

City and Borough of Juneau
Assembly Finance Committee
Minutes of May 15 2002 Meeting

Assembly Present: AFC Chair Powell, Mayor Smith, Mr. Wheeler, Ms. Pillifant, Ms. Johnson, Mr. Wanamaker, Mr. Etheridge

Staff Present: Dave Palmer, Donna Pierce, Craig Duncan, Bonnie Chaney, Jeromie Webster, Gary Mendivil, Paul Swanson, John Kern, Rob Steedle, Joe Buck, Alan Heese

Minutes of April 24, 2002, May 1, 2002 and May 8, 2002 were approved.

Bartlett Regional Hospital (BRH)

Garth Hamblin, CFO of BRH, Donna Herbert, Dr. Bob Urata, Berner Stoner, and Steve Sundby were present.

Dr. Urata gave a PowerPoint presentation. The presentation was followed by questions from the AFC.

Mr. Wheeler questioned the need for BRH to continue receiving CBJ General Fund support for their debt payment when there are able to contribute \$814,000 to cash.

Dr. Urata responded that the goal for BRH is to have \$4 million in cash for emergencies. The current balance of approximately is very low based on national standards. If you don't have the cash reserves you don't have a viable hospital. Dr. Urata added that before BRH took over the operations of JRH that BRH didn't receive General Fund money for operations.

Mr. Wheeler questioned the transfer of tax revenues for BRH's debt payment.

Dr. Urata responded that the City was supposed to pay for all the bond debt.

Ms. Johnson asked about the fund balance. Mr. Hamblin responded that the target for FY02 was \$2.5 million in operating and \$1 million in other restricted funds for capital expenditures and board reserved funds. In addition, BRH wants to add \$1.5 million per year for their portion of Project 2005.

Mr. Etheridge what was the cost of a new mobile mammography unit.

Mr. Hamblin responded that it was about \$300,000 of which the State is providing \$150,000. The other \$150,000 is on the CBJ CIP list.

Ms. Pillifant asked about increases in service/need to the northern SE Alaska communities.

Mr. Valiant responded that there is growth in those areas that BRH goes out to. The communities are happy to have BRH visit.

Mr. Powell complimented BRH on "being in the black" and for their partnership with UAS for the nursing program. Mr. Powell asked about the impact of the cruise industry.

Dr. Urata responded that it was very positive and allowed BRH to operate profitably.

Juneau Recovery Hospital (JRH)

Mr. Sundby gave a PowerPoint presentation regarding the transition of JRH from CBJ to BRH. The presentation was followed by questions from the AFC.

**Assembly Finance Committee
Minutes of May 15 2002 Meeting, continued**

Mr. Wheeler asked if the budget presented reflects no change in State support. Mr. Sundby responded that the budget assumed the same level of State support.

Mr. Wheeler asked if Mr. Sundby felt if it was best to use the liquor and tobacco excise tax on treatment programs rather than prevention programs. Mr. Sundby responded that he felt this was the Assembly's decision to make. However, if JRH didn't receive the funding that it currently receives from the CBJ he doubted that JRH would exist.

Andy Swanson of Gastineau Human Services believes BRH has done a better job of managing JRH. The needs of the community far exceed the funding. Mr. Swanson feels it is time to evaluate all the programs to establish the best way to provide the services the community needs.

Eaglecrest

Paul Swanson, Ski Area Manager, Gary Mendivil, Business Manager, Bob Clasby, President of the Eaglecrest Board, and Brad Pierce, VP and Finance Chair of the Eaglecrest Board were present.

Mr. Clasby gave an overview of the 2001-2002 ski season. He explained their request for additional General Fund support of \$66,900 for each fiscal year.

Ms. Pillifant noted that the season pass refund policy for late openings had been changed so that in the future revenues will not be as greatly impacted.

Mr. Wheeler asked what would happen if the requested General Fund support was not given.

Mr. Clasby responded that they would look at increasing ski fees, try to decrease costs and make no contribution to fund balance. This leaves Eaglecrest in a precarious position.

Mr. Wheeler asked when was the last time fees were increased?

Mr. Clasby indicated that rates on season passes had most recently decreased which resulted in a revenue increase.

Mr. Powell expressed his concern about lodge maintenance and encouraged the board to bring these needs to the CIP committee.

Ms. Pillifant thanked Eaglecrest for doing a great job.

Capital Transit

Update on 30-minute bus service: John Kern, Transit Manager, gave an update on the results of 30-minute bus service. Ridership has increased by about 20% in all hours of service. During the hours in which service was increased, ridership frequently doubled. Revenues have increased about 7%. Revenues haven't increased as much as ridership due to the use of monthly passes and tokens.

Ms. Johnson asked if there was sufficient CBJ CIP funding for bus shelters. Mr. Kern gave a fairly long answer that basically meant, "yes".

Mr. Powell interested in having students use the city buses for school transportation. He asked Mr. Kern to compile some statistics on this, such as the cost.

Commuter Choice: Mr. Palmer indicated that it would take no legislative action for this program to be started.

**Assembly Finance Committee
Minutes of May 15 2002 Meeting, continued**

Use Tax

Mr. Duncan stated that a use tax was designed to pick up the lost revenue from those items purchase out of town. However, it is very difficult to track those kinds of transactions and to identify those assets that are purchase out of town. The CBJ has had a use tax in the past but it was removed in 1989 due to the difficulty of enforcement. Mr. Duncan suggested that if the Assembly wished to move in this direction that they look at a broader approach and perhaps look into the DMV motor vehicle registration tax program.

Mr. Wheeler made a **motion** to have staff look into this subject further and present options at a future AFC meeting after the budget is wrapped up. **Passed unanimously.**

Information Items

Mr. Powell asked committee members to review the Pending Items list. He also pointed out that the AFC meeting schedule had been updated and was included in the packet.

Meeting adjourned at 6:50 p.m.