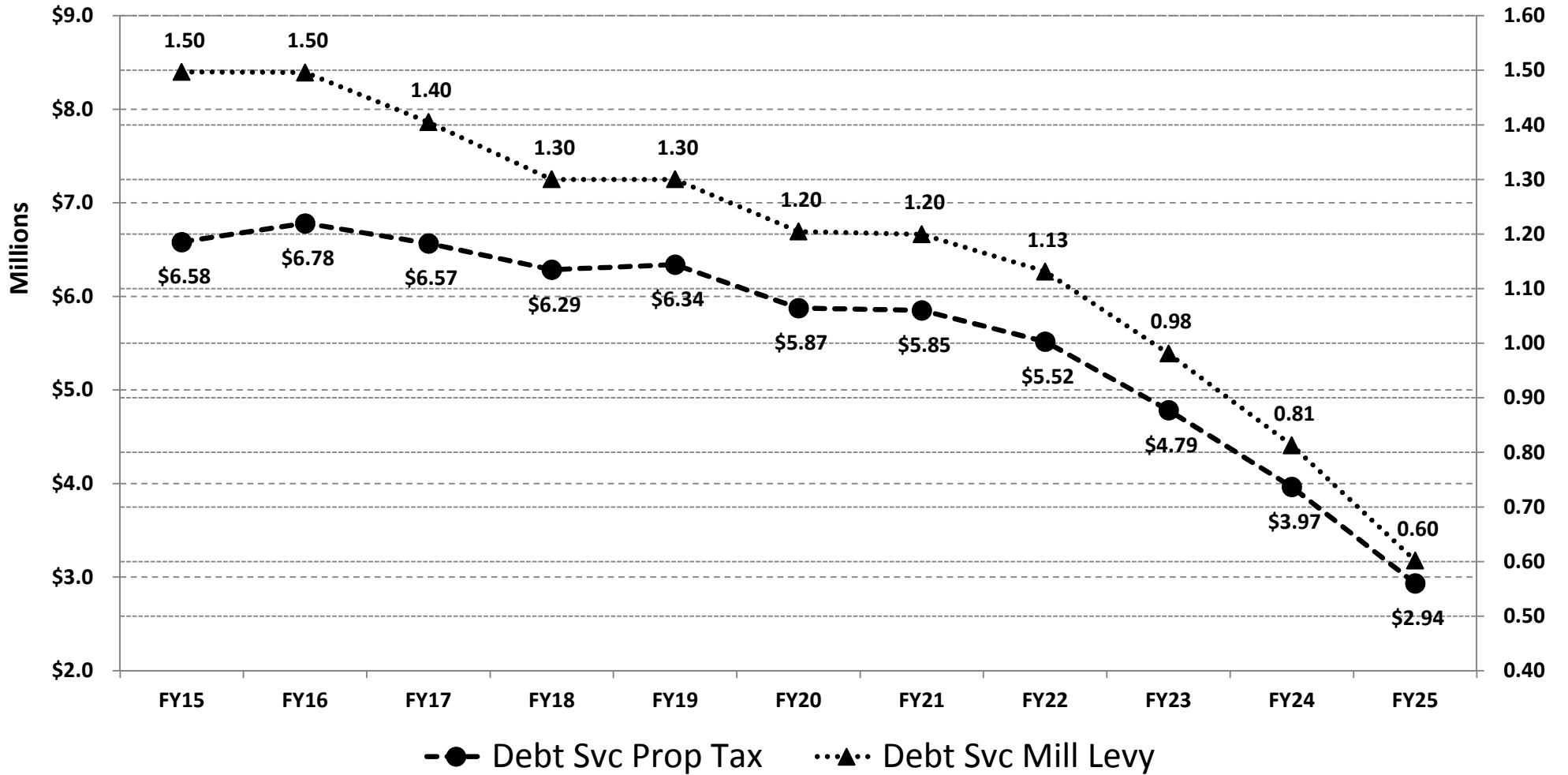
In 1995, the CBJ voters approved a 12-mill operational property tax levy restriction on taxable property. This restriction **does not apply** to tax levies for voter approved general obligation debt. The debt service mill levy is in addition to the operational mill levy. The operating mill levy for FY19 is 9.36 mills, from the same as FY18. The debt mill levy is 1.30 for FY19, unchanged from FY18. This brings the total FY19 mill levy to 10.66, which is unchanged from FY18.

	<u>FY17</u> Actuals	<u>FY18</u>		<u>FY19</u> Proposed Budget	<u>FY20</u> Proposed Budget
		Amended Budget	Projected Actuals		
<b>Debt Service</b>	\$ 6,567,000	6,322,300	6,285,900	6,396,700	6,396,700
<b>Operating</b>	42,246,900	43,965,300	44,068,600	44,481,100	44,482,100
<b>Property Taxes</b>	<b>\$ 48,813,900</b>	<b>50,287,600</b>	<b>50,354,500</b>	<b>50,877,800</b>	<b>50,878,800</b>

# City and Borough of Juneau Debt Service Mill Levy & Property Tax Revenue April 2018

PROPERTY TAXES

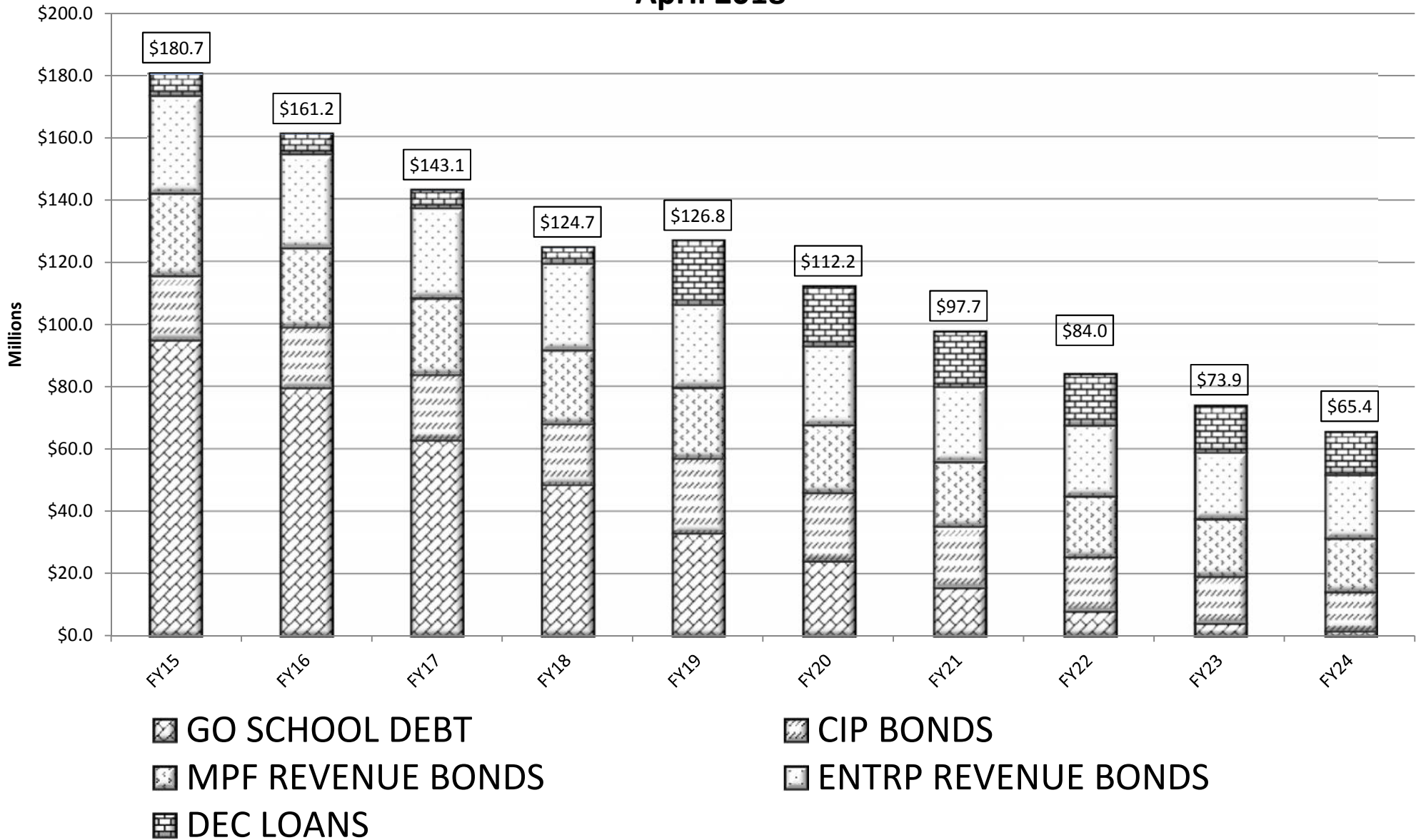
MILL RATE



# City & Borough of Juneau

## Total Outstanding w/Committed Debt

Principal Only  
April 2018

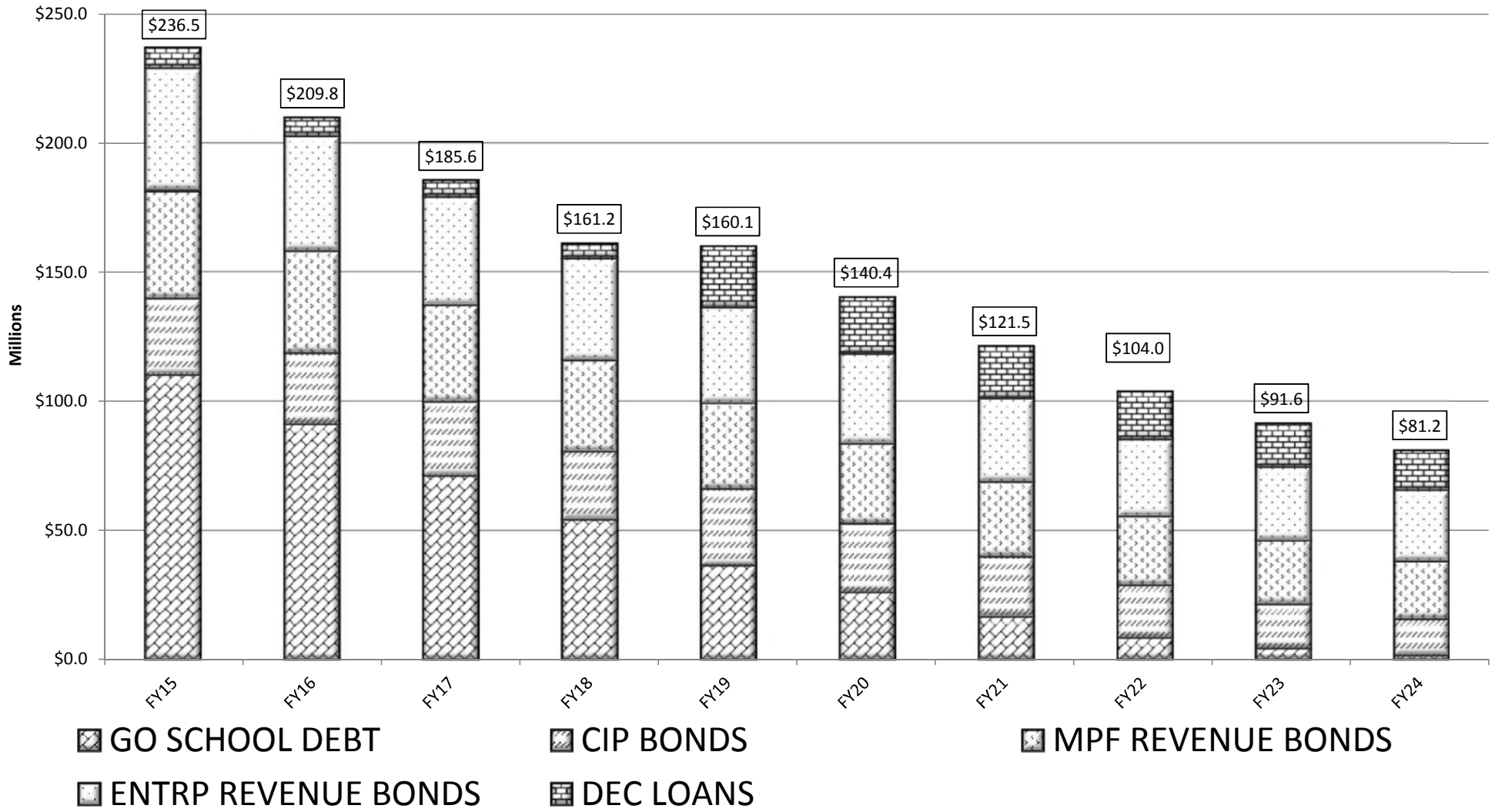




# City & Borough of Juneau

## Total Outstanding w/Committed Debt

Principal & Interest  
April 2018

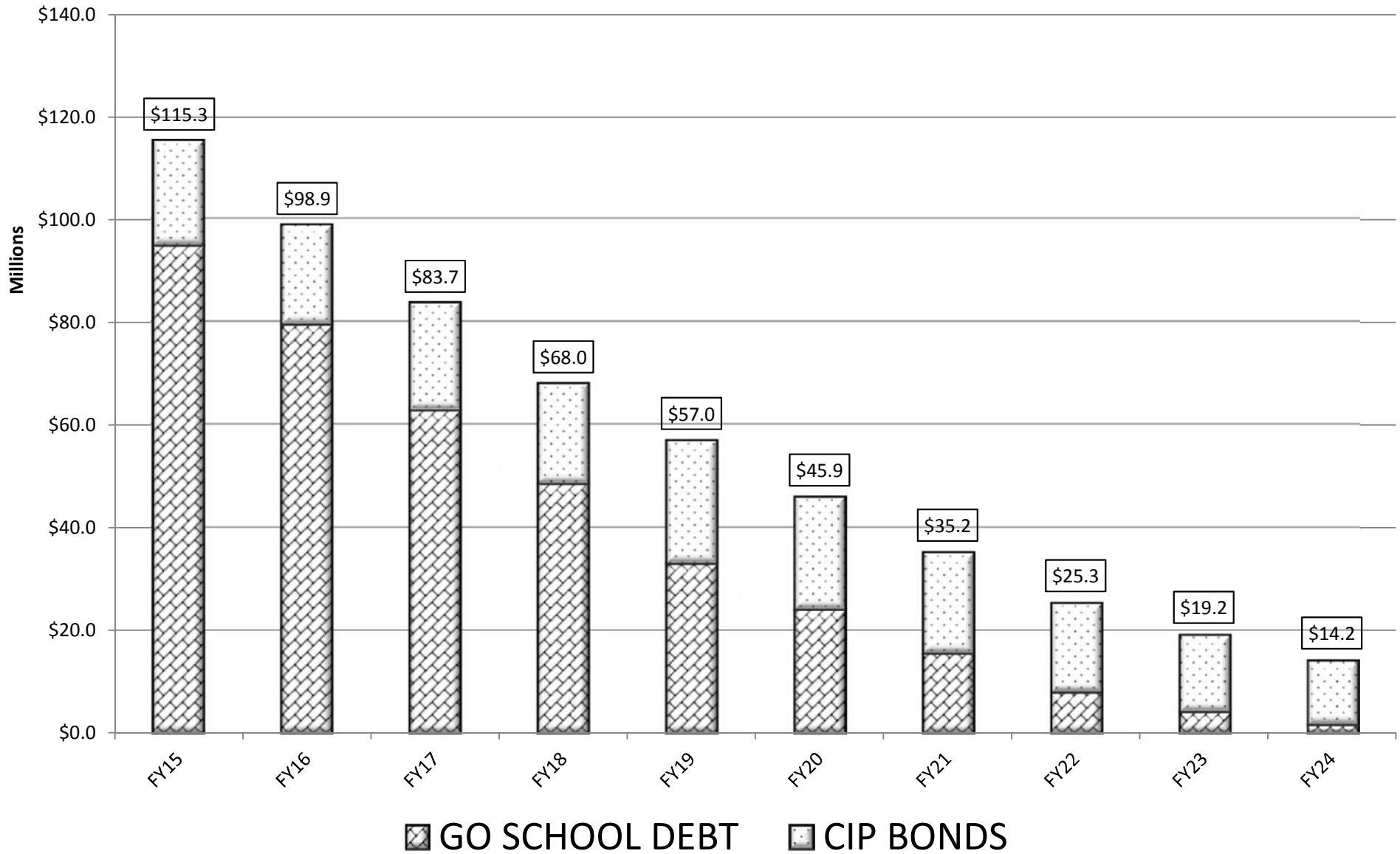


# City & Borough of Juneau

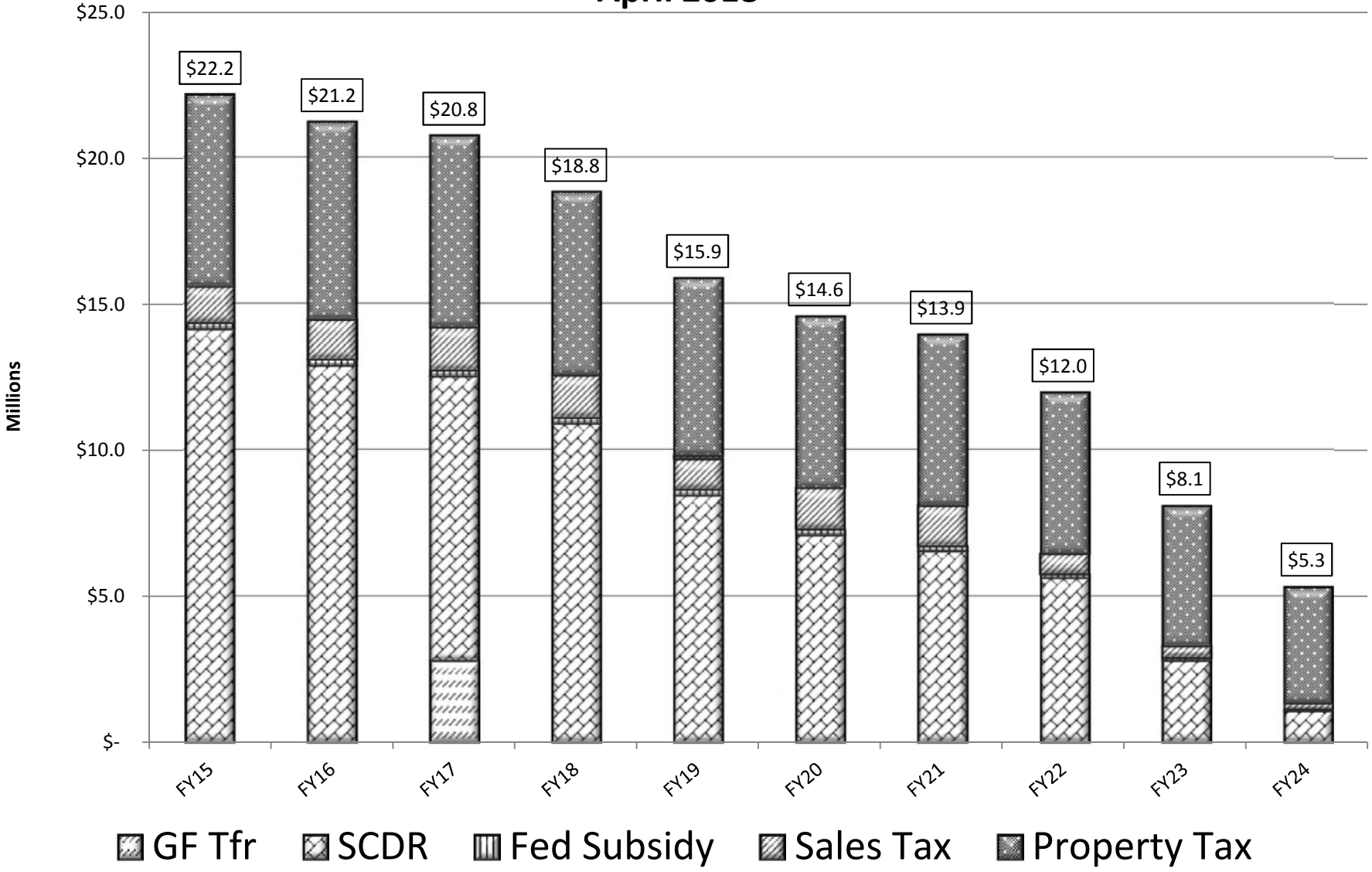
## Total Outstanding GO w/Budgeted Debt

### Principal Only

### April 2018



## City & Borough of Juneau GO Debt Funding Sources April 2018



**CBJ FY19 Proposed Budget - Pending Items & Increments**  
as of April 25, 2018

**FY19 Proposed Budget Items Moved to Pending List by Assembly Finance Committee to Date**

<b>Description</b>	<b>Comments</b>	<b>FY19 Increase above Manager's Budget</b>
1 School District FY19 Proposed Budget	AFC moved to pending list on 4/4/18	\$ -
2 Snowmaking - Eaglecrest	AFC moved to pending list on 4/11/18	250,000
3 Travel Juneau - MPF amount included in Manager's Memo	AFC moved to pending list on 4/18/18	-
4 JEDC - Increase of \$25k to \$300k base funding	AFC moved to pending list on 4/18/18	25,000
5 JEDC - One-time funding options for FY19 (\$165k in total)	AFC moved to pending list on 4/18/18	165,000
<b>Total</b>		<b><u>\$ 440,000</u></b>

**City and Borough of Juneau**  
**Assembly Finance Committee (AFC)**

**FY19/20 Proposed Budget Calendar and Key Dates – as of 4/23/18**

**Wednesdays at 5:30 p.m., unless otherwise stated**

**APRIL, 2018**

- 4<sup>th</sup> Special Assembly Meeting – 5:30pm –Followed by Assembly Finance Committee**  
Special Assembly Meeting to Introduce FY19/20 budget, immediately Followed by Assembly Finance Committee meeting, Chambers
- A. Introduction of the general operating (CBJ) budget ordinance
  - B. Introduction of the general operating School District budget ordinance
  - C. Introduction of the mill levy ordinance
  - D. Introduction of the CIP resolution
- 4<sup>th</sup> AFC Meeting #1 – 5:30pm - Immediately following Special Assembly Meeting**
- A. Distribution of the Operating Budget, Capital Budget and Capital Improvement 6-Year Plan
  - B. FY19/20 Proposed Budget Overview
  - C. School District Budget Presentation
  - D. Capital Improvements Projects Program Budget/Plan
- 11<sup>th</sup> AFC Meeting #2**
- A. Juneau International Airport (Patty Wahto, Airport Manager)
  - B. Docks & Harbors (Carl Uchtyl, Port Director)
  - C. Juneau Community Foundation – Teacher Excellence Fund Investment Performance, Treadwell Trail Grant, Juneau Park Program, and Social Service Grant Program
  - D. Capital Improvements Projects Program Budget/Plan – For Action
  - E. Manufacturing Tax Credits
- 18<sup>th</sup> AFC Meeting #3**
- A. Travel Juneau (JCVB) (Liz Perry, President/CEO)
  - B. Alaska Small Business Development Center Presentation (Jon Bittner, Executive Director)
  - C. JEDC (Brian Holst, Executive Director)
  - D. Aquatics Board (Kirk Duncan / Max Mertz)
  - E. Mental Health Trust – Sale of Public Safety Building and Property
  - F. Marine Passenger Fee Recommendations – For Action
  - G. Property Tax Breaks for Economic Development
- 25<sup>th</sup> Special Assembly Meeting at 5:30pm - Followed by Assembly Finance Committee**  
Within 30 days after receipt of the (school) budget, the assembly shall determine the amount to be made available from local sources for school purposes, and shall furnish the School board with a statement (motion) of the amount to be made available for FY19 School District operations. (Charter Section 13.6 (b))
- The following actions must be completed by May 1, per Charter Section 9.6.
- A. Public hearing on the CBJ operating budget ordinance
  - B. Public hearing on the School District operating budget ordinance
  - C. Public hearing on the capital improvement program resolution
  - D. Public hearing on the on the mill levy ordinance
- 25<sup>th</sup> AFC Meeting #4 (Immediately following Special Assembly Meeting)**
- A. Youth Activities Board (YAB) Presentation (Tom Rutecki / Dave Pusich)
  - B. Downtown Business Association (Jill Ramiel, President)
  - C. Bartlett Regional Hospital (Joe Wanner, CFO)
  - D. Proposed Mill Rate Presentation
  - E. Debt Service Presentation
  - F. Pending Items List

**City and Borough of Juneau**  
**Assembly Finance Committee (AFC)**  
**FY19/20 Proposed Budget Calendar and Key Dates – as of 4/23/18**  
**Wednesdays at 5:30 p.m., unless otherwise stated**

**MAY, 2018**

- 3<sup>rd</sup> AFC Meeting #5**  
A. Juneau Commission on Aging  
B. Best Starts  
C. Marine Passenger Fee Recommendations – For Action  
D. General Government Budget Balancing Options  
E. Pending Items List
- 9<sup>th</sup> AFC Meeting #6**  
A. General Government Budget Balancing Options  
B. Pending Items List / Final FY19/20 Proposed Budget Decisions
- 14<sup>th</sup> Regular Assembly Meeting**  
*Adoption of the School District's general operating budget ordinance*
- 16<sup>th</sup> AFC Meeting #7 – If Necessary**  
*Meeting for overflow items or new requests that come up during budget process.*

**By May 31<sup>st</sup>, the assembly must determine the amount to be made available from local sources for school purposes (Charter Section 13.6 (b))**

**JUNE, 2018**

- 4<sup>th</sup> Regular Assembly Meeting**  
A. *Adoption of the general operating (CBJ) budget ordinance*  
B. *Adoption of the CIP resolution*  
C. *Adoption of the mill levy ordinance*
- 13<sup>th</sup> AFC Meeting – If Necessary**

**The Charter requires that the following budget actions be made by June 15<sup>th</sup>:**

- **Appropriating Ordinances Adopting a Budget (Charter Section 9.7 (a))**
- **Mill Levy Ordinance (Charter Section 9.7 (b))**
- **CIP by Resolution (Charter Section 9.8)**