City of Bethel, Alaska
Finance Committee Minutes

August 25, 2011 | Regular Meeting | Bethel, Alaska

CALL TO ORDER

A regular meeting of the Finance Committee was held on August 25, 2011 at the City Council Chambers.

Chairperson Carol Ann Willard called the meeting to order at 6:30 p.m.

ROLL CALL

Comprising a quorum of the Committee, the following were present:

Willard Davis Shantz McDaniel Kristof (6:32) Trantham

Excused absence(s): Willert
Unexcused absence(s): None

Also in attendance were the following:

Bobby Sutton, Finance Director
LaRae Sullivan, Assistant Finance Director
Sharri Salyers, Recorder

PEOPLE TO BE HEARD

No one present to be heard

MOTION TO APPROVE AGENDA

MOVED BY:	Shantz	To approve the agenda of August 25, 2011.
SECONDED BY:	Trantham	
VOTE ON MOTION	Carried unanimously.	

MOTION TO APPROVE MINUTES

MOVED BY:	Trantham	To approve minutes of May 23, 2011 Special meeting.
SECONDED BY:	Davis	
VOTE ON MOTION	Carried unanimously.	

MOTION TO APPROVE MINUTES

MOVED BY:	Trantham	To approve minutes of June 23, 2011 Regular meeting.
SECONDED BY:	Davis	
VOTE ON MOTION	Carried unanimously.	

MOTION TO APPROVE MINUTES

MOVED BY:	Davis	To approve minutes of July 28, 2011 Regular meeting.
SECONDED BY:	McDaniel	
VOTE ON MOTION	Carried unanimously.	

UNFINISHED BUSINESS

None

NEW BUSINESS

Item A: Sales tax remittance for out of town contractors performing work within the City of Bethel-Requested by Trantham
Dave Trantham yielded to finance director Bobby Sutton to discuss the procedures that the finance department has in place for collecting and investigating out of town contractors to insure that they are remitting their city taxes. It was explained that if contractors' jobs were completed within five (5) days they were exempt in paying sales tax. Also if the contractors' were building for Government, State and Federal entities they are also exempt of remitting sales tax.
Questions asked in reference to knowing for sure the businesses were coming in and remitting the sales tax. From Mr. Sutton stated that there is no guarantee that every business is coming in. We do however receive complaints from the public and this is very helpful in our investigations.
The city does not have a huge problem with the out of town contractors coming in and remitting sales tax. It was good that Dave Trantham requested this subject for the agenda, so the committee can have discussion and learn that there aren't any issues at this time on this subject.

Item B: Proposed Water/Sewer Utility Billing Charge- Requested by Finance
Bobby Sutton placed this onto the agenda as requested by Mayor Eric Middlebrook. At this time we have a portion of our water sewer cost that is coming out of this account paying a percentage of our two billing clerks and one Accounts Receivable accounting specialist, who makes sure that everything is running smoothly in the utility billing. The Mayor had thought that since the water/sewer fund is facing a deficit of over ($600,000.00) Six hundred thousand dollars this year that is being subsidized by the general fund. The mayor was hoping that we may be able to recoup some of this, without raising the rates significantly by adding a small billing charge.
Bobby Sutton went over a hand out that was provided to the committee of the FY2012 Utility Bulling budget that was approved by council to clarify the percentages of salaries for the two clerks and the Accounting Specialist and other expenses that have been projected for this years budget.
The amount the utility billing charge per month per customer is $7.39
How the number was figured $157,875 divided by 1,779 customers equals $88.77 per year divided by 12 equals $7.39 per month per customer.

There is a mandatory rate increase for utilities that will be coming soon due to the USDA grant agreement also.
If we could have an extra month we can analyze the billing itself and see what the actual billing charges are. We do not want to include customer service for this charge. We can find out how much time is spent on billing, Envelopes, Stamps, Paper and other items that are utilized and see if we can save some monies and bring down this charge.

MOTION TO TABLE- Proposed Water/Sewer Utility Billing Charge and move to Unfinished Business for next month's Agenda

MOVED BY:	Shantz	
SECONDED BY:	Davis	
VOTE ON MOTION	Carried unanimously.	

Item C: Review and Possible Modification of BMC 4.16.180(C) (D) – Requested by Finance
Bobby Sutton requested that this be placed on the agenda, a discussion ensued in reference to section D first. Bobby read the ordinance and the proposed changes. He explained that with the stiffer penalty going from $300.00 to $1,000.00 for violators that will not cooperate in the audit of their records and the assessment of administration and/or legal fees associated with the investigation will assist the Finance department immensely.

MOTION TO Introduce Ordinance 4.16.180 (C) (D) to Council on September 13, 2011 Council meeting

MOVED BY:	Trantham	
SECONDED BY:	Kristof	
VOTE ON MOTION	Carried unanimously.	

Discussion of section C of the ordinance, the finance department has received multiple complaints from the community that some businesses are not giving receipts showing the amount of tax due on the transaction. As stated in this ordinance they must provide an invoice or receipt and if they fail to do so the penalty to the city is equal to twice the amount of the tax due on the sale. Some of the transactions are just minimal amounts and this penalty is not much of a deterrent. If we up the penalty to a minimum charge of $100.00 for each violation it would be more of deterrent to the businesses and we should see more compliance in the code.

Item D: Publication of Sales Tax Delinquency List – Requested by City Manager Lee Foley
Bobby Sutton stated that city manager requested that this be brought forth to the Finance Committee to look into and if it is agreed upon to send a recommendation to City Council.
This publication can be weekly, twice monthly, monthly or quarterly.
The city manager is requesting that it be published twice monthly and thinks that if this list is published to the public it could make the businesses be more inclined to be in compliance in remitting their sales taxes.

MOTION TO have this reviewed by the legal department to make sure that it is ok to publish this information into the newspapers or any other type of publication.

MOVED BY:	Shantz	
SECONDED BY:	Davis	
VOTE ON MOTION	Carried unanimously.	

MOTION To submit a quarterly publication of the delinquency list and recommendation to Council once it has been reviewed by legal department.

MOVED BY:	Davis	
SECONDED BY:	Thrantham	
VOTE ON MOTION	Carried unanimously.	

FINANCE DIRECTOR'S COMMENTS

The Finance Director shared his appreciation for each one's participation tonight and felt that it was a productive meeting. He also stated that things have been running smoothly in the finance department, the crew has been working hard and he shared his appreciation for them as well.

FINANCE COMMITTEE MEMBERS COMMENTS

Kevin Krostof- No Comment

Clark Davis- No Comment

Sadie McDaniel- I apologize that I have missed that past two meeting I have been gone for the summer, it is good to be back.

Carol Ann Willard- I also apologize that I have missed the past two meetings as well.

Dave Trantham- I am greatly pleased to see everyone from the Finance department that is in attendance tonight along with having a full quorum tonight. I will be getting phone calls tonight asking about the delinquent list. I have also brought my sisters utility bill from North Carolina for the month of July
Electric $60.24, Water $7.85, Sewer $7.36, yard light $8.14, Taxes $2.24, Storm water $4.00 total for two people is $90.13
I just wanted to share that with the committee.
I also hope that we can talk Mike into staying with the committee when he leaves the council.

Mike Shantz- No Comment

MOTION TO ADJOURNMENT

MOVED BY:	Shantz	
SECONDED BY:	Trantham	

VOTE ON MOTION	Carried unanimously.

With no further business before the Committee, the meeting adjourned 8:17_p.m.

APPROVED THIS 22 DAY OF Sept, 2011.

Bobby Sutton, Finance Director

Pro temp Chair, Dave Trantham