MEETING NO. 2010-23: The Special Meeting of the City and Borough of Juneau Assembly, held in the Assembly Chambers of the Municipal Building, was called to order at 4 p.m. by Mayor Bruce Botelho.

I. FLAG SALUTE

II. ROLL CALL

Assembly Present: Jonathan Anderson, Bob Doll, Johan Dybdahl, Randy Wanamaker, Mayor Botelho, Jeff Bush (telephonic), Ruth Danner (telephonic), David Stone (telephonic), & Merrill Sanford (joined meeting at 4:29pm)

Assembly Absent: None.

Staff Present: Rod Swope, City Manager; Kim Kiefer, Deputy City Manager; John Hartle, City Attorney; Beth McEwen; Deputy Clerk.

III. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS: None.

IV. NEW BUSINESS

Mayor Botelho called on the Juneau 2014 Arctic Winter Games (AWG) Organizing Committee Co-Chairs Kirk Duncan and Pam Leary.

Kirk Duncan & Pam Leary Co-Chairs of Juneau 2014 Arctic Winter Games Organizing Committee gave a presentation to the Assembly regarding the proposal for hosting the 2014 Arctic Winter Games. They have been working on this project for several months to date. It has been the consensus of the community that the AWG would be good for Juneau if 1) It does not affect the Gold Medal Tournament, 2) We can find the 2,000 volunteers needed, and 3) It does not cost any money.

Mr. Duncan said they have spoken with the Gold Medal representatives and they are willing to reschedule the Gold Medal tournament in 2014 to the week of the President’s Day holiday in February to be able to accommodate the AWG and he said the school district is more than happy to work with the groups to make that happen.

He then said that for the 2,000 volunteers, it would be something they would really need to work on but much smaller communities have hosted the games and made it work and Mr. Duncan thinks we could too.

The final piece to be addressed is the financial piece. The packet contained a spreadsheet that outlined the amounts from Kenai that they could obtain and for comparison purposes the amounts that had been in the 2006 Juneau Bid documents. The Kenai bid was $4.5 million to host the games; the Juneau bid was $3.6 million without any infrastructure cost for those two bids. The actual cost for Kenai came in at $5.6 million and while they do not have a good break out of what those costs were, they do have verification from several sources in Kenai that $5.6 million was spent on the games, along with $3.5 million in capital costs for a total of $9.1 million. In terms of what it takes to operate the games, this is the cost for housing/supplying the beds for 2,000 athletes, supplying four
meals a day for eight days over the course of the games and those sorts of similar expenses. They put the projected range at $3.8 million - $4.75 million to operate the games. They feel it is a little less to operate the games here because our transportation costs will be less than Kenai’s since they had to bus the athletes around from Alyeska to Homer and everywhere in between. They have also spoken with the school district and they think the food costs will be less due to the capabilities of the food service in the schools.

One of the things he had not pointed out in the packet but wanted to be sure to mention is that this assumes a fair amount of borough donated labor such as running the IT network. If you speak with some of our folks in IT, they are not sure they have the time to be able to do this. They are just rolling out the new Lawson system and it may take considerable amount of labor to set up the IT needs for the games. It can also be estimated that Emergency Medical Services may need as much as $60,000 if you actually charged out the cost of having an ambulance and EMT standing by at every event. It is up to the Assembly to determine whether that is an actual cost that would be billed out to the games or not. Those numbers are not currently in the projected budget but could be added if the Assembly chooses to have him do that.

One of the things that Kenai had, they had all the infrastructure that they really needed. They did need to a million dollars worth of improvements to the Homer Ice Arena but they already had the facility that met the requirements of a sheet of ice with seating for 1,500 people.

Mr. Anderson asked what the $3.5 million in capital costs was spent on in Kenai. Mr. Duncan said that as an example, they received $1 million for new buses. While they did not really need the new buses, because of all the politics involved with three cities, the borough, and many people to be transported, they received a total of $4.8 million dollars from federal and state funding that helped pay for the buses, a new stop light, road improvements and other infrastructure projects.

Mr. Duncan said for Juneau we have all the facilities we need with the exception of a sheet of ice to seat 1,500 people along with four sheets of curling ice. They have two options – to build permanent facilities or temporary facilities to accommodate that. With the help of Wayne Jensen, they have estimated the single facility would be $7-10 million to construct. Depending on who constructs the facilities, it may make a difference in the cost. It could be the AWG committee that receives the funding from the state to build it similar to the Dimond Field House model or it could be CBJ that receives the funding to build it.

Mr. Doll asked for a comparison of what they are referring to vs. what is currently at Treadwell Arena. Mr. Duncan explained that the Treadwell Arena has capacity to seat 250 people. For a facility that seats 1,500 they could anticipate as the seating rises up to accommodate that number of people, they could put the four curling lanes under the seating areas.

Mr. Duncan said they have looked at the footprint for such a facility and there are operating efficiencies to put it in proximity to the Treadwell Arena but there is political efficiencies for putting it out in the valley and that would need to be determined by the Assembly. He said with that facility in mind, depending on whether it is permanent or temporary, plus the operational costs to host the games, they are talking about a range of total expenses from $7.3 million to $14.7 million.

Additional discussion took place regarding other expenses including anticipated administrative costs, the differences between a permanent and a temporary ice rink and the fact that these are all just ballpark numbers with potentials for a low of $7.3 and a high at $14.7 million depending on the options chosen. He said the federal dollars of $3.1 million for the Kenai games was given during a
very different political and economic climate and realistically they may only be able to anticipate $700,000 to $1 million (if that) in federal funding being given for Juneau’s games. He did say that other options for federal funding might come from sources such as Homeland Security money that would help fund the beds, which could then be used for emergency purposes.

In looking at state funding, they have talked with Sen. Dennis Egan and folks from Fairbanks about possibly putting money in the FY11 State Budget identified as funding towards the Alaska Arctic Winter Games so that whichever community might be awarded the bid would also receive the state assistance to help fund the games. Realistically, can they get somewhere between $2.2 and $8 million from the state? He said $2.2 million comes from the $1 million that the Lt. Governor has put in this year for the AWG and Karen Rehfield has put $400,000 in the budget for the next three years. The high is $8 million and all you can do is ask. If they can convince Fairbanks to go in with it, Sen. Egan has said he will put in as much as $10 million to ask for funding for Alaska Arctic Winter Games. He then gave an overview of all the various possible revenue/income sources from sponsorships, fundraising campaigns, ticket and merchandise sales, etc… With all that taken into consideration, it will cost CBJ between $2.7 million and $5.3 million depending whether they go with temporary or permanent facility.

Mr. Anderson asked what the annual operating cost is for operating the Treadwell Arena. Staff did not have the figures but Mr. Duncan said the cost in labor to operate it is $500,000 but then you have to back that out against revenues as well. Mr. Anderson said he was trying to understand what the annual cost of operations for a permanent facility would be for future years. Mr. Duncan said he discussed this with Treadwell Arena Manager Greg Smith who anticipated if the facility was operating near the Treadwell Arena, they could operate it annually for approximately $150,000. Mr. Duncan said he thinks that might be low and would suggest it might be around $200,000 if it was located in the Treadwell Arena area.

There were no further questions by Assembly members and Mayor Botelho then opened the issue up for public testimony.

Mr. Chris Mertl, 4615 Thane Road. Mr. Mertl said he is a member of the Parks & Recreation Advisory Committee (PRAC) and the AWG 2014 Committee gave a presentation to the PRAC at a recent meeting. The PRAC members expressed some of the same concerns regarding finances but they do support Juneau’s bid for the games and the construction of additional permanent facilities to meet the bid requirements. The current facility (Treadwell Arena) is in constant use and the addition of new facilities will help meet some of that demand. He said this is an opportunity to create a legacy for Juneau and adds to the quality of life in this community. It is an opportunity to support the youth in our community. He also said that an ice rink does not have to be an ice rink year round and other events and uses can be made of a permanent facility. This is possibly the best opportunity we will have to get additional funding for these facilities through federal, state, and private donations. He said this is going to be the biggest event happening in Juneau needing 2,000 volunteers and is an amazing opportunity to bring the community together and these are our games to loose. The AWG Committee is in support of Juneau getting this but this needs the full support of the Assembly.

Discussion took place on the current amount of use of the Treadwell Arena. It is presently open seven days a week from 6am to midnight and during high school varsity and other hockey events it is sold out and they have to turn people away due to capacity limits.

There being no further public members wishing to comment, Mayor Botelho closed public testimony and called for Assembly Action.
**MOTION** by Mr. Anderson to introduce Resolution 2543 for purposes of discussion.

Mr. Anderson asked staff when they might know more about levels of potential state or federal funding and what the timelines on funding pieces might be in place.

Mr. Duncan said the final answer to that is July 1, 2011. Doing the chronology, he said the bid is due October 15, 2010, there will be a site visit January or February of 2011 with the bid will be awarded in March 2011. They approached the International Committee with the idea of a contingent bid if they got state funding, they would like to put in a bid. They also asked the International Committee if they would consider awarding the bids after July 1, 2011 when we would know whether or not we could get state funding but the International Committee said they were not willing to do that. Their answer is that they will award the bid based on what they receive and it will be awarded in March 2011.

Mr. Anderson said that if the costs involved were just what it would cost to put it on, that would be one thing but the real rub that causes him concern is whether or not they want to undertake another large capital project and fund the infrastructure to make it happen.

Mr. Doll thinks this may well become a major topic the community for the next four years. He asked for the City Manager or anyone else to respond on what the other “opportunity costs” this might have for possible competing projects such as Performing Arts Center, the Whale Project, or others. Mr. Swope said he cannot think of any other “opportunity costs” but that it is hard to say what the economic climate of the community will be in 2014. There is a current budget reserve of $7.2 million and he does not see any future plans for adding to that budget reserve. He said they know that Auke Bay Elementary School is on the ballot this and Gastineau Elementary will most be placed on next year’s ballot and the Assembly will need to decide future projects that will be proposed by the School Board each year for the ballot. In terms of other large capital projects that might be planned, none comes to mind at this time.

Mr. Bush said that in answer to Mr. Anderson’s question, he is supportive of this because it appears to him that this may be our best opportunity to get more infrastructure, particularly a second sheet of ice, which is in high demand in the community already. He said we will see a lot of other advantages in terms of economic advantages as well as the civic pride of which Mr. Mertl spoke.

Mr. Anderson asked what Mr. Hartle’s opinion was regarding the legal obligations of CBJ’s based on this resolution, especially as identified under the last whereas in the Resolution which states: “WHEREAS, the Assembly recognizes that, in order to host the Arctic Winter Games, a contract must be entered into between the CBJ and the Arctic Winter Games International Committee (AWGIC) specifying that the CBJ will be responsible for the appointment and oversight of a “Host Society Board,” and that the CBJ will also be responsible for providing funding adequate to support the Games under a budget approved by the CBJ and the AWGIC.”

Mr. Hartle said when drafting the resolution they took the Kenai resolution and put in the last whereas after they went through the materials from the AWGIC. They also revised the resolve clause under Section 1. He said this is a little bit difficult in that the bid is submitted by an independent committee that the Assembly does not really have the authority to authorize or direct but at the same time, in the end, the contract/agreement contained in the packet puts the city on the hook for the money with no question at all. The resolution is not legally binding but it is a political commitment. If it is followed up by an award, you will have a legally binding document in the contract.
Additional discussion by Assemblymembers took place regarding what decisions needed to be made by the Assembly at this point. It was determined that they do not need to decide on the temporary vs. permanent facility at this time. It was also determined that while Mr. Duncan was able to propose possible funding sources for various parts of the whole, the city piece of the funding has not had a source identified as to where the money would come from. At this time, the decision to be made whether or not Juneau will be submitting a bid to the AWGIC.

Many of the members expressed their support of the event in and what it would bring to Juneau but they also acknowledge the capabilities of Fairbanks hosting the event due to their already have the infrastructure in place. Members expressed their concern about CBJ being able to afford this in light of the current economic situation the fact that while we have passed balanced budgets, we have cut everywhere we could and have even done away with vacant positions. Their concern is the likelihood of possibly having to do lay-offs and worse if the economic situation keeps going the direction it has. Members said that without any kind of guarantee from the federal government and the state, they would not feel good in committing the city to this type of expenditure in light of the economic climate. Mr. Swope did say that when they work on the budget, they forecast it out for the next 5 years if possible. He said the last few years has seen the budget tightened down more and more and in looking to 2013 & 2014 those will be some tough years. He does not foresee any large surpluses of money and they are hoping to be able to fund at maintenance levels at best.

Mayor Botelho asked for a roll call vote.

Yeah: Bush, Doll, Dybdahl, and Botelho
Nay: Anderson, Danner, Sanford, Stone, and Wanamaker

Motion Failed.

V. STAFF REPORTS
Mr. Hartle said he had the oral argument before the Supreme Court on the Smoking Ordinance and it was held at the Juneau-Douglas High School. He said it was terrific to have the full Supreme Court, all five members, there to take up this case and one other case with an auditorium full of high school students and it is a great program.

VI. ASSEMBLY COMMENTS AND QUESTIONS

Mayor Botelho thanked all the folks who worked on the Arctic Winter Games bid documents for all their work in putting this information together so that the Assembly could make an informed decision. He gave special thanks to Kirk Duncan and Pam Leary and all the staff work and volunteer time put into this effort.

Mr. Sanford thanked all the Assemblymembers who attended Southeast (S.E.) Conference. He said it was a good conference and they learned a lot. He said Juneau is not the only community in Southeast Alaska who is hurting and there are a number of communities desperate for basic support to keep them going. He said Mr. Stone stepped down from the board and was been nominated as lifelong member of the board. Mr. Wanamaker will also be stepping off the board and Mr. Sanford thanked them both their work on the S.E. Conference Board.

Mr. Stone said that Mr. Sanford stole his thunder. He congratulated Mr. Sanford for stepping up to serve on the S.E. Conference Board and said he will be a good representative for Juneau on that board.
Mr. Wanamaker expressed his appreciation that Mr. Kirk Duncan and the bid committee for putting in all the work they did on the AWG project so the Assembly could make an informed albeit hard decision with regard to submitting the bid.

Mayor Botelho said he had three items to bring up:

1) He hoped the Assembly would authorize him to offer whatever support we can to Fairbanks as they move forward to continue to seek state funding and to encourage the legislature to do so.

2) He congratulated Mr. Hartle on his presentation before the Supreme Court this morning and especially on his outstanding brief, which will play a large part in the decision to be made by the court.

3) He said he circulated to members an email from Katy Manly of our Washington D.C. Lobbyist firm suggesting that he travel to Washington DC sometime in October, particularly in connection with the promotion of the co-location of the research facility on UAS campus. Last year when the lobbyists encouraged him to take the trip he had not sought Assembly approval ahead of time but since they have some advance notice this time, he is asking for Assembly support for him to travel back to Washington D.C. regarding this issue.

Mr. Wanamaker said he felt it was a great opportunity for the Assembly to have him represent them in this manner. Mr. Sanford asked if all Assemblymembers could also forward to the Mayor any other issues they felt important for him to share their concerns and thoughts on when he is meeting with folks back in Washington D.C. The Mayor agreed that anytime they have someone in this position, discussions are not limited to only one subject and hearing no objection to his traveling for this purpose, he encouraged members to send him any thoughts and concerns they would like him to address while he was there.

VII. ADJOURNMENT – There being no other business to come before the body, Mayor Botelho adjourned the meeting at 4:48 p.m.

Signed: ___________________________ Signed: ________________________________
Elizabeth McEwen, Deputy Clerk                        Bruce Botelho, Mayor