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# City of Bethel, Alaska

## City Council Minutes

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July 9, 2002

Regular Meeting

Bethel, Alaska

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### CALL TO ORDER

A regular meeting of the Bethel City Council was held on July 9, 2002, at 6:30 p.m. in the council chambers, Bethel, Alaska.

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

### ROLL CALL

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

Gary Vanasse	Jerry Drake
Dario Notti	Stanley "Tundy" Rodgers
Carl Berger	Hugh Short, Jr.
Sue Trantham	

Excused absence(s): none

Unexcused absence(s): none

Also in attendance were the following:

Bob Herron, City Manager  
Janette Persinger, City Clerk  
Louann Cutler, City Attorney

### PEOPLE TO BE HEARD

**Dave Trantham** requested that he be given council approval to attend the Boys & Girls Club meeting in Anchorage at his own expense. Members of council did not object to this request, provided that Boys & Girls extends the invitation to Mr. Trantham.

Council Member Trantham requested that as a member of the Parks and Recreation Committee she be allowed to attend the Boys & Girls meeting. Council Member Drake, who was scheduled to attend the meeting, relinquished his attendance to allow Council Member Trantham to attend the meeting.

### APPROVAL OF MINUTES

<b>MOVED BY:</b>	Vanasse	To approve the minutes of the July 9, 2002 regular meeting
<b>SECONDED BY:</b>	Drake	

<b>VOTE ON MOTION</b>	Motion carried by unanimous voice vote.
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### APPROVAL OF AGENDA

<b>MOVED BY:</b>	Vanasse	To approve the regular agenda and consent agenda
<b>SECONDED BY:</b>	Drake	

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*\*Added to the agenda under item (D) Bureau of Land Management payment to the city*  
*\*Added to the agenda under item (E) AML summer meeting update*  
*\*Postponed under executive session – item (B) potential litigation regarding request for proposal*

<b>VOTE ON MOTION</b>	Motion carried by unanimous voice vote.
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## **MAYOR’S REPORT**

The Mayor’s Report included the following:

- Calendar of council meeting dates and request from the City Clerk regarding changing the dates of two council meetings
- Request for sponsorship from Alissa Joseph – Alissa will be representing Bethel in the upcoming 2002 World Eskimo Indian Olympics in Fairbanks
- Press release from Governor Knowles re: alcohol tax increase
- Press release from Governor Knowles re: minimum wage bill
- Press release from Governor Knowles re: Del Smith Public Safety Commissioner
- Governor’s Talking Points for the week of June 24, 2002

A discussion of the calendar of council meeting dates ensued. The city clerk will provide council with an updated calendar.

## **MANAGEMENT TEAM’S REPORT**

City Manager Herron noted the management reports included in Council packets.

City Manager Herron pointed out a letter from Ted Stevens and his response to the letter. City Manager Herron’s letter highlighted the work that has been done to receive funding to repair the seawall above Brown Slough and the project agreement with the Corp of Engineers.

City Manager Herron provided for the council the final numbers from the City of Bethel’s insurance broker indicating that the insurance rates for the City have doubled. A discussion regarding deductibles, previous insurance, and the insurance market ensued.

## **REPORTS OF STANDING COMMITTEES**

### **Senior Advisory Board**

The senior advisory board has not met and will be scheduling a meeting in the near future.

### **Parks and Recreation Committee**

Council Member Trantham indicated that the Parks and Recreation Committee did not have a quorum for the previous meeting. The next meeting will be held on July 17, 2002.

### **Planning Commission**

Council Member Notti stated that the Planning Commission is scheduled to have a meeting on Thursday, July 11, 2002. On the agenda is Kasayuli Subdivision.

### **Port Commission**

Mayor Rodgers reported that the Port Commission’s next meeting would be held on July 22, 2002. Mayor Rodgers highlighted the Port Director’s management report.

**Public Works Committee**

Council Member Vanasse reviewed the agenda for the next meeting of the Public Works Committee. The meeting will be held on Monday, July 15, 2002.

**Public Safety and Transportation Commission**

Council Member Drake reported that the regular meeting of the Public Safety and Transportation Commission was held on July 8, 2002. Council Member Drake went on to highlight the meeting.

**Finance Committee**

Council Member Short deferred to the finance director for a report. Robert Strahan reported that a meeting was not held because of a lack of quorum.

**UNFINISHED BUSINESS**

**Item A – Public Hearing – Ordinance #02-02: Providing for bank service sales tax exemptions**

*Mayor Rodgers opened public hearing. There were no members of the public to be heard.*

<b>MOVED BY:</b>	Drake	To adopt ordinance #02-02
<b>SECONDED BY:</b>	Berger	

<b>VOTE ON MOTION</b>	Motion carried by roll call vote of 5 – 2 (Short, Rodgers).
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**Item B – Public Hearing – Ordinance #02-22: Authorizing the exemption of sales tax on payment of rent to Bethel Community Services clients who live off site**

*Mayor Rodgers opened public hearing. There were no members of the public to be heard.*

<b>MOVED BY:</b>	Berger	To adopt ordinance, with amendments, #02-22
<b>SECONDED BY:</b>	Short	

Council Member Drake declared his employment with Bethel Community Services. Council Member’s Vanasse and Short concurred that Council Member Drake’s employment would not be construed as a conflict of interest.

Discussion ensued regarding how many residents the ordinance would affect.

<b>VOTE ON MOTION</b>	Motion carried by a roll call vote of 7 - 0.
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**Item C – Public Hearing – Ordinance #02-23: FY02 Year end budget modification**

*Mayor Rodgers opened public hearing. There were no members of the public to be heard.*

<b>MOVED BY:</b>	Short	To adopt ordinance #02-23
<b>SECONDED BY:</b>	Drake	

Discussion ensued regarding the affected line items.

<b>VOTE ON MOTION</b>	Motion carried by a roll call vote of 6 – 1 (Rodgers).
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**Item D – Public Hearing – Ordinance #02-24: Budget Modification – Customer Service Supervisor**

Mayor Rodgers opened public hearing. There were no members of the public to be heard.

<b>MOVED BY:</b>	Vanasse	To adopt ordinance #02-24
<b>SECONDED BY:</b>	Drake	

<b>VOTE ON MOTION</b>	Motion carried with a roll call vote of 7 - 0.
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## NEW BUSINESS

**Item A – Discussion Item – real property sales tax BMC 04.16.040 – Finance Committee recommendation – “repeal the language of the ordinance having to do with a sales tax on sales between an individual and a buyer, and refund the taxes collected since the ordinance took effect.”**

Council Member Vanasse feels that the ordinance is adequate in its conception, however, believes that there is a problem with the implementation of it. He expressed his concern that the tax could potentially stifle growth of homes built and sold in Bethel.

Council Member Short also feels that the ordinance is adequate. He further stated that he would propose a 1% sales tax on all homes – with no minimums or maximums. He reiterated that the City needs the revenue from the tax.

Council Member Drake feels that the ordinance is a way to capture revenue and believes that at this time an ordinance change is not applicable.

Council Member Berger raised his concern over affordability issues and the discouragement of first-time homebuyers in Bethel. He proposed that the buyer and seller split the cost of the tax.

Mayor Rodgers concurred with the other council members stating that the ordinance should be changed. He stated that he feels the intent of the ordinance was to address the contractors.

<b>MOVED BY:</b>	Notti	To direct the city attorney to draft an ordinance to repeal the section of the Bethel Municipal Code (04.16.040) that deals with sales tax on real property
<b>SECONDED BY:</b>		

<b>VOTE ON MOTION</b>	Motion dies with the lack of a second.
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The consensus of the council was to have City Manager Herron, the finance director, and Council Member Short work together to draft an ordinance that would make sales tax collection fair and equitable for all parties involved.

*Council Member Notti declared that he was ill and was excused from the rest of the meeting.*

**Item B – Discussion Item – Finance Committee recommendation – “amend the sales tax exemption language to include an exemption for child care services who provide a service to less than ten (10) customers at any given time.”**

Council Member Drake expressed his concerns over the lack of required training and felt that council should focus on the training issues rather than the sales tax exemption.

Council Member Vanasse stated that he would support the amendment of the sales tax ordinance to reflect what is required in Alaska State statute.

Mayors Rodgers felt that the Bethel requirements regarding childcare services should mirror the requirement of a larger city such as Anchorage. He expressed that for the protection of children; the Bethel Municipal Code should be more stringent.

Council Member Berger felt that if a childcare facility provided services for five or less children an exemption should be allowed. He further expressed his concerns over the loss of revenue if larger childcare services were exempted.

The consensus of council was to direct administration to draft an amendment to the ordinance that allows for exemptions that meet state licensing regulations. Council also requested that information be provided to them regarding any potential financial impact to the City.

**Item C – Resolution #02-20: Accepting the project cooperation agreement between the Department of the Army and the City of Bethel for construction of the Bethel Bank Stabilization Project**

<b>MOVED BY:</b>	Drake	To adopt resolution #02-20
<b>SECONDED BY:</b>	Short	

<b>VOTE ON MOTION</b>	Motion carried by unanimous voice vote.
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**Item D – Discussion Item – Bureau of Land Management payment to the City of Bethel**

Council Member Trantham presented an article dated July 4, 2002 from the Anchorage Daily News regarding the Bureau of Land Management payments to the City of Bethel. The article stated that Bethel would be receiving \$749,500.00 from BLM. Council Member Trantham proposed that monies be directed towards streets and roads. City Manager Herron stated that the monies are called Payment in Lieu of Taxes – PILT money. He further stated that the money is currently built into the annual budget.

**Item E – Discussion Item – Alaska Municipal League summer meeting update**

Council Member Berger announced that the executive director of AML, Kevin Ritchie, would be speaking at the chamber luncheon. The luncheon will be held at 12:00 noon at the Cultural Center. Discussion ensued regarding public meetings of the AML.

**COUNCIL MEMBER COMMENTS**

**Council Member Berger** expressed his concerns over the vacation rates and the upcoming arrival of the permanent fund checks.

**Council Member Trantham** encouraged parents to watch their children.

**Council Member Notti** – was not present.

**Mayor Rodgers** encouraged everyone to wear his or her pfd's. He thanked his family for their help in working on his house.

**Council Member Drake** congratulated Council Member Short on the birth of his daughter.

**Council Member Vanasse** stated that he has received a lot of input from the community regarding the cancellation of the water vacation credit.

<b>MOVED BY:</b>	Vanasse	To direct the finance director to lift the discontinuation of the vacation credit pending review by the public works and finance committees.
<b>SECONDED BY:</b>	Berger	

Discussion ensued regarding the policy. The finance director explained that the vacation policy does not exist and as such discontinued the use of it. Discussion ensued.

<b>VOTE ON MOTION</b>	Motion carried with a roll call vote of 4 – 2 (Short, Drake).
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**Council Member Short** announced the birth of his new daughter.

### EXECUTIVE SESSION

<b>MOVED BY:</b>	Short	To move into executive session to discuss: A. Potential litigation regarding debt to City B. <i>Postponed</i> C. Evaluation of City Manager
<b>SECONDED BY:</b>	Drake	

<b>VOTE ON MOTION</b>	Motion carried by unanimous voice vote.
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### ADJOURNMENT

<b>MOVED BY:</b>	Short	To adjourn the meeting.
<b>SECONDED BY:</b>	Drake	

<b>VOTE ON MOTION</b>	Motion carried by unanimous voice vote.
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With no further business before the Council, the meeting adjourned at 10:08 pm.

**APPROVED THIS 23<sup>rd</sup> of July 2002.**

ATTEST:

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Stanley "Tundy" Rodgers, Mayor

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Janette Persinger, City Clerk