City of Bethel, Alaska
Finance Committee Minutes

Monday March 28, 2016 Regular Meeting Bethel, Alaska

CALL TO ORDER

A regular meeting of the Finance Committee was held on March 28, 2016 at 6:30 p.m. in City Council Chambers.

Meeting was called to order by Chair Carol Willard at 6:31 PM.

ROLL CALL

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

Willard, Albertson, Shantz, Cochrane, Trantham, Russell

Excused absences: Shear

Unexcused Absences: Egoak

Also in attendance were the following:

Hansel Mathlaw, Finance Director

Carole Jung, Recorder

PEOPLE TO BE HEARD

Michelle DeWitt- At the prior meeting the attorney and finance director talked about sales tax only on 'ideal net,' which applies only to pull tabs. Worked up a scenario showing what BCSF would have paid in 2014 and 2015 if they had taxed at the ideal net structure at various percentages.

Tom Hawkins- (Board member with Bethel community services foundation) Wants to be taxed on gross receipts minus prizes rewarded. Ideal net idea is complicated and not what we wanted. The money goes back into the community by law. Some of the machines at the hospital, most of the dental training equipment come from gaming money.

Buck Bukowski- Today was the first day I've heard of ideal net. Seems like they pay more on taxes every month. The fence around the graveyard, mammography machine, those were bought with gaming money. Doesn't understand why they have to pay so much on sales taxes.

MOTION: APPROVAL OF AGENDA

MOVED BY:	Shantz	To approve the agenda.
SECONDED BY:	Cochrane	

VOTE ON MOTION	Motion carried by unanimous vote.

MOTION: APROVAL OF MINUTES OF February 22, 2016

MOVED BY:	Russell	To approve the minutes from the Feb. 22 meeting.
SECONDED BY:	Albertson	

VOTE ON MOTION	Motion carried by unanimous vote.

Member Trantham asked if the city attorney was present at the last meeting. Her name is missing from the minutes. It was a mistake on the recorder's part. Will add it into the "also in attendance" portion of the minutes.
Member Shantz asked if we can defer approving the minutes from the last meeting until the next meeting. Once it's been seconded it cannot be removed. There can be an amendment to the motion.

MOTION: To amend the motion to hold the approval of minutes until next meeting when it can be re-presented.

MOVED BY:	Cochrane	To amend the motion to hold off on the approval of minutes until next meeting when the minutes can reflect that the city attorney was present.
SECONDED BY:	Shantz	

VOTE ON MOTION	Motion carried by unanimous vote.

OLD BUSINESS- Finance Director. The goal that we want to accomplish is to recognize that the non profits contribute to the city and also we need to find the right balance for both parties. We do not want any of the non profits to go under because of the sales tax and also we don't want to establish a rate that is so low that the city would also be in jeopardy of losing revenue for the general fund. All the gaming sales tax goes into the general fund. On an annual basis we receive 450,000 to 500,000 a year. The goal is to make a recommendation to city council.

At this time Chair Willard has a conflict of interest because she works for BSCF Bingo and passed the meeting over to the co-chair Jon Cochrane.

MOTION: To go into Committee as a whole to discuss sales tax

MOVED BY:	Trantham	To go into committee as a whole in order to be able to speak freely regarding sales tax.
SECONDED BY:	Albertson	

VOTE ON MOTION	Motion carried by unanimous vote.

MOTION: To Come out of Committee as whole

MOVED BY:	Russell	To come out of committee as a whole.
SECONDED BY:	Albertson	

VOTE ON MOTION	Motion carried by unanimous vote.

MOTION: To recommend to city council that they consider the gaming sales tax to be 12% (Gross receipts minus prizes awarded)

MOVED BY:	Shantz	To make a recommendation to city council to consider changing the gaming sales tax to 12%.
SECONDED BY:	Trantham	

VOTE ON MOTION	1 person voted against the recommendation, the motion carried by vote.

COMMENTS

Council Rep- There are things going on in the state budget that might affect the city negatively. There are hints that there will be changes to PERS liability and revenue sharing that may not be favorable to mid size municipalities such as ours.

Finance Director- No Comments

Member Russell- No comments

Member Trantham- Glad to pass this onto council for their decision, whatever that may be.

Member Shantz- No Comments

Vice Chair Cochrane – Glad that we finally got a recommendation made and leave it up to council from here.

Chair Willard- No Comments

ADJOURNMENT

MOVED BY:	Cochrane	To adjourn the meeting until next month.
SECONDED BY:	Trantham	

VOTE ON MOTION	Motion carried by unanimous vote.

APPROVED THIS 25 DAY OF April, 2016.

Carole Jung, Recorder

Carol Ann Willard, Chair