Regular City Council Meeting
Tuesday, September 12, 2017
6:30 P.M.
Council Chambers; Bethel, Alaska
City Council Meeting Agenda
Regularly Scheduled Meeting
September 12, 2017 – 6:30 pm
City Hall 300 State Highway, Bethel, AK
City of Bethel Council Chambers

I. CALL TO ORDER
II. PLEDGE OF ALLEGIANCE
III. ROLL CALL
IV. PEOPLE TO BE HEARD – Five minutes per person
V. APPROVAL OF CONSENT AGENDA AND REGULAR AGENDA
VI. APPROVAL OF MEETING MINUTES
   a) *8-22-2017   p.4
VII. REPORTS OF STANDING COMMITTEE
VIII. SPECIAL ORDER OF BUSINESS
IX. UNFINISHED BUSINESS
   a) Public Hearing of Ordinance 17-39: Repealing And Replacing Chapter 4.16 Of The Bethel Municipal Code, Sales And Use Tax (Finance Committee) p.38
X. NEW BUSINESS
   a) *Introduction Of Ordinance 17-42: An Ordinance By The Bethel City Council Amending Fees And Charges Related To Electronic Records For The City Of Bethel (Mayor Robb) p.134
   c) *Introduction of Budget Ordinance 17-28 (b): Amending The Adopted Annual FY 2018 Budget-Increase in Gravel for Street Repairs (City Manager Williams)p.139
   d) *Introduction of Budget Ordinance 17-28 (c): Amending The Adopted Annual FY 2018 Budget-Changes in line Items to YK H&F Center and Water/Sewer Utility Fund (City Manager Williams)p.140
   e) *Resolution 17-16: Supporting Public Employees Retirement System Reform (Mayor Robb) p.143
   f) *AM 17-58: Appointment of Jennifer Dobson to the Community Action Grant Technical Review Board (Mayor Robb) p.145
   g) *AM 17-59: Appointment of Eileen Henrikson to the Public Safety and Transportation Commission for a term of three years (Mayor Robb) p.146
XI. MAYOR’S REPORT
XII. MANAGER’S REPORTS
XIII. CLERK’S REPORT
XIV. COUNCIL MEMBER COMMENTS
XV. EXECUTIVE SESSION
   a) In Accordance With AS 44.62.310 C 1 Matters, The Immediate Knowledge Of Which Would Clearly Have An Adverse Effect Upon The Finances Of The Public Entity- Union Negotiations (City Manager Williams)
XVI. ADJOURNMENT

Agenda posted on September 6, 2017, at City Hall, AC Co., Swanson’s, and the Post Office.

Kevin Morgan, Asst. City Clerk
(Items on the agenda noted with an asterisk (*) are considered the consent agenda.
All Resolutions noted with an asterisk (*) will automatically be adopted on the consent agenda unless removed from the consent agenda by Council.
Ordinances introduced with an asterisk (*) on the consent agenda will automatically be introduced and set for Public Hearing September 26, 2017.
The Council may, after 12:00am, and only by a unanimous consent vote to Fix the Time to Which To Adjourn for the following day at 6:30 p.m.)
Approval of the Meeting Minutes
I. CALL TO ORDER

A Regular Meeting of the Bethel City Council was held on August 8, 2017 at 6:30 p.m., in the council chambers, Bethel, Alaska.

Mayor Richard Robb called the meeting to order at 6:30 p.m.

II. PLEDGE OF ALLEGIANCE

III. ROLL CALL

<table>
<thead>
<tr>
<th>Comprising a quorum of the Council, the following members were present:</th>
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</thead>
<tbody>
<tr>
<td>Mayor Rick Robb</td>
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<tr>
<td>Vice-Mayor Fred Watson</td>
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<tr>
<td>Council Member Alisha Welch</td>
</tr>
<tr>
<td><strong>Members Absent:</strong></td>
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<tr>
<td>Naim Shabani</td>
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<tr>
<td><strong>Also in attendance were the following:</strong></td>
</tr>
<tr>
<td>City Manager Pete Williams</td>
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<tr>
<td>City Attorney Patty Burley</td>
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</table>

IV. PEOPLE TO BE HEARD

Gary Watson, City of Bethel Union President- Spoke in favor of the Union Contract as presented to the Council.

Dave Stovner, City of Bethel Union Vice-President- Spoke in favor of the Union Contract as presented to the Council.

Kathy Hanson, PRAHSC Committee Representative- Spoke in favor of the extension of the pools operation hours as well as the rates as proposed by Health Fitness. Provided many points why it isn’t in the City’s best interest to increase the daily rate to the facility.
Eileen Arnold, Tundra Women’s Coalition Director- Spoke in favor of Ordinance 17-41, and nonprofit gaming.

John Sargent, Union Negotiations-Spoke in favor of the proposed contract presented to the Council.

Lorin Bradbury-Provided some recommended changes to Ordinance 17-39, specific to the deduction of fuel and electricity from sales tax submission to the City when the fuel is being purchased by the landlord.

_Council Member Springer arrived at 6:41 p.m._

Gloria Simeon- Provided statements regarding the state of our community and the trash around the roadways, yards and community dumpsters.

Thomas Haviland – Bethel Union negotiator spoke in favor of the proposed contract as presented.

Beverly Hoffman- Representing the YK Delta Lifesavers, requesting support for the rate increase presented by Health Fitness for the YK Fitness Center. Additionally requested the Council not add additional fees for nonprofit agencies that conduct gaming. Requested the council ensure there is healthy recreational outlets for this community.

Michelle Dewitt, Bethel Community Services Foundation- Provided support to Ordinance 17-41, reducing gaming fees. Also provided support to the rates provided by Health Fitness to the YK Fitness Center.

Tim Andrew, Acting Director of Natural Resources for ONC- Spoke on behalf of ONC. In support of Ordinance 17-41, reducing gaming fees. Spoke about the positive impact that ONC has in the community and their past partnerships with the City. He thanked the City for all the hard work that they do.

Buck Bukowski, VFW Representative- Provided support to the reduction in fees on gaming.

Dave Trantham Jr. – Stated he believes the City is in financial trouble and warned the Council in their progression with the institutional corridor. Requested consideration for future appointments to the Finance Committee.

Jon Cochrane, Chair of the Finance Committee- Spoke in favor of the sales tax rewrite as presented by the Finance Committee and the ordinance that reduces the fees associated with gaming.
V. APPROVAL OF THE CONSENT AND REGULAR AGENDA

Main Motion: Approve the Consent and Regular Agenda.

Moved by: Springer
Seconded by: Welch
Action: Motion carries by a vote of 6-0
In favor: Robb, Albertson, Watson, Springer, Welch, Shantz
Opposed: 0

Consent Agenda
Removal: Remove Item A under New Business.

Moved by: Springer

VI. APPROVAL OF THE MEETING MINUTES

Item A – 8-2-2017 Special Meeting.
Passed on the Consent Agenda

Item B – 8-8-2017 Regular Meeting.
Passed on the Consent Agenda

VII. REPORTS OF STANDING COMMITTEES

Public Safety and Transportation Commission –
No one available to provide a report.

Port Commission
A meeting has not been held due to a lack of a quorum.

Planning Commission –
Hazardous Mitigation Plan Update, staff comments were presented and the Planning Commission reviewed the recommended approval of the plan.

Parks, Recreation, Aquatic Health and Safety Center Committee -
Thanked Pete Williams, City Manager for attending the meeting.
Kasayuli Park Development and other park maintenance issues were discussed. The Committee has spoke with members of administration about the option of privatizing park maintenance and recreational activities; a scope of work has been developed. The Committee also provided a recommendation to the Council that supports the proposed operations plan for the YK Fitness Center which includes the increased rates.

Finance Committee –
A special meeting was held last night to address questions from the Council for tonight. A regular meeting is scheduled for Monday.

**Energy Committee** -
A meeting was not held due to a lack of a quorum.

**Public Works Committee** -
A meeting was not held due to a lack of a quorum.

**VIII. SPECIAL ORDER OF BUSINESS**

**Item A** – Health Fitness Monthly Report On The YK Fitness Center.

**IX. UNFINISHED BUSINESS**

**Item A** – Public Hearing of Ordinance 17-39: Repealing And Replacing Chapter 4.16 Of The Bethel Municipal Code, Sales And Use Tax.

*Mayor Robb opened the Public Hearing.*

Lorin Bradbury- Spoke in favor of amending the ordinance to reflect an exemption for landlords who pay sales tax on fuel and electricity.

Jon Cochrane- Spoke in favor of the ordinance as presented and does not support the proposed amendment to exempt landlords from having to pay tax on fuel and electricity.

Jarred Karr- Spoke in opposition to the Ordinance as presented because the language and cumbersome and not business owner friendly.

*Mayor Robb closed the Public Hearing.*

<table>
<thead>
<tr>
<th>Main Motion</th>
<th>A motion to adopt was made at the July 25, Regular Meeting.</th>
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<tbody>
<tr>
<td>Moved by</td>
<td>Shantz</td>
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<tr>
<td>Seconded by</td>
<td>Albertson</td>
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<tr>
<td>Action:</td>
<td>Postponed</td>
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</tbody>
</table>

A motion to amend was made at the August 8, Council Meeting: Amend 4.16.150 Tax Exemptions to amend Rental Units to read: Cost incurred by owners/landlords for rental units, such as included fuel and electricity are exempt if:

<table>
<thead>
<tr>
<th>Primary Amendment</th>
<th>1. The inclusion of fuel and/or electricity is clearly stated in the lease agreement and;</th>
</tr>
</thead>
</table>
2. A City of Bethel business license for the rental business or exemption card is provided to the utility company and/or fuel distributor at the time of purchase.

Moved by: Springer  
Seconded by: Watson  
Action: Postponed Indefinitely

Council Member Albertson was previously determined to have a conflict of interest and has stepped down from the Council bench.

Subsidiary Motion: Postpone Indefinitely.

Moved by: Welch  
Seconded by: Springer  
Action: Motion carries by a vote of 5-1  
In favor: ☑ Albertson ☑ Watson ☑ Springer ☑ Welch ☑ Shantz  
Opposed: ☑ Robb

Subsidiary Motion: Hear from the Chairman of the Finance Committee.

Moved by: Springer  
Seconded by: Shantz  
Action: Motion carries by a vote of 6-0  
In favor: ☑ Robb ☑ Albertson ☑ Watson ☑ Springer ☑ Welch ☑ Shantz  
Opposed: -0

Primary Amendment: Amend 4.16.010 E. to insert "economic" after indirect.

Moved by: Springer  
Seconded by: Albertson  
Action: Motion carries by a vote of 6-0  
In favor: ☑ Robb ☑ Albertson ☑ Watson ☑ Springer ☑ Welch ☑ Shantz  
Opposed: -0

Primary Amendment: Postpone.

Moved by: Springer  
Seconded by: Welch  
Action: Motion carries by a vote of 6-0  
In favor: ☑ Robb ☑ Albertson ☑ Watson ☑ Springer ☑ Welch ☑ Shantz  
Opposed: -0


Mayor Robb opened the Public Hearing.

Michelle Dewitt- Spoke in favor of ordinance 17-41.
Jon Cochrane – Spoke in favor of Ordinance 17-41.
Shane Iverson – Spoke in favor of Ordinance 17-41.

*Mayor Robb closed the Public Hearing.*

<table>
<thead>
<tr>
<th>Main Motion:</th>
<th>Adopt Ordinance 17-41.</th>
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<tbody>
<tr>
<td>Moved by:</td>
<td>Springer</td>
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<tr>
<td>Seconded by:</td>
<td>Watson</td>
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<tr>
<td>Action:</td>
<td>Motion carries by a vote of 5-1</td>
</tr>
<tr>
<td>In favor:</td>
<td>☑ Robb ☑ Watson ☑ Springer ☑ Welch ☑ Shantz</td>
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<tr>
<td>Opposed:</td>
<td>☑ Albertson</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Primary Amendment:</th>
<th>Amend to strike 3% and insert 4.5%.</th>
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<tr>
<td>Moved by:</td>
<td>Springer</td>
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<td>Seconded by:</td>
<td></td>
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<tr>
<td>Action:</td>
<td>Does not carry due to a lack of a second.</td>
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<table>
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<tr>
<th>Primary Amendment:</th>
<th>Amend to strike 3% and insert 4%.</th>
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<tbody>
<tr>
<td>Moved by:</td>
<td>Springer</td>
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<tr>
<td>Seconded by:</td>
<td>Albertson</td>
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<tr>
<td>Action:</td>
<td>Motion carries by a vote of 5-1</td>
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<tr>
<td>In favor:</td>
<td>☑ Robb ☐ Albertson ☑ Watson ☑ Springer ☑ Welch</td>
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<tr>
<td>Opposed:</td>
<td>☐ Shantz</td>
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**Item C** – Public Hearing Of Budget Ordinance 17-28(a): Amending The Fiscal Year 2018 Budget To Include $11,900 To The University Of Alaska Consortium Library.

*Mayor Robb opened the Public Hearing.*

Theresa Quiner, Library Director- Spoke in favor of the budget Ordinance as presented.

*Mayor Robb closed the Public Hearing.*

<table>
<thead>
<tr>
<th>Main Motion:</th>
<th>Adopt Ordinance 17-28(a).</th>
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<tr>
<td>Moved by:</td>
<td>Springer</td>
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<tr>
<td>Seconded by:</td>
<td>Welch</td>
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<tr>
<td>Action:</td>
<td>Motion carries by a vote of 6-0</td>
</tr>
<tr>
<td>In favor:</td>
<td>☑ Robb ☐ Albertson ☐ Watson ☑ Springer ☑ Welch ☑ Shantz</td>
</tr>
<tr>
<td>Opposed:</td>
<td>0</td>
</tr>
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Main Motion: A motion to adopt was made at our August 8, Regular Meeting.

Moved by: Welch
Seconded by: Springer
Action: Motion carries by a vote of 6-0
In favor: ☑ Robb ☑ Albertson ☑ Watson ☑ Springer ☑ Welch ☑ Shantz
Opposed: ☑

X. NEW BUSINESS

Item A – Resolution 17-15: Consenting To And Approving The Location Of The Yukon Kuskokwim Health Corporation’s Primary Health Facility Contraction And Hospital Improvement Project Funded Through The Alaska Industrial Development And Export Authority.

Main Motion: Adopt Resolution 17-15.

Moved by: Springer
Seconded by: Albertson
Action: Motion carries by a vote of 6-0
In favor: ☑ Robb ☑ Albertson ☑ Watson ☑ Springer ☑ Welch ☑ Shantz
Opposed: ☑


Main Motion: Approve AM 17-55.

Moved by: Springer
Seconded by: Albertson
Action: Motion carries by a vote of 6-0
In favor: ☑ Robb ☑ Albertson ☑ Watson ☑ Springer ☑ Welch ☑ Shantz
Opposed: ☑

Item C – AM 17-56: Authorizing The City Manager To Negotiate A Contract With The Lowest Bidder For Installation Of The Main Line Of The Institutional Corridor, Phase II.

Main Motion: Approve AM 17-56.

Moved by: Albertson
Seconded by: Springer
Action: Motion carries by a vote of 5-1
In favor: ☑ Robb ☑ Albertson ☑ Watson ☑ Springer ☑ Welch
Opposed: ☑ Shantz

Item D – AM 17-57: Appointment of Thomas Oosterman to the Port Commission. Passed on the consent agenda.
Item E – Retroactive Leave Approval For City Clerk: August 14, 2017. 
Passed on the consent agenda.

Passed on the consent agenda.

XI. MAYOR’S REPORT
XII. MANAGER’S REPORT
XIII. CLERK’S REPORT
XIV. COUNCIL MEMBER COMMENTS

Mayor Richard Robb –
Wished everyone luck in the upcoming hunting season.

Vice-Mayor Fred Watson –
No comment.

Council Member Leif Albertson –
No comment.

Council Member Mark Springer –
Good slate of candidates on the October ballot.

Council Member Alisha Welch–
No comment.

Council Member Michael Shantz–
No comment.

XV. EXECUTIVE SESSION

Item A— Alaska Statutes Title 44.62.310: Matters, The Immediate Knowledge Of Which Would Clearly Have An Adverse Effect Upon The Finances Of The Public Entity- Potential Litigation AVCP-RHA (Owl Park).

Item B— In Accordance With AS 44.62.310 C 1 Matters, The Immediate Knowledge Of Which Would Clearly Have An Adverse Effect Upon The Finances Of The Public Entity- Union Negotiations.

Main Motion: Move into Executive Session
Item A– Alaska Statutes Title 44.62.310: Matters, The Immediate Knowledge Of Which Would Clearly Have An Adverse Effect Upon The Finances Of The Public Entity- Potential Litigation AVCP-RHA (Owl Park). Those attending Item A were: City Attorney, City Manager and City Clerk.
Item B– In Accordance With AS 44.62.310 C 1 Matters, The Immediate Knowledge Of Which Would Clearly Have An Adverse Effect Upon The Finances Of The Public Entity- Union Negotiations. Those attending Item B were: City Clerk, City Attorney, City Manager and Human Resources Director.

Moved by: Springer  
Seconded by: Albertson  
Action: Motion carries by a vote of 6-0  
In favor: ✗ Robb ✗ Albertson ✗ Watson ✗ Springer ✗ Welch ✗ Shantz  
Opposed: -Ø

Council Member Welch departed at 10:06 p.m.  
Council Member Springer departed at 10:46 p.m.

XVI. ADJOURNMENT

Main Motion: Adjournment.  
Moved by: Albertson  
Seconded by: Watson  
Action: Motion carries by a vote of 4-0  
In favor: ✗ Robb ✗ Albertson ✗ Watson ✗ Shantz  
Opposed: -Ø

Council adjourned at 11:38 p.m.

_________________________  
Richard Robb, Mayor  

ATTEST:

_________________________  
Lori Strickler, City Clerk
City of Bethel, Alaska
Parks, Recreation, Aquatic, Health & Safety Center Committee
Regular Meeting September 11, 2017 - 6:00pm 300 State Highway, City Hall

Michelle DeWitt  
Committee Chair  
Term Expires 12/2017

Judy Wasierski  
Committee Co Chair  
Term Expires 12/2018

Kathy Hanson  
Committee Member  
Term Expires 12/2018

Barbara Mosier  
Committee Member  
Term Expires 12/2018

Beverly Hoffman  
Committee Member  
Term Expires 12/2018

Brian Lefferts  
Committee Member  
Term Expires 12/2017

Kathryn Baldwin  
Alternate Committee Member  
Term Expires 12/2017

Justin Wintersteen  
Alternate Committee Member  
Term Expires 12/2019

Fred Watson  
Term Expires 10/2017

Stacey Reardon  
YK Fitness Facility Director

Pauline Boratko  
Committee Recorder

I. CALL TO ORDER:

II. ROLL CALL:

III. PEOPLE TO BE HEARD - THREE MINUTES PER PERSON:

IV. APPROVAL OF AGENDA:

V. APPROVAL OF THE MINUTES:  
August 14, 2017- regular meeting

VI. SPECIAL ORDER OF BUSINESS:

VII. UNFINISHED BUSINESS:

A. Individual to provide report to Sept 13 City Council meeting
B. Unresolved Recommendations and Action Memorandums
C. Privatizing Recreational Services- Calendar/Budget Discussion
D. Kasayuli Park Development
E. Pinky's Park

VIII. Parks and Recreation Department Report

F. Balance on dedicated Pool Fund
G. Sub Committee Reports: Water Temp, Marketing, Physical Facility
H. Arts at the YK Fitness Center
I. Mechanical Specialist Inc (MSI) Contract
J. Maintenance Schedules and Checklist at YKFC
K. Repair and Replacement Fund Development for YKFC
L. YKFC (Yukon Kuskokwim Fitness Center) PFD Sale.

IX. YK Fitness Facility Director Report- Stacey Reardon

X. NEW BUSINESS:

XI. MEMBER COMMENTS:

XII. ADJOURNMENT:
I. CALL TO ORDER
The meeting was called to order by Judy Wasierski at 6:00pm.

II. ROLL CALL
Comprising a quorum, the following members were present: Michelle DeWitt, Judy Wasierski, Barbara Mosier, Kathy Hanson, Beverly Hoffman, Brian Lefferts, Justin Wintersteen, and Fred Watson

Excused absent (s): Kathryn Baldwin

Also in attendance were the following:
Committee Recorder, Betsy Jumper
YK Fitness Center Director, Stacey Reardon
City Manager, Peter Williams

III. PEOPLE TO BE HEARD:
Peter Williams- informed the committee about the condition and status of the Owl Park.

IV. APPROVAL OF AGENDA
MOVED BY: Beverly Hoffman  Motion to approve the agenda
SECONDED BY: Brian Lefferts
VOTE ON MOTION: Unanimously approved

V. APPROVAL OF THE MINUTES:
MOVED BY: Kathy Hanson  Motion to approve the regular minutes for July 10, 2017
SECONDED BY: Brian Lefferts
VOTE ON MOTION: Unanimously approved

VI. SPECIAL ORDER OF BUSINESS:

VII. UNFINISHED BUSINESS:
   a. Individual to provide report to August 22 City Council meeting: Barbara Mosier volunteered to give the report.
   b. Unresolved Recommendations and Action Memorandums: no new updates this month.
   c. Privatizing Recreational Services-Calendar/Budget Discussion: Discussion amongst committee members on setting up a monthly activity and to allocate the budget for more employees at the Health and Fitness Center.
d. Kasayuli Park Development: Members compared some potential spots for the Kasayuli Park. One spot as a slant in it and it would need to be leveled. Judy will follow up with City Clerk on public hearing rules.

VIII. Parks and Recreation Department Report: John Sargent presented to the committee about the progress on the multipurpose field. He will be creating a diagram with all the dimensions of the field.

g. Balance on dedicated Pool Fund: no new updates this month
h. Sub Committee Reports: Water Temp, Marketing, Physical Facility: tabled
i. Arts at the YK Fitness Center: Art Committee picked out artists they would like to hear back from for both interior and exterior artwork. If an artist would like to come to see the facility, some of the airfare will be paid with the contract depending on location.

j. Mechanical Specialist Inc. (MSI) contract: A full time Pool Maintenance position has been vacated. The contract has been terminated and the repair work is being done in house and locally with the staff.

IX. YK Fitness Facility Director Report- Stacey Reardon: Stacey Reardon presented the operations plan to the committee for discussion.

X. New Business:
  j. Ice Skating Rink: tabled
  k. Review of Proposed rates presented to the Council in the Yukon Kuskokwim Fitness Center's Fiscal year 2018 Operations Plan: No new rates were proposed to the council, and they are currently the same. The committee discussed the pros and cons.

| MOVED BY: | Judy Wasierski | Motion to recommend to council to keep the rates the same as the 2018 Yukon Kuskokwim Fitness Center’s Operations Plan Proposal. |
| SECONDED BY: | Beverly Hoffman |
| VOTE ON MOTION: | Unanimously approved |

XI. MEMBER COMMENTS:
M. Dewitt- no comment.
J. Wasierski- I’m going to encourage as many of us to go to council meetings.
K. Hanson- no comment
B. Mosier- A pool swimmer stated that this is the best pool she has ever been in.
B. Lefferts- no comment.
B. Hoffman- I appreciate the hard work from this committee.
F. Watson- I wish I was here when Pete talked about the Owl Park.
J. Wintersteen- no comment.

XII. ADJOURNMENT

MOVED BY: Beverly Hoffman | Motion to adjourn the meeting at 8:00pm
APPROVED THIS ___ DAY OF __________, 2017.

--------------------------------------------------  ________________________________
Betsy Jumper, Committee Recorder                      Michelle DeWitt, Chair
Staffing

Operational Staff:
- Front Desk: Fully Staffed
- Facility Attendant: Fully Staffed
- Lifeguards: Looking for 3-4 certified lifeguards to start in August.
  - Free Lifeguard training will be offered August 8th – August 12th.

Programming Staff: We are still looking for programming staff to fill the below roles:
- Swim Instructors
- Fitness Instructors and Certified Personal Trainers
- Instructors for any activity, craft or music patrons might be interested in learning.

Anyone interested in working with us can call 543-0390 or visit ykfitness.org for information.

Operations Manager David Eastin starts as the operations manager on August 15th. David is a former Bethel resident who has just returned to the Bethel area. We are looking forward to David’s contributions to the management team.

Programming

Fitness and Aquatic Classes: Summer 2 classes run July 11th – August 13th. Fall classes begin September 5th. During the week of August 29th drop in fitness classes will be FREE for fitness center members and $5 for non-members.

Youth Programs: Sport Club will run Monday-Friday, July 10th – August 11th.

Rentals: July rentals included 1 party.

Facility Maintenance

Water Usage for July was within normal range.

Warranty Maintenance: We continue to wait on movement on warranty maintenance. The City Manager and Facilities Department have been actively working with the architect and builders to determine the cause of the leaks that we experience in the facility and to develop plans for corrections. We hope to have plans for those corrections in August.

Routine Maintenance:
- Clean hair strainers and backwash pool
- Pressurized expansion tank
- Drained and cleaned Spa

Corrective Maintenance:
- Removed family room suit spinner, need to rebuild motor
- Replace boiler release valve
- Replaced belts on pool vacuum, re-attached handle and fuse casing on power box
- Oiled and adjusted stationary bikes
- Replaced cracked hose on water dispenser
Maintenance needed:
- Overhead fans in pool area need maintenance. Working with City Facilities Department to develop a plan for safe access to troubleshoot the fans.
- Solenoid controlling the relay locking mechanism for the Family Locker room door has malfunctioned. The part was special made for that relay assembly, we are working with the company attempting to get a replacement part.
- While moving cardio machines we found that the treadmills are wearing grooves into the linoleum in some places and causing the linoleum to bubble in others. Need to look into alternative flooring options for under these pieces.
- Experiencing leaking from shower handles, need to replace gaskets and seals.
- Experiencing difficulties with BIAMP Interface modules for playing music in the cardio/weight room and studio. We are reviewing system to determine whether they can be fixed or will need to be replaced.

Facility Utilization

Facility Check-In: Facility Check-In numbers represent the total number of patrons who visited the facility and are based on a compilation of the number of members who checked-in, the number of daily passes sold and the number of participants in programs, activities, rentals and special events. These numbers represent facility visits, not individuals as most individuals visit the facility multiple times over the course of the month.

<table>
<thead>
<tr>
<th>Facility Check-In</th>
<th>Jul-17</th>
<th>Aug-17</th>
<th>Sep-17</th>
<th>Oct-17</th>
<th>Nov-17</th>
<th>Dec-17</th>
<th>Jan-18</th>
<th>Feb-18</th>
<th>Mar-18</th>
<th>Apr-18</th>
<th>May-18</th>
<th>Jun-18</th>
<th>Total</th>
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<tr>
<td>Member Checkins</td>
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Facility Check-In Totals:
- Member Checkins: 3,108
- Daily Admissions: 3,596
- Rentals: 3,820
- Events: 3,378
- Fitness Programming: 4,465
- Aquatics Programming: 5,006
- Youth Programs: 5,491
- Monthly Totals: 3,584

Area Usage: Count of the number of individuals in each area at the top and bottom of each hour. Showing trends and patterns of area usage, these numbers are not an accurate reporting of the overall number of patrons using the facility as patrons who remain in any area for more than 30 minutes are counted more than once. The below charts show average number of users for each area, by day of the week, per 30 minute period.
July 2017 Tues-Fri Studio Averages

July 2017 Sat/Sun Studio Averages
## Concessions

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**Number of Sales by Item**

**Value of Sales per Item**

**Annual Total**

**Total Annual Value** $3,954.28
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Total: $3,289.74
## FY18 Revenue

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<th>Code</th>
<th>Facility Revenue</th>
<th>Jul-17</th>
<th>Total</th>
<th>FY18 Budgeted</th>
<th>% attained</th>
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<tr>
<td>414</td>
<td>Memberships</td>
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<td>460</td>
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<td>463</td>
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<td>Program Fees</td>
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- **Facility Revenue Total**
  - $0 $642,605 0.00%

- July Membership Revenue includes payment for LKSD FY18 Contract.

## FY18 Expenses

<table>
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<tr>
<th>Expenses</th>
<th>Jul-17</th>
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| TOTAL                           | $51,102| $51,102| $374,875| 13.63% |
## Daily Patron Counts Total for Facility

| Time | Saturday | Sunday | Tuesday | Wed | Thursday | Friday | Saturday | Sunday | Tuesday | Wed | Thursday | Friday | Saturday | Sunday | Tuesday | Wed | Thursday | Friday | Saturday | Sunday | Tuesday | Wed | Thursday | Friday |
|------|-----------|---------|---------|-----|----------|--------|----------|---------|---------|-----|----------|--------|----------|---------|---------|-----|----------|--------|----------|---------|---------|-----|----------|--------|----------|
| 6:00am | 237 | 309 | 116 | 205 | 268 | 271 | 373 | 291 | 290 | 203 | 216 | 151 | 294 | 288 | 297 | 297 | 276 | 475 | 402 | 344 | 364 | 320 | 303 | 432 | 325 |

---

**Total:** 237 309 116 205 268 271 373 291 290 203 216 151 294 288 297 297 276 475 402 344 364 320 303 432 325
## Daily Patron Counts By Area:

| Area     | 6:30am | 6:00am | 5:30pm | 6:30pm | 7:00pm | 6:30am | 6:00am | 5:30pm | 6:30pm | 7:00pm | 6:30am | 6:00am | 5:30pm | 6:30pm | 7:00pm | 6:30am | 6:00am | 5:30pm | 6:30pm | 7:00pm | 6:30am | 6:00am | 5:30pm | 6:30pm | 7:00pm |
|----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Total    | 15     | 41     | 11     | 21     | 25     | 17     | 28     | 41     | 20     | 7      | 20     | 14     | 37     | 21     | 27     | 14     | 20     | 35     | 35     | 35     | 31     | 20     | 28     | 30     | 52     | 36     |
July 2017 Monthly Facility Averages

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</table>

**July 2017 Monthly Area Averages**

**Studio Tues Wed Thurs. Fridays**

**Fitness Tues Wed Thurs. Fridays**

**Pool Tues Wed Thurs. Fridays**

**Spa Tues Wed Thurs. Fridays**

**YKFC Monthly Report**

**June**

**08/15/2017**

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**Page 14 of 14**

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City of Bethel, Alaska
Parks, Recreation, Aquatic, Health & Safety Center Committee Minutes

August 14, 2017  Regular Meeting  Bethel, Alaska

I. CALL TO ORDER
The meeting was called to order by Judy Wasierski at 6:00pm.

II. ROLL CALL
Comprising a quorum, the following members were present: Michelle DeWitt, Judy Wasierski, Barbara Mosier, Kathy Hanson, Beverly Hoffman, Brian Lefferts, Justin Wintersteen, and Fred Watson

Excused absent (s): Kathryn Baldwin

Also in attendance were the following:
Committee Recorder, Betsy Jumper
YK Fitness Center Director, Stacey Reardon
City Manager, Peter Williams

III. PEOPLE TO BE HEARD:
Peter Williams- informed the committee about the condition and status of the Owl Park.

IV. APPROVAL OF AGENDA

MOVED BY: Beverly Hoffman  Motion to approve the agenda
SECONDED BY: Brian Lefferts
VOTE ON MOTION: Unanimously approved

V. APPROVAL OF THE MINUTES:

MOVED BY: Kathy Hanson  Motion to approve the regular minutes for July 10, 2017
SECONDED BY: Brian Lefferts
VOTE ON MOTION: Unanimously approved

VI. SPECIAL ORDER OF BUSINESS:

VII. UNFINISHED BUSINESS:
    a. Individual to provide report to August 22 City Council meeting: Barbara Mosier volunteered to give the report.
    b. Unresolved Recommendations and Action Memorandums: no new updates this month.
    c. Privatizing Recreational Services-Calendar/Budget Discussion: Discussion amongst committee members on setting up a monthly activity and to allocate the budget for more employees at the Health and Fitness Center.
d. Kasayuli Park Development: Members compared some potential spots for the Kasayuli Park. One spot as a slant in it and it would need to be leveled. Judy will follow up with City Clerk on public hearing rules.

VIII. Parks and Recreation Department Report: John Sargent presented to the committee about the progress on the multipurpose field. He will be creating a diagram with all the dimensions of the field.

g. Balance on dedicated Pool Fund: no new updates this month
h. Sub Committee Reports: Water Temp, Marketing, Physical Facility: tabled
i. Arts at the YK Fitness Center: Art Committee picked out artists they would like to hear back from for both interior and exterior artwork. If an artist would like to come to see the facility, some of the airfare will be paid with the contract depending on location.
j. Mechanical Specialist Inc. (MSI) contract: A full time Pool Maintenance position has been vacated. The contract has been terminated and the repair work is being done in house and locally with the staff.

IX. YK Fitness Facility Director Report- Stacey Reardon: Stacey Reardon presented the operations plan to the committee for discussion.

X. New Business:
j. Ice Skating Rink: tabled
k. Review of Proposed rates presented to the Council in the Yukon Kuskokwim Fitness Center’s Fiscal year 2018 Operations Plan: No new rates were proposed to the council, and they are currently the same. The committee discussed the pros and cons.

<table>
<thead>
<tr>
<th>MOVED BY:</th>
<th>Judy Wasierski</th>
<th>Motion to recommend to council to keep the rates the same as the 2018 Yukon Kuskokwim Fitness Center’s Operations Plan Proposal.</th>
</tr>
</thead>
<tbody>
<tr>
<td>SECONDED BY:</td>
<td>Beverly Hoffman</td>
<td></td>
</tr>
<tr>
<td>VOTE ON MOTION:</td>
<td>Unanimously approved</td>
<td></td>
</tr>
</tbody>
</table>

XI. MEMBER COMMENTS:
M. Dewitt- no comment.
J. Wasierski- I’m going to encourage as many of us to go to council meetings.
K. Hanson- no comment
B. Mosier- A pool swimmer stated that this is the best pool she has ever been in.
B. Lefferts- no comment.
B. Hoffman- I appreciate the hard work from this committee.
F. Watson- I wish I was here when Pete talked about the Owl Park.
J. Wintersteen- no comment.

XII. ADJOURNMENT

<table>
<thead>
<tr>
<th>MOVED BY:</th>
<th>Beverly Hoffman</th>
<th>Motion to adjourn the meeting at 8:00pm</th>
</tr>
</thead>
</table>
APPROVED THIS ___ DAY OF__________, 2017.

__________________________  _________________________
Betsy Jumper, Committee Recorder                              Michelle DeWitt, Chair
City of Bethel, Alaska
Public Works Committee Minutes
August 16, 2017

I. CALL TO ORDER:
Due to the lack of quorum there was no regular meeting held on August 16, 2017

II. ROLL CALL:
The following were present: Joseph Klejka, Jennifer Dobson, and Scott Guinn

Excused absence(s): Robert Champagne
Unexcused absent: Mike Shantz

Also Present:
Committee Recorder, Pauline Boratko

Meeting adjourned at 6:45 pm due to lack of quorum.

APPROVED THIS _____ DAY OF ____________, 2017.

Betsy Jumper  
Recorder of Minutes

Joseph Klejka  
Chair
CITY OF BETHEL, ALASKA

Ordinance #17-39

AN ORDINANCE REPEALING AND REPLACING CHAPTER 4.16 OF THE BETHEL MUNICIPAL CODE, SALES AND USE TAX

SECTION 1. Classification. This is a Codified Ordinance and shall become part of the Bethel Municipal Code.

SECTION 2. Amendments. Bethel Municipal Code Chapter 04.16 Sales and Use Tax, is amended as follows (old language is stricken, new language is underlined):

Chapter 4.16
SALES AND USE TAX

Sections:
4.16.010 Definitions.
4.16.020 Interpretation.
4.16.030 Imposition — Rate.
4.16.040 Exemptions.
4.16.050 Exemption certificates — Applications.
4.16.060 Tax added to sales price.
4.16.070 Bracket collection schedule.
4.16.080 Situs of taxable transaction.
4.16.090 Record of sale.
4.16.095 Receipts — Posting of signs.
4.16.100 Books, records and accounts.
4.16.110 Returns and remittances.
4.16.120 Termination, sale or transfer of retail business.
4.16.130 Sales tax trust fund.
4.16.140 Interest for delinquency.
4.16.150 Estimated tax.
4.16.160 Accelerated returns.
4.16.170 Investigation and audits.
4.16.180 Penalties.
4.16.190 Protest of tax and appeal by buyer.
4.16.200 Protest and appeal by seller.
4.16.210 Refund of excess remittance.
4.16.220 Review by finance committee.
4.16.230 Appeal to city manager.
4.16.240 Rulings and regulations.
4.16.250—Time extensions.
4.16.260—Disposition of tax information.
4.16.270—Civil enforcement remedies.
4.16.280—Liens.
4.16.290—Liability of responsible individuals.
4.16.300—Repealed.
4.16.310—Tax evasion.
4.16.320—Use tax.

4.16.010 Definitions.

For purposes of this chapter, certain words and phrases are defined as follows:

A. “City” means the city of Bethel.

B. “Common carrier” means a person engaged in transporting passengers or goods or both for valuable consideration in the normal course of the business of that person, or a seller engaged in transporting directly to a common carrier goods sold by him or her in a retail sales transaction directly to a buyer residing outside the city.

C. “Finance director” means the finance director of the city or the designee of the finance director; the designee may be an employee of the city, an accountant or other person who is not an employee of the city, a certified public accounting firm or other type of firm.

D. “Goods,” “fixtures,” “investment securities,” “general intangibles,” “accounts,” “chattel paper,” “documents,” “instruments” and “money” and their singulars, have the meanings given the terms by the Alaska Uniform Commercial Code, AS 45.01 et seq., as amended.

E. “Marijuana” means all parts of the plant (genus) Cannabis, whether growing or not, the seed thereof, the resin extracted from any part of the plant, and any compound, manufacture, derivative, mixture, or preparation of the plant, its seeds, or its resin, including marijuana concentrate. Marijuana does not include fiber products from the stalks, oil or cake made from the seeds of the plant, sterilized seed of the plant that is incapable of germination, or the weight of any other ingredient combined with marijuana to prepare topical or oral administrations, food, drink, or other products.

F. “Person” means an individual, partnership, cooperative, association, joint venture, corporation, estate trust, business, receiver, or any entity, group or combination acting as a unit.

G. “Responsible individual” means any individual, including a group of individuals such as a board of directors, partnership, joint venture, corporation or other entity, who has the responsibility to, is required to, has the authority to, or has the authority to direct or cause another person to:

1. Collect the tax levied under this chapter;
2. Segregate funds in lieu of the direct collection of the tax under this chapter;
3. Remit over to the city taxes required to be collected under this chapter; or
4. Determine which creditors of the seller are to be paid; and may include, but is
not limited to, such officers and employees of a seller as the chief executive officer,
 president, vice president for finance, controller, comptroller, treasurer, bookkeeper,
majority shareholder, finance director, manager, partner, managing partner, chief fiscal
or financial officer and accountant if they possess any of the authority, responsibility or
duties described in this definition.

H. “Sale” and “sales transaction” mean any sale, lease, rental, transfer or assignment
of any right, title or interest in any goods, fixtures, real property, things in action;
investment securities, future goods, goods to be severed from reality, admission
privilege, right of participation or attendance; general intangibles; accounts; chattel
paper; documents; instruments or money; and any sale, provision or performance of
services, for valuable consideration.

I. “Seller” means every person making a sales transaction to a buyer or consumer,
every person renting goods, real or personal property and every person performing
services, for valuable consideration.

J. “Selling price” means the present fair market value of all detriment incurred by the
buyer in the sales transaction, including cash payments, debt obligations and the
present value of goods, personal property, realty or service that form part of the
consideration for the sale without deduction for the value of trade-ins, markups, taxes
on, collected or paid by the seller or a prior owner or holder of the subject of the sale;
invoice prompt payment discounts or discounts not available to all purchasers.

K. “Services” means and includes all species of acts, activities, labor, advise,
consultation, advertising, brokering, retainers, representation and intercession but does
not include services rendered to an employer by an employee.

L. “Single sale unit” means that sale of a separate, single item or service which is
customarily sold, advertised, contracted for sale or sold in the normal course of
business as a separate and single item or unit or by a single unit of measurement (i.e.,
per-gallon, ton, hour, day, week, month, foot, sack, yard, pound, piece, group, each,
box, set, package, or other common unit of measurement). A single sale unit shall
include a sale by contract, quote, bid or other lump sum amount only if the sale is
based on and computed as a single bid, quote, sum or package price rather than as an
accumulation, sum or aggregation of prices of separately identifiable or separate unit
prices as defined above.

M. “Storage, use or consumption” means the storage, use or consumption in, or the
importation into, the city of an alcoholic beverage purchased or acquired from a source
outside the city.

4.16.020 Interpretation.

A. The application of the tax levied under this chapter shall be broadly construed and
shall favor inclusion rather than exclusion.

B. The exemptions from the tax levied under this chapter shall be narrowly construed
against the claimant and in favor of taxation.
4.16.030 Imposition—Rate.

A. There is levied and shall be collected a sales tax on all sales transactions in the city unless specifically exempted under this chapter. The tax is six (6) percent of the selling price.

B. The tax to be added to the sale price shall be twelve (12) percent for alcohol and transient lodging.

C. The tax to be added to the sale price shall be fifteen (15) percent for marijuana retail sales.

4.16.040 Exemptions.

The following sales are exempt from the tax levied under this chapter only in accordance with the limitations provided for in this section:

A. Casual and isolated sales, services or rentals by a seller who does not regularly engage in the business of selling such goods, services or rentals are only exempt if such sales, services or rentals do not occur for more than five (5) days in a calendar year, and are not made through a dealer, broker, agent or consignee. A casual and isolated rental of real property by a seller who does not regularly engage in the business of renting real property is not exempt except as provided in subsection C of this section. A casual and isolated sale of real property by a seller who does not regularly engage in the business of selling real property is not exempt except as provided in subsection X of this section;

B. Sales and rentals of goods and the sale or performance of services resulting from orders received from outside the city by mail, telephone or other public modes of communication if delivery of the goods ordered or rented is made outside the city by mail or common carrier, or if the performance of the services ordered occurs outside the city. The portion of the services ordered from outside the city that are performed inside the city are not covered under this exemption, and shall be fully taxable;

C. Except as provided in this subsection, that portion of the selling price of a single-sale unit in excess of ten thousand dollars ($10,000) and that part of a periodic rental price of all types of property in excess of ten thousand dollars ($10,000) are exempt. A periodic rental price is the amount owed on a monthly or more frequent period. Rentals with a payment period exceeding one (1) month are commuted for sales tax purposes as though payment were to be made on a monthly basis.

That portion of the selling price of an all-terrain vehicle (ATV), snow machine, boat, or boat motor in excess of three thousand five hundred dollars ($3,500) is exempt regardless of whether or not such items are purchased simultaneously, or are invoiced or otherwise billed on the same billing document.

That portion of the periodic rental price of single-sale unit of real property in excess of fifty thousand dollars ($50,000) is exempt;

D. Dues paid to clubs and other organizations solely for the privilege of membership;
E. A sale of goods made to a person in a foreign country for shipment out of the United States except where the goods or products sold are exported in bond for reentry into the United States;

F. A sale the city is prohibited from taxing under the Constitution and laws of the United States or the Constitution and the laws of the state of Alaska is exempt. A sale made directly to the state, its political subdivisions, or the U.S. government is exempt. A sale to a federal, state or city contractor is not exempt even if the government pays directly for the purchase;

G. A sale to an employee of the state, its political subdivisions, or the federal government is only exempt when the government employee provides proof that the sale is for government business by paying for the sale with a government voucher, purchase order, check, or warrant, or providing other verifiable documentation to the seller to allow the seller to readily determine that the sale is for government business;

H. Freight and wharfage charges, whether arising out of foreign, interstate or intrastate commerce, are exempt. Warehouse and storage services are not exempt. Transportation of goods, equipment, or other property from one (1) point to another within the city limits by commercial movers is not exempt;

I. The sale of insurance policies, guaranty bonds and fidelity bonds;

J. The lending of money and interest charged for loans, and other services provided by banks, savings and loans institutions, credit unions, and investment banks are exempt, except for ATM charges, safety deposit box charges, and cashier’s and traveler’s check charges;

K. The sale of food and beverages to students and staff in primary or secondary schools or college cafeterias or lunchrooms that are operated by the school primarily for teachers and students are exempt as long as such sales are made during regular school hours and such sales are not sold for profit. The sale of food and beverages to patients and staff as part of the services provided by local, state, and federal government agencies, hospitals and nonprofit organizations licensed to provide patient services by the state of Alaska are exempt as long as such sales are made during regular operating hours of the government agency, hospital, or nonprofit organization, and are not sold for profit;

L. The sale of goods to a wholesaler, retailer or other purchaser will only be exempt if such purchaser resells the same goods, in the same or altered form, and the resold goods will not be exempt from the tax levied under this chapter. In order to obtain the exemption provided for in this subsection, the purchaser shall display or provide to the seller at the time of the sale a copy of the purchaser’s current Bethel business license. The Bethel business license must be for the class of activities involving the resale of the type of goods for which the exemption is sought. If the purchaser buys goods for resale in accordance with this subsection and for personal or other use at the same time, only the goods that are sold for resale in accordance with this subsection shall be exempt. Supplies, services, tools, repair services, equipment or any other goods or services
purchased to support a business but not for resale in accordance with this subsection are not exempt;

M. The sale of goods to a purchaser that will be transferred to another person in a sale or performance of a service is exempt only if the purchaser displays or provides to the seller at the time of the sale a copy of the purchaser’s current Bethel business license. The Bethel business license must be for the class of activities involving the resale of the type of goods for which the exemption is sought. If a purchaser buys goods for transfer in accordance with this subsection and for personal or other use at the same time, only the goods that are sold for transfer in accordance with this subsection shall be exempt. Labor, tools, supplies, equipment rentals or any other goods or services purchased to prepare goods for transfer or in support of business operations but not for transfer in accordance with this subsection are not exempt;

N. The service of transporting students to and from a school in vehicles;

O. The sale of labor and materials for a single-family residence in which a private individual resides full-time without leasing for compensation any portion of the residence to another person, including labor and materials for the improvement, renovation, or remodel of such a single-family residence, is exempt only if (1) the sale of such labor and materials is to the private individual who resides in the residence; (2) the private individual is acting as his or her own general contractor in constructing, improving, renovating, or remodeling the residence; and (3) the private individual displays at the time of sale an exemption certificate issued under BMC 4.16.050;

P. Purchases made with food coupons, food stamps, or other types of certificates issued under 7 USC Sections 2011 through 2025 (Food Stamp Act);

Q. Ambulance, dental, hospital and medical services, including the sale of hearing aids, physical therapy services, prosthetic devices and medicinal preparations, when prescribed by a licensed health care provider. Ambulance, dental, hospital and medical services do not include services rendered by chiropodists, barbers, cosmeticians, masseurs or veterinarians;

R. The sale of services of transporting passengers by river taxi, taxicab, bus, commercial-airline, air charter, air taxi, hovercraft or limousine is exempt. The lease of vehicle-for-hire permits is not exempt;

S. The sale to a senior citizen of food intended for consumption by the senior citizen, his or her spouse living in the same household, or the un-emancipated minor children of either the senior citizen or his or her spouse who live in the same household. The senior citizen shall display at the time of the sale a current and valid senior citizen exemption certificate issued to the person under BMC 4.16.050(C). For purposes of this subsection, “food” is defined in accordance with 7 USC Section 2012(g) (definition of “food” for purposes of the Food Stamp Act);

T. The payment of rent by a senior citizen on a single dwelling occupied as the senior citizen’s primary residence and permanent place of abode. The senior citizen shall
provide proof at the time of payment of a current and valid senior citizen exemption certificate issued to the person under BMC 4.16.050(C);

U. Payment for telephone, electric, water and sewer utility services by a senior citizen on a single dwelling occupied as the senior citizen’s primary residence and permanent place of abode. The senior citizen shall provide proof at the time of payment of a current and valid senior citizen exemption certificate issued to the person under BMC 4.16.050(C);

V. The payment of rent by residents of Bethel community services and the payment of rent by Bethel community services clients who reside in Bethel at places other than the Bethel community services assisted living and supported living residences;

W. A sale of goods or services to any entity that, at the time of the sale, is legally constituted and legitimately acting in accordance with a duly authorized federal tax exempt status pursuant to IRS Regulations, Section 501(c)(3), (4) or (19), and if the same goods or services are used exclusively in the fulfillment of activities within the federal tax exempt status;

X. A sale of goods is exempt if a credit union organized under state or federal law is the purchaser of the goods;

Y. That portion of the selling price of real property in excess of twenty (20) percent of the first (1st) two hundred seventy-five thousand dollars ($275,000) of the selling price is exempt. This exemption does not apply to rentals of real property. This exemption applies to all sales of real property, including casual and isolated sales;

Z. The payment for No. 1 stove oil used as heating fuel by a senior citizen for a single dwelling occupied as the senior citizen’s primary residence and permanent place of abode. The senior citizen shall provide proof at the time of payment of a current and valid senior citizen exemption certificate issued to the person under BMC 4.16.050(C);

AA. Payment for water and sewer utility services by any and all persons or entities;

BB. Sales made by operators of a transient lodging business for the rental of rooms that are subject to the transient lodging business tax listed under BMC 4.14.020.

4.16.050 Exemption certificates — Applications.

A. Persons desiring an exemption certificate for exemptions under BMC 4.16.040(N), (R), (S), (T), (U) or (W) must make written application for the certificate on a form supplied by the finance director, pay the application fee and meet the other requirements of this section. The finance director may at any time require proof that the original grounds for the exemption still exist and the claimant shall have the burden of establishing his or her qualifications for the exemption.

B. An exemption certificate for exemptions under BMC 4.16.040(O) may be issued only upon:

1. Submission of a complete application to the finance director;

2. Payment of the certificate fee of two hundred fifty dollars ($250);

3. Proof that the applicant owns or has a substantial ownership interest in the land upon which the home is to be built;
4. Proof that all building, zoning and other permits and approvals have been obtained and that the home will meet all requirements of the Bethel sewer and water codes.

A certificate issued under this subsection shall be numbered, identify the applicant property owner, be signed by the finance director, and shall expire on the last day of the twelfth (12th) month following the issuance of the permit. The expiration date shall be prominently displayed on the certificate.

C.1. An exemption certificate or a renewal or replacement of an exemption certificate for a senior citizen exemption under BMC 4.16.040(S), (T) or (U) may be issued only upon the submission to the finance director of a complete application and the payment of any required fee. The certificate shall be in the form of a card which contains the name and residence address of the applicant, the applicant’s signature, a picture of the applicant, the expiration date of the certificate, and may contain codes and other information required by the finance director. The certificate shall expire two (2) years from the date of issuance. The finance director may establish and implement a system of staggered expiration dates. A certificate issued or renewed during the first (1st) two (2) years after the implementation of a system of staggered expiration dates may be given an expiration date that exceeds two (2) years as may be necessary to implement the system of staggered expiration dates. The finance director may issue temporary certificates under conditions determined by the finance director to be appropriate. The finance director shall conduct such investigation of the facts set out in an application as the director determines to be appropriate to verify the qualifications of the applicant for the certificate and shall issue the certificate within thirty (30) days of the submission of the application if the applicant is determined to be qualified.

2. A replacement certificate may be issued upon request, payment of any applicable replacement fee, proof of the loss of the original certificate and submission of a complete replacement certificate application.

3. If the applicant is physically or mentally disabled so that the applicant has unusual difficulty in shopping or other buying activities, the applicant may designate in the application up to two (2) persons who may act as proxy shoppers for the applicant. The names and signatures of the proxy shoppers shall be set out on the certificate.

4.a. Except for a proxy shopper whose name appears on the certificate, a person may not use in any way a certificate issued to another person.

b. A person to whom a certificate is issued may not give the certificate to another person for use by that other person unless the other person is a proxy shopper named on the certificate. Sales to a person acting as a proxy shopper are exempt only when the sale of the goods or services would be exempt if the sale had been made directly to the person to whom the certificate is issued.

5. To qualify for a certificate under this subsection, the applicant must be at least sixty-five (65) years of age; provided, any person who will be at least sixty (60) years of age on December 31, 1999, and was registered with the city for the senior
citizen sales tax exemption that existed on March 31, 1999, or who applies for a certificate under this subsection C on or prior to December 31, 1999, shall be treated as if they were sixty-five (65) years of age and will be entitled to a certificate under this subsection if the person is sixty (60) years of age and meets all the other qualifications for a certificate except the age requirement.

6. The domicile of the applicant must be in the state.

D. An exemption certificate for persons applying for an exemption under BMC 4.16.040(V) for the payment of rent by a Bethel community service client who resides in Bethel at a place other than the Bethel community services assisted living and supported living residences may be issued only upon:

1. Submission of a complete application to the finance director;
2. Proof satisfactory to the finance director that the applicant is a Bethel community services client;
3. Address of residence along with name, address and phone number of property owner; and
4. Proof satisfactory to the finance director that the property owner has a current Bethel business license and a current state of Alaska business license.

A certificate issued under this subsection shall be numbered, identify the applicant, be signed by the finance director, and shall expire on the last day of the twenty-fourth (24th) month following the issuance of the certificate. The expiration date shall be prominently displayed on the certificate. The finance director shall conduct such investigation of the facts set out in an application as the director determines to be appropriate to verify the qualifications of the applicant for the certificate and shall issue the certificate within thirty (30) days of the submission of the application if the applicant is determined to be qualified.

E. An exemption certificate or a renewal or replacement of an exemption certificate for a nonprofit organization under BMC 4.16.040(W) may be issued only upon:

1. Submission of a complete application to the finance director;
2. Proof that the claimant is a 501(c)(3), (4) or (19) organization;
3. Submission of the previous year’s federal tax filing (if applicable).

A certificate issued under this subsection shall be numbered, identify the organization, be signed by the finance director, and shall expire within one (1) year following the issuance of the certificate. The expiration date shall be prominently displayed on the certificate. No more than three (3) certificates may be issued to any nonprofit organization.

4.16.060 Tax added to sales price.

A. Seller shall add the sales tax to the selling price and, except as provided in subsection D of this section, shall collect the sales tax at the time of the sale. Such sales tax is a debt from the buyer or consumer to the seller until paid, and the same is recoverable at law in the same manner as other debts.
B. The tax levied under the provisions of this chapter is upon the buyer of goods, rentals or services, but the tax is remittable to the city by the seller regardless of whether the seller has collected the same from the buyer. It is the duty of each seller to collect from the buyer or consumer the full amount of the sales tax payable on each taxable sales transaction at the earliest of the time goods are sold, delivered or paid for, the time rent is due, or the time services are performed or paid for, provided the provisions of this and the preceding sentence do not apply to the extent they are inconsistent with the provisions of subsection D of this section. Every sale which is made within the city, unless explicitly exempted by this chapter or a subsequent ordinance, shall be presumed to be subject to the tax imposed hereunder in any action to enforce the provisions of this chapter.

C. In cases of payment of the sale price by consideration other than cash or an agreement to deferred payments under subsection D of this section, the seller shall collect the entire sales tax due on the noncash part of the sale at the time of the sale. The seller who fails to collect the sales tax due at the time of sale is immediately liable for the uncollected part of the sales tax due and shall segregate from the seller’s own funds the amount of such uncollected part and shall deposit such amount as the sales tax due in the Bethel sales tax trust fund or account required to be maintained for the holding of Bethel sales tax collected by the seller.

D. In cases of payment of all or a part of the sale price by installment or deferred payment, the seller may collect the sales tax as if the down payment and each installment or deferred payment were separate, individual sales, with the sales tax computed and paid on the entire principal and interest payment at the time of each payment. If the payment invoice for a deferred sales tax payment does not set out the amount of the sales tax due with the payment, the payment received shall be deemed to include the sales tax which shall be computed by multiplying the total principal and interest payment amount by 0.0566. Upon the sale or transfer by the seller of an account from which deferred sales tax payments are still due, the seller shall pay over to the city the amount of the sales tax still due from future payments on the account.

4.16.070 Bracket collection schedule.

A. Except as provided in subsections B and C of this section, the sales tax shall be stated separately on all invoices, receipts and other documents of the sale. The tax shall be charged in accordance with the following schedule:

<table>
<thead>
<tr>
<th>Selling Price (inclusive)</th>
<th>Amount of Sales Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0.01–$0.09</td>
<td>$0.10</td>
</tr>
<tr>
<td>$0.10–$0.16</td>
<td>$0.01</td>
</tr>
<tr>
<td>$0.17–$0.33</td>
<td>$0.02</td>
</tr>
<tr>
<td>$0.34–$0.50</td>
<td>$0.03</td>
</tr>
</tbody>
</table>
B. When sales are made through devices such as service station fuel pumps that compute the amount due as the product is delivered, the seller may set the device to add the sales tax as the product sold is delivered. In doing so, the seller may set the device to add the tax in one-cent ($0.01) increments in accordance with the schedule in subsection A of this section or may set the device to add the tax as exactly six (6) percent of the price of the product as it is delivered. In either case where the tax is added as the product is delivered and the price of the sale, including the sales tax, is displayed on the device as the delivery is being made, the seller is not required to state the amount of the tax separately in an invoice or receipt, but shall place a notice on the device that the price shown includes the city sales tax.

C. When a coin-or bill-operated device dispenses goods, permits one (1) or more plays of a game or other entertainment, or permits a predetermined use of a device, equipment or place, the sales tax levied under this chapter shall be deemed to be included in the amount required to be deposited and shall be computed for purposes of collection, holding in trust, and paying over to the city by multiplying 0.0566 by the gross proceeds of each collection removed from the device by the seller. If the seller sells tokens or cards that are used to operate the devices, the gross proceeds shall be the sum of the cash removed from the devices plus the receipts from the sale of the tokens and cards.

4.16.080 Situs of taxable transaction.

A. A sale occurs in the city when:

1. The sale agreement is reached between a buyer and seller in the city;
2. Goods, property or rights sold by or through a seller or seller’s agent in the city are delivered to the buyer in the city;
3. Property within the city is leased or rented;
4. Services are sold and performed within the city;
5. Services are performed in the city, without regard to where the services were sold; or
6. Any other activities related to the sale of goods, services or rentals occur within the city with a sufficient connection and relationship to the city to permit the imposition of the tax under this chapter.

B. Whenever a seller with a Bethel outlet consummates a mail order sale sent directly to a Bethel buyer, the transaction shall be construed as occurring in the city for tax purposes.
purposes unless the seller meets the burden of proving that the direct mail order sale is wholly disassociated from any assistance by its Bethel operations.

C. In cases where services or goods subject to a sales transaction outside the city are delivered both inside and outside the city, the tax shall be due on that portion of the services and goods delivered inside the city.

4.16.090 Record of sale.

A. Except for a person who has been certified by the finance director as a seller who engages solely in tax exempt sales, each person making sales within the city shall provide to the buyer and shall retain a copy of, a receipt or invoice documenting the details of the sale.

B. Each receipt or invoice shall:
1. Be dated;
2. Be sequentially prenumbered, but may be sequentially machine-numbered if the number printed on the receipt or invoice is machine-generated;
3. Show the quantity, description and price of the goods sold, services rendered or sold or rentals made;
4. Show the amount of the sales tax on the sale; and
5. If any part of the sale is exempt, set out in detail on the receipt or invoice:
   a. Each item and the amount of the sale that is tax exempt;
   b. The reason for the exemption;
   c. The name of the entity and the name of the person actually making the purchase, and
   d. If the exemption may be given only upon the display of an exemption certificate or business license or upon the provision of a business license number, the seller shall record on the receipt or invoice the number and expiration date of the certificate or business license and the name of the person to whom issued.

4.16.095 Receipts—Posting of signs.

A. The city finance department will create and distribute a poster designated by administration. The posters must be shown to the city council prior to being sent to businesses but do not require approval from council. The minimum requirements for the posters are as follows:
1. A request to patrons of the business to ask for a receipt; and
2. An explanation that the requirements of a receipt are date of sale, amount of sale, amount of tax collected and a sequence number of the receipt or invoice.
B. Businesses that are open to the public are required to post the signs.
C. Exempt businesses are those for which one hundred (100) percent of their business is nontaxable.
D. Failure to comply will result in a one hundred dollar ($100) fine per occurrence.

4.16.100 Books, records and accounts.

A. Sellers shall keep complete, adequate and accurate business records from which the city may determine sales tax liabilities. Failure to maintain such records of business
transactions is evidence intent to evade the tax and may result in penalties. A person
who fails to comply with the requirements of this section may not challenge or attack in
any court action or proceedings the correctness of any assessment of sales taxes based
upon any period for which such books, records, and invoices have not been so
maintained, preserved, or when requested, presented to the city.

B. Each seller shall prepare and preserve business records in a systematic manner
conforming to accepted accounting methods and procedures. Such records include:
1. The books of account ordinarily maintained by a prudent business person.
Records and accounting information stored on computers or microfilm must be provided
to the city in readable form when requested by the city;
2. Documents of original entry such as original source documents, pre-
umbered sequential receipts, cash register tapes, sales journals, invoices, job orders, contracts, or other documents of original entry that support the entries in the books of accounts;
3. All schedules or working papers used to prepare gross and taxable sales
results, including receipts or invoices showing exempt sales.

C. Records must show:
1. Gross receipts and amounts due from all taxable and exempt sales;
2. All exemptions or deductions from gross sales, including the customer name
and Bethel business license or exemption certificate number and expiration date, date
of transaction, receipt number, and amount exempted;
3. The total purchase price of all goods and other property purchased for sale,
resale, consumption, or lease.

D. All records that pertain to transactions involving sales tax liability shall be kept for
three (3) years following the end of the calendar year during which the transactions
took place, unless the finance director grants written permission for earlier destruction.
Records or copies of evidence presented as certification or proof of claimed sales tax
exemption by the buyer are required when sales tax is not collected. If the seller is
unable to provide the documentation required to validate the seller’s treatment of the
sale as exempt, or if the city determines that a sale was subject to tax, and the seller
failed to collect the tax, the seller becomes liable for the tax, plus interest, penalty,
costs and charges due the city.

E. Amounts received with the return shall be applied in the following order:
1. Miscellaneous costs and charges and disallowed deductions or retainments;
2. Penalties due, beginning with the oldest penalty;
3. Interest due, beginning with the interest due on the oldest month; and

4.16.110 Returns and remittances.
A. For each separate business entity and location, a seller shall complete a city sales
tax return, reporting accurately and completely all information required on the form for
all sales transactions occurring during the preceding month, quarter or year. Each sales
tax return shall:

1. Set forth the gross receipts of the business for the reporting period: month, quarter or year;
2. Include all taxable and nontaxable transactions;
3. Itemize nontaxable transactions on the exemption form;
4. Include the amount of tax thereon; and
5. Include such other information as the finance director may require.

Each return shall be signed by a responsible individual who shall swear as to the
completeness and accuracy of the information on the tax return.

B. Any seller who filed or should have filed a sales tax return for the reporting period
shall file a return even though no tax may be due. This return shall show why no tax is
allegedly due, and, if the business is sold, foreclosed upon or otherwise transferred to
another person, the person to whom it was sold or transferred, the date it was sold or
transferred and the address and telephone number of the person to whom it was sold
or transferred. A seller who files a return for a reporting period when no tax is due is
not required to file returns thereafter until it has one (1) or more taxable sales during a
subsequent reporting period.

C. Each sales tax return for a reporting period must be received at the office of the
finance director or, if mailed with sufficient postage, be postmarked by the U.S. Postal
Service with a readable postmark date, on or before the last day of the month following
the period for which the return is required to be submitted. In the event the due date is
a Saturday, Sunday or state legal holiday, the sales tax return shall be received or
postmarked on or before the next following business day. All taxes required to be
collected, interest, penalty, costs and charges due shall be remitted with the sales tax
return, whether or not the tax has been collected from the buyer.

D. Upon approval of the finance director, a seller that anticipates that it will have less
than twenty-four thousand dollars ($24,000) in taxable sales during the current or
coming calendar year may file its sales tax return and remittance of taxes on an annual
basis for the current or coming year only if:

1. The seller had less than twenty-four thousand dollars ($24,000) in taxable
sales during the preceding calendar year;
2. The seller executes an affidavit in a form satisfactory to the finance director
stating that the seller anticipates that it will have less than twenty-four thousand dollars
($24,000) in taxable sales during the current or coming calendar year; and
3. The seller applies in advance for annual filing status on a form provided by
the finance department and receives written approval from the finance director.

Returns and taxes filed and paid on an annual basis must be received or postmarked
not later than the last day of the month following the calendar year for which the tax
return is required to be submitted. Penalties for the late filing of an annual return and
for the late remittance of taxes shall be double the rate applicable to monthly returns.
and interest shall accrue on late annual remittances from July first (1st) of the
preceding year. If the seller was in business during the preceding year, the finance
director may approve an annual filing for a seller at any time during the current
calendar year, but such approval is prospective only and may be given only upon
remittance by the seller of all taxes, penalties and interest due to the date of the
approval.

E. Upon approval of the finance director, a seller that anticipates that it will have less
than two hundred fifty thousand dollars ($250,000) in taxable sales during the current
or coming calendar year may file its sales tax return and remittance of taxes on a
quarterly basis for the current or coming year only if:

1. The seller had less than two hundred fifty thousand dollars ($250,000) in taxable sales during the preceding calendar year;

2. The seller executes an affidavit in a form satisfactory to the finance director stating that the seller anticipates that it will have more than twenty-four thousand dollars ($24,000) and less than two hundred fifty thousand dollars ($250,000) in taxable sales during the current or coming calendar years; and

3. The seller applies in advance for quarterly filing status on a form provided by the finance department and receives written approval from the finance director.

Returns and taxes filed and paid on a quarterly basis must be received or postmarked
not later than the last day of the month following the quarter in which the tax return is
required to be submitted. Penalties for the late filing of a quarterly return and for the
late remittance of taxes shall be double the rate applicable to monthly returns and
interest shall accrue on late remittances as if monthly filing was required.

F. If a complete return from a person reporting on a monthly, quarterly or annual
basis is accompanied by the entire tax due and is received by the city within the time
allowed, the person collecting the tax may deduct and retain up to one (1) percent of
the tax due for the entire reporting period as compensation for its costs of
administration of the tax; however, the amount deducted and retained may not exceed
one hundred dollars ($100) for any reporting period.

4.16.120 Termination, sale or transfer of retail business.

A. A seller who sells, transfers or assigns a substantial portion of his retail business
interest to another person shall make a final sales tax return within thirty (30) days
after the date of such conveyance. At least ten (10) business days before any such sale
is completed, the seller shall send to the finance director, by registered first-class mail,
postage prepaid, a notice that the seller’s interest is to be conveyed to another person
and shall include the name, address and telephone number of the person to whom the
interest is to be conveyed. Following receipt of said notice, the city shall have sixty (60)
days in which to perform a final sales tax audit and assess sales tax liability against the
seller of the business. If the notice is not mailed at least ten (10) business days before
the sale is completed, the city shall have twelve (12) months from the later of the
completion of the sale or the city’s knowledge of the completion of the sale within which to begin a final sales tax audit and assess sales tax liability against the seller of the business. The city may also initiate an estimated assessment if the requirements for such an assessment exist.

B. A person acquiring any interest of a seller in a business required to collect the tax under this chapter assumes the liability of the seller for all taxes due the city, whether current or delinquent, whether known to the city or discovered later, and for all interest, penalties, costs and charges on such taxes. The finance director, upon authorization of the seller, may disclose the sales tax remittances, delinquencies and the status of the seller’s sales tax account to any person designated by the seller.

C. A seller who terminates his or her business without the benefit of a purchaser, successor or assign, shall make a final tax return and settlement of tax obligations within thirty (30) days after such termination. If a final return and settlement are not received within thirty (30) days of the termination, the seller shall pay a penalty of one hundred dollars ($100), plus an additional penalty of twenty-five dollars ($25) for each additional thirty-(30-) day period, or part of such a period, during which the final return and settlement have not been made, for a maximum of six (6) additional periods. A new or renewed business license may not be issued to a seller who has failed to make the return and settlement under this section until the return and settlement required have been made and the penalty imposed has been paid.

4.16.130 Sales tax trust fund.

A. Upon collection by the seller or the segregation from the seller’s own funds of the tax levied and required to be collected under this chapter, title to the collected or segregated tax funds vests immediately in the city. The seller shall establish and maintain separate from all other funds and accounts of the seller a Bethel sales tax trust fund or account into which all sales tax collected or required to be collected shall be deposited or accounted for until paid over to the city.

B. Upon request of the finance director, a seller shall prove to the finance director that the seller has established and uses the trust fund or account required under this section.

C. A seller or any person with access to a trust fund or account required under this section or with access to funds required to be deposited in the trust fund who uses, diverts, or withdraws for any other use the tax funds collected and deposited or required to be deposited in the trust fund or account is guilty of a misdemeanor and may be punished upon conviction by a fine not to exceed one thousand dollars ($1,000) or by imprisonment not to exceed ninety (90) days or both fine and imprisonment for each such other use, diversion or withdrawal.
4.16.140 Interest for delinquency.

Interest shall accrue on the principal amount of the delinquent tax and other costs and charges, but not on penalties, at the rate of fifteen (15) percent per annum from the date of the delinquency until paid. Interest shall be assessed and collected in the same manner as the sales tax is assessed and collected. The date of delinquency for the payment of costs and charges is the thirtieth (30th) day following the date of the notice of the amount of the cost or charge due. Interest due on delinquent taxes, costs or charges may not be waived or forgiven except to the extent the underlying principal amount has been determined not to have been due.

4.16.150 Estimated tax.

A. On or after the fifth (5th) day of delinquency in the filing of the required sales tax return or the failure to remit all taxes, interest and penalty due, or upon a determination of a delinquency based upon an audit, the finance director shall assess against the delinquent seller a sales tax for the delinquent period or periods based on a reasonable estimate of the gross taxable sales computed from an audit or the tax returns submitted by the delinquent seller. If the finance director determines that information from prior tax returns is not adequate for computing a reasonable estimate of the gross taxable sales, other sources of information, including but not limited to information derived from similar businesses, may be used. Notice of the estimated assessment shall be provided to the seller by certified mail. Such assessment shall be due and owing retroactively from the first (1st) day of delinquency and shall be subject to the interest, penalty and other costs and charges as provided in this chapter.

B. The estimated assessment of sales tax and other amounts due and owing, as provided in subsection A of this section, shall be deemed to be admitted to be the amount due and owing to the city unless the finance director receives, within twenty (20) days of the date of the certified mailing of notice of the estimated assessment, an accurate and complete sales tax return for the delinquent periods together with full remittance of all taxes, interest, penalty, costs and other charges due, or the seller remits the amount due under protest under the provisions of BMC 4.16.190.

4.16.160 Accelerated returns.

A seller who is required to file a return and remit taxes to the city, who fails for more than thirty (30) days to file a return or remit the taxes due or who has, within a twelve- (12-) month period, filed or paid taxes late on two (2) or more occasions may be required by the finance director to file and remit on a weekly basis; provided, the finance director shall provide to the seller a hearing after reasonable notice of the finance director’s intention to require more frequent filing and remittance. Unless otherwise required or authorized by the finance director, a seller required to file on a weekly basis shall file a complete return and full remittance for the weekly period not later than the fifth (5th) business day following the last day of the weekly period. The
seller required to file and remit on a weekly basis who fails to file and remit the full
amount due within two (2) business days of the date required for such filing and
remittance or such a seller who files late two (2) or more times during a three-(3-)
month period may be required by the finance director to file on a basis more frequent
than weekly after written notice of intent and a hearing as provided in this section. The
day by which more frequent filings are due shall be established by the finance director.

4.16.170 Investigation and audits.

A. The finance director is not bound to accept a sales tax return as correct and may
conduct an investigation to determine the correctness of a return. A person shall, upon
request, furnish to the finance director every facility and assistance for the purpose of
the investigation.

B. For the purpose of ascertaining the correctness of a return or the amount of taxes
owed when a return has not been filed, the finance director may conduct investigations;
hearings and audits and to that end may examine any relevant books, papers,
statements, memoranda, records, accounts or other writings of any seller at any
reasonable hour on the premises of the seller and may require the attendance and
sworn testimony of any seller or any officer or employee of the seller at a hearing.
Upon written demand by the finance director, the seller shall present for examination in
the office of the finance director such books, papers, statements, memoranda, records,
accounts and other written material as may be set out in the demand unless the finance
director and the person upon whom the demand is made agree to presentation of such
materials at a different place.

C. The finance director may issue subpoenas for the appearance of persons and for
the production of records. The finance director may have enforcement of subpoenas in
the Superior Court.

4.16.180 Penalties.

A. A seller who fails to timely file a return as required under this chapter shall pay a
penalty of three and one-half (3 1/2) percent of the taxes due. The penalty shall be
imposed for each month or part of a month during which the delinquency or failure to
file exists up to a maximum of seventeen and one-half (17 1/2) percent of the initial
delinquency. The filing of an incomplete return shall be treated as the filing of no
return.

B. A seller who fails to timely pay an amount shown on a return as required under
this chapter shall pay a penalty of one and one-half (1 1/2) percent of the taxes not
paid. The penalty shall be imposed for each month or part of a month during which the
delinquency or failure to pay exists up to a maximum of seven and one-half (7 1/2)
percent of the initial delinquency.

C. A person required to collect a tax under this chapter, who fails to provide a written
receipt or invoice setting out the amount of the tax due on the transaction when the
amount of the tax is required to be shown on the receipt or invoice, shall pay a penalty to the city equal to twice the amount of the tax due on the sale. The minimum penalty is five hundred dollars ($500).

D. A person required to collect a tax under this chapter, who fails or refuses to produce records demanded or allow inspection at such reasonable time as requested or demanded by the finance director, shall pay to the city a penalty equal to three (3) times any deficiency found or estimated by the finance director to have occurred; provided, the minimum penalty is two thousand five hundred dollars ($2,500). In addition to penalties, violators may be assessed administrative and/or legal costs associated with the city’s obtaining the necessary records to complete the audit or investigation.

E. A person required to maintain records under the provisions of this chapter shall immediately notify the city of any fire, theft or other casualty that would prevent the person from complying with the provisions of this chapter. Such casualty may be a defense to a civil penalty levied under this section, but does not excuse the person from the liability for payment to the city of taxes required to be collected. The unexplained or accidental loss of records, except by fire, theft or casualty, does not excuse a person from the performance of any of the requirements under this chapter.

F. A penalty imposed under any part of this chapter except subsection C or D of this section may not be waived or reduced except upon a clear showing of reasons beyond the control of the person upon whom the penalty is imposed or a similar strong justification and approval by the city manager of the waiver or reduction.

G. A penalty imposed under subsection C or D of this section may be waived or reduced upon a showing of reasons upon whom the penalty is imposed or a similar justification. Discretion by the city manager upon appeal shall determine the waiver or reduction.

4.16.190 Protest of tax and appeal by buyer.

A. The seller shall determine whether a sale is taxable under this chapter. If the seller fails to collect the tax due on a sale transaction because of an incorrect determination of taxability by the seller, except when the seller has been misled by the buyer, or fails for any other reason to collect the tax due on the sale, the seller becomes liable to the city for the tax in the same manner as if the tax had been collected.

B. If a buyer believes that a transaction is exempt or otherwise not subject to the tax imposed under this chapter, the buyer shall pay the tax to the seller under protest. A tax is paid under protest by stating to the seller that the tax is paid under protest and requesting the seller mark any receipts, invoices or other evidence of the sale to indicate that the tax is paid under protest. The buyer shall file with the finance director a statement of protest on a form provided to the buyer by the finance director. Failure to file a complete statement of protest with the financial director within ten (10) days of the date of the sale or to pay the tax at the time of the sale constitutes a waiver of the
protest and of any other right of the buyer to challenge the tax in any other forum. The buyer shall clearly set out on the form the terms and conditions of the sale, the amount of the sale, the goods, rental or services involved, the location of the sale and all other information necessary to support the buyer’s claim that the tax does not apply.

C. The buyer shall file the completed form, including the copy of the receipt or invoice, with the finance director within ten (10) days of the date of the sale. The seller shall include a copy of the receipt protested with the seller’s sales tax return for the tax reporting period in which the protested tax was paid. The protested tax shall be paid over to the city with all other sales tax amounts due for the reported period.

D. The finance director shall issue a written ruling on the buyer’s protest within thirty (30) days of the timely filing by the buyer. The burden of proof is on the buyer. The finance director may make inquiry of any person who may have information of the facts relevant to the taxability of the protested tax and may seek the advice of the city attorney on any protest. The ruling will be in writing and must set forth the reason for the grant or denial of the protest. The ruling will be mailed to the buyer and the seller at the addresses given on the protest.

E. If a protest is granted, the finance director shall determine whether the tax protested has been received by the city from the seller. If the tax has been received, the finance director shall refund directly to the buyer the amount of the tax to be refunded. If the tax has not been received by the city, the finance director shall pay the refund to the buyer upon receipt of the sales tax from the seller.

F. In the event the protest is denied, the buyer may, within twenty (20) days of the date of mailing of the notice of denial, either request a finance committee review of the decision pursuant to BMC 4.16.220 or may file an appeal to the city manager pursuant to BMC 4.16.230. The request for finance committee review shall be filed with the finance director who shall immediately forward the request to the chair of the finance committee. An appeal to the city manager shall be filed with the finance director who shall immediately forward the appeal to the city manager.

4.16.200 Protest and appeal by seller.

A. A seller may appeal a decision of the finance director if the seller believes that:
   1. A transaction is exempt or otherwise not subject to the tax imposed under this chapter but has been informed by the city that such transaction is subject to the tax imposed under this chapter;
   2. The tax, a penalty, interest or other charge imposed or demanded by the city is not owing;
   3. An application for a refund of an excess payment was incorrectly denied;
   4. An estimated tax filing by the finance director is incorrect or erroneous; or
   5. Any other notice or demand of any amount claimed by the city to be due under this chapter is incorrect or erroneous, but only if such notice or demand is not
the result of a prior appeal of the same matter and is not a subsequent notice or demand for which a timely appeal or protest of the earlier notice or demand was not timely filed.

B. The seller may appeal the determination of the tax, interest, penalty, charge or other claimed amount by the city by remitting the amount to the city under protest and filing with the finance director at the time of remittance a statement of protest setting out all relevant facts and clearly explaining why the transaction, or the amount, is exempt or not otherwise subject to the tax levied under this chapter or why the amount determined by the city is incorrect, erroneous, or otherwise not owing. The remittance and statement of protest must be received by the city not later than the twentieth (20th) day following the date the notice or determination is mailed to the seller. Failure to file a statement of protest and to remit the amount claimed by the city as owing within the time permitted under this subsection constitutes a waiver of the right to protest and to appeal the tax, disallowance, charge, interpretation or other city determination under this chapter and is a waiver of the right to appeal the determination to the city manager or to appeal or otherwise challenge the tax, disallowance, charge or interpretation or other determination in any judicial or other proceeding. If a seller shows that remittance under protest of the amount demanded would create an extreme hardship for the seller, the finance director may waive the remittance of part or all of the amount required to be paid; provided, the amount determined to be due by the finance director in the written decision of the appeal must be paid prior to filing with the city manager an appeal of the finance director’s decision. Upon the request of the seller and a determination by the finance director that the seller has not been late or deficient in the remittance of its sales taxes to the city for the immediately preceding three (3) years, exclusive of the remittances for the period under protest, and that he has a history of prompt remittance of all its other accounts with the city, the finance director may waive the remittance of part or all of the amount required to be paid; provided, the amount determined to be due by the finance director in the written decision of the appeal must be paid prior to filing with the city manager an appeal of the finance director’s decision.

C. The finance director shall issue a written ruling on a seller’s protest within thirty (30) days of receipt of the protest and remittance if timely filed. The seller has the burden of proof. The finance director shall permit or may require the seller to provide additional information relevant to the protest and appeal. The finance director may seek the advice of the city attorney on a seller protest and appeal. The ruling will be in writing and must set forth the reason for the grant or denial of the protest and appeal. The ruling will be sent to the seller at the address given in the protest.

D. If a protest is granted in part or in whole, the finance director shall refund to the seller the amount paid over to the city under protest that was in excess of the amount found owing. The seller shall immediately refund to each buyer from whom the tax was collected the amount of the tax improperly collected; if the seller did not collect the tax
but has paid the tax to the city from its own account, the seller may retain the tax refunded:

E. In the event the protest is denied, the buyer may, within twenty (20) days of the date of mailing of the notice of denial, either request a finance committee review of the decision pursuant to BMC 4.16.220 or may file an appeal to the city manager pursuant to BMC 4.16.230. The request for finance committee review shall be filed with the finance director who shall immediately forward the request to the chair of the finance committee. An appeal to the city manager shall be filed with the finance director who shall immediately forward the appeal to the city manager.

### 4.16.210 Refund of excess remittance.

A. A seller who, through a clerical or similar error, remits a tax under this chapter that exceeds the amount actually due may receive a refund of the excess remittance upon meeting the conditions set out in this section.

B. A seller who has made an excess tax remittance as set out in subsection A of this section shall be given a refund of the excess if the city receives written notice from the seller of the amount claimed as an excess remittance accompanied by satisfactory proof of the excess remittance in the form required by the finance director. The claim and proof must be received not later than the last day of the twenty-fourth (24th) month following the month for which the excess remittance was made, without regard to the month during which the remittance to the city was actually made.

C. Upon approval of a refund to a seller, the city may pay the refund to the seller or authorize the seller to take the refund as a credit against future monthly tax remittances; provided, the amount taken as a credit in any one (1) month may not exceed twenty (20) percent of the amount otherwise due for the month. No interest may be paid on the excess remittance.

D. In the event the protest is denied, the buyer may, within twenty (20) days of the date of mailing of the notice of denial, either request a finance committee review of the decision pursuant to BMC 4.16.220 or may file an appeal to the city manager pursuant to BMC 4.16.230. The request for finance committee review shall be filed with the finance director who shall immediately forward the request to the chair of the finance committee. An appeal to the city manager shall be filed with the finance director who shall immediately forward the appeal to the city manager.

E. A claim for a refund of an excess remittance to which this section applies is forever barred if notice and proof of the excess remittance are not given within the time required.

### 4.16.220 Review by finance committee.

A. Upon receipt of a request for finance committee review, the chair of the committee shall determine the earliest dates the finance director, the finance committee and the person requesting review can meet. The chair of the committee shall select a date, time
and place for a meeting and shall notify the committee members, the person requesting
review and the finance director of the meeting.

B. The finance director and the person requesting review shall provide to each other
and to the committee chair all documents upon which each intends to rely in the review
of the matter. Such documents should be provided within three (3) business days of the
date notice of the meeting is mailed. The chair of the committee shall distribute to the
committee members documents received in the matter.

C. The procedures at the meeting on the matter under review shall be informal. The
person requesting review and the finance director shall each have a reasonable
opportunity to explain their position. At the conclusion of the meeting on the matter,
the committee shall determine what recommendation it will make to the finance
director and shall set out its reasons for the recommendation. The finance committee
recommendation is advisory only and is not appealable.

D. The recommendation and reasons shall be reduced to writing and mailed or
delivered to the person requesting review, the finance director, and the city manager.
The finance director shall give consideration to the arguments raised by the person
requesting review, the recommendations of the committee, the scope of discretion of
the finance director in the matter and other relevant factors. The finance director may
consult with the city manager on the matter. The finance director shall promptly decide
the position of the finance department and inform the person requesting review and the
committee in writing of the final decision of the finance director. The finance director
shall undertake such action as may be appropriate to implement the final decision.

E. A person who is dissatisfied with the final decision of the finance director may,
within twenty (20) days of the date of mailing of the decision, file with the finance
director an appeal of the decision to the city manager pursuant to BMC 4.16.230. The
finance director shall immediately forward the appeal to the city manager.

4.16.230 Appeal to city manager.

A. An appeal to the city manager of a finance director’s decision must be in writing
and must set out with specificity the errors claimed to have been made by the finance
director.

B. An appeal to the city manager of a finance director’s decision shall be scheduled
for a hearing and be heard by the city manager or a hearing officer appointed by the
city manager. The city manager or the hearing officer shall receive such relevant
documents, information and testimony as the appellant and the finance director may
desire to present at a hearing. The burden of proof is on the appellant. Unless the city
manager specifically delegates to the hearing officer the authority to hear and decide
the appeal, the hearing officer shall hear the appeal and provide to the city manager a
proposed decision setting out findings, conclusions and orders which the city manager
may accept, modify or reject and refer back to the hearing officer for reconsideration. If
the hearing officer is specifically authorized to decide the appeal, the hearing officer’s
decision is the final decision. If the city manager hears the appeal or if the city manager
accepts and signs a hearing officer’s proposed decision, whether or not modified by the
city manager, such decision is the city manager’s decision and is the final decision. A
final decision shall be in writing and shall set out findings of fact, conclusions, and such
orders as may be appropriate. A final decision may be appealed to the Superior Court
pursuant to the rules of appellate procedure. A final decision shall state that it is a final
decision and shall contain any notice of the limitations on and the right to appeal
required by Rule 602(a)(2) of the Alaska Rules of Appellate Procedure or other
applicable rule. A copy of the final decision shall be promptly mailed or delivered to the
appellant and to the finance director.

4.16.240 Rulings and regulations.

A. The finance director may promulgate and amend regulations and may prescribe
the content and use of forms appropriate to the implementation of this chapter.
Regulations promulgated by the finance director are effective on the date they are
promulgated unless a different date is indicated in the regulations; provided, all
regulations are subject to amendment and repeal at any time by the city council by
ordinance. At least seven (7) calendar days prior to promulgation, a proposed
regulation or amendment shall be submitted to the city attorney and the city manager
for review and comment. Upon promulgating a regulation or any amendment to an
existing regulation, the finance director shall submit the regulation or amendment to
the city council at its next regular meeting.

B. If any person who is or may be required to remit or collect the tax under this
chapter questions the application of this chapter to a transaction or other situation in
which that person is involved or may become involved, the person may apply to the
finance director for a ruling on the question. The finance director may rule on the
question and may seek the advice of the city attorney on the question. Before a ruling
of the finance director is effective or binding on the city, it must be signed by the city
manager. Rulings having general applicability shall be considered by the finance director
for promulgation as a regulation.

4.16.250 Time extensions.

For good cause shown, the finance director may grant an extension of the time
required for the performance of any act under this chapter. The extension shall be
subject to such terms and conditions as the finance director finds appropriate. An
application for an extension must be filed in writing before the date required for
performance.

4.16.260 Disposition of tax information.

Information in the possession of the city which was obtained by the city in the
administration or enforcement of the provisions of this chapter and which discloses the
particulars of the business or affairs of a seller or other person from whom the
information is obtained is not a matter of public record, but may be disclosed to other
municipalities, the state or the United States for purposes of investigations and law
enforcement. The information shall be kept confidential except when its production is
required in an official investigation or an administrative or court proceeding. These
restrictions do not prohibit the publication of general sales tax statistics and information
or prohibit the publication of tax lists showing the names of sellers who are delinquent
in the remittance of taxes, the amount of the delinquency plus penalties and interest
owed by the delinquent sellers. Information otherwise protected by this section may be
furnished on a reciprocal basis to other municipalities, agencies of the state or the
United States concerned with the enforcement of tax laws, and may be furnished to any
person authorized in writing by the seller to receive or view the information.

4.16.270 Civil enforcement remedies.
   A. If sales tax is not paid when due, the city may enforce the remittance of the tax,
   interest, penalty, costs and charges by any method available in law, including but not
   limited to the lien, foreclosure and sale of real and personal property or a civil action
   against the delinquent taxpayer or responsible individual.
   B. The city may institute a civil action against any person who violates a provision of
   this chapter. In addition to injunctive and compensatory relief, a civil penalty not to
   exceed one thousand dollars ($1,000) may be imposed for each violation. An action to
   enjoin a violation may be brought notwithstanding the availability of any other remedy.
   On application for injunctive relief and a finding of a violation or a threatened violation,
   the Superior Court shall grant the injunction. Each day that a violation of this chapter
   continues constitutes a separate violation.

4.16.280 Liens.
   A. The tax, interest, penalty and other costs due and owing the city by a seller under
   this chapter constitute a lien in favor of the city upon the assets and property of all
   persons liable for the remittance of the tax, interest, penalty and other costs.
   B. The lien imposed by this section arises and attaches at the time that remittance
   becomes delinquent and continues until the entire amount due has been paid.
   C. If delinquent sales taxes, interest, penalties and other costs are not paid within ten
   (10) days from the mailing of notice and demand for remittance thereof, a notice of lien
   may be recorded in the office of the district recorder in any recording district where the
   person liable has assets or property, and upon recordation a lien arising under this
   section has priority over any other liens except those for special assessments or those
   granted priority by state or federal law.
   D. An action to foreclose the lien created by this section shall be commenced and
   pursued in the manner provided for the foreclosure of liens in AS 09.45.170 through
   09.45.220.
E. The remedy provided in this section is not exclusive and shall be in addition to all other remedies available to the city to collect the sales taxes, interest, penalty and costs due under this chapter.

F. The failure to record a lien does not constitute as a waiver or abrogation of any priorities, rights or interests of the city at law or in equity.

G. Fees for the administrative costs of filing notices of liens and releasing of liens shall be:

   1. Filing of notices of lien: Twenty-five dollars ($25), plus recorder’s office filing fee;
   2. Release of liens: Twenty-five dollars ($25), plus recorder’s office filing fee;
   3. Upon full satisfaction of remittance of all taxes, interest and costs, including the administrative costs for the filing and release of the liens, due and owing to the city, the finance director shall file a certificate discharging the lien.

4.16.290 Liability of responsible individuals.

Each responsible individual as defined under BMC 4.16.010 is liable to the city for the remittance of sales taxes that are delinquent and which were collected or required to be collected or required to be paid over to the city while such individual was a responsible individual with respect to such taxes. Such individual is liable to the city for penalties, interest on the delinquent taxes, costs and other charges accrued to the date of remittance. Upon written demand for remittance of delinquent taxes, penalty, interest, costs and charges sent by registered mail to a responsible individual, the responsible individual shall remit over to the city the amount of the delinquent taxes, interest, penalty, costs and charges due within twenty (20) days of the date of mailing of the written demand or file a written appeal to the finance director setting out with specificity the amounts for which he or she is not liable and the reasons there is no liability for such amounts. The appeal shall be filed as a protest under BMC 4.16.190 except that remittance under protest is not required to be made as a condition of filing the appeal to the finance director; however, if the protest decision of the finance director is appealed to the city manager, the amount set out as due in the finance director’s decision must be paid with the filing of the appeal to the city manager. If the responsible individual upon whom demand for remittance has been made fails to file an appeal or to remit the taxes, penalty, interest, costs and charges due within twenty (20) days of the date of mailing of the demand, the amount due is deemed admitted to be due from the responsible individual and may not thereafter be made the subject of an appeal or otherwise challenged in any judicial proceeding. The amount due may be collected in a civil action against the responsible individual.

4.16.300 Seller education.

Repealed by Ord. 09-04.
4.16.310 Tax evasion.
A. A person commits the misdemeanor crime of tax evasion if the person:
   1. Fails to file a statement or return required by this chapter;
   2. Makes a false statement or affidavit of occurrence, existence, amount, location, or value of a sales transaction or of property or service subject to tax under this chapter;
   3. Uses a tax exemption certificate or claims an exemption when an exemption is not applicable;
   4. Remits or rebates to a buyer or consumer, whether directly or indirectly, by any means, all or any part of the tax levied hereunder;
   5. Makes in any form of advertising, whether in writing, verbally or otherwise, any statement which implies that the person is absorbing the tax, paying the tax for the buyer or consumer or user by an adjustment of prices or by any other means; or is guilty of a misdemeanor; provided, however, a seller may advertise that the purchase price includes the sales tax when authorized under BMC 4.16.070(B) or (C) to include the tax in the sale price;
   6. Falsifies or changes the content of a record of any nature required to be kept under this chapter so as to misrepresent the facts or information contained therein;
   7. Submits to the city or the finance director any information or record that has been falsified or changed to create a misrepresentation;
   8. Fails, neglects or refuses to comply with any provision of this chapter; or
   9. Refuses as a buyer to pay to the seller the tax due under this chapter.
B. Each day upon which a violation of this chapter continues is a separate violation.
C. Upon the conviction of tax evasion under this chapter, the court may impose a fine of not more than three hundred dollars ($300) for each violation unless a greater punishment is authorized for the violation of a particular provision of this chapter.

4.16.320 Use tax.
A. There is levied and shall be collected a tax on the storage, use, or consumption of alcoholic beverages in the city. The tax shall be at the same rate as the sales tax levied under this chapter, but there shall be deducted from the tax levied under this section an amount equal to any sales tax paid by the buyer that was levied and collected on the sale of the alcoholic beverage.
B. The buyer shall pay the tax. A person outside the city who receives an order for alcoholic beverages to be shipped by the seller or seller's agent or employee to an address or person in the city shall collect the tax and remit the tax collected or required to be collected to the city in the same manner as required for sales taxes levied by the city. Such seller shall be liable for the remittance of the use tax in the same manner as a person who is required to collect the city sales tax on the sale of other goods. The buyer shall be liable to the city for all use taxes not collected by a seller.
C. The provisions of the chapter applicable to sales tax shall apply to the use tax levied under this section, including, but not limited to, provisions regarding computation, collection, holding, reporting, record keeping, remittance to the city, interest, penalties, enforcement, remedies, assessment of delinquent taxes, liability, audit, appeal and refund. When the sales tax provisions are applied to the use tax, the phrase “sales tax” shall be read as “use tax” where appropriate.

**EDITOR’S NOTE**
The numbering of the sections and subsections will be corrected following the passage of the ordinance.

**Chapter 4.16: Sales Taxes**

4.16.010 Definitions
4.16.020 Declaration and Policy
4.16.030 Interpretation
4.16.040 Presumption of Taxability
4.16.050 Rules Applicable to Particular Businesses or Occupations
4.16.060 Title to Collected Sales Tax
4.16.070 Imposition – Rate
4.16.080 Payment and Collection
4.16.090 Sales Tax Collection – Registration Requirement
4.16.100 Certificate to be Displayed
4.16.110 Certificate Non-Transferable/Non-Assignable
4.16.120 Injunction Prohibiting Operation of Business for Failure to Register or Failure to Remit Returns
4.16.130 Limits of Liability
4.16.140 Tax Receipts
4.16.150 Tax Exemptions
4.16.160 Exemption Cards
4.16.010 Definitions

For purposes of this chapter, certain words and phrases are defined as follows:

A. “Buyer” means and includes persons who acquire interest in real or personal property, or the right to use or occupy property, or who receives a service for consideration.

B. “City” means the City of Bethel.

C. “Coin-Operated Machine” means a slot machine, juke box, merchandise vending machine, laundry and any other service dispensing machine or amusement device of any kind which requires the insertion of currency to make it operative.

D. “Consumer” means the person who, in the ordinary meaning of the term, takes title to, takes possession of, or rents property, or receives services for consideration.

E. “Engaging in Business” means carrying on or causing to be carried on any activity with the purpose of direct or indirect economic benefit;
F. “Federally Recognized Indian Tribe” means an Indian or Alaska Native tribe, band, nation, pueblo, village or community that the Secretary of the Interior has acknowledged to exist as an Indian tribe pursuant to the Federally Recognized Indian Tribe List Act of 1994, Public Law 103-454, 25 USC 479a.

G. “Finance Director” means the finance director of the City or the designee of the finance director, the City Manager or the City Council; the designee may be an employee of the City, an accountant or other person who is not an employee of the City, a certified public accounting firm or other type of firm.

H. “Goods,” “fixtures,” “investment securities,” “general intangibles,” “accounts,” “chattel paper,” “documents,” “instruments” and “money” and their singulars, have the meanings given the terms by the Alaska Uniform Commercial Code, AS 45.01 et seq., as amended.

I. “Lease”, “Leasing” or “Rental” regardless of whether a transaction is characterized as a lease or rental under generally accepted accounting principles, means a transfer of possession or control of tangible personal property or real estate of a fixed or indeterminate term for consideration; a lease or rental may include future option to purchase or extend. The provisions of 26 U.S.C. (Internal Revenue Code), AS 45.01 through AS 45.08, AS 415.12, AS 45.14 and AS 45.29 (Uniform Commercial Code) shall apply.

J. “Person” means an individual, partnership, cooperative, association, joint venture, corporation, estate trust, business, receiver, or any entity, group or combination acting as a unit.

K. “Political Subdivision” means a local government created by the State of Alaska to help fulfill its obligations. Political subdivisions include counties, cities, towns, villages, and special districts such as school districts, water districts, park districts, and airport districts.

L. “Price” means the amount of money, or the fair market value of consideration other than money, that the buyer gives to the seller in exchange for the property, the right to use or occupy the property, or the rendering of services.

M. “Rental” means any transfer of the right to use or occupy property for consideration.

N. “Responsible individual” means any individual, including a group of individuals such as a board of directors, partnership, joint venture, corporation or other entity, who has the responsibility to, is required to, or has the authority to direct or cause another person to:

1. Collect the tax levied under this chapter;
2. Segregate funds in lieu of the direct collection of the tax under this chapter;
3. Remit over to the City taxes required to be collected under this chapter; or
4. Determine which creditors of the seller are to be paid; and may include, but is not limited to, such officers and employees of a seller as the chief executive officer, president, vice president for finance, controller, comptroller, treasurer, bookkeeper, majority shareholder, finance director, manager, partner, managing
partner, chief fiscal or financial officer and accountant if they possess any of the
authority, responsibility or duties described in this definition.

O. “Resale” means to sell again and is limited to items which are resold per se or are
physically present in a final product which is sold and is subject to tax at the time of
final sale. The item must be easily and readily identifiable in the final product.

P. “Sale” or “retail sale” or “sale at retail” means every sale or rental of real property
or sale or rental of personal property (whether tangible or intangible), every sale or
exchange of services, including barter, credit, lease, installment and conditional
sales, for any purpose other than resale when such resale is made in the regular
course of business.

1. A “sale,” “retail sale,” or “sale at retail” includes, but is not limited to the
following transactions:
   a. Selling property; or
   b. Renting, leasing, or letting of real or personal property, accommodations,
      facilities, or services of any nature whatsoever; or
   c. Storing for use or consumption any item or article of personal property; or
   d. Rendering occupational or professional services of any nature whatsoever; or
   e. Furnishing materials and rendering services in connection therewith to
      accomplish the installation, construction, repair or completion of a specific
      end product or project; or
   f. Selling real estate comprising parcels of land and buildings or improvements
      thereto, either separately or conjunctively; or
   g. Transfer of the product of a manufacture or construction process to the user
      of the product; or
   h. Importing, or causing to be imported, property from outside the city for sale
      or for rent, storage, distribution, use or consumption within the city; or
   i. Selling or furnishing, preparing and serving food or beverages, alcoholic or
      nonalcoholic, for consumption on or off the premises of the seller; or
   j. Selling bingo cards or pull tabs; or
   k. Every use or play of a coin-operated machine; or
   l. Transacting or engaging in any type of business not enumerated herein

Q. “Sales Price” or “Selling Price” means the consideration paid by the buyer, whether
money, credit, rights or other property or interest in property expressed in terms of
money equal to fair market value of the consideration including delivery costs, taxes,
or any other expenses whatsoever and without deduction on account of the cost of
property sold, the cost of materials used, labor costs, discount, delivery costs or
other expenses paid or accrued, and without any deduction on account of losses.

R. “Seller” means every person who, as principal or agent, makes a sales transaction to
a buyer or consumer, every person renting goods, real or personal property and
every person performing or providing services, for consideration. In the event that
retail sales transactions are being conducted in the name of a corporation,
partnership, cooperative, association, joint venture or other entity, the "seller" for purposes of responsibility and liability for the collection and remittance of sales tax shall include every director, officer and partner without exception.

S. “Selling price” or “Sales Price” means the consideration paid by the buyer, whether money, credit, rights or other property or interest in property expressed in terms of money equal to the fair market value of the consideration including delivery costs, taxes, or any other expenses whatsoever and without deduction on account of the cost of property sold, the cost of materials used, labor costs, discount, delivery costs or other expenses paid or accrued, and without any deduction on account of losses.

T. “Services” means and includes all services of every manner and description which are performed or furnished for compensation of any kind, except services rendered to an employer by an employee, including but not limited to:

1. Professional services;
2. Services in which a product or sale of property may be involved including personal property made to order;
3. The sale of transportation services;
4. Services rendered for compensation by any person who furnishes any services in the course of their business or occupation;
5. Services wherein labor and materials are used to accomplish a specified result;
6. Commissions earned during business conducted within the city; and
7. Any other services including advertising, maintenance, recreation, amusement and craftsmen’s services.

U. “Time of Sale” for installment sales is the time at which the initial payment is made.

V. “Transaction” means any transfer of property or the right to use or occupy property, or the rendering of a service, for consideration.

W. “Wholesaler” means a merchant who sells goods, in the regular course of business, to retailers who sell to consumers, or sell goods in the regular course of business to dealers or other wholesalers, for the purpose of taxable resale in the City. To qualify as a wholesaler, a merchant must be regularly recognized as such, and known to the trade as such.

X. “Wholesale Sale” means a sale of goods by a merchant selling them in the regular course of business; or a sale of goods by a merchant selling them in the regular course of business at wholesale prices to dealers or other wholesalers for the purpose of taxable resale in the City. The term does not include a sale by a wholesaler to users or consumers when such sale is not for taxable resale in the City.

Y. “Z Tape” means the report feature of a cash register which records the total transactions, such as sales by type, the number of customers and the number of items rung in for the period; the transactional total of the current day’s receipts.
4.16.020 Declaration and Policy
A. It is the policy of the City of Bethel to recognize that:
   1. The voters of the City of Bethel have granted to the City government the power to levy sales taxes and, by doing so, have entrusted the City to administer those taxes fairly, effectively, efficiently, and in full compliance with State and City laws.
   2. State law imposes a fiduciary duty upon the City of Bethel to collect sales taxes levied within the City.
   3. Proceeds from the sales taxes levied by the City of Bethel constitute, by far, the principal sources of municipal tax revenues.
   4. A substantial portion of the proceeds of the sales taxes levied by the City are used to fund essential services and facilities provided by the City.
   5. Any sales taxes levied by the City that are not properly collected and remitted diminish the fiscal resources available to fund core local governmental services.
   6. Any sales taxes that are not properly collected and remitted shift the financial burden of funding local governmental facilities and services to other taxpayers, citizens and businesses.
   7. To the extent, if any, that businesses do not collect and remit taxes on taxable sales, those businesses have a distinct and unfair competitive advantage over businesses that are properly collecting and remitting sales taxes.
   8. Sales taxes are paid by purchasers of goods and services, not the businesses that collect those taxes. To the extent, if any, that sales taxes are collected but not remitted by businesses, the trust obligations of those businesses are not being fulfilled, and the interests of the greater community of Bethel suffer.
   9. Bethel area businesses perform a valuable service to the residents and visitors of Bethel by collecting and remitting sales taxes. While not compensated directly for that service, those businesses and other property owners in Bethel enjoy the benefits provided by those taxes.
   10. It is the duty, function, and responsibility of the City to collect City sales taxes, along with penalties and interest on those taxes when due, to issue citations for violations of the City code regarding collection of sales taxes, and otherwise administer the collection of sales taxes.
B. Within the constraints outlined in the City code, the city manager shall keep the city council regularly informed regarding the collection of City sales taxes.

4.16.030 Interpretation
A. The application of the tax levied under this chapter shall be broadly construed and shall favor inclusion rather than exclusion.
B. The exemptions from the tax levied under this chapter shall be narrowly construed against the claimant and allowed only when such exemption clearly falls within an exemption defined in this chapter.

4.16.040 Presumption of Taxability
A. In order to prevent evasion of the sales tax and to aid in its administration, it is presumed that all sales by a person engaging in business are subject to the sales tax; and
B. There is levied by the City a sales tax on all retail sales, services and rentals which either commence or terminate within the City, or which are in any part rendered, supplied or provided within the City, except as expressly provided otherwise in this chapter.
C. A sales tax applies to all real property within the City that is either rented or sold. The tax applies to commissions on the sale or rental of real property, on the rental of real property, and as limited in section 4.16.150, on the sale of real property. The tax applies regardless of whether the seller, buyer, renter, lessee or tenant reside within or outside the City of Bethel.
D. For the purposes of this section, any building or other place of business shall be considered to be within the City if any part thereof or any substantial part of a contiguous parking area or other supporting facility is within the City.
E. For purposes of this chapter, the sales price or purchase price of property must be determined as of the time of acquisition.
F. For purposes of this chapter, a sale of services occurs at the time the services are provided.

4.16.050 Rules Applicable to Particular Businesses or Occupations
A. Commissions / Fees
1. Commissions on sales of real property located in the City are subject to sales tax, regardless of the location of the person to whom the commission is payable.
2. Commissions/Fees received as a result of professional services performed within the City, are subject to sales tax regardless of the location of the person to whom the commission is payable when the subject of the services occurred within the City.
B. Sales from Coin-Operated Machines. An amount equal to the gross receipts from each coin-operated machine that the seller operates in the City, shall be subject to sales tax.
C. Gaming.
1. Each operator or permittee conducting games of chance within the City must file with the finance director a Gaming Sales Tax Report quarterly on the same schedule as the filing of the State of Alaska Operator Quarterly Report for gaming is filed. A copy of the quarterly and annual reports that are required to
be filed with the State of Alaska must also be filed with the quarterly report filed with the City. These copies must be filed simultaneous to the filing of the quarterly City Gaming Tax Report.

2. For Bingo games, the operator, vendor or permittee shall pay to the City the sum of six (6%) [3.9% - 6%] of the gross sales as demonstrated on the daily “Z” tape.

3. For Pull-Tab games, the operator, vendor or permittee shall pay to the City the sum of six (6%) [3.9% - 6%] of the gross sales. “Gross sales” is to be calculated based on the number of cards in the box to be sold times the sale price x the tax. For example: 1000 cards x $1.00/card = $1,000 x 6% tax = $60 tax.

4. For all other games of chance, the operator, vendor or permittee shall pay the City the sum of six (6%) of the gross sales.

4.16.060 Title to Collected Sales Tax

Upon collection by the seller, title to sales tax vests in the City. The seller holds collected sales tax in trust for the City, and is accountable to the City therefore.

4.16.070 Imposition – Rate

A. To the fullest extent permitted by law, a sales tax is hereby levied and assessed on all retail sales, services and rentals within the City unless specifically exempted.

B. The tax rate added to the sale price, shall be:

1. Twelve (12%) Percent for transient lodging (see chapter 4.14)
2. Twelve (12%) Percent for Alcohol sales (see chapter 5.08)
3. Fifteen (15%) Percent for marijuana sales (see chapter 5.10)
4. Six (6%) Percent for all other sales/services, including, delivery charges.

C. The applicable tax rate shall be added to the sales price.

D. When a sale is made on an installment basis, the sales tax shall be collected at the time of the sale, calculated at the sales tax rate in effect at the time of the sale.

4.16.080 Payment and Collection

Taxes imposed by this chapter shall be due and paid by the buyer to the seller at the time of sale or service, or with respect to credit transactions, at the time of collection. It shall be the duty of each seller making sales taxable under this chapter to collect the taxes imposed by this chapter from the buyer at the time of each sale, or with respect to a credit transaction, at the time of collection of sales, and to hold those taxes in trust for the City. Failure by the seller to collect the tax shall not affect the seller’s responsibility for payment therefore to the City.

4.16.090 Sales Tax Collection – Registration Requirement

A. No person may engage in any taxable transactions within the City without first procuring an annual sales tax collection license from the City finance department.
B. A new business shall apply for a sales tax collection license not later than ten (10) days after the date of commencing business or opening additional places of business.

C. Existing businesses shall apply for a sales tax collection license concurrent with their business license renewal. All existing businesses must be compliant with this section no later than December 31, 2019.

D. A person, firm, partnership, corporation or other business entity shall file an application for registration with the finance department, on a form provided by the City, prior to conducting business within the City. The complete application shall be returned to the finance department along with a copy of the business entity’s Alaska state business license and City of Bethel business license. Registration will not be complete until all of these requirements have been met.

E. Each business entity shall be registered under the advertised name and each separate business shall be registered under its own account.

F. No sales tax collection license shall be issued to or renewed for:
   1. A person who does not meet the licensing requirements set out in chapter 5.04 (Business licenses); or
   2. A person who has failed to pay any necessary fees due to the City; or
   3. A person owing a judgment, delinquent taxes or a utility bill to the City, unless the person is in a satisfactory repayment plan.

G. Where the application or City records indicate that applicant is currently in violation of filing and/or remittance requirements of the City’s sales tax provisions, the finance director may deny the application registration until such time as applicant enters a binding agreement setting out a method by which full compliance will be attained.

H. The sales tax collection license of any seller will be suspended when such seller fails to pay delinquent taxes, penalties and interest within thirty (30) days after notice of delinquency is given or mailed provided such seller shall be afforded due process before the license suspension.

4.16.100 Certificate to be Displayed

A. Upon receipt of a properly executed application, the finance director shall issue to the seller a certificate of authority to collect City sales tax. The certificate shall state the name of the business as well the address of the place of business to which it is applicable, and shall authorize the seller to collect the tax.

B. The certificate must be prominently displayed at the place of business named in the certificate. A seller who has no regular place of business shall attach such certificate to his stand, truck or other merchandising device.

C. Upon notification, the finance director shall issue a duplicate sales tax certificate to any seller whose certificate has been lost or destroyed.
4.16.110 Certificate Non-Transferable/Non-Assignable

The certificate of authorization to collect sales taxes is non-assignable and non-transferable and must be surrendered to the finance director by the seller to whom it was issued upon its ceasing to do business at the location named therein or upon its revocation or suspension. If there is a change in the form of organization such as from a single proprietorship to a partnership or a corporation, the seller making such change shall surrender the old certificate to the finance director for cancelation. The successor seller is required to file a new application for a certificate of registration. Upon receipt of such application, properly executed, as provided in this chapter, a new certificate may issue to such successor seller.

4.16.120 Injunction Prohibiting Operation of Business for Failure to Register or Failure to Remit Returns

A. A proceeding requesting the issuance of an injunction prohibiting a business from continuing to conduct business within the City may be filed by the City in the superior court fifteen (15) days after providing notice either by hand delivery or by regular mail to any business which has failed to file a sales tax return or has failed to pay the sales taxes due even if a sales tax return has been filed.

B. A proceeding requesting the issuance of an injunction prohibiting a business from continuing to conduct business within the City may be filed by the City in the superior court fifteen (15) days after providing notice either by hand delivery or by regular mail to any business which has failed to file a sales tax return or filed a sales tax return without remitting the payment due.

4.16.125 Revocation Hearing

A. A hearing shall be conducted before a hearing officer within fifteen (15) calendar days of receipt of a written demand therefore from the person seeking the hearing unless such person waives the right to a speedy hearing.

B. The hearing officer shall conduct the hearing in an informal manner and shall not be bound by technical rules of evidence.

C. The person demanding the hearing shall carry the burden of establishing that such person has the right to represent the business (is an owner, agent or attorney hired for the proceeding).

D. The Finance Director shall carry the burden by clear and convincing evidence.

E. At the conclusion of the hearing, the hearing officer shall prepare a written decision. A copy of such decision and the reasons therefore shall be provided to the person demanding the hearing and the owner of the business if such owner is not the person requesting the hearing.

F. The hearing officer's decision in no way affects any civil proceeding in connection with the matter in question and any civil charges involved in such proceeding may
only be challenged in the appropriate court. The decision of the hearing officer is final.

G. Failure of the owner, operator, master, or managing agent to request or attend a scheduled hearing shall be deemed a waiver of the right to such hearing.

4.16.135 Limit of Liability

A. Questions regarding the applicability of this Code, its interpretation, forms or any other matter relating to sales taxes shall be submitted in writing to the Finance Director or an appointed designee. Oral statements are not binding on the City. Only written interpretations, properly requested may be relied upon. The authority granted to the Finance Director shall not create an obligation or duty requiring the Finance Director to take any action to protect or notify any seller or buyer within the City regarding their tax rights. The City assumes no liability for loss or damage caused by individual interpretation and application of this Code or forms related thereto. Sellers are encouraged to work with their accountants and/or attorneys.

B. Electronic Transactions. To the extent that the City of Bethel sends and accepts electronic records and electronic signatures, those electronic records and electronic signatures are governed by the Uniform Electronic Transactions Act, AS 09.80.10., et. seq.

4.16.140 Tax Receipts

The following types of businesses shall provide a cash register receipt for all sales transactions, including those that are wholly exempt from taxes:

1. Retail Sellers – to include, but not be limited to, supermarkets, sellers of fuel, boutiques, stores,
2. Restaurant/Eating Establishments
3. Movie Theaters
4. Coffee Stands

B. The following types of businesses shall provide either a receipt or an invoice for all sales transactions, including those that are wholly exempt from taxes:

1. Construction;
2. Trades – For example, plumbing, electrical, carpet installation, etc.
3. Professional Services – For example, accounting, tax preparation, veterinary care,
4. Transient Lodging

C. Receipt Exceptions: The following types of businesses are exempt from the receipt/invoice requirements as outlined below:

1. Lessors – When a valid lease Rental Agreement exists covering the period for which the rent amount was received;
2. Vending machine sales;
3. Insurance Sales;
4. Legal Services – when such services are performed under a contract or other agreement for services;
5. Vehicles for Hire – Provided registration and licensing is up to date with the City;

D. Each receipt or invoice shall:
   1. Be dated; and
   2. Be sequentially pre-numbered, but may be sequentially machine-numbered if the number printed on the receipt or invoice is machine generated; and
   3. Show the quantity, description and price of the goods sold, services rendered or sold or rentals made; and
   4. Show the amount of the sales tax on the sale.

E. The seller shall, whenever feasible, separately state the tax to the buyer on each taxable transaction. When not feasible to state separately, the seller shall prominently display a sign indicating the imposition of the tax.

F. Exempt Sales: If any part of the sale is exempt, it must be shown on the sales receipt. Exempt sales can only be made upon showing of a valid exemption card or certificate. For each such sale, the seller shall:
   1. Record the date of the sale; and
   2. Record the exempt card/certificate number presented (when applicable); and
   3. Record the expiration date for the exempt card/certificate presented (when applicable); and
   4. Record the name of the person making the exempt sale; and
   5. Record the name of the entity/business claiming the exemption; and
   6. Record the receipt number for the sale.

### 4.16.150 Tax Exemptions

The following sales and services are exempt from the tax levied under this chapter in accordance with the limitations provided for in this section:

A. Admissions: Sales of admission to school entertainments, school athletic events, and events conducted for the benefit of charitable or community organizations. This exemption does not apply to sales of gaming property.

B. ATVs/Boats: That portion of the selling price of an all-terrain vehicle (ATV), snow machine, boat, or boat motor in excess of Three Thousand Five Hundred ($3,500) Dollars is exempt regardless of whether or not such items are purchased simultaneously, or are invoiced or otherwise billed on the same billing document.

C. Banking: The following fees, sales and services charged by banks, savings and loan associations, credit unions and investment banks:
   1. Fees for the sale, exchange or transfer of currency, stocks, bonds and other securities
2. Loans: The principal amount of the loan, the interest charged for loaning of
money, and escrow collection services, and any fees associated with the loaning
of money are exempt.
3. Services associated with the sale, exchange or transfer of currency, stocks,
bonds and other securities;
4. Pass-through charges on loan transactions which include sales tax;

D. Casual and isolated sales, services or rentals: Proceeds from casual, occasional or
isolated sales which are easily identified as the sale of personal goods or property at
such private functions as moving, garage, yard, food and bake sales, sale of private
vehicles when the seller is not a dealer in used vehicles, or services such as
babysitting or house-sitting provided the seller does not regularly engage in the
business of selling such goods or services or rentals but only if:
1. The sales of goods and services do not occur for more than five (5) days in a
   calendar year, and are not made through a dealer, broker, agent or consignee;
or
2. The rental of personal tangible property that does not exceed sixty (60) days in a
   calendar year, whether or not consecutive. The rental of real estate is not
   exempt.
3. Sales or rentals made pursuant to a business license or by sellers representing
   themselves to be in the business of making sure sales, rentals or services are not
   exempt.

E. Cemetery Plots: The sale of cemetery/burial plots is exempt.

F. Commerce: Freight and wharfage charges, whether arising out of foreign, interstate
or intrastate commerce are exempt. Warehouse and storage services are not
exempt. Transportation of goods, equipment, or other property from one point to
another within the City limits by commercial movers is not exempt.

G. Compliance with Laws:
1. Gross receipts or proceeds derived from sales or services which the City is
   prohibited from taxing under the laws of the state or under the laws and the
   Constitution of the United States, including, but not limited to:
   a. Sales by the U.S. Postal Service;
   b. Purchases made under the authority of or made with any type of certificate
      issued pursuant to 42 U.S.C. Sections 1771-1789 (Child Nutrition Act of
      1966);
   c. Interstate Sales;
   d. Air transportation including that portion of any chartered fishing or hunting
      expedition which covers the cost of air transportation;
   e. Gross receipts or proceeds derived from sales to the United States
      Government, the state, a city or any political department thereof. However,
      the exemption shall not apply to the sale of materials and supplies to
contractors for the manufacture or production of property or rendering

services for sale to such government units or agencies on a contract bid
award, in which event the contractor shall be deemed the buyer, subject to
the payment of the tax;

2. A sale or rental to an employee of the state, its political subdivisions, or the
federal government is only exempt when the government employee provides
proof that the sale is for government business by paying for the sale with a
government voucher, purchase order, check, credit card, or warrant, or providing
other verifiable documentation to the seller to allow the seller to readily
determine that the sale is for government business;

3. A sale or rental to a federally recognized tribe when the Tribal employee provides
proof that the sale is for tribal government business by paying for the sale with a
tribal voucher, purchase order, check, credit card, or warrant, or providing other
verifiable documentation to the seller to allow the seller to readily determine that
the sale is for tribal government business;

H. Credit Unions: Sales to or by federally chartered credit unions or credit unions
organized under AS 06.45;

I. Dues: Dues or fees paid to clubs, labor unions and other organizations solely for the
privilege of membership;

J. Freight and Wharfage: Freight and wharfage charges, whether arising out of
foreign, interstate or intrastate commerce, are exempt. Warehouse, storage
services, and delivery services that begin and end within the City of Bethel are
taxable, unless such delivery services are included in a through bill of lading in
conjunction with interstate commerce.

K. Maximum Tax: That portion of the selling price for a single piece of equipment or
tangible personal property by an individual unit price in excess of Ten Thousand
($10,000) Dollars is exempt. A single sales unit is any retail merchandise sale where
the selling price is totaled on one invoice or on any sales slip, although this
exemption does not apply if any portion of the invoice or sales slip refers to more
than one calendar day.

L. Medical Services:

1. Services of a person licensed or certified by the State of Alaska as a doctor of
medicine and surgery, a doctor of osteopath and surgery, a chiropractor, a
dentist, an optometrist, an audiologist, a hospital, an occupational therapist, a
physical therapist or a licensed or practical nurse; provided, that the service is
within the scope of the state license or certificate;

2. Services of a person licensed or certified by the State of Alaska as a psychologist
or psychological associate, a clinical social worker, an alcohol or drug counselor,
or a marital and family therapist or a licensed professional councilor; provided,
that the service is within the scope of the state license or certificate;
3. Fees for supplies, equipment and services provided by a hospital, medical clinic or dental clinic for patient treatment, including laboratory and x-ray services;

4. Assisted living services provided in accordance with an assisted living plan and in an assisted living home licensed as such by the State;

5. Gross receipts or proceeds of the retail sale of prescription drugs;

6. Services rendered by masseurs, even those working for a hospital, chiropractor or other medical provider, are not exempt.

M. Newspapers: Sales of newspapers are exempt.

N. Non-Profits: A sale of goods or services to any entity that, at the time of the sale, is: (1) legally constituted and legitimately acting in accordance with a duly authorized federal tax exempt status pursuant to IRS Regulations, Section 501(c)(3)(4) or (19); (2) provided any income from the exempt sale is exempt from federal taxation and (3) provided the non-profit produces a sales tax exemption card.

Exceptions: The sale of bingo, pull tabs or other gaming activities is not exempt. Activities provided by the entity where such organization is engaged in business for profit OR is competing with other persons engaged in the same manner or in a similar business is not exempt.

O. Public Assistance: Purchases made with food coupons, food stamps, or other type of certificate issued under 7 USC Sections 2011 – 2025 (Food Stamp Act) or other certificates issued under 42 U.S.C 1786 (Special Supplemental Food Program for Women, Infants and Children).

P. Real Estate Sales:

Only the first twenty (20%) percent of the sale price of real property is subject to City sales tax*.

Example: Home selling for $275,000

$275,000 x 20% = $55,000 (first 20% of the sale price)

$55,000 x 6% (Sales Tax) = $3,300 Sales Tax due to city

Home selling for $450,000

$450,000 x 20% = $90,000 (first 20% of the sale price)

$90,000 x 6% = $5,400 Sales Tax due to City

*This exemption does not apply to rentals of real property. This exemption applies to all sales of real property, including casual and isolated sales.

Q. Recreational Vehicles: That portion of the selling price of an all-terrain vehicle (ATV), snow machine, boat, or boat motor in excess of three thousand five hundred dollars ($3,500) is exempt regardless of whether or not such items are purchased simultaneously, or are invoiced or otherwise billed on the same billing document.
R. Rental Units: Costs incurred by owners/landlords for rental units, such as included utilities, fuel, or any other expenses, are not exempt.

S. Retail Sales of Foods: Are exempt in the following circumstances:

1. When served in cafeterias or lunchrooms of elementary, secondary, post-secondary schools, colleges or universities which are operated primarily for students and staff, and are not operated for the public or for profit;

2. When served to clients and staff, and not to the public or for profit, as part of services provided by a nonprofit hospital or other nonprofit government organization licensed by the State of Alaska for the care of humans;

3. Meals delivered by a nonprofit organization to handicapped or senior citizens at their place of residence or meals served on the premises of a nonprofit to senior citizens or the homeless or disadvantaged provided that the sale price of such meals does not exceed the cost of delivery or service of such meals;

T. Sales to Retailers: Are exempt only if the buyer presents to the seller a valid exemption card, issued by the City pursuant to this section, and

1. The sale of goods, wares or merchandise to a retail dealer, manufacturer or contractor is for resale within the City as is or incorporated into a product or commodity to be sold by the dealer, manufacturer or contractor within the City, if the subsequent sale is subject to the City sales tax; and

2. The product is an item sold as part of the reseller’s primary business and must be of such nature that it can be purchased by the general public in a transaction that is not dependent upon the purchase of another product or service.

3. The exemption card must be for the class of activities involving the resale of the type of goods for which the exemption is sought.

4. Food products that are purchased for resale must be purchased and sold as is or prepared in a commercial kitchen. If a purchaser buys goods for resale in accordance with this subsection and for personal or other use at the same time, only the goods that are to be sold for resale in accordance with this subsection shall be exempt.

5. Supplies, services, tools, repair services, equipment or any other goods or services purchased to support a business but not for resale in accordance with this subsection are not exempt.

U. School:

1. Fees and charges for extracurricular activities or events promoted or undertaken by educational or student organizations;

2. Sales by any student organization, parent/teacher organization or booster club recognized by the school or educational organization in which it operates, which proceeds are utilized to further the purposes for which the organization was formed;
3. Sales and services by schools or other educational organizations made in the course of their regular functions and activities, which proceeds are utilized to further the purposes for which such organization was formed;

4. Sales of food and beverages at educational lunchrooms which are operated primarily for staff and/or students, and which are not operated for the purpose of sale to the general public for profit;

5. The service of transporting students to and from a school in vehicles when in the regular course of that business.

V. Securities: The sale of insurance and bonds of guaranty and fidelity, and the commission thereon (AS 21.09.210(f), 21.79.130, 21.80.130);

W. Senior Citizen Exemptions: The following are exempt only if the buyer, or their designee, present a valid senior citizen exemption certificate and the product or service is intended primarily for the senior citizen holding the exemption card:

1. The sale to a senior citizen of food intended for consumption by the senior citizen, his or her spouse or same sex partner living in the same household, or the un-emancipated minor children of either the senior citizen or his or her spouse or same sex partner, who live in the same household. For purposes of this subsection, “food” is defined in accordance with 7 USC Section 2012(g) (definition of “food” for purposes of the Food Stamp Act);

2. The payment of rent by a senior citizen on a single dwelling occupied as the senior citizen’s primary residence and permanent place of abode.

3. Payment for telephone, electric, water and sewer utility services by a senior citizen on a single dwelling occupied as the senior citizen’s primary residence and permanent place of abode.

4. The payment for heating fuel used by a senior citizen for a single dwelling occupied as the senior citizen’s primary residence and permanent place of abode.

5. The sale of alcohol, tobacco, bingo cards, raffle tickets, pull-tabs, other games of chance and/or marijuana to a senior citizen is not exempt.

X. Services. That portion of the selling price of a single service that exceeds $12,000. This amount will be adjusted in 2019 and every two (2) calendar years thereafter consistent with the Consumer Price Index for all urban consumers for Anchorage metropolitan area compiled by the United States Department of Labor, Bureau of Labor Statistics. Adjustments to the amount listed will be rounded to the nearest $100. For the purposes of this subsection, a single service is interrelated and interdependent function necessary to perform a specified action. For the purposes of this subsection, a single service is an interrelated and interdependent function necessary to perform a specified action. If a single service is performed over a period exceeding one month, the selling price must be apportioned to a monthly or invoice basis, whichever is more frequent, proportionate to the service performed, except for:
6. a) a commission paid to an agent for negotiating the sale of real property
(the commission is taxed at the first $12,000 of the sale regardless of the
length of time the agent has in selling the property); or
7. b) a written contingency fee agreement award or settlement (to be collected
on the first $12,000 of the fee award regardless of the length of time taken to
resolve the case).

Y. Transportation:
1. The following types of transportation services are exempt:
   a. The sale of services for transporting passengers by river taxi, taxicab, bus,
      commercial airline, air charter, air taxi, hover craft; or
   b. The sale of passenger seat tickets by a commercial airline is exempt; or
   c. The service of transporting disabled or handicapped individuals when in the
      regular course of that business.
2. The following are not exempt:
   a. The lease of vehicle for hire permits are not exempt;
   b. The portions of a sale of flight seeing or air/water/shore excursion travel or
      adventure services which are not charges for transportation of persons on a
      federal airway;
   c. The lease or rental of vehicles is not exempt.

Z. Utilities: Payment for City water, sewer and refuse utility services by any and all
persons or entities.

AA. Wholesale: Proceeds from products sold as wholesale sales to businesses
designated by the State of Alaska as wholesalers. These include sales of goods,
wares or merchandise to a retail dealer, manufacturer or contractor for resale within
the City as is or incorporated into a product or commodity to be sold by the dealer,
manufacturer or contractor within the City, if the subsequent sale is subject to the
City sales tax. In this connection a retailer must stock that merchandise for resale,
display the same to the public and hold himself out as regularly engaged in the
business of selling such products.

4.16.160 Exemption Cards
A. Sales to retailers, wholesalers, and senior citizens shall be exempted from sales tax
only if the person requesting the exemption has obtained and produces a valid
exemption authorization card.
B. Federal, State, and Tribal entities are not required to produce exemption cards.
Sales to these entities are only exempt when the method of payment is made
directly by the federal, state or tribal entity. Payments made by cash, personal
check or personal credit card, even if on behalf of a federal, state or tribal entity, are
never exempt.
C. Cost: The annual charge for an exemption card are as follows:
   (i) Retailer/Wholesaler: $100 (Maximum 2 cards)
D. With the exception of non-profit organizations which are covered in section 4.16.165 of this ordinance, any person, corporation or other organization claiming an exemption under BMC 4.16.150 shall apply to the City for an exemption authorization card within one (1) month of operating or conducting business or sales or performing services within the City in the first year in which sales are made, and thereafter shall apply by November 15th of each year for the following calendar year. Numbered exemption authorization cards will be issued by the City. The exemption authorization card must be shown to all sellers and must be recorded at the time of sale by the seller. The exemption is valid only for those items that are purchased for resale as described under section 4.16.150 or are purchased by persons, agencies and organizations that are exempted by City, state or federal law. Any person that believes an attempt to purchase unauthorized items as tax exempt is being made at his place of business may refuse to accept the exemption card.

E. The following require an exemption card in order to qualify for the exemption:
   1. Exemptions for Sales for Resale (Sales to Retailers);
   2. Exemptions for Sales to Wholesalers; and
   3. Exemptions for Senior Citizens.

F. Persons requesting an exemption card shall apply at the finance department on a form approved by the finance director. The application shall be accompanied by any applicable fee that is required under this section. The Finance Director may require additional information of the applicant as necessary to determine whether the application should be granted.

G. The exemption card will include, at a minimum:
   1. For Resale or Wholesale:
      (i) General character of property or service sold by the purchaser in the regular course of business intended for resale;
      (ii) Name and address of the purchaser;
      (iii) Signature of the purchaser;
      (iv) Expiration date; and
      (v) City of Bethel authorization exemption number.
   2. For senior citizen:
      (i) Name and address of the qualified senior citizen or proxy;
      (ii) Signature of qualified senior citizen or proxy;
      (iii) Expiration date;
      (iv) City of Bethel authorization exemption number.
   3. For all others:
(i) Name and address of the exempt entity;
(ii) Name and address of the qualified purchaser(s);
(iii) Expiration date; and
(iv) City of Bethel authorized exemption number.

H. Timeframe:
1. For Resale or Wholesale: An exemption card is issued for two (2) years and expires on December 31st.
2. For Seniors Citizen: An exemption card expires five (5) years from the date of issuance.
3. For Senior Proxies: An exemption card expires two (2) years from the date of issuance.

I. Proof: The finance director may require, at a minimum, the following proof before issuance of an exemption card:
1. Retailer Exemption Cards:
   (i) City of Bethel business license;
   (ii) State of Alaska business license
   (iii) If tobacco is to be purchased, must also present proof of State and City tobacco licenses
2. Senior Citizen Exemption Cards:
   (i) Proof of meeting the age requirement (must be at least sixty-five (65) years of age on January 1st of the year for which the exemption card is applied for); and
   (ii) Proof of residence within the City of Bethel;

J. Residency Requirement for Senior Citizen Exemption Cards: Only bona fide residents of the City of Bethel are eligible to hold and use a senior citizen sales tax exemption card. In the event the person ceases to be a bona fide resident of the City, entitlement to the sales tax exemption shall automatically terminate, and the card shall be void as to that sales tax exemption.
1. For the purposes of this section, “resident of the City of Bethel” means a person who has established a residence in the City and has the intent to remain in the City indefinitely and makes his or her home in the City. A person demonstrates the intent required under this subsection by maintaining a principal place of abode in the City for at least one hundred eighty (180) consecutive days immediately preceding the date of application for the exemption card.
2. The one hundred eighty (180) day consecutive day period provided for in this section may be reduced to thirty (30) days if:
   (i) The person has not been absent from the City of Bethel for more than twelve (12) months; and
   (ii) The person establishes to the satisfaction of the finance director that either: (a) the absence was for medical treatment of the person or an immediate family member, or (b) the absence was due to circumstances beyond their control.
K. Proxy for Senior Citizen Exemption Cards: If a person who is authorized to receive a senior citizen exemption authorization card is physically or mentally disabled so that the applicant is physically unable to use the card, the applicant may designate up to two (2) proxies on their exemption application. Proxy cards are non-transferable. Only those purchases on behalf of the senior citizen are exempted from the sales tax. Before a proxy card can be issued, the finance director shall require:

1. The names, addresses and legal identifications of the proxy shoppers;
2. Proof that the senior citizen is unable to personally use the card and requires a proxy;
3. Legal proof that the proxy has the authority to represent the senior citizen (for example, a court order appointment the proxy as guardian or a valid power of attorney).

L. Non-Transferable: An exemption authorization card is non-transferable and must be surrendered to the City finance office upon disqualification for use for any reason.

M. An exemption authorization card executed by the purchaser must be in the possession of the purchaser at the time that an exempt transaction occurs.

N. The finance director may revoke an exemption authorization card after notice to the holder of the certificate and hearing, if the director finds that the holder:

1. Gave materially false information when applying for the exemption authorization card;
2. Used the exemption authorization card in a transaction that was not exempt from sales;
3. Permitted the use of the exemption authorization card by a person other than an authorized agent or employee of the holder of the exemption; or
4. Ceased to be entitled to exemption from sales tax.

O. If the finance director revoke’s a person’s exemption authorization card, that person is no longer exempt from paying sales tax under this chapter until the person obtains a new exemption authorization card which may not occur sooner than one (1) year after the revocation.

P. If the finance director revoke’s a person’s authorization card, that person must pay sales tax, interest, penalties, etc., on all sales made to or by the person which were not duly exempt.

4.16.165 Non-Profit Exemption Certificates

A. No sales to a Non-Profit Organization shall be exempted from sales tax unless and until the non-profit organization has applied for and received an exemption certificate from the Finance Director.

B. There shall be no cost for a non-profit exemption certificate.

C. Any seller may demand proof of or copies of the non-profit exemption certificate at any time prior to exempting a sale.

D. Non-Profits requesting an exemption certificate shall apply to the finance department on a form approved by the Finance Director. The Finance Director may
require additional information of the applicant as necessary to determine whether
the application should be granted.
E. Non-Profit certificates shall expire within four (4) years from the date of issuance.
F. Non-Profit exemption certificates shall include, at a minimum, the following
information:
   1. Type of 501 designation;
   2. General Character of Services Performed;
   3. Expiration Date
G. Proof. The Finance Director may require, at a minimum, the following proof before
issuance of the exemption certificate:
   1. Proof of a City of Bethel business license;
   2. Copy of a State of Alaska business license;
   4. Proof of Federal 501(c) status;
H. Non-Transferable. The exemption authorization certificate is non-transferable and
must be surrendered to the Finance Director upon disqualification for use by any
reason.
I. The Finance Director may revoke an exemption authorization card after notice to the
holder of the certificate and after a hearing, if the director finds that the holder:
   1. Gave materially false information when applying for the exemption
      authorization certificate;
   2. Used the exemption authorization certificate in a transaction that was not
      exempt from sales;
   3. Permitted the use of the exemption certificate by a person other than an
      authorized agent or employee of the holder of the exemption certificate;
      or
   4. Ceased to be entitled to exemption from sales tax.
J. If the Finance Director revokes an organization’s exemption authorization
   certificate, that organization is no longer exempt from paying sales tax under this
   chapter until the organization obtains a new exemption certificate which may not
   occur sooner than one (1) year after the revocation.
K. If the Finance Director revokes an organization’s authorization card, that
   organization must pay sales tax, interest, penalties, etc., on all sales made to or
   by the organization which were not duly exempt.

4.16.180 Revocation of Exemption Status
A. The finance director may revoke any exemption authorization card, or other
   authority to obtain an exemption, if the person holding the exemption has been
   found to have used the exemption authorization card to obtain an exemption to
   which the holder or any other person is not entitled. The burden of proving an
   exemption shall be on the person claiming an exemption.
B. Upon a determination by the finance director that an exemption holder has misused
   or permitted another to misuse the sales tax exemption authorization issued to the
holder, the finance director may revoke the sales tax exemption authorization of such person by sending written notice via certified mail to the exemption holder. Before such action, the finance director shall send written notice to the exemption holder, via certified mail, advising the holder of the violation and that the holder has the right to request a meeting with the finance director to discuss and resolve the issue without revocation of the sales tax exemption authorization. Should the holder not respond within ten (10) calendar days of receipt of the certified letter or should the holder refuse service of the certified letter, the finance director may revoke the sales tax exemption authorization of the holder without further action.

C. The revocation shall be permanent unless the finance director provides for a shorter period in the revocation order. In no event, however, shall a revocation be for a period of less than one (1) year.

4.16.190 Seller’s Liability for Incorrect Determination

A seller shall determine in the first instance whether a sale is exempt under this chapter. However, if a seller incorrectly determines that a sale is exempt, and does not collect the tax from the buyer, then the seller is liable to the City for the uncollected tax.

4.16.200 Buyer’s Protest of Imposed Taxes

A. If a seller determines that a transaction is not exempt, but the buyer believes the transaction to be exempt, then the buyer may protest but only after paying the tax deemed due by the seller.

B. A buyer who has remitted sales tax under protest in accordance with subsection A of this section shall file with the finance director a statement of protest on a form provided by the finance director accompanied by a copy of the receipt or invoice for the sale within thirty (30) calendar days after the date of the sale. The buyer shall state on the form the terms of the sale, the amount of the sale, the goods, rental or service purchased, the location from which the seller fulfilled the order, and all other information necessary to support the exemption of the transaction from taxation. A buyer who fails to make a timely filing of a completed statement of protest waives the right to protest the tax or otherwise to challenge the imposition of the tax.

C. A buyer who files a statement of protest under subsection B of this section bears the burden of proving that a transaction is exempt from taxation. In addition, the finance director may investigate facts related to the claim of exemption, and seek the advice of the city attorney on the claim. The finance director shall issue a written decision within forty-five (45) calendar days after the filing, stating the reasons for granting or denying the protest. The ruling will be mailed to the buyer and the seller at the addresses given on the protest.

D. If a protest is granted, the City shall refund the protested tax amount to the buyer along with the written decision of the finance director.
E. If a protest is denied, the buyer may appeal the denial by filing an appeal to the city manager pursuant to the appeal procedure set out in section 4.16.440.

4.16.210 Refunds – In General

A. A claim for refund of payment of sales tax which is made more than six (6) months from the date on which the tax was paid or became due and payable is forever barred, except for a refund for construction materials and services as set forth in BMC 4.16.220.

B. A claim for refund of payment shall be made by filing with the finance director a statement of claim, specifying the date the tax was imposed, the amount of protest or refund claimed and the basis upon which the protest or claim for refund is made.

C. The finance director shall respond, in writing, within forty-five (45) calendar days. If the finance director does not respond within forty-five (45), the claim of refund or protest shall be deemed to be approved.

4.16.230 Tax Filing Schedule

A. All persons subject to this chapter shall file a return on a form or in a format prescribed by the City and shall pay the tax due. Each person engaged in business in the City subject to taxation shall file a return in accordance with the following:

1. Quarterly. Unless as otherwise provided for in this section, sellers shall file on or before 3:00 pm local time on the last day of the month following the end of each quarter year ending March 31st, June 30th, September 30th and December 31st.

2. Monthly. If a seller fails to file or is late in filing returns for two (2) of the last four (4) quarters, the finance director may require the seller to submit returns and payments each month. The finance director may also require a seller to submit returns and payments monthly for other good cause, including, but not limited, to a lack of sales history, seasonal sales, etc.

3. Yearly. Upon approval of the finance director, a seller that has a documented history of less than twenty-four thousand ($24,000) dollars in taxable sales annually as well as a documented history of on-time filings and payments, may file its sales tax return and remittance of taxes on an annual basis. Returns and taxes filed and paid on an annual basis must be received no later than July 15th following the calendar year for which the tax return is required to be submitted. Penalties for late filing of an annual return and for the late remittance of taxes shall be double the rate applicable to monthly returns and interest shall accrue on late annual remittances from July 1st of the preceding year.

4. Filing to be continuous. A person who has filed a sales tax return will be presumed to be making sales in successive quarters unless the person files a return showing a termination or sale of their business in accordance with section 4.16.380.
B. Special and/or Seasonal Events. For all sellers only operating at special and/or seasonal events, the tax return shall be due on or before the 5th business day following the event(s).

C. It is the duty and responsibility of every seller liable for the collection of any tax imposed herein, unless otherwise provided herein, to file with the City upon forms prescribed and furnished by the City, a return, prepared under oath, setting forth the amount of all sales, taxable and nontaxable, the amount of tax thereon and other information the City may require on the form or forms.

D. The completed and executed return, together with the remittance in full for the amount of the tax due, shall be transmitted to and must be received (not merely postmarked) by the finance department on or before 3:00 pm local time on:

   1. Quarterly Filers: The last day of the month following the end of each quarter.
   2. Monthly Filers: The last day of the following month.
   3. Annual Filers: February 15th of the following year.
   4. Seasonal Filers: The 5th business day following the event.

   Failure of the United States Postal Service or any private delivery service to make timely delivery of a sales tax return or the related remittance of sales tax shall not excuse an untimely filing or remittance.

E. If the last day of the month following the end of the filing period falls on a Saturday, Sunday or federal, state or city holiday, the due date will be extended until the next business day immediately following. Exceptions will be made for proper proof of remittance (such as certified mail receipt, weigh bill, etc) showing timely submittal.

F. Any person holding or required to hold a City of Bethel business license shall file a sales tax return even though no tax may be due. This return shall show why no tax is due. If the person intends to continue doing business they shall file a return reflecting no sales and a statement indicating their intent to continue doing business, and shall continue to do so each filing period until they cease doing business or sell the business. If the person intends to cease doing business they shall file a final return and statement of business closure, and must register before restarting operations. If the business is sold, then the person must file a final return upon sale of the business in accordance with BMC 4.16.380.

G. The seller shall prepare the return and remit sales tax to the City on the same basis, cash or accrual, which the seller uses in preparing its federal income tax return. The seller shall sign the return, and transmit the return, with the amount of sales tax that it shows to be due, to the City.

H. Sellers failing to comply with the provisions of this chapter shall, if required by the City, file and transmit collected sales taxes monthly until such time that they have demonstrated to the City that they are or will be able to comply with the provisions of this chapter. Six (6) consecutive on-time sales tax filings shall establish the presumption of compliance and return to quarterly filing status.
I. Sales tax returns shall be accompanied by proof, satisfactory to the City, as to claimed exemptions or exceptions from tax herein imposed. In the absence of proof, the sales, rentals or services shall be deemed to have been taxable. The burden of establishing any tax exemption is upon the claimant.

J. The preparer of the sales tax return form shall keep and maintain all documentation supporting any and all claims of exempted sales and purchases and be able to produce the documentation if requested by the City. Documentation for exempted sales should include the number of the City exemption authorization card presented by the buyer at the time of the purchase, the date of the purchase, the name of the person making the purchase, the organization making the purchase, the total amount of the purchase and the amount of sales taxes exempted. Failure to provide such documentation may invalidate that portion of the claim of exemption for which no documentation is provided.

04.16.240 Contents of Tax Returns

A. Every seller required by this chapter to collect sales tax shall file with the City, upon forms furnished by the City, a return setting forth the following information with totals rounded to the nearest cent:

1. Gross Receipts, divided into the following categories:
   (i) Sales – both retail and wholesale, including materials;
   (ii) Rentals of property or equipment;
   (iii) Services

2. Exemptions – by exemption category with a detailed explanation as to buyer, amount of sale, sale date, class of exemption;

3. Computation of taxes to be remitted;

4. Such other information as may be required by the City.

B. Each tax return remitted by a seller shall be signed by a responsible individual who shall attest as to the completeness and accuracy of the information on the tax return.

C. Seller’s operating within the City of Bethel for even one day of the month shall file a tax return for that reporting period even if no tax may be due.

D. The City reserves the right to reject a filed return for failure to comply with the requirements of this chapter for up to three (3) months from the date of filing. The City shall give written notice to a seller, via certified mail, that a return has been rejected, including the reason for the rejection.

4.16.250 Security Deposits/Bonds

A. The City may require a seller to deposit with the City security in the form and amount that the City determines is appropriate. The deposit may not be more than twice the estimated average liability for the period for which the return is required to be filed or ten thousand ($10,000) dollars, whichever is less. The amount of
security may be increased or decreased by the City subject to the limitations provided in this section.

B. If necessary, the City may apply the security to recover a sales tax amount required to be collected, including interest and penalties. Notice of the intent to apply the security shall be sent to the person who deposited the security.

C. In lieu of a security, the City will require a seller to file a bond issued by a surety company authorized to transact business in the State of Alaska to guarantee the solvency and responsibility if such seller failed to remit sales tax on a previous business to the City.

D. In addition to the other requirements of this section, the City will require the corporate officers or directors of a corporation to provide a personal guaranty and assumption of liability for the payment of the tax due under this chapter.

4.16.260 Extension of Time to File Tax Return

A. Upon written application of a seller, stating the reasons therefore, the finance director may extend the time to file a sales tax return but only if the finance director finds each of the following:

1. For reasons beyond the seller’s control, the seller has been unable to maintain in a current condition the books and records that contain the information required to complete the return;

2. Such extension is a dire necessity for bookkeeping reasons and would avert undue hardship upon the seller;

3. The seller has a plan to cure the problem that caused the seller to apply for an extension and the seller agrees to proceed with diligence to cure the problem.

4. At the time of the application, the seller is not delinquent in filing any other sales tax return, in remitting sales tax to the City or otherwise in violation of this chapter

5. No such extension shall be made retroactively to cover existing delinquencies.

4.16.270 Penalties and Interest for Late Filing

A. A late filing fee of Twenty-Five ($25) dollars per month or partial month shall be added to all late-filed sales tax reports in addition to interest and penalties.

B. Delinquent sales tax bears interest at the rate of fifteen (15%) percent per annum until paid.

C. In addition, delinquent sales tax shall be subject to a late-payment an additional penalty as follows:

<table>
<thead>
<tr>
<th>If payment made:</th>
<th>Additional Penalty (Percentage of Tax)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Within seven (7) calendar days after delinquency date & One (1%) percent
More than seven (7) calendar days but less than thirty (30) calendar days after delinquency date & Seven (7%) percent
Thirty (30) calendar days or more but less than sixty (60) calendar days & Fifteen (15%) percent
Sixty calendar days or more & Twenty (20%) percent

The penalty does not bear interest.

Penalties and interest shall be assessed and collected in the same manner as the tax is assessed and collected.

D. The filing of an incomplete return, or the failure to remit all taxes, shall be treated as the filing of no return.

E. A penalty assessed under this section for the delinquent remittance of sales tax for failure to file a sales tax return may be waived by the finance director, upon written application of the seller accompanied by a payment of all delinquent sales tax, interest and penalty otherwise owed by the seller to the City, within forty-five (45) business days after the date of delinquency. A seller may not be granted more than one waiver of penalty under this subsection in any period of twenty-four (24) consecutive months. The finance director shall report all such waivers of penalty to the council in writing, at least once each calendar quarter.

4.16.280 Repayment Plans
A. The City may agree to enter into a repayment plan with a delinquent seller. No repayment plan shall be valid unless agreed to by both parties in writing.
B. A seller shall not be eligible to enter into a repayment plan with the City if the seller has defaulted on a repayment plan in the previous two (2) calendar years.
B. The repayment plan shall include a secured promissory note that substantially complies with the following terms:
1. The seller agrees to pay a minimum of ten (10%) percent down payment on the tax, interest and penalty amount due. The down payment shall be applied first to penalty, then to accumulated interest, and then to the tax owed.
2. The seller agrees to pay the balance of the tax, penalty and interest owed in monthly installments over a period not to exceed two (2) years.
3. Interest at a rate of fifteen (15%) percent per annum shall accrue on the principal sum due. Interest shall not apply to penalties owed or to interest accrued at the time the repayment plan is executed or accruing during the term of the repayment plan.
4. If the seller is a corporation or a limited liability entity the seller agrees to provide a personal guarantee of the obligations under the repayment plan.

5. The seller agrees to pay all future tax bills in accordance with the provisions of this chapter.

6. The seller agrees to provide a security interest in the form of a sales tax lien for the entire unpaid balance of the promissory note to be recorded by the City at the time the repayment plan is signed. The seller shall be responsible for the cost of recording the tax lien.

C. If a seller fails to pay two (2) or more payments as required by the repayment plan agreement, the seller shall be in default and the entire amount owed at the time of default shall become immediately due. The City will send the seller a notice of default. The City may immediately foreclose on the sales tax lien or take any other remedy available under the law including placing the seller on the City’s denied vendor list.

4.16.290 Forgiveness of Uncollected Taxes, Penalties and Interest

A. The city manager, with the concurrence of the city council, may forgive the payment of uncollected sales taxes, interest and penalties owed by a seller to the City upon a determination by the city manager, with confirmation by the city attorney, that:

1. Such uncollected taxes have never been collected by a substantial portion of a clearly definable class of sellers; or
2. Such uncollected taxes have never been collected on a clearly defined type of transaction or service.

B. The city manager may, upon recommendation of the city attorney, and with the concurrence of the city council, authorize forgiveness of uncollected sales taxes, interest and penalty thereon and penalties for failure to file, as part of the compromise and settlement of a disputed claim in an action for collection of such funds.

C. Except as provided in subsections A and B, the City may not forgive or waive any amount of uncollected sales tax, interest or penalty. This section shall not prevent the Finance Director, with the concurrence of the City Manager, from discharging debts determined to cost more to collect than what is owed. Such discharges shall occur quarterly and a report shall be provided to the Council of all such discharges at the next regularly scheduled meeting following said discharge.

4.16.300 Application of Sales Tax Payments.

A. Payments on sales tax accounts shall be applied to the oldest balance due, by sales tax period, in the following order: (1) first to accrued fees and costs, (2) then accrued interest, (3) then accrued penalty, (4) then to the tax principal; and (5) then the next oldest balance due, in the above order, and so forth, until the payment is applied in full; except as otherwise provided in this section.
B. Payment on sales taxes submitted with sales tax returns shall be applied to the most current return period, in the following order: (1) first to accrued interest, (2) then to accrued penalty, and (3) then to the tax principal. Any remaining moneys shall be applied as in subsection A above.

C. Payments on sales tax accounts where sales tax liens have been recorded to secure payment on the accounts shall be applied to the oldest balance due, by sales tax period, in the order listed in subsection A above.

4.16.310 Application of Overpayments

A. A seller in good standing who, through clerical or similar error, remits a tax that exceeds the amount actually due or to which the City is not entitled by law, may, within one (1) calendar year from the due date of the tax or the collection of the tax, whichever is earlier, apply in writing to the finance director for a refund.

B. A claim for refund is barred unless:

1. The claimant files an amended tax return within one (1) calendar year of the due date of the return, on the form prescribed by the City;
2. Made timely (the failure to file a claim for refund within the time allowed shall forever bar the claim); and
3. The claimant files an amended return pursuant to the requirements of section 4.16.320.

C. When the City initiates an audit or estimate pursuant to BMC 4.16.350, .360, the period for claiming a refund under subsections A, above, is the same as the period under audit, but in no case more than three (3) years from the date of sale.

D. The City shall not be liable for interest on any refund claimed or paid, or for any costs incurred by a buyer or seller in claiming or obtaining a refund.

E. If the finance director determines, in writing, a refund is not due or is not due in the amount claimed, then the taxpayer may appeal pursuant to the provisions set out in BMC 4.16.440.

F. The procedure set forth in this section is the recognized procedure whereby a refund may be made; and the taxpayer must first duly comply with this section and BMC 4.16.440 [appeals] as conditions precedent to bringing a suit to recover said taxes. Any person who has not timely availed themselves of these procedures shall be deemed to have waived any right to such refund as well as the right to recover said tax and interest.

4.16.320 Amended returns.

A. A seller may file an amended sales tax return, with supporting documentation, and the City may accept the amended return, but only in the following circumstances:

1. The amended return is filed within one (1) year of the original due date for the return; and
2. The seller provides a written justification for requesting approval of the amended return; and
3. The seller held a current City business license for the period for which the amended return was filed and filed an original return for that period; and
4. The seller agrees to submit to an audit upon request of the City.
C. The City shall notify the seller in writing whether it accepts or rejects an amended return, including the reasons for any rejection.
D. The City may adjust a return for a seller if, after investigation, the City determines the figure included in the original returns are incorrect, and that additional sales taxes are due; and the City adjusts the return within two (2) years of the original due date for the return.

4.16.330 Recordkeeping Required of all Sellers
A. Every seller engaged in activity subject to this chapter shall keep and preserve suitable records of all sales made by the seller and such other books or accounts as may be necessary to determine the amount of tax which it is obliged to collect, including records of the gross daily sales, together with invoices of purchases and sales, bills of lading, bills of sale or other pertinent records and documents as will substantiate and prove the accuracy of a tax return.
B. It shall also be the duty of every seller who makes exempt sales to keep records of such sales, which shall be subject to examination by the City, or any authorized agent thereof, while engaged in checking or auditing the records of any seller required to make a report under the terms of this chapter.
C. “Suitable records of all sales made” as used in subsection A of this section shall mean at a minimum a daily “Z” or “Z-total” report or equivalent, for all businesses with a cash register (A “Z” or “Z-total” report is the report generated by the cash register at the end of each business day, which calculates, at least, the totals for each department key, total sales and total receipts – although some cash registers have more detailed “Z” or “Z-total” reports). All sales made at businesses with cash registers must be rung on the cash registers. Businesses that do not have cash registers shall use another method, such as sequentially numbered invoices or sequentially numbered cash receipt books, for recording daily sales. Summaries of invoices are suitable records of all sales made, provided that copies of all back-up invoices are preserved as required under this chapter. Whatever records are kept must reflect the total daily purchases of taxable items. If no taxable sales are made on a business day, the records kept shall so reflect “zero” sales on that day. Records must also be kept to substantiate any claimed deductions or exclusions authorized by law. Records may be written, stored on data processing equipment or may be in any form that the City may readily examine.
D. Unless a specific, written exception has been granted by the finance director, with the approval of the city manager, all sellers within the City required to provide...
receipts as per section 4.16.140(A) must have a cash register and must record each retail sale on a cash register that provides, at a minimum, a daily “Z” or “Z-total” report, or equivalent, as set forth in subsection C of this section.

E. Records shall be kept in a systematic manner conforming to accepted accounting methods and procedures. Such records include:

1. The books of accounts ordinarily maintained by a prudent business person.
2. Records and accounting information stored on computers or in an electronic format must be provided to the City in a readable form when requested by the City.
3. Documents of original entry such as original source documents, pre-numbered sequential source documents, pre-numbered sequential receipts, cash register tapes, sales journals, invoices, job orders, contracts, or other documents of original entry that support the entries in the books of accounts;
4. All schedules or working papers used to prepare gross and taxable sales results, including receipts or invoices showing exempt sales.

F. Records must show:

1. Gross receipts and amounts due from all taxable and exempt sales; and
2. All exemptions or deductions from gross sales, as set out in section 4.16.150; and
3. The total purchase price of all goods and other property purchased for sale, resale, consumption, or lease.

G. Every seller shall preserve suitable records of sales for a period of three (3) years from the date of the return reporting such sales, and shall preserve for a period of three (3) years all invoices of goods and merchandise purchased for resale, and all such other books, invoices and records as may be necessary to accurately determine the amount of taxes which the seller was obliged to collect under this chapter.

H. The City finance department may examine and audit any relevant books, papers, records, returns or memoranda of any seller, may require the attendance of any seller, or any officer or employee of a seller, at a meeting or hearing, and may require production of all relevant business records, in order to determine whether the seller has complied with this chapter.

I. The burden of proving that a sale, rental or service was not taxable shall be upon the seller.

4.16.340 Loss of Records

A seller shall immediately notify the City of any fire, theft or other casualty which prevents their compliance with this chapter. The casualty constitutes a defense to any penalty provided in this chapter if determined to be the proximate cause of the failure to comply for a given reporting period, but does not excuse the seller from liability for taxes due. Accidental loss of funds or records is not a defense against penalties of this chapter.
4.16.350 Audits.

A. Any seller who has established a sales tax account with the City, who is required to collect and remit sales tax, or who is required to submit a sales tax return, is subject to a discretionary sales tax audit at any time. The purpose of such an audit is to examine the business records of the seller in order to determine whether appropriate amounts of sales tax revenue have been collected by the seller and remitted to the City.

B. The City is not bound to accept a sales tax return as correct. The finance director may make an independent investigation of all retail sales or transactions conducted within the City.

C. The records that a seller is required to maintain under this chapter shall be subject to inspection and copying by authorized employees or agents of the City for the purpose of auditing any return filed under this chapter, or to determine the seller’s liability for sales tax where no return has been filed.

D. In addition to the information required on returns, the City may request, and the seller must furnish, any reasonable information deemed necessary for a correct computation of the tax.

E. The City may adjust a return for a seller if, after investigation or audit, the City determines that the figures included in the original return are incorrect, and that additional sales taxes are due; and the City adjusts the return within three (3) years of the original due date for the return.

F. For the purpose of ascertaining the correctness of a return or the amount of taxes owed when a return has not been filed, the finance director may conduct investigations, hearings and audits and to that end may examine any relevant books, papers, statements, memoranda, records, accounts or other writings of any seller at any reasonable hour on the premises of the seller and may require the attendance of any officer or employee of the seller. Upon written demand by the finance director, the seller shall present for examination, in the office of the finance director, such books, papers, statements, memoranda, records, accounts and other written material as may be set out in the demand unless the finance director and the person upon whom the demand is made agree to presentation of such materials at a different place.

G. The city manager may issue subpoenas to compel attendance or to require production of relevant books, papers, records or memoranda. If any person refuses to obey any such subpoena, the city manager may refer the matter to the city attorney for an application to the superior court for an order requiring the person to comply therewith.

H. Any seller or person engaged in business who is unable or unwilling to submit their records within the City shall be required to pay the City for all necessary expenses
incurred for the examination and inspection of their records maintained outside the City.

I. After the completion of a sales tax audit, the results of the audit will be sent to the business owner’s address of record.

J. In the event the finance director, upon completion of an audit, discovers more than five hundred ($500) dollars in additional sales taxes due from a seller resulting from a seller’s failure to accurately report sales and taxes due thereupon, the seller shall bear responsibility for the full cost of the audit. The audit fee assessment will be in addition to interest and penalties applicable to amounts deemed to be delinquent by the finance director at the time of the conclusion of the audit.

4.16.360 Estimated Tax.

A. In the event the finance director is unable to ascertain the tax due from a seller by reason of the failure of the seller to keep accurate books, allow inspection, or file a return, or by reason of the seller filing a false or inaccurate return, the finance director may make an estimate of the tax due based on any evidence in their possession.

B. Sales taxes may also be estimated, based on any information available, whenever the finance director has reasonable cause to believe that any information on a sales tax return is not accurate.

C. A seller’s tax liability under this chapter may be determined and assessed for a period of three (3) years after the date the return was filed or due to be filed with the City. No civil action for the collection of such tax may be commenced after the expiration of the three (3) year period except an action for taxes, penalties and interest due from those filing periods that are the subject of a written demand or assessment made within the three (3) year period, unless the seller waives the protection of this section.

D. The City shall notify the seller, in writing, that the City has estimated the amount of sales tax that is due from the seller, stating the estimated amount. The City shall serve the notice on the seller by delivering the notice to the seller’s place of business, or by mailing the notice by certified mail, return receipt requested, to the seller’s last known mailing address. A seller who refuses the certified mail will be considered to have accepted the certified mail for purposes of service.

E. The City’s estimate of the amount of sales tax that is due from a seller shall become a final determination of the amount that is due unless the seller, within fifteen (15) calendar days after service of notice of the estimated tax:

1. Files a complete and accurate sales tax return for the delinquent periods supported by satisfactory records and accompanied by a full remittance of all taxes, interest, penalties, costs and other charges due; or
2. Files a written notice with the finance director appealing the estimated tax amount in accordance with the appeal procedures set out in section 4.16.440 of this chapter.

3. Arguments or reasons for failure to timely file a return and remit taxes collected shall not be considered a valid basis or grounds for granting an appeal. The basis and grounds for granting an appeal of an assessment are:
   (i) The identity of the seller is in error;
   (ii) The amount of the debt is erroneous due to a clerical error (and the nature and extent of the error is specified in the request for appeal); or
   (iii) The seller disputes the denial of exemption(s) for certain sales.

   F. The amount of sales tax finally determined to be due under this section shall bear interest and penalty as provided in Section 04.16.270, from the date that the sales tax originally was due, plus an additional civil penalty of fifty dollars ($50.00) for each calendar month or partial month for which the amount of sales tax that is due has been determined.

4.16.370 Accelerated Returns
A. A seller who is required to file a return and remit taxes to the City, who fails for more than sixty (60) days to file a return or remit the taxes due or who has, within a twelve (12) month period, filed or paid taxes late on two (2) or more occasions, may be required to file and remit on an accelerated basis.

B. The timeframe for filing on an accelerated basis will be determined by the finance director and will be communicated in writing prior to implementation.

4.16.380 Cessation or Transfer of Business.
A. A seller who sells, leases, conveys, forfeits, transfers or assigns any portion of their business interest, including a creditor or secured party, shall make a final sales tax return within fifteen (15) days after the date of such conveyance.

B. At least ten (10) business days before any such sale is completed, the seller shall send to the finance director, by certified first-class mail, postage prepaid, a notice that the seller's interest is to be conveyed and shall include the name, address and telephone number of the person or entity to whom the interest is to be conveyed.

C. Upon notice of sale and disclosure of buyer, the Finance Director, shall be authorized to disclose the status of the seller’s sales tax account to the named buyer or assignee.

D. Upon receipt of notice of a sale or transfer, the Finance Director shall send the transferee a copy of the sales tax code with this section highlighted.

E. Neither the Finance Director’s failure to give the notice nor the transferee’s failure to receive the notice shall relieve the transferee of any obligations under this section.

F. Following receipt of said notice, the City shall have sixty (60) days in which to perform a final sales tax audit and assess sales tax liability against the seller of the business. If the notice is not mailed at least ten (10) business days before the sale is completed,
the City shall have twelve (12) months from the later of the completion of the sale or
the City’s knowledge of the completion of the sale within which to begin a final sales
tax audit and assess sales tax liability against the seller of the business. The City may
also initiate an estimated assessment if the requirements for such an assessment
exist.

G. A person acquiring any interest of a seller in a business required to collect the tax
under this chapter assumes the liability of the seller for all taxes due the City, whether
current or delinquent, whether known to the City or discovered later, and for all
interest, penalties, costs and charges on such taxes.

H. Before the effective date of the transfer, the transferee of a business shall obtain from
the City, an estimate of the delinquent sales tax, penalty and interest, if any, owed by
the seller as of the date of the transfer, and shall withhold that amount from the
consideration payable for the transfer, until the seller has produced a receipt from the
City showing that all tax obligations imposed by this chapter have been paid. A
transferee that fails to withhold the amount required under this subsection shall be
liable to the City for the lesser of the amount of delinquent sales tax, penalty and
interest due from the seller as of the date of transfer, and the amount that the
transferee was required to withhold.

I. In this section, the term “transfer” includes the following:

1. A change in voting control, or in more than fifty (50%) percent of the ownership
   interest in a seller that is a corporation, limited liability company or partnership;
   or

2. A sale of substantially all of the assets used in the business of the seller; or

3. The initiation of a lease, management agreement or other arrangement under
   which another person becomes entitled to the seller’s gross receipts from sales,
   rentals or services.

J. Subsection H shall not apply to any person who acquires their ownership interest in
the ongoing business as a result of the foreclosure of a lien that has priority over the
City’s sales tax lien.

K. Upon termination, dissolution or abandonment of a corporate business, any officer
having control or supervision of sales tax funds collected or who is charged with
responsibility for the filing of returns or the payment of sales tax funds collected,
shall be personally liable for any unpaid taxes, interest, administrative costs and
penalties on those taxes if such officer willfully fails to pay or cause to be paid any
taxes due from the corporation. In addition, regardless of willfulness, each director
of the corporation shall be jointly and severally liable for said amounts. The officer
shall be liable only for taxes collected which became due during the period he or she
had the control, supervision, responsibility or duty to act for the corporation. This
section does not relieve the corporation of other tax liabilities or otherwise impair
other tax collection remedies afforded by law.
L. A seller who terminates his or her business without the benefit of a purchaser, successor or assign, shall make a final tax return and settlement of tax obligations within thirty (30) days after such termination. If a final return and settlement are not received within thirty (30) days of the termination, the seller shall pay a penalty of one hundred dollars ($100), plus an additional penalty of twenty-five dollars ($25) for each additional thirty (30) day period, or part of such a period, during which the final return and settlement have not been made, for a maximum of six (6) additional periods.

M. A new or renewed business license may not be issued to a seller who has failed to make the return and settlement under this section until the return and settlement required have been made and the penalty imposed has been paid.

4.16.390 Use of Information on Tax Returns

A. Except as otherwise provided in this chapter, all returns, reports and information required to be filed with the City under this chapter, and all information contained therein, shall be kept confidential and shall be subject to inspection only by:

1. Employees and agents of the City whose job responsibilities are directly related to such returns, reports and information;

2. The person supplying such returns, reports and information; and

3. Persons authorized in writing by the person supplying such returns, reports and information.

B. The City will release information described in subsection A of this section pursuant to subpoena, order of a court or administrative agency of competent jurisdiction, and where otherwise required by law to do so.

C. Notwithstanding subsection A of this section, the following information is available for public inspection:

1. The name and address of a person who holds a current City business license;

2. The name and address of sellers, whether or not the business is registered to collect taxes;

3. Whether a business is registered to collect taxes under this chapter;

4. The name and address of businesses that are sixty (60) days or more delinquent in filing returns and/or in remitting sales tax; and, if so delinquent, the amount of estimated sales tax due, and the number of returns not filed;

D. The City may provide the public statistical information related to sales tax collections, provided that no information identifiable to a particular seller is disclosed.

E. Nothing in this section shall be construed to prohibit the delivery to a person, or his duly authorized representative, a copy of any return or report filed by him, nor to prohibit the publication of statistics so classified as to prevent the identification of particular buyers and sellers, nor to prohibit the furnishing of information on a
reciprocal basis to other agencies or political subdivisions of the state or the United
States concerned with the enforcement of tax laws.
F. Nothing in this section shall be construed to prohibit the disclosure through the
enforcement action proceedings or by public inspection or publication of the name,
estimated balance due, and current status of payments, and filings of any seller or
agent of any seller required to collect sales taxes or file returns under this chapter,
who fails to file any return and/or remit in full all sales taxes due within sixty (60)
days after the required date for that business. Entry into an agreement whether
pursuant to the provisions of this chapter or otherwise shall not act as any
prohibition to disclosure of the records of that seller as otherwise provided in this
chapter.
G. A prospective lessee or purchaser of any business or business interest may inquire
as to the obligation or tax status of any business upon presenting to the finance
director a release of tax information request signed by the registered owner of the
business.
H. All returns referred to in this chapter, and all data taken therefrom, shall be kept
secure from public inspection, and from all private inspection.

4.16.400 Publication of Delinquent Sellers
A. As soon as practicable after the expiration of sixty (60) days following the end of
each calendar quarter, the City shall publish in a newspaper of general or customary
circulation in the appropriate area of the City, as well as on the City’s website, a list
of every seller, including the “doing business as” name under which the seller is
doing business who:
1. Was conducting business in the City and was required to file a return during the
quarter, but who has not filed the required returns, unless the seller has paid any
balance due for that period in full; and
2. Did not pay all balances due, as long as the balance is greater than Five-Hundred
($500) Dollars.
B. Notwithstanding subsection (A) above, the City is not required to include in the
quarterly publication a closed business which has been published in the preceding
four (4) publications.
C. The names of sellers who have entered into and are satisfactorily complying with a
payment agreement with the City will not be published.
D. The publication of such delinquent sales tax accounts shall not be considered a
disclosure within the provisions of this chapter.

4.16.410 Lien
A. The tax, penalty and interest as imposed by this chapter, together with all
administrative and legal costs incurred, shall constitute a lien in favor of the City
upon all of the seller’s real and personal property. The lien arises upon the
delinquency, and continues until the liability for the amount is satisfied, or the
property is sold at a foreclosure sale.

B. The lien imposed by this section arises and attaches at the time that payment
becomes delinquent and continues until the entire amount has been paid.

C. If delinquent sales taxes, interest, penalties and other costs are not paid within ten
(10) calendar days from the mailing of notice and demand for payment thereof, a
notice of lien may be recorded in the office of the district recorder in any recording
district where the person liable has assets or property, and upon recordation, a lien
arising under this section has priority over any other liens except those for special
assessments or those granted priority by state and federal law (the lien has priority
as allowed by AS 29.45.650(e)).

D. The City may record subsequent notices of lien of amount due after the recording of
a previous notice of lien. The City may also record amended notices of lien to
correct any errors or to provide notice of the then current amount owing.

E. Within ten (10) calendar days of receiving the conformed, filed notice of lien, or
amended notice of lien from the recorder’s office, the City shall mail a copy of the
notice by certified mail, return receipt requested, to the last known address
provided failure to so mail the copy shall not void the lien or lessen its priority.

F. The city attorney, at the request and consent of the city council, may file an action
to foreclose the lien of the City for the tax upon property and rights to property, real
or personal, and sell the same, applying the proceeds thereof to the payment of the
tax, interest, penalty, fees and costs. The action shall be commenced and pursued
in the manner provided for the foreclosure of liens by applicable Alaska Statutes
(currently AS 09.45.170 through 9.45.220); provided, however, upon
commencement, the City shall provide written notice of the action to all reasonably
known persons having an interest of record in the property being foreclosed,
including persons in possession of the property. The action may be commenced
within six (6) years after the lien arises.

G. The remedy provided in this section is not exclusive and shall be in addition to all
other remedies available to the City to collect the sales taxes, interest, penalties and
costs due under this chapter.

H. The failure to record a lien does not constitute a waiver or abrogation of any
priorities, rights or interest of the City at law or in equity.

I. Fees for the filing and releasing of liens shall be as set out in the Bethel Fee and
Rate Schedule.

J. Upon full satisfaction of payment of all taxes, interest and costs, including the
administrative costs for the filing and release of the liens due and owing to the City,
the finance director shall file a certificate discharging the lien.

4.16.420 Violations
A. Failure to comply with any of the provisions of this chapter shall be a violation and will be considered an infraction.

B. Each act or omission in violation of this chapter, and each day in which the act or omission occurs, is a separate violation of this chapter.

C. A seller that fails to file a sales tax return or remit sales tax when due, in addition to any other liability imposed by this chapter, shall pay to the City all costs incurred by the City to determine the amount of the seller’s sales tax liability or to collect the sales tax, including without limitation, costs of obtaining, reviewing and auditing the seller’s business records, collection agency fees, and actual reasonable attorney’s fees.

D. A person who causes or permits a corporation of which the person is an officer or director, a limited liability company of which the person is a member or manager, or a partnership of which the person is a partner, to fail to collect sales tax or to remit sales tax to the City as required by this chapter shall be liable to the City for the amount that should have been collected or remitted, plus any applicable interest and penalty.

E. In addition to issuing citations for violation of this chapter, the City may bring a civil action to:
   1. Enjoin a violation of this chapter. On application for injunctive relief and a finding of a violation or threatened violation, the superior court shall enjoin the violation.
   2. Collect delinquent sales tax, penalty, interest and costs of collection, either before or after estimating the amount of sales tax due under Section 4.16.360.
   3. Recover a civil penalty of up to five hundred dollars ($500.00) for each violation of this chapter.
   4. Foreclose a recorded sales tax lien as provided by law.

F. All remedies hereunder are cumulative and are in addition to those existing at law or equity.

4.16.430 Penalties for Violations

A. A person, who is convicted of a violation of this chapter, where a fine is not otherwise specifically described in this section, shall be subject to a fine of not more than five hundred dollars ($500.00) plus any surcharge required to be imposed by AS 29.25.074.

B. A buyer or seller who knowingly or negligently submits false information in a document filed with the City pursuant to this Chapter is subject to a fine of Five Hundred ($500) Dollars.

C. A seller who knowingly or negligently falsifies or conceals information related to its business activities within the City is subject to a fine of Five Hundred ($500) Dollars.

D. A person who knowingly or negligently provides false information when applying for a certificate of exemption is subject to a fine of Three Hundred ($300) Dollars.
E. Any seller who fails to file a return required under this chapter within fifteen (15) days of written notification by regular mail, regardless of whether any taxes were due for the reporting period for which the return was required, shall be subject to a penalty of twenty-five ($25) dollars for the first sales tax return not timely filed, and fifty ($50) dollars for each subsequent sales tax return not timely filed within a one year period thereafter. The filing of an incomplete return shall be treated as the filing of no return.

F. Sellers who have not filed returns for two (2) consecutive reporting periods shall be assumed to have ceased conducting business and shall be removed from the roll of active businesses. Reinstatement of a business removed from the active role by this section shall require the payment of a mandatory reinstatement fee.

G. A person subject to the requirements of BMC 4.16.140, who fails to provide a written receipt or invoice setting out the amount of tax due on the transaction when the amount of the tax is required to be shown on the receipt or invoice, shall pay a penalty to the City equal to twice the amount of the tax due on the sale, however the minimum penalty is twenty-five ($25) dollars.

H. A seller who fails or refuses to produce requested records or to allow inspection of their books and records, shall pay to the City a penalty equal to three (3) times any deficiency found or estimated by the finance department with a minimum penalty of five hundred ($500) dollars. [penalty equal to 10% of any deficiency or estimate.]

I. A seller who falsifies or misrepresents any record filed with the City is guilty of an infraction and subject to a penalty of five hundred ($500) dollars per document.

J. Misuse of an exemption card is an infraction and subject to a penalty of:
   1. Fifty ($50) Dollars for a first occurrence and a one (1) month suspension of the privilege to use an exemption card;
   2. One Hundred Dollars ($100) for a second occurrence and a one year suspension of the privilege to use an exemption card; and
   3. Five Hundred Dollars ($500) for a third occurrence and the potential lifetime revocation of the privilege to use an exemption card issued by the City.

K. A penalty imposed under any part of this section may not be waived or reduced except upon a clear showing of reasons beyond the control of the person upon whom the penalty is imposed and only with the written consent of the City Attorney. Any other waiver or reduction of penalties shall only occur with the consent of the City Council.

L. All remedies for violations of this chapter are cumulative and are in addition to any others existing at law or in equity.

M. Nothing in this chapter shall be construed as preventing the City from filing and maintaining an action at law to recover any taxes, penalties, interest and fees due from a seller. The City may also recover full actual reasonable attorney’s fees in any action against a delinquent seller.
N. If the City Manager or finance director have reason to believe that a seller who has been removed from the roll of active businesses pursuant to this section is in fact continuing to conduct business, the City Manager may cause a proceeding to be filed in the Superior Court requesting the issuance of an injunction prohibiting that business from continuing to conduct business.

4.16.440 Appeals

A. Unless a different timeframe is specified, a seller aggrieved by an action of the finance director in fixing the amount of tax or in imposing a penalty or interest shall appeal to the City Manager within thirty (30) calendar days from the date of the postmark on the finance director's written notification. A tax payer who has a cause of action, grievance or protest concerning the legality, collection or payment of the sales tax shall appeal in this manner and within the same timeframe. All right to an appeal shall be deemed waived if not timely requested as set forth in this subsection.

B. All appeals shall be filed in writing addressed to the City Manager, must be signed by the seller/taxpayer (or counsel therefore) and shall contain the following information:

1. Name, address and telephone number of aggrieved seller/taxpayer;

2. A specific and detailed statement of the amount of tax, interest or penalty contested, the basis and grounds upon which the appeal is made, and all pertinent records, documents or other evidence substantiating the grounds as stated; and

3. A statement of the relief sought.

C. Failure to file an appeal within the time and manner provided shall be deemed a waiver of that right and to any appellate review to which the aggrieved party might have otherwise been entitled.

D. Arguments or reasons for failure to timely file a return and remit taxes collected shall not be considered a valid basis or grounds for granting an appeal. The basis and grounds for granting any appeal are limited to:

1. The identity of the seller is in error;

2. The amount of the debt is erroneous due to a clerical error (and the nature and extent of the error is specified in the request for a hearing);

3. The seller disputes the denial of exemption(s) for certain sales;

4. Taxes have been levied and forgiven; or

5. The Bethel Municipal Code has been misinterpreted, misapplied or not followed.

E. A request for appeal is filed on the date it is personally delivered or, if delivered to the City Manager by United States mail, the date of the United States Postal Service postmark stamped on the properly addressed cover in which the request is mailed.
F. A current mailing address must be provided to the City Manager with the request for appeal, and any change in mailing address after the request for appeal is filed must be reported to the City Manager.

G. Upon notice of the filing of a written appeal, the finance director shall immediately send a copy of their decision and any information or documents utilized in reaching their decision, to the City Manager with a copy to the City Attorney and the party filing the appeal.

H. The City Manager shall decide the appeal based upon the pertinent records provided by the parties involved.

I. The taxpayer must prove by a preponderance of the evidence the factual basis upon which he or she is relying.

J. The City Manager’s determination shall be based upon the evidence received and any written materials submitted by the parties. The determination need not make formal findings of fact or conclusions of law, but the written determination shall state the reasons for the decision and indicate the evidence relied upon. Such determination shall be issued no later than fifteen (15) calendar days after the appeal is filed. Such determination shall be final.

K. The City Manager may retain the services of the City Attorney to assist him/her in making their decision.

L. A seller who is not satisfied with a final written ruling of the City Manager may appeal the decision by requesting an appellate hearing before the Hearing Officer. The process for seeking appellate review of the City Manager’s decision is as follows:

1. Completing a written request for appeal;
2. Submitting the appropriate appeal fee;
3. Filing both with the City Clerk no later than twenty (20) calendar days from the date of the City Manager’s written decision.

M. Appeals of the City Manager’s decision shall contain the following information:

1. Name of appellant, Name of business (if different than appellant), address and telephone number of aggrieved tax payer;
2. A specific and detailed statement outlining the procedural, factual or legal error on which the appeal is based; and
3. A statement of the relief sought.

N. Upon a properly filed appealed, the City Clerk shall request a full copy of the record used by the City Manager. That record will be forwarded to the Hearing Officer with a copy to the party filing the appeal.

O. An appeal of the City Manager’s decision shall be limited solely to the information previously provided. No new evidence will be permitted during the appeal. The parties will be allowed an opportunity to argue their case before the Hearing Officer.

P. The order of presentation will be:
1. Brief opening statement by the City’s representative (optional);
2. Brief opening statement by the taxpayer/appellant (optional);
3. Argument and presentation of evidence by the City’s representative;
4. Argument and presentation of evidence by the taxpayer/appellant;
5. Rebuttal as necessary;

Q. All testimony shall be under oath. The proceedings shall be recorded. Upon written request, the appellant is entitled to a copy of the recording at no charge. The appellant or their legal counsel and the City may examine and cross-examine witnesses. Exhibits may be introduced. The rules of evidence need not be strictly followed; however, irrelevant or unduly repetitious evidence may be excluded.

R. The factual record is closed at the close of the hearing. The Hearing Officer may continue the hearing for good cause.

S. The Hearing Officer may choose to rule orally on the record or may choose to take the matter under advisement and issue a written decision at a later time. In either scenario, no later than twenty (20) calendar days from the date of the appeal hearing, a written decision will be issued. This decision will be final and may be appealed to the superior court as provided in the Alaska Rules of Appellate Procedure.

T. Contested taxes, penalties and interest that have been paid and are found to be overpaid shall be refunded with interest at the rate of five (5%) percent from the date of the payment.

U. Contested taxes, penalties and interest that remain unpaid shall continue to accrue penalty and interest as provided by this chapter until paid.

4.16.450 Transition Period

A. Sellers already licensed to do business at the time of the passage of this chapter shall be provided the following timelines for compliance:

1. Equipment – Sellers shall have six (6) months from the date of the passage of this chapter to implement all of the requirements for compliance with the necessary equipment, hardware and/or software requirements.

   (i) Except as set forth herein, no additional implementation or preparation time may be granted to sellers except for those who have taken timely, verifiable, good faith steps to comply with the provisions of this chapter and yet, through extraordinary circumstances beyond the control of seller, need additional time to comply.

   (ii) In such cases, the finance director may grant no more than ninety (90) additional calendar days.

   (iii) Requests for such additional time to comply shall be in writing, setting out the specific, extraordinary circumstances, which merit consideration for additional time.

   (iv) Inadvertence, neglect or delay on the part of a seller is not grounds for an extension of time.
(v) Only one (1) extension may be granted to any given seller.

2. Sales Tax Collection License Registration – Existing businesses shall register upon renewal of their sales tax license but in no event shall application for a sales tax collection license occur later than December 31, 2019.

3. Filing Status Changes – Sellers already licensed to do business within the City of Bethel who are filing other than as now prescribed in this chapter, shall have six (6) months from the date of passage of this chapter to change their filing status to meet the new requirements as set out herewith. This change will not apply to those sellers specifically notified by the finance director to remain monthly due to poor sales tax payment history.

4. Seasonal Businesses – Sellers who wish to change their status to a seasonal business may do so any time after the passage of this chapter.

B. This section does not apply to the obligations of sellers under this chapter to collect and remit applicable sales taxes mandated by this chapter. The collection and remission of the City’s sales tax must be done in a timely manner, regardless of any extensions of time sought for other obligations imposed by this chapter. Likewise, all the remedies, penalties and interest assessed for failure to properly collect and remit the City’s sales tax obligations are applicable to sellers who fail to do so, as required by this chapter.

SECTION 3. Effective Date. This ordinance shall become effective ninety (90) days from the passage of this Ordinance.

ENACTED THIS _______ DAY OF JULY 2017, BY A VOTE OF ______ IN FAVOR AND ______ OPPOSED.

ATTEST:

__________________________
Richard Robb, Mayor

________________________
Lori Strickler, City Clerk
Committee/Commission: Finance Committee
Chairman: Jon Cochrane
Date Submitted: September 12, 2017
Council Rep: Leif Albertson

**Recommendation #1:**
4.16.040(B): There is levied by the City a sales tax on all retail sales, services and rentals which either commence or terminate within the City, or which are in any part rendered, supplied or provided within the City, except as expressly provided otherwise in this chapter.

**Recommendation #2:**
4.16.090(A): No person may engage in any taxable transactions within the City without first procuring an annual sales tax collection license from the City finance department.

4.16.090(C): Existing businesses shall apply for a sales tax collection concurrent with their business license renewal. All existing businesses must be compliant with this section no later than December 31, 2019. Sales Tax Collection Licenses shall expire at the same time as the establishment’s business license and may be renewed concurrently.

4.16.430(A)(2): Sales Tax Collection License Registration – Existing businesses shall register upon renewal of their sales tax license but in no event shall application for a sales tax collection license occur later than December 31, 2019. Register within sixty (60) days of the passage of this Ordinance.

**Recommendation #3:**
Replace current 4.16.120 with the recommended version provided by the Finance Director (attached hereto)
Recommendation #4:
Delete section 4.16.230 (Security Deposits/Bonds)

Passed by a vote of 5 in favor and 0 against on August 25, 2017
4.16.210 Tax Filing Schedule

A. All persons subject to this chapter shall file a return on a form or in a format prescribed by the City and shall pay the tax due. Each person engaged in business in the City subject to taxation shall file a return in accordance with the following:

1. All persons subject to this chapter shall file a return on a form or in a format prescribed by the City and shall pay the tax due. Each person engaged in business in the City subject to taxation shall file a return in accordance with the following:
   1. Monthly. Unless as otherwise provided for in this section, sellers shall file on or before 3:00 pm local time on the last day of the month following the end of each preceding month.
   2. Semi-Monthly. If a seller fails to file or is late in filing returns for two (2) or more months, whether or not consecutive, the finance director may require the seller to submit returns and payments semi-monthly. The finance director may also require a seller to submit returns and payments semi-monthly for other good cause, including, but not limited, to a lack of sales history, seasonal sales, etc.
   3. Quarterly. Upon approval of the finance director, a seller that has a documented history of less than twenty-four thousand ($24,000) dollars in taxable sales annually as well as a documented history of on-time filings and payments, may file its sales tax return and remittance of taxes on an annual basis. Returns and taxes filed and paid on an annual basis must be received no later than January 31st following the calendar year for which the tax return is required to be submitted. Penalties for late filing of an annual return and for the late remittance of taxes shall be double the rate applicable to monthly returns and interest shall accrue on late annual remittances from January 1st of the preceding year.

4. Filing to be continuous. A person who has filed a sales tax return will be presumed to be making sales in successive periods unless the person files a return showing a termination or sale of their business in accordance with section 4.16.380.

Requested Amendment from FINANCE DIRECTOR
Approved by Finance Committee
## Summary of Positive/Negative Changes to the Code
### Sales Taxes

<table>
<thead>
<tr>
<th>Positive Changes</th>
<th>Neutral Changes</th>
<th>Negative Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Definitions</strong> – Clarify several areas of confusion</td>
<td></td>
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<tr>
<td>Declaration &amp; Policy</td>
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<tr>
<td>Interpretation</td>
<td></td>
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<tr>
<td>Presumption of Taxability</td>
<td></td>
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</tr>
<tr>
<td><strong>Less Ambiguity</strong></td>
<td>Rules Applicable to Particular Businesses – previously just hidden</td>
<td>Less Ambiguity means more is caught</td>
</tr>
<tr>
<td><strong>Title to Tax</strong> – When necessary, makes collecting against a delinquent seller easier. Clarifies who the taxes belong to.</td>
<td>Imposition</td>
<td></td>
</tr>
<tr>
<td><strong>Payment &amp; Collection</strong> – Clarifies what was buried among 3 separate sections before. Succinctly states the buyer pays the taxes &amp; the seller holds it in trust for the City and is required to remit it to the City.</td>
<td></td>
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<tr>
<td><strong>Sales Tax Registration</strong> – individualized per business per location; makes enforcement less costly and easier than currently; gives the City a simple list of who is allowed to do business in the City</td>
<td></td>
<td><strong>Sales Tax Registration</strong> – More paperwork for businesses; more paperwork for the Finance Department</td>
</tr>
<tr>
<td><strong>Certificate to be Displayed</strong> – Prior signs simply told people they had the right to ask for a receipt. Did not tell patrons they were dealing with an establishment that was current in paying its sales taxes.</td>
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<tr>
<td><strong>Certificate Non-Transferable</strong> – Keeps strong control over who is selling</td>
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<tr>
<td><strong>Injunctions</strong> – Allows the City the control of what businesses get closed down for non-payment and avoids the more lengthy court process as much as possible</td>
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<tr>
<td><strong>Revocation Hearing</strong> – Just because the City can shut down a business, the business is still entitled to a fair hearing and due process.</td>
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<tr>
<td><strong>Limits of Liability</strong> – Protection for the City</td>
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<tr>
<td><strong>Tax Receipts</strong> – Now actually required to GIVE a receipt; not required to before under the old code</td>
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<td></td>
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<tr>
<td><strong>Tax Exemptions</strong> – Alphabetical so they can be found easier; simpler to read</td>
<td></td>
<td></td>
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<tr>
<td>Clarified that Tribes count as sovereigns just as States and Cities do</td>
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<tr>
<td>Made the sale of cemetery/burial plots tax exempt</td>
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<tr>
<td><strong>Exemption Cards</strong> – Clarified what is needed to obtain them; how long they are good for, etc.</td>
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<tr>
<td>Lengthened the timeframe for seniors</td>
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<tr>
<td>Clarified process for Proxies</td>
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<td></td>
</tr>
<tr>
<td><strong>Tax Exemptions:</strong></td>
<td></td>
<td></td>
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<tr>
<td>Adds admission to school/charitable fundraisers</td>
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<tr>
<td>Made the sale of newspapers uniform: tax exempt everywhere, not just in the kiosks</td>
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<tr>
<td><strong>Tax Exemptions:</strong></td>
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<tr>
<td>Removed the $10,000 periodic rental exemption on real property</td>
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<tr>
<td>Removed the home remodeling exemption</td>
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<tr>
<td>Removed rent by Bethel Community Services residents</td>
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</tr>
<tr>
<td><strong>Revocation of Exemptions</strong>: Put in place a process to revoke the exemptions when abused</td>
<td><strong>Seller’s Liability</strong> – Clearly warns sellers that it is their responsibility to check before accepting an exemption</td>
<td></td>
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<tr>
<td><strong>Buyer’s Protest</strong>: Not hidden with the seller anymore; clarified process</td>
<td><strong>Refunds</strong>: No longer hidden in the language; easy to find</td>
<td></td>
</tr>
<tr>
<td><strong>Tax Filing Schedule</strong>: Online Filing – Will free up staff time</td>
<td><strong>Tax Filing Schedule</strong>: Everyone has to file EVERY MONTH unless they close their business. No more having to guess if a business is still in operation or closed. Allows for more accurate tracking of delinquent accounts.</td>
<td></td>
</tr>
<tr>
<td>Allows staff to focus on collections</td>
<td>Still allows for stricter timeframes for bad pay history or new businesses. Everyone has to file EVERY MONTH unless they close their business. No more having to guess if a business is still in operation or closed. Allows for more accurate tracking of delinquent accounts.</td>
<td></td>
</tr>
<tr>
<td>Contents of Return</td>
<td><strong>Extension of Time to File Return</strong></td>
<td></td>
</tr>
<tr>
<td>Nothing changed, just in separate section for ease in locating</td>
<td>Severely limits the reasons for the extensions without penalties</td>
<td></td>
</tr>
<tr>
<td><strong>Extension of Time to File Return</strong></td>
<td><strong>Extension of Time to File Return</strong> Severe limits the reasons for the extensions without penalties</td>
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</tbody>
</table>
| **Penalties/Interest:**  
| Adds a monthly fee  
| Cap increased from 17.5% to 25% | **Penalties/Interest:**  
| Adds a monthly fee  
| Cap increased from 17.5% to 25% |
| **Repayment Plans:**  
| More oversight and accountability to the process | **Forgiveness:**  
| More oversight and accountability to the process |
| **Application of Payments** – same as before | **Amended Returns** – same as before |
| **Recordkeeping** – More detailed  
| Requires businesses to use mechanism that tracks sales; not adding machines where sales can easily be hidden. Better tools for audits and accountability | **Loss of Records** – Similar to before |
| **Audits:** More teeth for the City than before. Cost shifting mechanism when audit finds significant discrepancies | **Estimated Taxes** – Similar to before  
| **Accelerated Returns** – Similar to Before |
| **Cessation of Business** – More responsibility for buyers; more security for the City when a business sells | **Use of Info** – Similar to Before  
| **Publication** – Buried in previous code; more spelled out  
| **Liens** – Similar to Before |
| **Violations** – Language compatible with the Alaska Rules of Court |  |
| **Penalties** – More fitting with the offense; not one size fits all |  |
| **Appeals** – allows those who disagree an avenue to disagree and be heard |  |
| **Transition Period** – Gives everyone a chance to learn, ask questions, get things in place |  |
Recommendation to City Council

Committees and Commissions that wish to make a recommendation to City Council should turn this form in to the City Clerk or to the City Council representative on the committee or commission.

<table>
<thead>
<tr>
<th>Committee/Commission:</th>
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<th>Chairman:</th>
<th>Jon Cochrane</th>
</tr>
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<tbody>
<tr>
<td>Date Submitted:</td>
<td>July 25, 2017</td>
<td>Council Rep:</td>
<td>Leif Albertson</td>
</tr>
</tbody>
</table>

**4.16.150 Tax Exemptions**

Non-Profits: A sale of goods or services to any entity that, at the time of the sale, is: (1) legally constituted and legitimately acting in accordance with a duly authorized federal tax exempt status pursuant to IRS Regulations, Section 501(c)(3)(4) or (19); and if the same goods or services are used exclusively in the fulfillment of activities within the federal tax exempt status (2) provided any income from the exempt sale is exempt from federal taxation and (3) provided the non-profit produces a sales tax exemption card.

Exceptions: The sale of bingo, pull tabs or other gaming activities is not exempt. Activities provided by the entity where such organization is engaged in business for profit or is competing with other persons engaged in the same manner or in a similar business is not exempt.

**5.04.050 Additional fees for businesses selling games of skill and chance.**

A. Each business selling games of skill and chance shall pay an additional fee equal to six (6) percent three (3%) percent of the gross revenues from sales of games of skill and chance. Gross revenues from a sale is the total cost to the player for the right to each single chance or play, whether paid to the operator or qualified organization in cash or by relinquishment of winnings or in exchange for other things of value.

*Other: Passed unanimously (6-0) by the Finance Committee on July 17, 2017*
Recommendation to City Council

Committees and Commissions that wish to make a recommendation to City Council should turn this form in to the City Clerk or to the City Council representative on the committee or commission.

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</tr>
</tbody>
</table>

**Issue:** Sales Tax. The City has struggled over the years to adequately collect sales taxes from businesses. While a majority of the problem has been internal, part of the issue has been the Code itself.

**Recommendation:** To pass, by Ordinance, proposed Sales Tax Code

The Finance Committee met 19 times over a one year period of time to review and put together a comprehensive re-write of the Sales Tax Code. The Committee received and considered input from 13 community members who attended the meeting as well as several others who provided their input via email or one-on-one dialog with members of the committee. What is presented to the council is a culmination of a tremendous amount of dedication and hard work by not just the finance committee, but several interested members of the community who showed up time and time again to express their concerns.

While not everyone got the legislation they hoped for, what is presented to council is a fair and well-reasoned piece of legislation aimed at simplifying the sales tax process for businesses while also making the process of collection and enforcement easier for the City.

The Finance Committee urges the City Council to adopt the proposed Code as presented.

**Other:** Passed unanimously (6-0) by the Finance Committee on June 28, 2017
4.16.040 Presumption of Taxability

A. In order to prevent evasion of the sales tax and to aid in its administration, it is presumed that all sales by a person engaging in business are subject to the sales tax; and

B. There is levied by the City a sales tax on all retail sales, services and rentals which either commence or terminate within the City, or and for which a substantial portion of the sale, service or rental, is are in any part rendered, supplied or provided within the City, except as expressly provided otherwise in this chapter.

C. A sales tax applies to all real property within the City that is either rented or sold. The tax applies to commissions on the sale or rental of real property, on the rental of real property, and as limited in section 4.16.150, on the sale of real property. The tax applies regardless of whether the seller, buyer, renter, lessee or tenant reside within or outside the City of Bethel.

D. For the purposes of this section, any building or other place of business shall be considered to be within the City if any part thereof or any substantial part of a contiguous parking area or other supporting facility is within the City.

E. For purposes of this chapter, the sales price or purchase price of property must be determined as of the time of acquisition.

F. For purposes of this chapter, a sale of services occurs at the time the services are provided.
4.16.150  Exemptions

V. Services. That portion of the selling price of a single service that exceeds $12,000. This amount will be adjusted in 2019 and every two (2) calendar years thereafter consistent with the Consumer Price Index for all urban consumers for Anchorage metropolitan area compiled by the United States Department of Labor, Bureau of Labor Statistics. Adjustments to the amount listed will be rounded to the nearest $100. For the purposes of this subsection, a single service is interrelated and interdependent function necessary to perform a specified action. For the purposes of this subsection, a single service is an interrelated and interdependent function necessary to perform a specified action. If a single service is performed over a period exceeding one month, the selling price must be apportioned to a monthly or invoice basis, whichever is more frequent, proportionate to the service performed, except for:

a) a commission paid to an agent for negotiating the sale of real property (the commission is taxed at the first $12,000 of the sale regardless of the length of time the agent has in selling the property); or

b) a written contingency fee agreement award or settlement (to be collected on the first $12,000 of the fee award regardless of the length of time taken to resolve the case).
Sec. 05.15.184. Pull-tab tax.
A pull-tab distributor shall collect a tax of three percent of an amount equal to the gross receipts less prizes awarded on each series of pull-tabs distributed. The pull-tab distributor shall pay to the department the tax collected in the preceding month at the time that the report under AS 05.15.183(d) is filed with the department.
Bethel City Council

RE: Status of General Retail Sales tax @ 6.30.17
From: Jim Chevigny

I have reviewed and analyzed the Retail Sales Tax aging report as of 6.30.17 and following are my observations:

Total 6.17 Retail Sales Tax: $631,210 (Alcohol is not included)

After removing the accounts that have agreements in place (1), are in litigation (1) and are a current pay yet are now past due (2), the aging report in days late, follows:

<table>
<thead>
<tr>
<th>Days Late</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>31-60</td>
<td>$2,493</td>
<td>.04% (.004)</td>
</tr>
<tr>
<td>61-90</td>
<td>$2,199</td>
<td>.03% (.003)</td>
</tr>
<tr>
<td>91-120</td>
<td>$2,599</td>
<td>.04%</td>
</tr>
<tr>
<td>121-150</td>
<td>$1,871</td>
<td>.03%</td>
</tr>
</tbody>
</table>

These are excellent figures.

The 151 days and over column, after removing bankruptcies (1), those in litigation (3) and those who are out of business with little chance of collection (5), the balance is $36,843, which over the life of these delinquencies, when using the minimum period which is 5 months (150+ days), the percentage is 1% (.01).

Presently the COB has a penalty and interest system that applies a 3-1/2% penalty to each late account balance each month for 5 months, plus daily interest at an annual rate of 15% until collected.

There is a proposal to modify the penalty schedule, which I do not agree with, as it appears to be a case of a solution in search of a problem. The COB does not have a Retail Sales Tax delinquency problem.

I do recommend the 3-1/2% per month penalty have no time limit, replacing the (5) months currently.
Memorandum

To: City Council
From: Peter A. Williams, City Manager
Date: August 2, 2017

Re: Gaming Fees

**GAMING TAX**

The administration strongly disagrees that we should lower the current fee for gaming from 6% to 3%. This would decrease the Revenues to the General Fund by $274,000. Every 1% increase or decrease equals $91,000.

Currently the General Fund is supporting the Transit system, Library, UAF 4H program, Community Services. The total costs to the general fund for these programs is approximately $324,500. This amount does not include the funds of the pool, $595,395. Excluding the pool funds, the total of the proposed Gaming Fee reduction and the other aforementioned funds equals $598,500 ($274,000 plus $324,000). Adding the pool brings the total to $1,193,895.

The effect of these funds not being available for the Police, Fire Depts., Property Maintenance, V&E, and Administration and Streets and Roads is having an effect to our core services the City is tasked with performing.
For instance, when we approved the FY-18 Budget we looked at Community Services, Fire and Police Depts. first. We then we reviewed Property Maint., V&E and Streets and Roads. Both V&E and Streets & Roads have substantial maintenance issues but there was not enough funds left to make any substantial improvements for rebuilding the heavy equipment and re-building the roads. V&E has an assessment to rebuild our heavy equipment for approximately $85,000 that will save the City the cost of buying new equipment. Administrations biggest concerns is how are we going to fund the gravel needed for the city’s roads. This fiscal year the budget, too purchase gravel is $144,000, of which 30% has been used this year already. This is barely enough to fill the potholes in the next coming year. Streets and Roads requested an additional $308,400 to re-build three roads which wasn’t funded. The amount requested does not include work that needs accomplishing in the Kasayuli sub-division.

I understand that with the budget process was confusing and that may be why some items were not approved. What I am trying relate is that we hardly can afford to give up revenues. We are having trouble as it is funding areas that have serious problems.
Summary of Changes in Sales Tax Code

**Section 0.10  Definitions**
The main section that has changed is an expansion on the definitions of “Sale” and “Services” to make those clearer and more consistent with statewide definitions.

**Section 0.20  Policy**
*New Section* to make it clear that the City has been entrusted by the voters with the fair, effective, efficient administration of their tax dollars.

**Section 0.30  Interpretation**
*No change*

**Section 0.40  Presumption of Taxability**
[Previously Section .080]
Re-worked to make it more readable and easier to understand.

Basically, any sale, rental or service that occurs within the City is taxable. If it happens in Bethel, it is taxed in Bethel.

**Section 0.50  Rules Applicable to Particular Businesses**
Previously spread out throughout the old version of the Code
Consolidated for ease and to address areas that were often contentious

- Commissions – clarified (previously hidden in services)
- Coin Operated Machines – previously in section .070
- Gaming – previously one had to go between sales taxes and business licenses to get all the information

Biggest Change – Significant decrease in how Gaming is taxed and in amount of taxes on gaming.

**Section 0.60  Title to Collected Taxes**
Formerly buried in section .130

**Section .070  Imposition Rate**
Formerly section .030

**Section .080  Payment and Collection**
Previously buried in the language of section .060

**Sections .090-110  Sales Tax Collection – Registration**
*New language;* Common in nearly ALL municipalities in Alaska that collect Sales Taxes. This makes enforcement easier. An administrative revocation of the right to collect is quicker, cheaper and easier than a court injunction.
Section 120  Injunction
New – Retaining this right for the City

Section .135  Limits of Liability
New – protection for the City
New form and procedures instituted as well to go with this

Section .140  Tax Receipts  Previously 0.95
Clarified and also strengthened the language
Previously – requirement was that they post a poster provided by the City (no expiration date on it). DIDN’T ACTUALLY REQUIRE THAT THEY PROVIDE A RECEIPT, JUST HAVE THE POSTER TELLING PEOPLE THEY HAD THE RIGHT TO DEMAND A RECEIPT!

New Version – Mandates Cash Register receipts (no more adding machine tapes);
Allows flexibility for those businesses that would not normally have cash registers (such as landlords) while still having a way to track sales;

Section .150  Tax Exemptions  Previously .040
Alphabetized List for ease in finding exemptions
Clarifies the maximum tax on a large item (cannot combine receipts to get to the maximum tax)
Removes maximum tax for services: Review of actual filings found it was used predominantly during large construction projects, the majority of which are tax exempt anyways
Removes exemption for periodic rental – Review of actual filings found only 1 per year
Removes home improvement exemption (O) – review of actual filings found an average of 2 per year and both were applied incorrectly. Moreover, the section was being exploited and misapplied by contractors rather than actual homeowners.
Real Estate Sales (Y) – remained the same but language cleaned up for ease of use by public
Non Profits (W) – changes to prohibit competition with local businesses

Section .160  Exemption Cards  Previously .050
Cards instead of Certificates (city has ability to print photo cards now to cut down on fraud)
Reiterate that State, Federal, Tribal and Municipal Entities do NOT need exemption cards
Set costs
Set out requirements and information needed for the card;
Expand senior cards from 2 years to 5 years
Clarify residency requirements for senior ID cards

Make the cards not transferrable

Provide a process to revoke the cards in cases of abuse.

**Section .165  Non-Profit Exemption Certificates**  Previously .050
Took policy created with amendment of Old Section .050 and cleaned it up

Keeps it at a “Certificate” instead of a photo card for ease of use

Card has no charge

Expiration Timeframe of 4 years

Provides procedure for revocation if exemption abused

**Section .180  Revocation**
*Completely New*
Procedure for Revoking Exemption Status

**Section .190  Seller’s Liability**
Previously section .290

**Section .200  Buyer’s Protest**
Previously section .190
Similar but attempts to make the process clearer

**Section .210  Refunds**
Previously section .210 as well
BUT – previously only applied to sellers who overpaid
Now also allows for buyers who overpaid

**Section .230  Filing Schedule**  Previously section .110
Goes from monthly to quarterly

Must file every quarter even if ZERO income

Allows City to put businesses with bad pay history on monthly or more frequent schedule

Allows for seasonal or special events

Makes it clearer that sellers must be able to substantiate exemptions
Section .240  Contents of Tax Return
New section

Separates types of sale inside one business umbrella: retail sales vs. rentals vs. services

Separates Exemptions by class: senior; governmental; etc.,

Section .250  Security Deposits/Bonds
New Section

Allows the City to demand a deposit or some type of security of some sellers

Section .260  Extension of Time to File Return
Previously .250

Rather than an ambiguous “for good cause shown” – states how and when extensions may be granted

Section .270  Penalties and Interest
Previously .180

Penalties now graduated instead of a flat rate no matter how late. The faster it is filed, the smaller the % of penalty. [Previously 3.5% no matter if 1 day late or 100 days late]

Penalties do not max out like before

Adds a late filing fee of $25 (in addition to the penalty and interest)

Waiver of penalties can only occur ONCE in a 24 month period and Council must be notified

Section .280  Repayment Plans
New Section

Puts informal policy into ordinance form and sets out procedure.

Section .290  Forgiveness of Uncollected Taxes, Penalties & Interest
New Section

Puts more accountability into when and how forgiveness can occur.

Council must be notified.

Section .300  Application of Sales Tax Payments
Previously buried deep within section .100 Now separate & easy to find
Section .310  Application of Overpayments
Previously Section .210 and .100
Technically buried between the 2 old sections
By putting it into a separate section and all together, the hope was to make it easy to find and understand

Section .320  Amended Returns
New Section
Captures the reality of errors that sellers sometimes catch and what does/should happen in those circumstances

Section .330  Recordkeeping of All Sellers
Previously Section .100
MUCH TOUGHER – much more detailed recordkeeping now required
Very detailed requirements: “Z” Tapes; sequentially numbered invoices;
Makes it clear that the burden of proving that something is not taxable is on the seller.

Section .340  Loss of Records
Previously buried in the “Penalties” section of the Old Code (Section .180)
Sellers no longer have to dig to find the information

Section .350  Audits
Previously Section .170
More detailed – makes it clear that if you do business in Bethel, your records are subject to audit.
Allows for subpoenas to be issued (if necessary)
Provides a remedy when a business if outside the City and refuses to comply
Provides financial incentive for businesses to be accurate (if an audit is performed finds $500 or more in sales taxes due, seller pays the full cost of the audit in addition to interest, penalties, etc.)

Section .360  Estimated Tax
Previously Section .150
Clarifies how far back the City can go in estimating taxes (3 years) – simultaneously puts a limit on how far back the City can reach to bring a suit (3 years)
Adds language that refusal of certified mail = acceptance of the certified mail

No longer requires full payment in order to appeal the correctness of the estimate; BUT – limits the excuses for late filing

Penalty fee is higher than for late payments ($50/month as opposed to $25/month)

Section .370 Accelerated Returns
Previously Section .160

Section .380 Cessation or Transfer of Business
Previously Section .120

CHANGED DRASTICALLY

Puts clear timelines for notices to City

Automatic authorization for the City to disclose to known purchaser of a business the current sales tax status of the business.

Requires finance department to send all pertinent information to the new buyer about the obligations they take on when purchasing the business: they are responsible for all sales taxes from the business even if incurred by the prior owner [this was in the prior code but without the required notice]

Instructs the potential new owner to contact the City and get a clear understanding of any tax liability for the new business they are purchasing. Instructs the new owner to withhold this amount from the purchase and remit it to the City. [Puts brokers, real estate agents, banks, etc., on notice]

Puts in provisions for corporations and the responsibility of corporate officers who has control or supervision of sales tax funds collected.

Seller who owes us money on one business, prohibited from opening a new business until accounts from the old business are settled in full.

Section .390 Use of Information on Tax Returns
Previously Section .260

Section .400 Publication of Delinquent Sellers
Previously buried in Section .260

Makes it clearer when and how delinquent seller information can be made public.
Section .410 Lien
Previously Section .280

Section .420 Violations (the general rules for the violations)
Portions of this were previously buried throughout the old Code and in Section .180 of the Old Code.

What is new are sections pertaining to newly added portions

Makes each day that a violation occurs a separate violation

Puts the cost of an audit on the seller if the City is forced to do an audit to determine how much they owe (due to lack of filing sales tax returns)

Section .430 Penalties
Previously .180

The actual $ amounts for the various violations

Actually puts a fine amount on the failure to provide a receipt

Section .440 Appeals
Previously Sections .220 & .230

Clarifies and streamlines the appeal process. Before someone who had an issue could choose where to appeal. This caused confusion for everyone. Additionally, one of the options was the finance committee but they are a committee, not a commission.

Section .450 Transition Period
New Section
Reasonable Timeframe for all to come into compliance with the new code
CITY OF BETHEL, ALASKA

Ordinance #17-42

AN ORDINANCE BY THE BETHEL CITY COUNCIL AMENDING FEES AND CHARGES RELATED TO ELECTRONIC RECORDS FOR THE CITY OF BETHEL

BE IT ORDAINED that the City Council of Bethel, Alaska,

Section 1. Classification. This ordinance is not permanent in nature and shall not be placed in the Bethel Municipal Code.

Section 2. Amendment. The Fees and Charges schedule is hereby amended, new language is underlined and old language is stricken.

<table>
<thead>
<tr>
<th>GENERAL SERVICES</th>
<th>PRICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electronically Reproduced Records (up to 5 pages)</td>
<td>$5.00 Free</td>
</tr>
<tr>
<td>Paper Reproduced Records (up to 5 pages)</td>
<td>$5.00</td>
</tr>
<tr>
<td>Additional $0.25 per page for documents over 5 pages in length</td>
<td>$0.25</td>
</tr>
</tbody>
</table>

Section 3. Effective Date. This Ordinance shall become effective immediately upon the passage by the Bethel City Council.

BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF BETHEL ALASKA, THIS __ DAY OF SEPTEMBER 2017, BY A VOTE OF _ IN FAVOR AND _ OPPOSED.

___________________________
Richard Robb, Mayor

ATTEST:

___________________________
Lori Strickler, City Clerk
CITY OF BETHEL, ALASKA

Ordinance #17-43

AMENDING THE BETHEL MUNICIPAL CODE
SECTION 4.04.020 BUDGET ESTIMATE-PREPARATION

Whereas, the City Manager is required by BMC to submit a budget to Council by April 1 of each year;

Whereas, historically, the submitted budget was balanced, as defined by current year expenditures covered by current year revenues;

Whereas, Council has the option, responsibility, and duty to amend, adjust, and change the budget for the best interests of the people of Bethel;

Whereas, council has the responsibility to be a steward of the Taxpayers' and rate payers' money and spend responsibly;

Whereas, for FY 18, the submitted budget was not balanced as defined by current year expenditures covered by current year revenues;

Whereas, nothing in this ordinance prohibits administration from suggesting additional expenditures or capital projects, or prohibits council from enacting additional expenditures or capital projects subject to restrictions in BMC 4.04.055;

Now, Therefore Be It enacted by the City Council of Bethel Alaska as follows:

Section 1. Classification. This ordinance is of permanent nature and shall be codified within the Bethel Municipal Code.

Section 2. Amendment: Bethel Municipal Code 4.04.020 is amended, new language is underlined, removed language is stricken.

4.04.010 Fiscal year.
The fiscal year of the city government shall begin on the first (1st) day of July and end on the last day of June of each calendar year. The fiscal year shall also constitute the budget and accounting year. Changes to the city’s fiscal year shall be by council resolution.
4.04.020 Budget estimate — Preparation.

The city manager shall prepare and submit to the council, not later than April first (1st) of each year, the complete annual budget estimate for the following fiscal year, and a budget message. The budget submitted by the city manager must be balanced, as defined in this section as current year expenditures covered by current year revenues. The budget estimate shall cover and appropriate for all expenditures of money, including contract and other commitments, except appropriations for expenditures from bond construction funds and special assessment construction funds. The council may amend the budget estimate at any time prior to adoption.

4.04.025 Fees and charges revenue estimate — Preparation.

The city manager shall prepare and submit to the council, not later than April fifteenth (15th) of each year, an estimate of revenue that the city will receive during the next fiscal year. The city manager shall propose any changes to such fees and charges for the next fiscal year that the manager deems necessary. A schedule of fees and charges shall be included as an appendix to the annual budget estimate prepared in accordance with BMC 4.04.020.

4.04.030 Budget a public record.

The budget estimate and, upon adoption, the budget and budget message, shall be a public record open to inspection in the office of the city clerk. Copies of the budget estimate and budget message shall be prepared for purchase by any interested person.

4.04.040 Budget estimate — Public hearing.

The council shall fix the time and place for a public hearing on the budget estimate. Notice of the hearing, together with a summary of the budget estimate, shall be posted on the bulletin board at City Hall not more than ten (10) nor less than five (5) days prior to the time fixed for hearing. At the time and place advertised, or at any time and place to which such public hearing shall be adjourned, all interested persons shall be given an opportunity to be heard.

4.04.050 Budget — Adoption.

The council shall adopt the budget and make the appropriation by ordinance no later than the fifteenth (15th) day of June. Failing adoption, the budget estimate as submitted or amended shall go into effect and be deemed to have been adopted by the council; and the proposed expenditures therein shall become the appropriations for the next fiscal year.

4.04.055 Balanced budget.

A. The budget which is adopted shall be balanced, considering all sources of funds. Although the accounting definition of “balanced budget” refers to current year expenditures covered by current year revenues, for the purpose of this section a balanced budget shall include any budgeted transfers from the general fund balance or enterprise fund unreserved net assets to balance the budget of a particular fund.
B. Any action to reconsider or rescind the budget which creates an imbalance shall be in violation of this section unless approved by the city council.

C. Any action to reconsider or rescind the budget which would affect a balanced budget must be accompanied by action which maintains a balanced budget.

4.04.060 Finance department report – Budget – Amendment.
The budget may be amended by the council at any time after adoption, provided no such amendment shall be made until after a public hearing upon the same notice as required for the budget estimate under BMC 4.04.040. The substance of the proposed amendment or amendments shall be posted with the notice of hearing.

4.04.070 Appropriations.
A. No budget appropriations may be encumbered without prior certification by the city manager that there is an unencumbered appropriation sufficient to cover such encumbrance and sufficient funds available to meet the expenditure.

B. The city manager shall not permit, without council approval, during any budget year, an expenditure or contract incurring any liability in excess of the amount appropriated for each department of the city.

C. Appropriations for capital improvement projects and grants carry over at year-end. All other appropriations covered by the budget lapse at the end of the budget year to the extent that they have not been expended or the goods or services for which they have been encumbered have not been delivered to or utilized by the city prior to the end of the city’s fiscal year. [Ord. 161 § 2, 1985.]

4.04.080 Budget – Control.
Budgetary control is exercised at the departmental level. The city manager may approve intra-departmental transfers of appropriated funds not directed to personnel services and only to the extent such transfers do not exceed five thousand dollars ($5,000). Any supplemental appropriations that amend the total budgeted expenditures of any department and all inter-departmental transfers of appropriated funds shall be by ordinance. The request for any supplemental appropriation shall be submitted to the council as soon as the city manager becomes aware that the total expenditure for any line item has exceeded the budgeted expenditure for that line item by five thousand dollars ($5,000).

4.04.090 Audit.
An independent audit shall be made of all accounts of the city at least annually, and more frequently if deemed necessary by the council. The annual audit shall be made by certified public accountants employed by the council, and shall be completed within one hundred fifty (150) days following the close of the fiscal year. An analysis of the audit shall be made public by the council.
SECTION 3. Effective Date. This ordinance shall become effective upon passage by the Bethel City Council.

ENACTED THIS ___ DAY OF SEPTEMBER 2017, BY A VOTE OF ___ IN FAVOR AND ___ OPPOSED.

ATTEST:

__________________________
Richard Robb, Mayor

________________________
Lori Strickler, City Clerk
CITY OF BETHEL, ALASKA

ORDINANCE # 17-28 (b)

An Ordinance of the Bethel City Council Amending the Adopted Annual FY 2018 Budget

Be it Enacted by the Bethel City Council that the FY 2018 Annual Budget be amended as follows:

Section 1. That the following sums of money as may be needed or deemed necessary to provide for increased expenses and liabilities of the City of Bethel are hereby appropriated for the corporate purposes and objects of the City hereinafter specified for Fiscal Year 2018, July 1, 2017 to June 30, 2018.

Section 2. The following is a summary of the changes by fund and department:

### STREETS AND ROADS

<table>
<thead>
<tr>
<th>Increases</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>10-14000 GRAVEL INVENTORY</td>
<td>200,000</td>
</tr>
<tr>
<td>Total Increases</td>
<td>200,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Decreases</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>10-10100 CASH - GENERAL FUND</td>
<td>(200,000)</td>
</tr>
<tr>
<td>Total Decreases</td>
<td>(200,000)</td>
</tr>
</tbody>
</table>

**TOTAL** Net Change to General Fund Appropriations 0

**TOTAL CHANGE TO OVERALL CITY BUDGET**

| Change to Revenues Increase/(Decrease) | 0        |
| Change to Appropriations Increase/(Decrease) | 0        |

These changes INCREASE the overall expenditures/expenses of the City by 0

Section 3. Effective Date. This ordinance becomes effective immediately upon adoption.

PASSED AND APPROVED THIS ___ DAY OF September 2017 BY A VOTE OF ___ IN FAVOR AND ___ OPPOSED.

ATTEST:

_____________________________
Lori Strickler, City Clerk

_____________________________
Richard Robb, Mayor
CITY OF BETHEL, ALASKA

ORDINANCE # 17-28 (c)

An Ordinance of the Bethel City Council Amending the Adopted Annual FY 2018 Budget

Be it Enacted by the Bethel City Council that the FY2018 Annual Budget be amended as follows:

Section 1. That the following sums of money as may be needed or deemed necessary to provide for increased expenditures of the City of Bethel are hereby appropriated for the corporate purposes and objects of the City hereinafter specified for Fiscal Year 2008, July 1, 2017 to June 30, 2018.

Section 2. The following is a summary of the changes by fund and department:

### Budget Modification 17-28 c
Changes to YK H&F Center line items

<table>
<thead>
<tr>
<th>Increases</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>40-16500  Machinery &amp; Equipment Assets - Boiler upgrade</td>
<td>7,785</td>
</tr>
<tr>
<td>40-50-646  Contractor's Services: Repairs and Maintenance</td>
<td>7,215</td>
</tr>
<tr>
<td>40-50-649  Professional Services - Maintenance contract (est) $25,000</td>
<td>25,000</td>
</tr>
<tr>
<td><strong>Total Increases</strong></td>
<td><strong>40,000</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Decreases</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>40-12201  Cash - YK H&amp;F - Investment MMF</td>
<td>(40,000)</td>
</tr>
<tr>
<td><strong>Total Decreases</strong></td>
<td><strong>(40,000)</strong></td>
</tr>
</tbody>
</table>

**E-911**

**TOTAL**  Net Change to E-911 Fund Appropriations $ -

### WATER & SEWER UTILITY ENTERPRISE FUND

Budget Modification 17-28 c
Changes to Water/Sewer Utility Fund line items

<table>
<thead>
<tr>
<th>Increases</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>51-16400  Water / Sewer System Piped Assets - Engineering fees</td>
<td>70,000</td>
</tr>
<tr>
<td><strong>Total Increases</strong></td>
<td><strong>70,000</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Decreases</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>51-10100  Water / Sewer Fund - Central Treasury</td>
<td>(70,000)</td>
</tr>
<tr>
<td><strong>Total Decreases</strong></td>
<td><strong>(70,000)</strong></td>
</tr>
</tbody>
</table>

**Util TOTAL**  Net Change to Utility Billing and Water & Sewer Utility Fund Appropriations $ -
August 31, 2017

Lori Aldrich
Solid Waste Program Coordinator
Department of Environmental Conservation
555 Cordova St.
Anchorage, AK 99501

Subject: Acceptance of Sewage Solids
Solid Waste Permit No. SW2A002-22 – Submittal 2

Dear Ms. Aldrich:

The City of Bethel requests a modification to Solid Waste Permit No. SW2A002-22 to allow co-disposal of sewage solids in the Bethel municipal solid waste facility. This sludge disposal will occur in the fall of 2017 and spring of 2018 during a single dredging operation to remove solids deposited in the City’s wastewater treatment lagoon.

The sewage solids will contain no less than 10% solids and will be covered with six-inches of fill each day. Cells that are incomplete at the end of the first season will receive 12-inches of cover. Final cover of the completed and closed cell will be 24-inches. The solids will be placed in a designated sludge disposal cell with constructed berms as shown in the attached drawing.

The Bethel Landfill Operations Plan has been updated to include information about this one-time sludge disposal. A copy is attached to this request. The landfill operators have been informed of this change.

In response to your requests for more information on 8/2/17 and 8/24/17, the following clarifications are provided:

We do not expect to receive more than 10,000 cubic yards of sludge at the Bethel landfill. The volume of sludge to be deposited at the landfill will vary based on the how successful the dewatering process is and what percent solids cake is achieved from the belt filter presses. Initial tests indicate that the Bethel sludge dewaterers very well. The contractor expects to remove about 2,500 dry tons of material, which would equate to approximately 8,500 cubic yards of dewatered sludge, if all assumptions of dewatered cake percentage and sludge weight per pound are accurate.

The temporary sludge enclosures will be built by creating a berm with fill material at the edge of the placed sludge each day. Cover will then be spread over the sludge to the berm, completely enclosing the sludge and preventing vector attraction. The dewatered sludge and the fill material are very different in appearance so the contractor will be certain that the sludge has been covered each day. A plan and section-view drawing is included to depict how the sludge will be placed.

The public may enter the Bethel landfill during the day but there is a gate to prevent access when landfill staff are not on site. Public traffic will directed to the east side of the landfill. A drawing is attached to show the traffic plan. A sign will be posted to prevent the general public from entering the sludge disposal area.

The Bethel landfill and the adjacent sewage lagoon are both located on land owned by the City of Bethel. The property line noted on the attached drawing is approximate, based on the City of Bethel Land Status Map.

“Deep Sea Port and Transportation Center of the Kuskokwim”
There are no developments or water sources within 500 feet of the proposed disposal area. Also note that the sludge comes from an unlined lagoon 300 feet away from the disposal site.

The sludge will be sampled at least six times each year of the operations to test for PCB’s, with a limit of 10ppm, and TCLPs will be run to determine toxic characteristic. Residuals sampling and testing will be conducted by an independent laboratory to determine percent total solids content. Percent total solids content is to be determined following established laboratory procedures as specified in Test 2540G of the 19th Edition of “Standard Methods.” Percent total solids content of dewatered sludge is to be analyzed as a daily composite consisting of one sample from each truck leaving the Site on that day.

Upon completion of the dredging and sludge disposal operation, the total final cover on the sludge cells will be 24 inches. The cost of this closure is included in the contract price for the lagoon dredging.

Thank you for your time and consideration. Please do not hesitate to contact me with any questions or concerns.

Respectfully,

Peter Williams  
City Manager

cc: CH2M  
Enclosures:

Amended Bethel Landfill Operations Plan  
Landfill Plan Drawing  
Landfill Sludge Disposal Plan and Section Drawing
CITY OF BETHEL, ALASKA

Resolution # 17-16

A RESOLUTION BY THE BETHEL CITY COUNCIL SUPPORTING PUBLIC EMPLOYEES RETIREMENT SYSTEM REFORM

WHEREAS, the City of Bethel, and other municipalities, contribute to The Public Employee Retirement System (PERS);

WHEREAS, included in Senate Bill 125 in 2008 was language requiring municipalities to pay termination costs and “below the floor costs” on the termination of a department, group, or classification of employees;

WHEREAS, those lay-offs that are made up of a department, group, or classification will result in a charge to local governments for the actual study, followed by charges for each of those employee’s past service cost for approximately 30 years;

WHEREAS, if the total base salary of any municipality falls below what it was in 2008 (the year of SB 125), then charges will be assessed on that drop, as well;

WHEREAS, these rules severely limit the ability of municipalities, including the City of Bethel, from being agile in the workplace, including eliminating no longer needed departments, groups, or classifications;

WHEREAS, these rules severely limit the ability of municipalities, including the City of Bethel, from creating new needed departments, groups, or classifications for fear of future termination studies and termination costs extending up to 30 years in the future;

WHEREAS, municipalities, including the City of Bethel, require agility and adaptability in the workforce to meet our changing needs;

WHEREAS, with our current state fiscal crisis, municipalities, including the City of Bethel, may need to make reductions or increasing in the workforce including entire departments, groups, or classifications of employees;
WHEREAS, the State of Alaska is not subject to these rules as an employer, and the State of Alaska is making serious considerations to reducing its workforce.

NOW, THEREFORE, BE IT RESOLVED The City of Bethel supports reform in the Public Employee Retirement system. These reforms include eliminating termination studies and all costs for reducing or eliminating departments, groups, or classifications of employees, as well as not inhibiting future additions of departments, groups, or classifications of employees.

ENACTED THIS 12th DAY OF SEPTEMBER 2017 BY A VOTE OF ___ IN FAVOR AND ___ OPPOSED.

___________________________
Richard Robb, Mayor

ATTEST:

__________________________
Lori Strickler, City Clerk
Approve the Mayor’s appointment of Jennifer Dobson to The Community Action Grant Technical Review Board for a term of three years.

Jennifer Dobson has requested appointment to The Community Action Grant Technical Review Board. If appointed, she would be appointed to a term of three years as a regular member with a term expiration of December 31, 2019.
City of Bethel Action Memorandum

Action memorandum No.: 17-59
Date action introduced: September 12, 2017  Introduced by: Mayor Robb
Date action taken: Approved  Denied
Confirmed by: 

Approve the Mayor's appointment of Eileen Henrikson to the Public Safety and Transportation Commission for a term of three years.

<table>
<thead>
<tr>
<th>Route to:</th>
<th>Department/Individual:</th>
<th>Initials:</th>
<th>Remarks:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Police Chief/ Burley Waldron</td>
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Attachment(s):

<table>
<thead>
<tr>
<th>Amount of fiscal impact:</th>
<th>Account information:</th>
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<td>x  No fiscal impact</td>
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Action Memorandum 17-59 is sponsored by Mayor Robb at the request of the City Clerk.

Eileen Henrikson has requested appointment to the Public Safety and Transportation Commission. If appointed, she would be appointed to a term of three years as a regular member with a term expiration of December 31, 2019.
MANAGERS REPORT

August 16 to Sept. 5, 2017

**Intuitional Corridor**- 8/18-Contractor, Project Manager, and City of Bethel began discussions about the scope of work and established POC's. The contract is signed between the City and BSI and we have started contract negotiations.

Projected revenues from the new hospital is $48,000 per month. Currently the costs for hauled water services for the Kupisvik building is approximately $17,724 per year. The flat rate for the Kupisvik building would be $15,180 per yr. We expect hauled water and sewer ot service the new housing units. There is seventeen connections to various buildings for this pipeline.

**Sewer Lagoon/Jetty Project**- The dredge and support equipment has arrived in Bethel. Modification to our landfill permit to dispose of the dredged tailings are about completed. A pre-construction conference between the contractor, project managers and the city administration took place on August 30. The contractor will arrive Sept 5.

**Port**- A Conditional Offer was offered to Al Wold for the position of Port Director. The Port Office is on schedule and will be completed by the end of Sept.

**Finance Dept.**- Discussed the new code for sale taxes; it’s possible to pay sale taxes on-line. Discussed employee wages and benefits for union negotiations; discussed leases and bonds; purchase card and gas cards; IRS-Employee Fringe Benefits (the same with all Dept. Heads.);

**Bethel Bank Stabilization Project**- STG was rewarded the construction contract. This project will begin next spring. Requested AVEC to remove the telephone poles on the property. Have started to gather the information needed for LRREA that we will use towards re-coup funds the Port has expended purchasing land for this project.

**Courthouse Lease**- August 22 I sent the COB final offer to the Courts facility mangers.

**Pinky’s Park**- We are working on purchasing bleachers, goalpost. Soccer nets, signage dumpsters and mobile toilets for the new sports field. We also have an offer from Yuut to build a skating rink that can be set up and taken down seasonally. Dennis Dishon constructed a skating rink in Kotzebue, and we hoped to follow that model. Owl park reverted to the City and the PW Director myself looked over the work needed to bring the park back on-line. The bushes and campsites along the boardwalk have been removed.

**DEC/VSW**- They are two grants we are working on. We have one grant for five new lift stations and a upgrade to the main lift station in Bethel Heights. We are schedule to receive $900,000 when we can meet the requirements of the grant. Funding should be
ready on Sept 1st. The second grant is for installing piped water and sewer for Sixth and Seventh Avenues. The project is being called “the Avenues” Three million six-hundred dollars ($3.6M) has been approved for this project. Before we can use the funds we have to produce a preliminary engineering report (PER). The cost of the PER is seventy thousand dollars ($70K).

Funding from the USDA for water and sewer trucks will be only considered if projects such as the Institutional Corridor and The Avenues, move forward.

I have reviewed the Water and Sewer updated 2013 master plan. There are thirty-four projects associated with the master plan. The water and sewer projects along the State highway towards the airport depends on a pipeline that goes along the highway. A sewer line already exists that goes out to the FAA station. The Administration feels the plan that would best suit our needs would be a water pipeline that extended along the highway to a property that the city owns in the area of the airport and a pump house built that could fill the trucks with water. If in the future sub-divisions along the highway decided piped water was what they wanted the pipeline would be in place. In the meantime, the water trucks could be serviced at that end of town from pump station.

Planning Dept. – A Conditional Offer for the City Planners position was offered to Betsy Jumper. She has been employed in that department since 2008. Due to the debris left by a house fire on Osage St. I have requested a Public Nuisance notice to be posted on the property and the same for the old Yukon Lodge on East Ave.

East Ave. - ONC recently removed a building that was on city property. The city has property that is platted as a road (1962). At the end of the road is a cemetery. We intend to survey both properties and create a road so the new house that ONC is building can have water and sewer service. ONC is schedule to improve another lot adjacent to the SBH on the south side. Lind Ave. is located adjacent to the property that the Yukon Lodge sits on. The property that is being used as road belongs to the same property owners who own the old lodge. The City is in trespass. This property needs to be sub-divided and my recommendation is the City purchase the property needed for the road after it is sub-divided. The first step will be to ask the BIA for permission to sub-divide and survey the property.

W & S TRUCKS - 8/16-the PW, FD Directors, V&E Forman and myself discussed a COA to purchase fifteen new water and sewer trucks. The topics included types of vehicles and financing. It is a foregone conclusion that the vehicles we have cannot be reconfigured to meet the DOT specifications to operate on the State Highway. We discussed the options of using tractor and trailer being and with the troubles that we have had with hiring drivers that it was an undependable choice. We also discussed what effect the purchase would have regarding the W&S Enterprise Fund. The Public
Works Director and the V&E supervisor went to Seattle to visit with dealers and truck manufacturers. Using the DOT weight limits and our needs, we hope the manufacturers can determine what the specifications for the new trucks will be. We then can determine our costs. Please read the comments V&E supervisors’ report concerning the purchase of the water and sewer trucks. The DOT has extended our waiver until March of 2018.

YKAFC- We have continued to try to resolve the problems concerning the leaks. The builder has been involved in inspecting the areas that appear to be leaking. We need to fix some of the problems in the mechanical room and install an Emergency Shutoff switch for the boilers. The items that were not part of the design, but are required by us to install by the State Boiler Inspector, we will have to pay for. We are still working to determine if we need someone else to monitor the controls for pool or if City personnel can do it ourselves.
Management Team Reports
Memorandum
Date: August 25, 2017
To: Pete Williams, City Manager
From: Bo Foley, IT Director
Subject: IT Director’s Report

August 2017 Current Events

- **UPS Purchases**: This month I managed to order UPS units that will be replacing existing obsolete units in each building that the city network extends to. The purpose of this is to add an extra layer of protection for my network equipment against power-outage-related problems. One issue with these units is that they are rated for 30 amp plugs and the city does not have any outlets like that to use. The fix will be to replace those with 20 amp prongs, which will throttle performance slightly but should still grant the desired effect.

- **Server Rack Purchases**: Along with the battery backups, I also placed an order for two new server racks. These racks will come with cable management, which will allow me to better organize equipment installed in City Hall’s server room. This will also allow for growth into the future.

- **ID Card Creation**: I have set up a computer dedicated for the creation of senior exemption cards and employee ID cards in the finance department on request from the finance director. I will be working with the members of finance and offer assistance until they get used to using the new software.

- **Business As Usual**: The rest of the month has been filled with run-of-the-mill trouble tickets and network maintenance.

Future Plans

- **Rack Installation and UPS Deployment**: I will be working with Arctic IT to plan the next onsite visit. During this visit, I will try to get at least some of the UPS units deployed and also have the new server racks installed. With their help, I will reorganize the rack equipment into an order that makes more sense.
Conditional Use Permit
Proposed AC Package Liquor Store
The approved State Fire Marshal permit was received by the Planning Department on August 20. Based on comments from DOT&PF regarding the site plan drawing and application submitted by AC for the required State driveway permit, AC is currently revising the driveway plan to conform to BMC driveway requirements. Once received, we’ll schedule a Planning Commission hearing for the Conditional Use Permit.

Subdivision Agreements
1) Submitted a Subdivision Agreement for Tsikoyak Subdivision public improvements to management and legal for review. The Preliminary Plat was approved by the Planning Commission on July 13. Upon agreement between parties, the subdivision agreement will be presented at the following Planning Commission meeting, and then on to the City Council.
2) Waiting for response from subdivider since August 2 regarding Blue Sky Subdivision Agreement.

Land Relicction Plat for Dull Lake Properties
The Preliminary Plat for four Dull Lake properties that include claims of land uncovered by the receding Dull Lake is currently being reviewed by legal.

AVEC Wind Turbine Project
Staff developed the checklist and application for the Special Use Permit. The community meeting required by the BMC 16.10.090 to introduce the proposed project to the community was held on August 23rd by the project consultant. However, on August 25 we were notified by AVEC consultants that their FAA permit was denied. The application process has stopped until a new site is selected and approved.

ONC Subdivision
Reviewed Preliminary Plat and working with consultant to achieve a complete submittal.

Rezoning Courthouse Property
Staff is currently researching data and processing a request to rezone the courthouse property.

Site Plan Permit Applications
Four Site Plan Permits were approved in August.

August 10 Planning Commission Meeting
Hazard Mitigation Plan Update
The updated draft (edited by several City departments) was presented at the August 10 Planning Commission meeting. The PC reviewed and recommended approval. The document will then be reviewed and commented on by FEMA and the Alaska Department of Homeland Security. It is anticipated the document will be sent back to Bethel for City Council adoption by the end of the year.
PORT OF BETHEL

Post Office Box 1388
Bethel, Alaska 99559
Voice: 907-543-2310
Fax: 907-543-2311

TO: Peter Williams
FROM: Allen Wold Acting Port Director
SUBJECT: August 2017 Managers Report

- **Small Boat Harbor**
  - Cleaned embankments and everywhere else in the SBH
  - Pulled up sunken boats/bailing out boats
  - Pushing out boats during tides.
  - Selling permits
  - Filling in wash-outs along embankments with gravel. (River run)
  - Hired two Port attendants after two left for school.
  - Laying out gravel leading to the boat launches and approaches. (15 Loads of D-1)

- **City Dock/Beach 1**
  - 1 Main line barge and AK Logistics (50,000 lbs)
  - Graded Dock using D-5 and Loader, Watering Dock with Water truck.
  - Cleaning Beach/Dock daily.
  - Beach Wharfage – 50 Ton
  - Laying gravel in the City Dock. (15 loads)

- **Petroleum Dock**
  - Laid gravel out on the roads fixing washouts.

- **Port Office**
  - TC Construction building Port Office. Pro Dev. checking on the Port Office. The Port Office completion date has been pushed back to a later date.

- **Admin**
  - Monthly Storage billing for customers.
  - Selling permits and float spaces
  - Water Call outs for Barges.
  - Got oversized permits for two of the Port loaders.

- **Seawall**
-Fixing Cable Fencing
- Painting thermestors and bits.
- Cutting down trees along Lower Access Road overhanging the road.
- Picking up around dumpsters daily.
- Used depth finder to sound the seawall.

- **East Addition**
  - Bethel Bank Stabilization went out for bid.

- **Misc./Vehicles**
  - Servicing our own vehicles. (Dump truck, 950-E Loader, D-5 Dozer, & Pickup Trucks)
  - Safety checks along the seawall
  - Picking up as needed where needed.
  - One of our workers acquired a CDL.
DATE: August 24, 2017

TO: Pete Williams, City Manager

FROM: Bill Howell, Fire Chief

SUBJECT: July 18, 2017 through August 24, 2017 Manager’s Report

Current Events

- The Department’s annual Outdoor Sports show on August 19 was a success. Vendor turnout was lower than prior years but the event was well attended by the public. Approximately $2,000 was raised for the new ambulance Medic-6.

- An Insurance Services Office (ISO) representative visited Bethel on August 8 to evaluate Bethel’s fire suppression capabilities. The inspector gave the department high marks for document preparation and the ongoing improvements in the department and community. A letter to the Mayor and Fire Chief is forthcoming in the next few months detailing ISO’s findings. We are optimistic about the outcome of this report.

- The Fire Chief is traveling to Chehalis Washington on August 25 to inspect the new ambulance, Medic-6. The ambulance will ship out to Seattle to meet the barge on September 1.

- Underwriters Laboratories visited Bethel on July 24 to test department fire pumps. One out of three of the department’s pumps passed testing.

- The Department is in the final stages of evaluating several vendor’s Records Management Systems (RMS) to be used for future integration and consolidation of department data. We believe this will increase department efficiency.

- The specifications for the new ladder truck are in the final stages of review. We are working with the Finance Department to secure a lease company for the purchase.
- The RFP for ambulance billing and collection services is undergoing final review by the City Attorney and Finance department and should be issued soon.
- A locked door thwarted an attempted break in of the fire station on July 27. A report was filed with the Bethel Police Department
- The department administrative staff continues work on a new Policies, Procedures, S.O.P., Rules and Regulations manual for the department.
- A warning regarding firefighting foam was received from the Alaska DEC. We are evaluating our foam concentrates for compliance with State requirements. The letter is attached to this report.

**Community Planning/Preparedness**

- The Department is working with ECI Alaska Architects in review of the proposed Ayaprun school site on what is now the high school baseball fields. Of concern is a request by the architect for greater than the 75% exception allowed by code to the needed fire flow (NFF) which in this case is a minimum of 1500 gallons per minute (GPM). ECI Alaska has requested a variance from the State in this matter, due to the low flow of the hydrants in ASHA housing and budgetary constraints. We are not supporting the variance.
- Work with Bettisworth North architects and Access Fire Systems continues on the Paul John Clinic Building’s fire system. Of interest, and a first in Bethel’s fire service history, is the addition of a water fire-separation curtain on the third floor staircase. Concerns brought forward by the architect included: standpipe/FDC locations and the completion of the Institutional corridor
- A FOIA request was made on June 19 to obtain a copy of all past submittals for the Senior Center building. This information was received and provided to the manager.

**Training**

- On July 21-22, State of Alaska firefighter-I testing was held for seven volunteers. All firefighters are expected to be certified as FF-1’s by August 25, 2017. The Certifying Officer for this test was Gary Davis, a long time member of the Chugiak VFD and former Fire Chief.
- On 07/22/17 at 7:00 p.m., an EMT Meeting was held at the fire station. Responders reviewed current treatment protocols for Pediatric Emergencies and conducted scenario drills.
• On 07/27/17 at 7:00 p.m., a Fire Meeting was held at the fire station. Responders reviewed and practiced deploying fire attack hose lines and conducted scenario drills.

• On 08/01/17 at 7:00 p.m., an EMT Meeting was held at the fire station. Responders reviewed current treatment protocols for Cardiac Emergencies and conducted scenario drills.

• On 08/10/17 at 7:00 p.m., a Fire Meeting was held at the fire station. Responders reviewed and practiced carrying, raising, and lowering ground ladders in various scenarios.

• On 08/15/17 at 7:00 p.m., an EMT Meeting was held at the fire station. Responders reviewed treatment protocols and practiced assessing and treating patients with various burns in scenario drills.

• On 08/24/17 at 7:00 p.m., a Fire Meeting was held at the fire station. Responders reviewed water supply and conducted Fol-da-Tank drills.

• A State of Alaska Emergency Trauma Technician course has been developed and is available as a hybrid online course to current and future members who have not yet taken the EMT-1 Course. This is an amazing recruiting tool which will allow individuals interested in EMS a quick way to get started.

• A Basic Firefighter Course is in development to ensure new members or EMS personnel have the basic knowledge and skills to perform exterior firefighting duties during fire and rescue incidents.

Responses

• As of August 24th, the Bethel Fire Department responded to 189 EMS and 14 Fire incidents since July 18th.

• As of August 24th, alcohol-related EMS calls for service represented 56.08% (106 incidents) of the total number of responses since July 18th.

• On 07/30/17 at 6:40 a.m., medics responded to Jacob’s Way for the report of a person not breathing. Upon arrival, medics found one female who was deceased. The scene was left to Bethel Police for the investigation.

• On 08/01/17 at 4:20 p.m., medics responded to Tundra Ridge for the report of a person who was not breathing. The patient was determined to be deceased with obvious signs of death. The scene was left in control of BPD Officers and medics returned to quarters.

• From 08/07/17 to 08/08/17, Firefighters responded to the old AT&T Building for reports of a fire alarm. It was determined that the alarm system was malfunctioning. AT&T sent a Fire Alarm Technician to repair the problem.
On 08/09/17 at 11:00 p.m., medics responded to the area of Cranberry Drive for the report of a vehicle rollover. No patients were found and medics returned to quarters.

On 08/10/17 at 9:31 p.m., medics responded to the YKHC Sobering Center for the report of a person with low blood sugar. The patient was assessed and transported to the hospital.

On 08/11/17 at 11:02 p.m., firefighters responded to Osage Drive for the report of a structure fire. Upon arrival, firefighters observed heavy smoke and fire conditions. No victims were reported to be inside the building, as it was vacant. The fire was extinguished and overhauled. Due to a public safety hazard of potential building collapse, the building was demolished with an excavator. The cause of the fire is under investigation.

On 08/14/17 at 12:31 p.m., medics responded to Rav’n Air for the report of a person experiencing an allergic reaction. The patient was assessed, treated, and transported to the hospital.

On 08/21/17 at 1:45 p.m., medics responded to the YKHC Sobering Center for the report of a person who was having a psychotic episode. The patient was assessed and transported to the hospital.

**Budget/Financial**

- All accounts are within allotted budget.
- The department is developing budget figures for firefighting foam and firefighter turnouts.

**Grants**

- The Department received $7,500 in funding for portable radios through the 2017 VFA grant. A purchase order is being submitted for this equipment.
- The Grants Manager reported that a Homeland security reallocation request was approved to supply the fire department with 3 new mobile radios and 12 new portables. A purchase order is being submitted for this purchase.
- The Department applied to the FEMA Assistance to Firefighters Grant for 38 sets of firefighter turnouts. The request totaled $102,000 with a match of only 5%. We await a response.

**Staffing/recruitment**

- The Department is recruiting for one Firefighter/EMT position.
• A temporary firefighter, Matthew Cochrane was hired from our volunteer core to help cover the daily needs of the department while we search for a full time employee

• Volunteer Firefighters and EMT’s are needed. An EMT 1 class is planned for November 2017.

**Vehicles & Equipment**

• The Medic 6 build is nearly complete. Delivery is “booked” and expected in September of 2018. Though our $255,000 goal was met, fundraising continues for equipment for this vehicle.

• The department’s 1980 Ladder Truck is currently out of service due to a non-working boom and defunct pump. We are still trying to repair this vehicle.

• Engine three, our 1986 Grumman reserve pumper, is still out of service to repair a leaking tank, relief valve, tank to pump valve and pump packing. This work is being performed by department staff. Fire fighters completed epoxy coating the tank and are now in the process of repairing leaking valves. This vehicle failed its pump test this month.

<table>
<thead>
<tr>
<th>Vehicle</th>
<th>Type</th>
<th>Year</th>
<th>Status</th>
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<tbody>
<tr>
<td>Medic 4</td>
<td>Ambulance</td>
<td>1999</td>
<td>*(Backup ambulance)*In service. Leaking airbags</td>
</tr>
<tr>
<td>Medic 5</td>
<td>Ambulance</td>
<td>2003</td>
<td><em>(Frontline Ambulance)</em> In service, headlight fixture repaired in house. Work order issued. <em>(Plan to remount to new chassis in 2018)</em></td>
</tr>
<tr>
<td>Engine 4</td>
<td>Pumper</td>
<td>2013</td>
<td><em>(Frontline pumper)</em> In service, Seat belt sensor silenced but still needing repair by V&amp;E.</td>
</tr>
<tr>
<td>Engine 3</td>
<td>Pumper</td>
<td>1986</td>
<td><em>(Back up pumper)</em> Out of service, Tank and pump repair in progress. Sandblasting done. Tank painting done. <em>(Poor overall condition needs replacement)</em></td>
</tr>
<tr>
<td>Truck 1</td>
<td>Ladder Truck</td>
<td>1980</td>
<td><em>(Frontline ladder truck)</em> Out of service, Pump and ladder need repair. Decertified. No work order, equipment is obsolete. <em>(Scheduled for replacement in 2018.)</em></td>
</tr>
<tr>
<td>Tanker 1</td>
<td>Tanker (1500 gallon)</td>
<td>1980</td>
<td>In service, runs poorly, needs tune up, Work order issued. <em>(Undersized for Bethel, poor condition, needs replacement)</em></td>
</tr>
<tr>
<td>Com 1</td>
<td>Pickup</td>
<td>2014</td>
<td>Certificate of origin found and being registered.</td>
</tr>
<tr>
<td>Com 2</td>
<td>Pickup</td>
<td>2004</td>
<td>In service, plow and running board needs repair.</td>
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</table>
August 11, 2017

Dear Government Officials and Fire, Health, Safety, and Environmental Professionals:

This communication is to alert you to the health risks posed by certain aqueous film forming foam (AFFF) fire suppressants manufactured prior to 2002 that contain per- and polyfluoroalkyl substances (PFAS) and to recommend you take action to remove these products from your fire suppression inventory, if necessary. These PFAS and precursor compounds include perfluorooctane sulfonate (PFOS) and perfluorooctanoic acid (PFOA), which are suspected to adversely affect human health and are both difficult and costly to clean up in the environment after use.

The Department of Environmental Conservation (DEC) has established cleanup levels in regulation in 18 AAC 75 for PFOS and PFOA in contaminated soil and groundwater. Given that PFOS and PFOA-containing products are considered hazardous substances, DEC requires the release of these products, in any amount, to be reported immediately to the State. See the end of this letter for notification information.

In the last several years, DEC has identified a growing number of contaminated sites across the state where the use of certain formulas of AFFF during fire suppression and training has resulted in the release of PFAS, including PFOS and PFOA, into the groundwater. At some of these sites, the PFAS contamination has impacted community water supplies. In addition, workers who use AFFF are often exposed directly to these chemicals during fire suppression activities.

Although the human and environmental effects of these compounds continue to be studied and are yet to be fully understood, the extent of PFAS contamination and the potential effects of these compounds have become a significant matter of public health concern nationwide for military installations and communities where groundwater and municipal drinking water supplies have been contaminated. Sites and facilities where PFAS have been found or PFAS-based AFFF was used include fire department facilities, aircraft crash sites, water treatment systems and receiving water bodies, aircraft hangars, landfills, bulk fuel storage facilities, refineries, and oil and gas exploration operations.

DEC recommends that if you use AFFF in your operations or store these products for use in fire-suppression, you should review your inventory for AFFF products that were manufactured prior to 2002, as these stocks may likely contain PFAS. If you have such products, we strongly encourage you to remove them from use and replace them with more recently manufactured AFFF. AFFF that contains PFAS should be returned directly to the manufacturer or shipped out of state for disposal by a certified hazardous waste disposal company.
While the science surrounding these compounds is still evolving, DEC believes it is in the public’s best interest to share with facility and vessel operators as much information as possible about these risks so former and current users of PFAS-based AFFF can take appropriate action to reduce risks to human health and the environment. For more information about the health risks, chemical structure, use and manufacturing history of specific formulas of AFFF, or how to dispose of products you may have in your inventory, please refer to the attached fact sheet.

If you have questions or concerns about whether a release at your facility or a site where AFFF was used may have resulted in contaminated soil or groundwater, please contact the DEC Contaminated Sites Program at (907) 465-5390. To report a new release or spill, contact the regional spill report line:

Southeast (Juneau) --- (907) 465-5340  
Central (Anchorage) --- (907) 269-3063  
Northern (Fairbanks) --- (907) 451-2121

For more information on disposal of PFAS-based AFFF, please contact the Statewide Hazardous Material Team Coordinator at (907) 269-4198.

Thank you for your attention and assistance in helping protect Alaskans’ public health and environment.

Sincerely,

Kristin Ryan, Director  
Division of Spill Prevention and Response

Attachment: FACT SHEET: Risks of Aqueous Film-Forming Foam (AFFF)
WHAT IS AFFF?
Aqueous Film Forming Foam (AFFF) is a fire suppressant used to extinguish flammable liquid fires such as fuel fires. AFFF is often used in shipboard and shore facility fire suppression systems, fire fighting vehicles, and at fire training facilities. AFFF is purchased as a concentrate, typically referred to as “3%” or “6%” (Type 3 or Type 6, respectively) depending on its mixture ratio with water.

WHAT ARE PFAS, PFOS, AND PFOA?
Per- and poly-fluoroalkyl substances (PFAS) are a large family of man-made chemicals that have been widely used in industry and consumer products since the 1950s. Perfluorooctane sulfonate (PFOS) is a long-chain PFAS found in legacy stocks of AFFF and as a breakdown product of precursor compounds. Perfluorooctanoic acid (PFOA) is also a long-chain PFAS. PFOA is not an intended ingredient in AFFF, but long-chain precursor fluorotelomer-based AFFF can break down to PFOA.

WHAT HAPPENS WHEN PFAS GET INTO THE ENVIRONMENT?
Because of their stable chemical structure, PFAS are persistent in the environment and resists degradation. It is highly mobile in the environment and migrates rapidly to groundwater where it migrates further, both vertically and laterally through aquifers. PFAS tend to bioaccumulate in the food chain and have been found throughout the Arctic, in both mammals and other biota, and are suspected to have migrated there through oceanic currents and atmospheric deposition.

WHAT ARE THE RISKS TO HUMAN HEALTH?
PFOS, PFOA, and other PFAS are toxic and found to be widespread at low levels in humans and the environment. They are the subject of increasing regulations worldwide. Some but not all studies on long-chain PFAS, including PFOA and PFOS, have shown a positive association between exposure and thyroid disease, high cholesterol, pregnancy-induced hypertension, gestational diabetes, and fetal growth retardation resulting in low birth weights. Studies have also shown a link to certain types of cancer, including bladder, kidney, and testicular cancer. PFOS and PFOA are suspected endocrine disruptors and are not metabolized or easily excreted, with an estimated average half-life in humans of 2.3 years for PFOA and 4.1-8.7 years for PFOS.
WHAT REGULATIONS APPLY TO PFOS AND PFOA?
State regulation has identified PFOS and PFOA as hazardous substances. Any discharge of PFAS-based AFFF must be reported immediately to the State under 18 AAC 75. To report a new release or spill, contact:

Southeast (Juneau) --- (907) 465-5340  
Central (Anchorage) --- (907) 269-3063  
Northern (Fairbanks) --- (907) 451-2121

For contaminated soil and groundwater, DEC has established cleanup levels for PFOS and PFOA at 18 AAC 75.341 (soil) and 18 AAC 75.345 (groundwater). In addition, EPA has established a lifetime health advisory level for PFOS and PFOA – individually or combined – to protect people from PFOS and PFOA exposure in drinking water, particularly unborn babies and infants. PFOS and PFOA are not classified as hazardous wastes under the Resource Conservation and Recovery Act (RCRA); however, under the Toxic Substances Control Act, these compounds are regulated through Significant New Use Rules which give the EPA the authority to restrict the production and use of PFOS and PFOA containing products. AFFF constitutes a U.S. Occupational Safety and Health Administration hazardous material because of its physical hazards, such as skin and eye irritation. Discharge of wastewater and runoff containing AFFF on land, at sea, or to surface water bodies is also subject to regulation under the Clean Water Act.

HOW DO I DETERMINE IF I HAVE PFOS-BASED AFFF?
Due to their long shelf lives, legacy AFFF (including PFOS-based AFFF concentrate) may still be present in your inventory. Common product names or attributes include:

- 3M Light Water AFFF (PFOS-based)
- Long-chain PFAS containing C-8, 10, 12, or greater fluorochemicals

If the product name and/or purchase date cannot be determined, a sample can be sent to an analytical laboratory to determine the presence or absence of PFOS, using EPA Method 537. Users are advised to compare sampling costs and disposal costs, as it may be more cost-effective to properly dispose of limited quantities of unknown PFOS material rather than pay for sampling and analysis.

HOW DO I DISPOSE OF PFOS-BASED AFFF?
AFFF must be disposed of properly. Although it is not characteristic for hazardous waste, nor is it listed as a regulated hazardous waste under RCRA, DEC recommends that it be solidified and shipped to a non-hazardous waste landfill out of state that will accept this waste, or thermally destructed at a RCRA Part B Subpart O incineration facility. Alternatively, it may be returned to the manufacturer if available. When shipping PFOS-containing AFFF out of state, use a licensed waste transportation and disposal company. AFFF may not be disposed of at sea, or through septic, stormwater, or municipal sewer systems.
CAN STOCKPILES OF PFOS-BASED AFFF CONTINUE TO BE USED?
DEC strongly discourages the use of PFOS and long-chain PFAS AFFF, due to the risks posed to human health and the environment. We recommend these products be removed from use and properly disposed.

WHAT IS THE MANUFACTURING HISTORY OF AFFF?
Prior to 2002, many fluorosurfactants used in AFFF were PFOS-based, which resulted in AFFF that contained PFOS or PFOS precursor compounds. During that time, AFFFs based on long-chain fluorotelomers were also available. After 3M, Inc.’s announcement to phase out manufacturing of PFOS-based products in 2000, the primary supply of AFFF became fluorotelomer-based. Over the last several years, manufacturers of fluorotelomer AFFF have been replacing long-chain fluorosurfactants with short-chain fluorosurfactants. The PFAS in current fluorotelomer-based AFFF are shorter chain molecules and are suspected to be less bioaccumulative and toxic. Telomer-based AFFF does not contain PFOS, but may contain trace amounts of PFOA.

WHAT ABOUT HISTORIC USES AND RELEASES OF PFOS-BASED AFFF?
Throughout Alaska, DEC has identified PFOS and PFOA contamination that is above cleanup levels and associated with releases of AFFF. Releases may have occurred at live firefighting training locations, AFFF storage tanks and transport lines, accident/emergency response sites, and near facilities (e.g., aircraft hangars) with AFFF fire suppression systems. The locations of these activities have confirmed or suspected soil and groundwater contamination.

If you or your agency would like to conduct groundwater sampling for these chemicals or if your records indicate your facility may have experienced AFFF leaks, spills, or releases to the environment, please contact the DEC Contaminated Sites Program at (907) 465-5390.

References
Personnel:

Chief Waldron hit the ground running. He was only in Bethel approximately 15 hours before the Department investigated a murder. He’s been very busy supervising the day to day activities of patrol, getting up to speed on the administrative functions of the Department and trying to get out in the community and meet people. Between vacancies, officers in training and officer’s on PTO, Chief Waldron has even covered patrol shifts.

Sgt. Amy Davis has been appointed as Acting Lieutenant and will be supervising all of patrol starting September 11th. If other sergeants are interested they will also be given the opportunity to fill the role of lieutenant on a rotational basis. There are three officers in training and one funded vacant patrol position. Several applications have been received and are currently being reviewed.

Officer Charles continues to progress on his Field Training program and is scheduled to complete the program near the end of September. Recruits Shawgo and Martin Oulton have started the police academy in Sitk. They are scheduled to finish the academy in mid-November and will start their Field Training Program shortly thereafter.

Community Service Officer Alexie Nick successfully completed his field training and is now working on his own. Conditional job offers have been made for two Community Service Patrol positions pending a background check and drug screening. If successful, both should be starting around September 1. That will leave no vacancies in either the CSO or CSP program.
Jesslyn McGowan is continuing to learn her duties as the Administrative Assistant. Much of the historical knowledge of what roles this position fills has been lost so she is doing a lot of learning on her own.

The Dispatch Supervisor position continues to be vacant and the dispatch trainee separated from service. The remaining dispatchers are working hard to cover shifts and complete what administrative duties they can. Qualified applicants for both vacancies are slow coming in.

**Operations:**

There were 1,906 calls for service the month of July. Fifty-nine of those calls resulted in police case reports being generated, of which, 9 were felony investigations and 38 were misdemeanors. There also were 549 reports of intoxicated individuals, 58 on July 4th alone. A domestic related murder was investigated resulting in an individual being indicted for murder.

There have been 1765 calls for service in August through August 28th. Seventy-six of those reports resulted in police case reports being generated including 10 felony investigations and 37 misdemeanor investigations. There were a total of 529 reports of intoxicated individuals. An especially violent sexual assault was investigated at a fish camp resulting in the indictment of a male subject for sexual assault and multiple counts of felony assault.

Additionally, two inmates also escaped from YKCC during the overnight hours of 8/25-26. On the morning of 8/27, shortly after getting off her overnight shift, Dispatcher Diane Typpo saw the two escapees in the woods while walking her dog in the First Ave Access area. She promptly called 911 and officers, State Troopers and Probation Officers responded. Officer’s Ulak and Charles located the suspects and took them into custody without incident near the Bethel Search and Rescue Building.

Our staff continues to do frequent security checks on the boardwalk between Pinkies Park and Akakeek.

**Animal Control:**
There were 41 animal control calls for service for the month of July and 55 in August. This isn’t including the calls for service generated for pound duties, which is cleaning the pound and feeding and watering the animals.
TO: City Manager
FROM: Human Resources
SUBJECT: July/August 2017 Manager Report
DATE: September 6, 2017

The following identifies significant projects that were in addition to general personnel action-based activities (hiring, terminations, disciplinary, etc.):

**Applications and Hiring**

Job Descriptions were updated for the Facility (City Dock) Attendant and Planning Administrative Assistant.

Coordinated with the Alaska Police Standards Council to identify state requirements for hiring a new Police Chief and/or Interim Chief. Met with the Anchorage Police Department recruiting section and HR Director to discuss hiring processes specific to public safety. Obtained checklists and best practice details that can be incorporated into the City current practices.

A total of 75 applications were received during July and August of 2017 for advertised vacancies.

<table>
<thead>
<tr>
<th>Position</th>
<th>Number of Vacancies</th>
<th>(Average) Days Vacant</th>
<th>Number of New Applications</th>
<th>Number Hired During Period</th>
<th>Number of Vacancies Remaining</th>
<th>Applicants Still in Department Review Process</th>
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<tr>
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<td>39</td>
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<td>1</td>
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<td>1</td>
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<td>Port Director</td>
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<td>0</td>
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<td>0*</td>
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<td>1</td>
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<td>1</td>
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<tr>
<td>Property (Facilities, Land, Parks) Maintenance Worker</td>
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<td>11</td>
<td>0</td>
<td>1 + 2</td>
<td>18</td>
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<tr>
<td>Position</td>
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<td>(Average) Days Vacant</td>
<td>Number of New Applications</td>
<td>Number Hired During Period</td>
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<td>Applicants Still in Department Review Process</td>
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<td>5</td>
<td>1*</td>
<td>0*</td>
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<tr>
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<td>1</td>
<td>1</td>
<td>3</td>
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<tr>
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<td>1</td>
<td>6</td>
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<td><strong>77</strong></td>
<td><strong>17</strong></td>
<td><strong>14 +2</strong></td>
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</tbody>
</table>

**Classification Study**

Employees were provided an opportunity and encouraged to complete a job information survey to assist in better defining and aligning the City’s job classifications. The contractor (The Growth Company) should have all required information from the City by the middle of September and can begin their review process.

**Outreach**

Coordinated with Kuskokwim Learning Academy’s Work Based Learning Coordinator to assist KLA with their efforts to develop responsible and skilled workers as part of their curriculum.

HR will be delivering a presentation to KLA students on September 1st, addressing how to apply for a job, employer expectations and skills the students can obtain now to increase their workforce opportunities.
KLA is also interested in the City hosting a student(s) for their 6 week learning program. While the requirements may not be feasible within the City’s structure, HR will review the students’ interest areas and work with Department Heads to support the program as much as possible.

**FTA Transit Program**

HR traveled to Anchorage to participate in a Drug and Alcohol Audit Prep Workshop, hosted by the Alaska Department of Transportation. The workshop reviewed all audit areas and identified any initial areas of concern for each transit operator in the state. Following the training, HR reorganized related documents, obtained missing information and ensured that all paperwork was ready for the federal audit team.

Preliminary audit results identified three necessary updates to the City’s FTA policy and a recommendation to expand random testing days/hours. Bethel Family Clinic, our collection site, also performed well in the audit.
Additional Information