

**SPECIAL ASSEMBLY MEETING
THE CITY AND BOROUGH OF JUNEAU, ALASKA
Meeting Minutes – March 7, 2022**

Meeting No. 2022-06: The Special Meeting of the City and Borough Juneau Assembly was held in the Assembly Chambers and called to order by Mayor Beth Weldon at 6:00p.m.

I. FLAG SALUTE

II. LAND ACKNOWLEDGEMENT

III. ROLL CALL

Assemblymembers Present: Maria Gladziszewski, Christine Woll, ‘Wáahlaal Gíidaak, Carole Triem, Greg Smith, Michelle Hale, Wade Bryson, Alicia Hughes-Skandijs, and Mayor Beth Weldon.

Assemblymembers Absent: None.

Staff Present: City Manager Rorie Watt, Deputy City Manager Robert Barr, City Attorney Robert Palmer, Municipal Clerk Beth McEwen, Deputy City Clerk Diane Cathcart, Finance Director Jeff Rogers, and Juneau School District Superintendent Dr. Bridget Weiss.

IV. APPROVAL OF AGENDA

Mayor Weldon shared that the Agenda Item “Insurance” will be removed from the School Board portion of the meeting due to time constraints. *Hearing no objections, the agenda was approved as amended.*

V. AGENDA TOPICS

A. Joint Meeting with the Board of Education (School Board)

School Board Members Present: President Elizabeth Siddon, Brian Holst, Emil Mackey, Deedee Sorensen, Martin Stepetin Sr., Amber Frommherz, and Will Muldoon.

1. Base Student Allocation Legislation and Projected Enrollment

Mayor Weldon explained to the listening public that there are two items pending at the state legislature that are currently under consideration; the first item calling to increase the Base Student Allocation (BSA) and the second item would protect the BSA from inflation.

Mr. Muldoon provided a report on the pending BSA legislation at the Capitol. Representative Andi Story held a hearing for HB272 in House Finance earlier today; HB273 is the follow up bill that would protect the BSA from rising inflation costs.

Mr. Bryson asked Mr. Muldoon to clarify how HB273 would prevent inflation from affecting the BSA.

Mr. Muldoon explained that HB273 would index the BSA to match inflation, the BSA has been flat-funded since 2016, and funding allocations have been trending downward ever since. He added that both bills have been referred to the Education and Finance Committees.

‘Wáahlaal Gíidaak asked Mr. Muldoon if a companion Senate bill had been introduced. Mr. Muldoon said that there are a lot of education bills in the House right now, but there is not a companion Senate bill for the BSA.

2. Facilities Update: Riverbend Elementary and Mendenhall River Community School

Ms. Siddon announced that students have recently returned to Riverbend Elementary School. The school was closed for several weeks due to water damage that resulted from heavy rains back in January. She said that there are a lot of maintenance projects that will need to be continued over the summer while the students are gone. Ms. Siddon appreciated the support from the community and the Assembly in the days following the school’s flooding.

Mayor Weldon asked Dr. Weiss to clarify the amount of damage cost covered by the school’s insurance, and the amount that is left to be covered by the City.

Dr. Weiss explained that the insurance deductible amounted to \$500,000, but she was not certain of the total amount of damage costs accrued by the flooding.

3. Deferred Maintenance

Mr. Stepetin shared that he is the current Chair of the JSD Facilities Committee, and spoke to the amount of money CBJ annually allocates towards JSD facilities. He said that the Assembly contributes 1% annually towards the school district’s facilities budget. He added that ideally, that number should be closer to 5% to support and maintain JSD facilities. He said that he does understand the Assembly has been discussing this topic quite a bit recently but his concern is that the state legislature will not be considering any school bond debt reimbursement anytime soon and that the maintenance needs are only increasing rather than going away. As a result, he said they would like to see that annual amount raised to 5%.

Ms. Sorensen shared that she was in her third year on the JSD Facilities Committee, and she had also spent close to forty years working in JSD facilities. She spoke to the annual \$1M allocation JSD receives from the City every year to apply to their list of facility-focused projects. She said that the School Board has not been able to pursue many of the projects on their list, due to the aging buildings and unforeseen circumstances. She explained that the value of the school buildings is approximately \$350M. In order to properly take care of those facilities, they need somewhere between 2%-6% applied towards the maintenance of those facilities. She said that the \$1M is less than 1%. Ms. Sorensen provided an example noting that the carpet at Mendenhall River Elementary School has needed new carpet for the last 15-20 years but it never gets far enough up the list to receive funding because there is always something that cuts in line due to a higher priority need. She said that in one more year, the carpet will be forty years old. Because it is not a crisis, it may be another forty years before that rises to top of the priority list. She said

that there is currently a \$130M worth of deferred maintenance if you look down the list of all the projects on that list.

Ms. Hughes-Skandijs thanked Ms. Sorensen for that explanation. Ms. Hughes-Skandijs said that she attended the first meeting of the Joint Facilities JSD/Assembly Committee, and she only caught the second half of that meeting at which they spoke to the School Board's list of competing priorities. She said she was surprised that the committee chose to put \$1M in funding towards playground equipment, instead of towards something on their priority list. To clarify, Ms. Hughes-Skandijs was not questioning their prioritization, but instead wanted to hear the reasoning of the School Board's decision.

Mr. Mackey shared that he was the previous Chair of the JSD Facilities committee, and said that the committee often considers two specific criteria before any other action: they determine whether the project is a structural necessity (such as a roof), and then they determine if the project is related to a safety issue and the third criteria is based on energy efficiencies. He said that there is a fourth criteria that he doesn't recall.

Mr. Mackey noted that the majority of their funding this past year went to the Riverbend school roof project but that when there is a smaller amount left over, it would be spent on other needs such as the playground equipment which was there since the initial school construction and it had degraded to the point of becoming a safety concern. Dr. Weiss also clarified that the playground equipment was purchased through PTO donations, and JSD covered installation costs.

Ms. Gladziszewski asked the School Board to clarify their itemization of the priority list they had sent to the Assembly.

Mr. Mackey explained that the Riverbend facility has endured multiple structural failures for several years, and there is currently a failing roof that is actively leaking in five different areas. Due to this issue, the School Board identified Riverbend as their first priority, and MRCS as their second priority.

Mr. Holst clarified that the list that Ms. Gladziszewski had referenced was the Facilities Priority List. He explained that the Marie Drake building was the top priority after the State of Alaska ended its bond funding program in 2015. Mr. Holst added that the Marie Drake building has equipment that has not been replaced in decades, there is asbestos located on the premises, and other serious deficiencies had been found within the building.

Ms. Triem asked if the Assembly's appropriation of \$2.5M towards JSD deferred maintenance would be enough to help cover the cost of urgent projects, such as the carpet.

Ms. Sorensen said that would depend on the crisis, and appreciated that the appropriation was over double the amount of the standard annual funding for deferred maintenance.

Mr. Bryson noted that the Assembly had previously appropriated \$2M in funding JSD repairs in addition to the \$1M allocation. He asked Mr. Watt to clarify the percentage of School Debt Bond Reimbursement they are anticipating to receive from the State this year.

Mr. Watt said that they are expecting to receive 100% of the full payment from the State this year. Mr. Bryson recalled that payment would be equal to approximately \$3M. For the last four years, CBJ did not receive a debt bond reimbursement, but continued to pay \$3M annually and acquired JSD's debt in that time. Mr. Bryson said that the Assembly is contributing more than \$1M per year, as mentioned in previous comments. He spoke to the Assembly's desire to support and assist the school district as needed, but he asked the School Board to consider a different approach other than telling the Assembly that they are not providing enough money.

Mr. Mackey appreciated the support that the Assembly has provided to the school district. He explained that the State of Alaska had not fulfilled their responsibility to fund education in the state, and instead they have pushed that financial burden onto local municipalities.

Mr. Smith asked what the student enrollment trend has been over the past decade.

Mr. Holst reported that student enrollment has been slightly decreasing, similar to other jurisdictions throughout the entire country.

4. COVID-19 Policies

Ms. Siddon acknowledged the recent CDC guidance and CBJ Risk Level lowering to Level One, both of which involve allowing masks to be optional. The School Board will be discussing the topic of mask requirements at their regular board meeting tomorrow night. They have conducted two surveys – one for staff and one for families – to gather a general consensus on how both groups are feeling regarding the subject. Ms. Siddon explained that the mask requirement is a policy item, which requires the School Board to hold two meetings. The School Board will have a Special Meeting on Thursday for a second reading and action.

Mayor Weldon asked Ms. Siddon if there were any classrooms that were meeting virtually, or if all of the classrooms were meeting in-person.

Ms. Siddon said that all classes are currently operating in-person, however there has been an increase in homeschool enrollment.

5. Investment in Early Education (Pre-K)

Ms. Frommherz said that the School Board encourages the Assembly to continue supporting early education programs through funding, and that they appreciated Assembly's support of JSD childcare programs and the AEYC Hearts Program.

‘Wáahlaal Gíidaak asked how closely JSD works with the Tlingit & Haida Head Start program, and if there were any potentials for more collaborative efforts knowing that Head Start has different funding streams.

Dr. Weiss said that they are excited to be partnering with T&H Head Start program and are currently providing three classrooms as in kind donations. They have two classrooms at Mendenhall River Elementary School and one at Sayéik Gastineau Elementary School. She said they were going to have a second one at Sayéik Gastineau but since enrollment was down they didn’t open that one this year. She said they have done this for several years and that they work closely with TL Head Start and described it as a very beneficial partnership.

Mayor Weldon asked Dr. Weiss to clarify how many kinder-ready classrooms are operating within the school district. Dr. Weiss said that JSD has approximately fourteen classrooms that are kinder-ready.

6. Support for Middle College Concept

Mr. Holst said that whereas early education helps prepare the kids for the school environment. He said that they are also very interested in the success of students post K-12 and in helping launch their careers after graduating from high school. He noted that approximately 65% of jobs in Alaska require a college degree or some sort of credential, but less than 40% of Alaskans have a college degree or a credential. He said that means there is a mismatch between need to availability. He explained that the Middle College concept is a broad concept but can include students taking college classes that would apply towards a degree program or to attend Vocational Tech training towards obtaining credentials. The School Board wanted to bring the Middle College concept to the attention of the Assembly as it could be part of a tri-part collaboration between JSD, UAS, and CBJ.

Mr. Bryson asked Mr. Holst to clarify how this was different from Advanced Placement (AP) courses that also award college credits to high school students.

Mr. Holst explained that this program is designed to help students earn college credits, whereas AP classes cannot guarantee college credits, as they are contingent upon a student’s test score on an AP exam. He added that students who take classes through this program have the opportunity to earn 10 - 20 college credits before graduating high school, which would make them more likely to complete their degree.

Mr. Bryson asked if Mr. Holst could provide the percentage of AP students in the school district who are awarded college credit upon completion of the course.

Mr. Holst said that he was not sure of those exact numbers, but the School Board did receive a certificate recognizing the significant amount of AP students within the district.

Dr. Weiss added that a Middle College or dual enrollment program could enhance the opportunity to earn college credits to more students in the district. Mr. Mackey spoke to programs across the state that are similar to this Middle College concept.

‘Wáahlaal Gíidaak said that she would like to know how many people of color are enrolled in AP classes, compared to people of color who might be enrolled in this new program.

Ms. Gladziszewski asked Mr. Holst what the School Board intent was for the Assembly’s involvement in this program. Mr. Holst explained that there is a cost associated with providing college-level classes, and there is a question of resources.

Mayor Weldon asked Mr. Holst to explain the difference between the Middle College concept and the dual enrollment classes that are currently being offered by UAS. Mr. Holst explained that there is a perception in the community that there are not enough of these opportunities, this would be an investment to provide additional classes and to allow for a wider selection.

Assembly & School Board Comments and Questions

‘Wáahlaal Gíidaak thanked the School Board for joining the Assembly tonight. She referenced the Assembly attending the Alaska Native Dialogue on racial equity (prior to her being elected in her position) and she would like to continue having similar conversation with the School Board.

Mr. Stepetin thanked the Assembly for their leadership, particularly regarding the Covid-19 mitigation measures. He noted that not every school district in Alaska receives as much support as the Juneau School District receives from the Assembly.

Ms. Siddon echoed Mr. Stepetin and appreciated the support from Assembly. She complimented Mr. Barr for hosting weekly EOC meetings to provide updates and information on Covid-19 within the community.

Mr. Smith appreciated all that the School Board was doing, and spoke to the importance of providing childcare.

Ms. Triem praised the school district, and was happy to see that no schools have closed due to COVID-19 this year.

Mr. Muldoon echoed Mr. Smith’s comments, and said that he was looking forward to the next opportunity to meet with the Assembly, particularly to discuss the topic of insurance.

Ms. Hughes-Skandijs thanked the School Board for their work, and spoke to the Assembly’s understanding of the School Board’s limited resources. She said that she was looking forward to discussing RALLY childcare operations.

Mr. Mackey shared that he was watching the news this morning and saw a Ukrainian child walking by himself across the Polish border. He reflected on how lucky the children in Juneau are to live in a community that cares about their children, and mentioned that his own son will be starting kindergarten next year. Mr. Mackey said he appreciated every dime the Assembly gives the school district. He encouraged everyone to remember that everything they are doing is for the children.

Ms. Frommherz thanked the Assembly for meeting with the School Board tonight. She would like to continue these conversations to see how they can further serve our community through early childhood care and services.

Ms. Sorensen thanked the Assembly for their time and generosity.

Mr. Bryson appreciated Mr. Mackey's comments. He explained that if the Assembly tries to be everything for everybody, their efforts and resources can be diluted. He added that as a father of five children, he was not trying to put extra pressure on the school board. Mr. Bryson said that if the School Board continues to fund projects and programs, they will ultimately run out of money. He recommended the School Board try to focus on particular issues that need funding first.

Ms. Hale thanked the School Board for joining the Assembly tonight, and for their outstanding efforts throughout the pandemic.

Ms. Woll noted that these conversations always end up with funding needs, and she said that she understood that the School Board is advocating for the children through their funding requests. She encouraged the School Board to continue coming to the Assembly with their requests and their needs.

Ms. Gladziszewski thanked the School Board for service to the community and the children of Juneau. She spoke to the dedication and effort that School Board members have throughout their tenure. She also thanked Dr. Weiss and her staff for their work throughout the pandemic.

Mr. Holst thanked Ms. Gladziszewski for her comments, and acknowledged the JSD staff for their work with their students. He encouraged Assemblymembers to take the time to visit a classroom or have a tour of one of the schools.

Mayor Weldon agreed with Mr. Holst's recommendation, and mentioned that she had a wonderful time visiting the classroom. She appreciated every member of the School Board for their bravery, courage, leadership, and for running for office.

The Board of Education left the meeting at 7:10p.m.

B. Joint Meeting with the Juneau International Airport Board

Airport Board Members Present: Chair Al Clough, Dennis Bedford, Jerry Godkin, Jerry Kvasnikoff, Chris Peloso, and Jodi Garza.

Airport Board Members Absent: Dan Spencer.

Airport Staff Present: Airport Manager Patty Wahto.

1. North Terminal Update

Mr. Godkin reported that the North Terminal construction project was about 97% complete, and they expect the terminal to be operational within a month. Ms. Wahto added that the project cost approximately \$25M. The center section is still under construction due to a delay in receiving parts to finish the escalator and entryway. She said that they will be installing a second elevator that will also soon be functional. As things are beginning to open up soon, they intend to have a ribbon cutting in the near future.

2. Other Projects

Mr. Godkin gave an update on the Airport Alaska Room, they are hoping that the room will be ready to be used again soon. He also shared that the Airport Departure Lounge has been experiencing staffing issues due to COVID-19. The airport is trying to keep the lounge operating Monday through Saturday, but short staff has resulted in the operating hours being restricted.

Ms. Wahto provided an update on CIP Projects. The airport is working on the south access road, particularly the south side embankment that continuously erodes throughout the year. She added that they are currently also developing designs for other projects, including building two ramps for large and small aircrafts, as well as a new jet bridge located in Gate 5.

The airport has three CARES Act funded projects under consideration: a long term and short term parking lot, a parking lot for airport employees, and rental car parking lots. All of these projects are currently in the design process, and are estimated to cost approximately \$5M.

Ms. Hale said that she appreciated seeing electric vehicle charging stations at the airport.

Ms. Wahto added that the outbound conveyor belt baggage system that goes through TSA screening is in need of replacement. She explained that replacing the control system is not eligible for Federal Aviation Administration (FAA) funding, so the airport will use \$1.6M from the CARES Act to fund the project. Additionally, there are pending projects related to general aviation ramp access and trench drainage, and the acquisition of Logan Property through FAA funding.

Ms. Triem asked for more information regarding staffing shortages at the airport.

Ms. Wahto explained that there are a few positions they have not been able to fill, for example, a position in the badging office has been vacant for over a month. She said that it can take nearly two months to get people scheduled for a badge. The airport is currently looking to hire a

replacement for Deputy Manager, as the current deputy is retiring. She noted that the airport is not unique in their staffing challenges.

Ms. Woll asked Ms. Wahto if the infrastructure bill funding could help fund any airport projects. Ms. Wahto explained that airport will be receiving funding from the Bipartisan Infrastructure Law (BIL) which amounts to an additional \$3.4M. The FAA has already approved of these funds. She shared that the airport is considering updating their air traffic control tower, either by renovating the current one or purchasing a new one. Their master plan includes a location for a new air traffic control tower.

There was a discussion about funding schedules, and Ms. Wahto gave a brief explanation of the BIL funding process.

3. Airport G.O. Debt Payments

Mr. Watt explained that the Airport utilized General Obligation (G.O.) Bonds to fund \$700,000 per year towards the North Terminal Reconstruction project. He provided a brief history of the G.O. Bond Debt funding vs. the Airport CARES Act funding. Mr. Watt said that the question is whether G.O. Bond Debt funds should be repaid from the Airport CARES Act funding for the North Terminal project.

Ms. Wahto spoke to the multiple bonds that the Airport is currently paying off.

Mr. Clough gave an overview of what happened last year regarding the G.O. Bond debt payments. He said that this year, the debt payment was handed to the Airport Board as an obligation rather than a request. He explained that the Airport Board unanimously voted that the CARES Act funding should be used towards airport projects. He added that CARES Act funding is not as limited as FAA funding. Mr. Clough said it was ultimately up to the Assembly's discretion on how to move forward.

There was a discussion related to CARES Act funding timelines.

Ms. Gladziszewski said that it seemed that the airport had a significant amount of income that they did not anticipate. She spoke in favor of using CARES Act funding to pay the airport's G.O. Bond debt.

Ms. Wahto recalled that the voters approved of the airport receiving a \$5.9M G.O. Bond in 2012. The voter approved bond is separate from the Airport Revenue Bonds that they have received, and are currently paying off. She spoke to the \$3.3M in match funding the airport must come up with, funding that cannot be derived from Passenger Facility Charges (PFC). She explained that the airport intends to use CARES Act funding could be used to pay off their revenue bonds, and use their PFCs to fund airport projects.

Ms. Triem asked the Airport Board to explain why they believed that airport tenants will need the same amount of financial rent relief that they received in FY22 in FY23.

Mr. Clough spoke to the financial hardship and lack of income that tenants have experienced over the past two years. Mayor Weldon also spoke to the conversations she has had with some of the tenants, and added that insurance is a big factor for the tenants who have been hit hard by the pandemic.

Mr. Godkin said that there is about \$15M in funds available to the airport, but there are a lot of programs and projects that are in need of funding. He added that the CARES Act funds were provided as part of the effort to keep airports in operation, and it should not be used to reimburse G.O. bond debt that was approved by voters.

Ms. Wahto explained that the PFC funding comes from a \$4.50 per person enplanement fee for all flights departing out of Juneau. The additional income is intended to help airports with projects, including match dollars. When the airport applied for the PFC program, there were at least half a dozen projects they were trying to reimburse for projects they had forward funded. She spoke to the airport's need to come up with alternative funds for projects that are not eligible for FAA funding.

Mayor Weldon mentioned that the Assembly Finance Committee directed the Finance Director that the Airport would need to account for the G.O. Bond debt payment through the Airport's CARES Act funding. As the FY23 budget has not be finalized yet, the Mayor explained that this meeting was an opportunity for the Airport Board to plead its case on this.

Mr. Bryson spoke to the Airport Board's meticulous handling of their expenses, and suggested the Assembly split the difference to allow for additional time.

Ms. Hughes-Skandijs appreciated the Airport Board for being here and pleading its case. She said that the Assembly was trying to be cautious and they were not sure what to expect. She said that she wanted to gain a better understanding of which funds could be leveraged, before making a definitive decision on the Airport's use of CARES Act funding. At this point, Ms. Hughes-Skandijs said that she had not been convinced to change the Assembly's initial decision.

Ms. Gladziszewski appreciated the Airport Board not spending all the CARES Act funds immediately, but added that the Airport will be receiving additional money from the Infrastructure Bill. She said that she understood why the Airport Board was advocating in this way, and that it is up to the Assembly to hear the board's case and make these difficult funding decisions. Ms. Gladziszewski spoke in favor of maintaining the initial direction given by the Assembly Finance Committee.

Mayor Weldon agreed with Ms. Hughes-Skandijs' commented, and forwarded this topic to the next AFC meeting for further discussion.

4. Insurance

Mr. Barr said Ms. Mannix provided a presentation to the Assembly about insurance increases across the board and how it affects the Juneau Airport. The presentation reported an increase in costs, deductibles, and insurance rates.

Mr. Clough said that the Airport Board was aware of the increased insurance rates, and they intend to use CARES Act funding to cover the additional insurance amounts.

Assembly & Airport Board Comments and Questions

Mr. Clough said that he appreciated the Assembly for their time and for the opportunity to have this discussion and that he respected the Assembly's authority over these issues.

‘Wáahlaal Gíidaak appreciated all of the work the Airport Board has done, and she added that Rob Moses' new artwork on the North Terminal wall is spectacular.

Ms. Garza thanked the Assembly for meeting with the Airport Board, and spoke to the amount of funding decisions the Assembly has to consider.

Mr. Smith shared that he was the Airport Board liaison last year, and celebrated the airport's exemplary leadership and staff.

Ms. Triem echoed Mr. Smith's comments and thanked Airport Board members for their public service.

Ms. Hughes-Skandijs echoed previous speakers, and also acknowledged the complex nature of the Airport Board's workload.

Mr. Godkin appreciated that the Assembly took the time to listen to the Airport Board tonight. He said that the voters approved the expenditure of the money for the G.O. Bond, whereas the CARES Act funding is a unique situation. He added that the Airport Board has tried their best to distribute those funds cautiously.

Mr. Bedford shared that he takes the G.O. Bond issue very seriously and was grateful that the Assembly will take the time to reexamine it. He said that he was not sure if the Assembly understood exactly how inflexible the Airport funding sources are.

Mr. Peloso explained that the Airport is being conservative with their funds due to uncertainty, as it is hard to predict the financial future of the airport during a pandemic.

Mr. Bryson said that the Assembly needs to consider if they are treating all operations equally. Considering that this was a voter-approved G.O. Bond, he said that he was less inclined to

burden the airport with this. Mr. Bryson added that Travel Juneau has requested setting up a visitor booth at the airport once the remodel is complete.

Ms. Hale thanked the Airport Board members for their service, and thanked Ms. Wahto for her management of the airport.

Ms. Woll appreciated all the Airport Board has done, and apologized for making this decision quickly without receiving their input. She appreciated hearing from the board tonight.

Ms. Gladziszewski thanked the Airport Board for being here tonight and for their careful stewardship of the airport funds.

Mr. Godkin thanked the Assemblymembers for their service to the community and for appointing them to serve on the Airport Board. He added that he will not change his position but he will respect the Assembly's decision.

Mayor Weldon thanked the entire Airport Board for their willingness to serve.

VII. ADJOURNMENT

There being no further business to come before the Assembly, the Special Assembly meeting was adjourned at 8:03p.m.

Signed: _____
Elizabeth J. McEwen
Municipal Clerk

Signed: _____
Beth A. Weldon
Mayor