
City of Bethel, Alaska

Finance Committee Minutes

September 28, 2015

Regular Meeting

Bethel, Alaska

CALL TO ORDER

A regular meeting of the Finance Committee was held on September 28, 2015 at 6:30 p.m. in City Council Chambers.

Meeting was called to order by Chair Carol Willard at 6:30 PM.

ROLL CALL

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

Albertson, Shear, Shantz (via phone), Trantham, and Willard

Excused absences: Cochrane

Unexcused absences: Egoak, Russell

Also in attendance were the following:

Hansel Mathlaw, Finance Director

Carole Jung, Recorder

PEOPLE TO BE HEARD

There were no people to be heard.

MOTION: APPROVAL OF AGENDA

MOVED BY:	Shear	To approve the agenda for the meeting.
SECONDED BY:	Trantham	

VOTE ON MOTION	Motion carried by unanimous vote.
-----------------------	-----------------------------------

MOTION: APPROVAL OF MINUTES of May 18, 2015 Regular Meeting

MOVED BY:	Shantz	To approve the minutes.
SECONDED BY:	Trantham	

VOTE ON MOTION	Motion carried by unanimous vote.
-----------------------	-----------------------------------

NEW BUSINESS

FY16 Budget- Finance Director Hansel Mathlaw

Since the last meeting there have been a lot of things going on. The City Manager wrote a letter of what changed and what is to be expected of the FY16 budget. The next section is the budget

ordinance that the city council passed 6-0. In order to receive PILT and community revenue sharing from the state of Alaska, the city has to pass a balanced budget. After it was passed it was sent along with the FY14 audited financial statements in order to receive those funds. You will also see the approved annual budget. One of the biggest changes is the cash transfer to the water/sewer enterprise fund. This is due to the new water/sewer rate increases in January of this year. For years it's been over \$500,000. You can see the cash transfer went down to \$49,000. That really helped the general fund budget. It's a large drop compared to other years. The water and sewer rates are going to increase 3% every year starting July 1st. Finance Director Mathlaw opened up the floor for the members to ask questions. Member Trantham asked if the intent of an enterprise fund is to at least break even. And that if you make a little profit so much the better. Member Shantz asked that if the water and sewer rates are going to be increasing at a steady rate. At some point we are going to get positive on this and is there a plan for when we do break even or is this going to become a cash cow for the city. Finance Director said that the plan is to increase the rates until the fund is sustainable. City council then has the ability to freeze the rates when it gets to that point. Member Shantz said that there should be something in place to sunset this down the road. Member Trantham had some questions on one of the job pay increases from the budget. It was found that the increase was just a step increase not an actual raise. Finance Director Mathlaw stated that the budget was balanced to \$95.

BUSINESS LICENSE SECTION OF CODE-Member Shear

City Attorney Patty Burley asked Member Shear to add this to the agenda. Patty asked the members what they would like to see on the revised business license code. Member Shantz asked if she can write something up and bring it to the finance committee for review. Member Shantz said that he would like to see that the business has an actual city of Bethel business license. Should the licenses be displayed in the place of business? Every business is different and every business is unique. Do we have a business license inspector that goes around and makes sure that the license is displayed? Should the licenses be for two years? This is a complete re-write of the code. Member Trantham would like to see what some other communities do. He would like to see what Nome or Dillingham does. He would like to see the re-write with the old language struck out. It's nice to see what other communities do and then we can decide what works for our own community. What we are trying to do is to make it easy for business owners to do the right thing. The point of having a business license is to tell us who is operating that business and to make sure that they are collecting sales tax. The point is not to collect the \$50 or so for the actual license.

Finance Committee's Review of Council Ordinance 15-32, Amending Bethel Municipal Code 5.08, Alcoholic Beverages- City Council

Member Trantham asked what the city council has asked us to do and what is the scope. There was a couple of committees that it was suggested this go to. It's going to be a long process and there are probably going to be some public hearings on this. Public Safety, planning, and any other committee that would be affected by this were asked to review this ordinance. The City Council asked us to provide a review by October 13th. Any committee that it would have an impact on has been asked to review this. By October 22, we could possibly have a liquor store in Bethel. Member Trantham asked why would it have to be reviewed by so many different departments? The City council cannot deny the license. If there is a cost for a special use permit it is unknown at this time. Regarding page 10, line 352, restriction of sales near senior housing facility or alcohol treatment facility has been added.

MOTION: To strike Senior Housing Facility from 5.08.060

MOVED BY:	Shear	To remove, "senior housing facility" on 5.08.050
SECONDED BY:	Trantham	

VOTE ON MOTION	Motion Failed 3-2
-----------------------	-------------------

MOTION: To specify to retain the footage on security cameras for 30 days

MOVED BY: Albertson

SECONDED BY: Shear

VOTE ON MOTION: Motion Passed 5-0

MOTION: To delete the entire section on keg registration. (5.08.170)

MOVED BY: Shantz

SECONDED BY: Trantham

VOTE ON MOTION: Motion failed 3-2

MOTION: To strike lines 592, 602, 618 and 622 and 627 from 5.08.170

MOVED BY: Albertson

SECONDED BY: Shantz

VOTE ON MOTION: Motion passed by unanimous vote.

MOTION: To make a recommendation to city council that they adopt the alcohol ordinance as amended.

MOVED BY: Albertson

SECONDED BY: Shear

VOTE ON MOTION: Motion passed by unanimous vote.

MOTION: To amend the motion so that city council attaches a fiscal note of not less than \$50,000 for enforcement of this ordinance.

MOVED BY: Trantham

SECONDED BY: Shantz

VOTE ON MOTION: Motion failed 3-2

COMMENTS

COUNCIL REP ALBERTSON- Thanks the committee for the last two years. Oct. 6 is an election, remember to vote. Thank you and it's been a good two years.

FINANCE DIRECTOR COMMENTS- Lots of changes lately. New auditors are Altman Rodgers & Co. Right now we are preparing for our audit which is starting Nov. 9. Our sales tax specialist is going heavy on the tax assessments lately. We have sent out over 15 assessments and received about \$60,000 already from the delinquent businesses. We are looking for a general ledger position and we are looking at hiring an accounting specialist for payroll.

MEMBER SHANTZ- Good meeting tonight. Thought we had a good discussion, thank you.

MEMBER SHEAR- Missed you guys all summer. We had some big things to discuss and got it done. See you next month.

MEMBER TRANTHAM- Thanks the finance dept for their work. One of his concerns was the collection of sales tax and he is pleased with the work of the sales tax dept. Thanked the committee for coming and tackling some tough issues. Hopefully council will accept our changes.

CHAIR WILLARD- Thanked Leif for his work and thanks to the committee for meeting.

ADJOURNMENT

MOVED BY:	Trantham	To adjourn the meeting until October 26, 2015.
SECONDED BY:	Shear	

VOTE ON MOTION	Motion carried by unanimous vote.
-----------------------	-----------------------------------

APPROVED THIS 26 DAY OF OCTOBER 2015.


 Carole Jung, Recorder


 Carol Ann Willard, Chair