

THE CITY AND BOROUGH OF JUNEAU, ALASKA
SPECIAL ASSEMBLY MEETING
Meeting Minutes – January 10, 2022

MEETING NO. 2022-01: The Special Meeting of the City and Borough of Juneau Assembly with the Juneau Legislative Delegation was held virtually via Zoom webinar and called to order by Mayor Beth Weldon at 9:00 a.m.

LAND ACKNOWLEDGMENT

Mayor Weldon provided the following land acknowledgment: We would like to acknowledge that the City and Borough of Juneau is on Tlingit land, and wish to honor the indigenous people of this land. For more than ten thousand years, Alaska Native people have been and continue to be integral to the well-being of our community. We are grateful to be in this place, a part of this community, and to honor the culture, traditions, and resilience of the Tlingit people. Gunalchéesh!

ROLL CALL

Assemblymembers Present: Mayor Beth Weldon, Deputy Mayor Maria Gladziszewski, Greg Smith, Michelle Hale, ‘Wáahlaal Gíidaak, Alicia Hughes-Skandijs, Wade Bryson, and Carole Triem (joined at 9:20a.m.)

Assemblymembers Absent: Christine Woll

Special Guests: Senator Jesse Kiehl, Representative Andi Story, and Representative Sara Hannan, Dana Herndon (on behalf of U.S. Senators Lisa Murkowski and Dan Sullivan), and CBJ Lobbyists Katie Kachel and Richard Sherman and Dave Jansen (Washington D.C.), Kevin Jardell (Juneau) and Legislative Staffers:

Sen. Kiehl’s office: Edric Carillo and Cathy Schlingheyde

Rep. Hannan’s office: Stephanie Andrew, Tim Clark, and (Assemblymember) Michelle Hale

Rep. Story’s office: (Assemblymember) Greg Smith, and Ariel Stevik

Staff Present: City Manager Rorie Watt, Deputy City Manager Robert Barr, City Attorney Robert Palmer, Municipal Clerk Beth McEwen, Deputy Clerk Diane Cathcart, Finance Director Jeff Rogers, Port Director Carl Uchytíl, Harbormaster Matt Creswell, Engineering/Public Works Director Katie Koester, Assistant City Attorney Sherri Layne.

SPECIAL ORDER OF BUSINESS

Ms. McEwen provided instruction to the listening public on how to participate in the meeting via the Zoom platform.

AGENDA TOPICS

A. Updates from Senator Jesse Kiehl and Representatives Sarah Hannan and Andrea Story

Senator Kiehl said that the session to come is set to be lively. He said that if the bills don’t pass during the second session of the legislature they fail to pass entirely so that is a lot of pressure. There is a lot of

pressure from the Governor to get his legislation passed as well in the final year of his present term. He said that he didn't think the issues would be radically different from what they have been seeing over the past year. He noted that he recently re-introduced an income tax bill that will hopefully help provide for a long term fiscal plan. He said that he also introduced a bill to step up the PFD gradually from where it had been right now and every year until they get to a 50/50 split until they get to a sustainable draw of the permanent fund. He said that the big picture fiscal issues are what will take up the majority of the work of the legislature. He said that on the other hand, it will be interesting to see what happens with the federal infrastructure money and how that will come into play in balance with the operating budget needs. There is a disconnect if you don't fully understand that federal infrastructure money has tight limits and you can't pay for the K-12 education bill with those funds.

Senator Kiehl said that with respect to education, the governor has proposed full funding of the bond debt reimbursement funding. He said they have been all over the map with that, it is essential and necessary and the legislature has fully funded it but it has met the veto pen the past few years. He said that he is committed to paying what we owe on that. However, he said that does not deal with the ongoing deferred maintenance needs. That only deals with projects that municipalities have already done. It doesn't do a new school roof repair project. He said that the other thing is school operations budget for K-12. He also said that it is a good thing that the Governor is taking his boot off the University system where he has said "no more," the university has been really struggling under that. K-12 hasn't seen an adjustment to what they have spent per student for the past 7 years during which inflation has raised health care costs along with all other costs to educate our students. He said that he and his colleagues will be working hard this session on an adjustment to school funding.

Mayor Weldon thanked Senator Kiehl and said that we have two large deferred maintenance school projects, Marie Drake and Mendenhall River Elementary Schools coming up on our horizon. Mayor Weldon congratulated Representative Story on her new grandchildren and asked her to go next.

Representative Story extended her heartfelt thanks for the Assembly getting our community through COVID, helping businesses, keeping the community healthy and moving forward and all that they have done to meet a wide variety of needs in our community during this difficult time.

Representative Story said that she sees the legislature having a lot of focus on helping Alaska recover from the economic impacts resulting from the pandemic. She is hoping to see assistance to citizens, non-profits and others across the state. She said that Greg Smith is working in her office as well as Ariel Stevik and that Mary Hakala, a long time staffer, has retired this past year. She said that at this time last year, the House was still trying to form its leadership coalition. She is happy to report that she and Representative Hannah are members of a tri-partisan coalition that has worked well over the past year on providing a broad range of response to issues and it is important to be part of the majority and in having the House gavel and how that relates to committee assignments. This year, Representative Story is a member of the House State Affairs Committee again which is where any potential capital move or affecting state governance bills would land. She said that Rep. Jonathan Kreiss-Tomkins chairs that committee and he is a strong supporter of all things Southeast. She is also serving on the House Fisheries, Ways and Means Committees and Militaries and Veterans Affairs. Last, but not least, she is

co-chairing the House Education Committee and she will have a pre-filed bill related to increasing the base student allocation rate. Operational costs continue to increase such as utilities, insurance, etc... and she stressed that people have more power than they think they do and to making sure citizens understand the critical nature of education and how it impacts everything included the workforce. She said the key is to keep the pipeline of people moving forward and they need to invest in education to make that happen. She said another key piece she is concerned with is the higher education investment fund that was part of the reverse sweep that was not swept back in. That had major ramifications for building our workforce. That includes the WAMI program, the Alaska Performance Scholarships, were impacted. She said that there was a 38% return on its investment and because it wasn't swept, it went into the general fund only makes 2% return. She said that the Governor's putting that back into the general fund will prevent future students from making use of those programs.

Representative Story said that other critical bills they are working on relate to retirement and benefits for teachers as well as state employees. She said she is concerned about getting monies to child care, early learning bills that she hopes to get through. She said that they are working on a wide range of bills that relate to people and meeting those needs in the birth to work periods. She said that with respect to behavioral health and addiction help is something they are looking at with respect to public safety. She said that the emphasis of the federal infrastructure bill and she looks forward from hearing from the Assembly what they are looking at with respect to that.

Representative Hannan thanked the Assembly for conducting this meeting via Zoom since everyone was dealing with such a big winter storm. She said that they anticipate this session will have a lot of the issues that will be dealing with a sound fiscal policy and address the PFD. She said that she supports an income tax, whether it comes from a bill from Senator Kiehl or the income tax bill that she's introduced or any of the others that fellow legislators have introduced. The idea of talking about taxes to address the revenue structure of the state needs to be part of the dialogue and they need to keep that in there. She has had a tax on nicotine vaped products bill. It is still in House Finance Committee and she hopes it will have a chance to make it through the body. There is a companion bill in the Senate and there may be a good chance of getting it through.

Representative Hannan said she has a companion bill along with Senator Kiehl on PFAS pollution, which, although it is not a big deal in Juneau, is a big deal across the state due to ground water contamination. She said that clean drinking water across Alaska is an issue that has been a long standing concern and it is one the legislature needs to address. There are some opportunities with the federal infrastructure bill to improve clean water access across Alaska. It is an issue that is now catching some of the national press and media.

Representative Hannan said that it is likely, seeing the pre-filed bills, that Alaska will see a number of red-herring issues coming through that may impact local governments. Those would include critical race theory legislation, to banning trans-children from sports legislation. She said she is likely to be working on those as she has had a bill for 2 years dealing with conversion therapy, trying to impact the rate of suicide with respect to the LGBTQ+ community. Juneau is seen as a community that protects its citizens

and fight for equal treatment under the law and she wants to be sure we are embracing our young people because they are under attack.

Representative Hannan said that she serves on the Community and Regional Affairs Committee where they are discussing those PFAS issues. She also serves on the Transportation Committee where they are talking about the new ferry and making sure that the roads that the state is required to maintain, continue to be maintained as well as restoring and improving our Marine Highway system. She serves on the Resources Committee where they will be talking about oil taxes once again. She said that she doesn't think there will be much progress on those but the dialogue they will be having about resources continues to be there.

Lastly, Rep. Hannan said that she chairs the Legislative Council and they govern the building and the assets of the legislature. In the last eight months, the Juneau Community Foundation (JCF) gifted the Assembly Building to the legislature and they are making progress to move forward with an extensive renovation to turn it into legislative offices as well as ombudsman and put some housing in there. It is not directly tied into the per diem debate but it will contribute to the discussion related to the ease of access to the Capitol Building. She said that the JCF also contributed an artwork collection that came from the Baranof Hotel when it sold. She is hoping they will be able to see much of that artwork in the Capitol Building within this year. She said they hope to see the installation of a sculpture of Governor Egan that was sculpted by Ray Peratrovich and have that happen this year.

Rep. Hannan said that her staff this year consists of Chief of Staff Tim Clark, Stephanie Andrew, and Michelle Hale who is bringing her expertise on clean water to her staff.

Mr. Watt said that CBJ as a Home Rule municipality with a wide range of programs and agencies, it is great to have two 'Swiss Army Knives' in our toolkit for working with the state and federal governments. He said that Kevin Jardell and Katie Kachel have been with CBJ since before he began in the Manager's Office and it makes all of our lives easier to working through all the various issues. He noted that Ms. Kachel's firm merged with another firm and she is now a principal in the new firm, Blank Rome Government, and she has been able to bring in specialists to help us on a number of issues.

B. Update from CBJ State Lobbyist Kevin Jardell

Kevin Jardell said that we are lucky to have a strong and unified Alaska Legislative delegation and equally important is that they have a strong staff cohort which is critical to being effective considering everything that happens up at the capitol. He said that systemic issues regarding fiscal matters will be the most important thing to watch. He said that this being an election year with all the various factors involved with that are going to play a role in that as well. He said that he works for the Assembly and the legislative priorities he will be working on are those that they, and Mr. Watt, funnel to him. He said they will be closely watching the education funding issues as well as watching the bond bill from the governor as well as how the federal funds tie into it.

Senator Kiehl congratulated Mr. Jardell on his recent nuptials.

Mr. Jardell noted that there was a recent Salary Commission put into place that was intended to take the politics out of the salaries for the governor, legislators, and commissioners. The commission was set up to make a decision on the salaries and the legislature has to turn it down or it becomes effective. He said that this new proposal that recently came out proposes to increase salaries but reduced per diem significantly and for Juneau that is a concern that you don't want legislators having to pay out of pocket to travel to Juneau to pay for housing and travel expenses. He said that his opinion is that it is not only a concern for Juneau but concern for the institution as a whole. He said he has discussed this briefly with the Mayor and he will be watching this closely. He said as an FYI, Senator Showers from the Mat-Su Valley has introduced a Capital Move bill that would have the first session of the legislature held in Juneau and the second session being in Anchorage. You would have to move your non-partisan staff every year. He said that he doesn't see it likely passing but it may pass the committee that Sen. Showers chairs.

C. Update from CBJ DC Lobbyist Katie Kachel

Ms. Kachel said she was joined in the meeting by Richard Sherman and he joined her last year and came on board to the new Blank Rome Government Relations firm. She was also joined by Dave Jensen from Blank Rome group and is part of their new resources and assets and had worked on the House Transportation and Infrastructure Committee where he did work on port conveyance as well as the port infrastructure development grant program. Ms. Kachel provided details about the recent federal legislation that passed for infrastructure, commonly referred to by the Biden Administration as the B.I.L. "Bi-partisan Infrastructure Law." She then went over the various funding buckets from this bill, what to expect in the coming months, and what CBJ can do to prepare for these funding opportunities. She said that Richard Sherman is a grant application pro and he will be very busy for the next five years as relates to this bill. She said that the way to think of this funding is that it doesn't automatically go to cities. These are funding buckets, some that are automatically going to state DOT's and some to airports. It is putting a huge lump sum into funnels that already exist. There are some competitive grant programs that will have a lot more money such as the RAISE grants and the port development grants. A lot of money are going to state DOTs. There is a new PROTECT grant program that highway, transit, and ports can apply for. There is a lot of construction and operations funding with Army Corps of Engineers and Maritime Administration. The Marine Highways and FAA, and Federal Transit programs have a lot more money which includes electric vessel funds for ferries and operating funds going to those as well. She said that all of this will take some time to get out the door. She said that they are hearing that the port infrastructure grants may be some of the first ones coming out, targeting February 14, due to supply chain issues currently happening.

Richard Sherman provided some information on what to do to prepare for grant and other funding. The key pieces he highlighted are:

- Readiness is key; Advancing projects as far as we can;
- Aligning local funding so it is ready to go once federal funding is approved;
- Determine what can be done to advance the projects to be competitive with other applications;
- Look at our 5-year plan to look at risk management issues, get solid cost estimates;
- Identify local match dollars and have the strongest match possible;
- Provide explanations for any challenges that might prevent a hefty match;

- Likelihood of the projects actually happening.

Ms. Kachel said they have been working on the following CBJ issues:

- Conversations with NOAA on some of the under-utilized property on the waterfront;
- Asked NOAA for information on their fleet studies;
- Working with Army Corps, the delegation, and the Office of Management and Budget on a feasibility study on the wave attenuator in Auke Bay;
- “Congressional Directed Spending” which is the new keyword for what used to be called “earmarks” and this is the first year in 10-years that it has come back. There is currently some funding in the Mendenhall Waste Water Treatment Facility currently pending in the ‘props’ bill pending at this time. Senator Murkowski also has some money in that bill for the Lemon Creek multi-modal path.
- Airport runway lighting; also possible increase with PFCs and federal agency interface with U.S. Customs and Border protection space at the airport.

The lobbyists then answered questions from Assemblymembers and the Juneau delegation. Mayor Weldon noted that she wanted to make sure the legislative delegation was watching the Permanent Fund Corporation issue and the firing of Ms. Rodell from the Executive Director position recently. Sen. Kiehl said this is a deeply concerning move and they are closely watching everything to do with this.

XV. ADJOURNMENT

There being no further business to come before the Assembly, the Regular Assembly meeting was adjourned at 8:30p.m.

Signed: _____

Elizabeth J. McEwen
Municipal Clerk

Signed: _____

Beth A. Weldon
Mayor