

MINUTES
REGULAR MEETING OF
THE FINANCE COMMITTEE
CITY OF BETHEL
JANUARY 19, 1995
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I. CALL TO ORDER

The meeting was called to order by Chairman Shrum at 7:30 p.m. in the conference room of the City of Bethel offices.

II. ROLL CALL

Members Present:

Shrum, Eric (Chairman)
Tubbs, Don (City Council Representative)
Jones, Harold L.
Kreider, Irvin
Mead, Terry
Seo, Kilsoo
Duke, Bonnie (Finance Director)

Members Absent:

Walters, Carolyn (excused)

Guests Present:

Parsi, Harry, Public Works Director
Post, David, Planning Manager
Tucker, Connie, City Clerk

III. APPROVAL OF MINUTES

The Chairman requested approval of the minutes of the November 17, 1994 regular meeting. Upon motion by Mr. Jones, seconded by Mr. Tubbs, the minutes of the November 17, 1994 regular meeting were unanimously approved.

IV. APPROVAL OF AGENDA

The Chairman requested approval of the agenda. Mr. Jones requested that the agenda be amended to include Item E under Old Business, a discussion of the Laundromat. Upon motion by Mr. Jones, seconded by Ms. Mead, the amended agenda was unanimously approved.

V. COMMITTEE CHAIRMAN'S COMMENTS

The Chairman indicated his disappointment in the defeat of the Laundromat proposal by City Council.

VI. FINANCE DIRECTOR'S COMMENTS

The Finance Director updated the Committee on the status of the independent audit, direct deposit, changes in the computer system, and collections.

VII. COMMITTEE MEMBERS COMMENTS

Mr. Tubbs, Jones, Kreider, and Seo had no comments.
Ms. Mead indicated that she was concerned about the issue of taxation of items used in a business.

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VIII. PEOPLE TO BE HEARD

Connie Tucker, City Clerk of the City of Bethel, presented proposed rules of procedure for Committees and Commissions and solicited comments from the members of the Finance Committee. A discussion was held, no action was taken.

IX. OLD BUSINESS

ITEM A. Regulation-Water and Sewer Rates

The Finance Director indicated that the City was in the process of completing an Application for a Certificate of Public Convenience and Necessity with the Alaska Public Utilities Commission (APUC). Since the application will affect rates charged for water and sewer, the Finance Director recommended that the Finance Committee table the discussion of water and sewer rates until completion of the Application with the APUC. A general discussion followed and no action was taken regarding recommendations for water and sewer rates.

ITEM B. General Discussion Water and Sewer

Harry Parsi, Public Works Director, and David Post, Planning Manager addressed the Finance Committee and answered questions regarding the current plans for development of city wide water and sewer. No action was taken.

ITEM C. Sales Tax Recodification

The Finance Director presented sales tax ordinances from other cities in Alaska and a letter from the City Attorney regarding sales tax on items purchased by a business no for resale. A general discussion occurred. The Chairman requested that the members of the Committee review the information presented for further discussion at the next meeting. No action was taken.

ITEM D. Collections for Delinquent Accounts

The Finance Director indicated that City Council voted down a recommendation from the Finance Director that the City Council approve the issuance of a request for proposal for contracting with a collection agent. A general discussion occurred. Upon motion by Mr. Tubbs, seconded by Mr. Jones, the Finance Committee unanimously adopted the following resolution:

WHEREAS The City has historically contracted with a collection agency for collection of delinquent accounts

WHEREAS The collection agency previously used by the City has not been responsive to the collection needs of the City

WHEREAS The use of a collection agency is standard practice for most businesses and governmental agencies

WHEREAS Collection agencies are not paid unless collection occurs because the collection agency is paid from charges added to the delinquent account

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WHEREAS The use of a competent collection agency for delinquent accounts would generate additional cash flow to the City and therefore result in a favorable fiscal impact to the City

WHEREAS Providing for an in-house collection function would not be economical due to the cost of an additional full time employee and the cost of training, supervising, implementing, and operating the collection function

WHEREAS Accounts would be turned over to a collection agency only when notices and other communication with the delinquent party are unsuccessful

WHEREAS Individuals or businesses located in Bethel would be able to bid on providing collection services to the City of Bethel

NOW, THEREFORE, BE IT RESOLVED THAT

The Finance Committee of the City of Bethel recommends that the City Council authorize the issuance of a request for proposal for collection services:

ITEM E. Laundromat

A general discussion occurred regarding the defeat of the lease of the Laundromat. Upon motion by Mr. Jones, seconded by Mr. Kreider, the Finance Committee unanimously approved the following:

The Chairman of the Finance Committee is directed to prepare a letter to City Council regarding the Finance Committees concerns in various areas regarding the Laundromat.

X. NEW BUSINESS

None

XI. ADJOURNMENT

Upon motion by Ms. Mead, seconded by Mr. Kreider, and unanimously approved, the meeting was adjourned at approximately 11:12 p.m.

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I. CALL TO ORDER

The meeting was called to order by Chairman Shrum at 7:30 p.m. in the conference room of the City of Bethel offices.

II. ROLL CALL

Members Present:

Shrum, Eric (Chairman)
Tubbs, Don (City Council Representative)
Jones, Harold L.
Kreider, Irvin
Mead, Terry
Seo, Kilsoo
Duke, Bonnie (Finance Director)

Members Absent:

Walters, Carolyn (excused)

Guests Present:

Tucker, Connie, City Clerk

III. APPROVAL OF MINUTES

The Chairman requested approval of the minutes of the January 19, 1995 regular meeting. Upon motion by Mr. Tubbs, seconded by Ms. Mead, the minutes of the January 19, 1995 regular meeting were unanimously approved.

IV. APPROVAL OF AGENDA

The Chairman requested approval of the agenda. Upon motion by Mr. Jones, seconded by Mr. Seo, the agenda was unanimously approved.

V. COMMITTEE CHAIRMAN'S COMMENTS

The Chairman indicated that he was very pleased with the City Council's decision to lease the Laundromat.

VI. FINANCE DIRECTOR'S COMMENTS

The Finance Director updated the Committee on the status of the contract with the City's independent auditors, Mikunda Cottrell and Co., and indicated that an RFP for audit services will be prepared and issued with the Finance Committee analyzing and scoring the responses. The Finance Director updated the Committee on efforts to improve the collection function within the City. The Finance Director also discussed further changes in the computer system which have streamlined the operations of the Finance Department. The Chairman asked the Finance Director about costs associated with providing ambulance service to the community and whether the current charge of \$300 is sufficient to cover the cost of providing the service. The Chairman felt that the charge of \$300 may be significantly less than comparable services provided in other communities. The Finance Director indicated that the costs specifically related to providing an ambulance service have never been segregated in the accounts and that

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an analysis would have to be coordinated with the Fire Department to estimate the costs. The Finance Director indicated that billing for ambulance service and submitting claims to Medicare and Medicaid for reimbursement requires costs to be incurred in the Finance Department. The Finance Director very roughly estimates that the \$300 fee would probably cover the administrative costs in the Finance Department with very little left to cover the costs of actually providing the services. In addition, collection of ambulance charges can often be difficult, therefore, the financial statements reflect an allowance for bad debt for a percentage of the ambulance receivables.

VII. COMMITTEE MEMBERS COMMENTS

Mr. Kreider indicated that he believed that the Finance Director was doing a good job and encouraged the Finance Director to keep up the good work.

Mr. Jones indicated that he was pleased with the City Council's decision to lease the Laundromat. Mr. Jones also indicated concern about the City Council's decision not to renew the City Manager's contract at least through completion of the budget process. Mr. Jones then made a motion, seconded by Ms. Mead and unanimously carried, to adopt the following recommendation to the City Council:

The Finance Committee recommends that the contract for the City Manager be extended to June 30, 1995 and that, in the future, all contracts with City Managers coincide with the end of the fiscal year because:

1. We have a responsibility to citizens to see that a budget is prepared in a timely manner with a central figure looking out for the needs of the citizens
2. The Bethel Municipal Code requires that the City Manager's proposed budget be submitted by May 1 and approved by June 15
3. Changing any City Manager before completion of the budget process puts an undue burden on all departments
4. Lack of continuity at the end of a fiscal year puts a burden of added expense on City operations and audit time
5. If no City Manager is available to bring the budget through, the City Council will bear the full responsibility and burden of preparing the budget

Mr. Seo indicated that he felt the City tax on gaming is excessive and that businesses conducting gaming activities were experiencing a financial stress due to the excessive tax. Mr. Seo felt that a tax based on net profit rather than gross sales would be more fair to these businesses. Several committee members pointed out that the sales tax is not an operating expense of a business. The business is merely collecting the tax from the taxpayer (customer) and remitting the tax to the City. If businesses are not able to make a profit, then the price of the product should be increased to allow for profitable operations. No action was taken.

Ms. Mead was pleased with the City Council and the Mayor for passing the lease of the Laundromat. Ms. Mead also wanted to thank the Mayor for calling her regarding her testimony at the City Council meeting in support of the Laundromat lease.

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Mr. Tubbs had no comments.

VIII. PEOPLE TO BE HEARD

Connie Tucker, City Clerk of the City of Bethel, discussed several sales tax issues which have come to her attention and recommended that the Committee consider these in the sales tax recodification process.

IX. OLD BUSINESS

ITEM A. Sales Tax Recodification

The Finance Committee reviewed the sales tax ordinances from several communities and discussed various sales tax issues. The Committee also reviewed a memorandum from the Fire Chief requesting that Section 5.04.020 of the Bethel Municipal Code be changed as follows:

A person engaging in a business subject to licensing provisions of a regulatory nature must, in addition to filing the regular application required by this chapter, comply with any other regulatory provisions before being entitled to a license. This shall include any business required to have a State Fire Marshal Plan Review and Approval.

Mr. Jones indicated that the language currently in the Bethel Municipal Code was intended to be very broad and believed that the addition of the language suggested by the Fire Chief was unnecessary. Ms. Mead made a motion for the Finance Director to respond to the Fire Chief as follows:

“We appreciate Chief Young’s comments, however the Finance Committee sees no need to specify particular fire department regulations in the Business License Code.”

The motion was seconded by Mr. Kreider and unanimously carried.

X. NEW BUSINESS

None

XI. ADJOURNMENT

Upon motion by Ms. Mead, seconded by Mr. Jones, and unanimously approved, the meeting was adjourned at approximately 11:27 p.m.

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I. CALL TO ORDER

The meeting was called to order by Chairman Shrum at 8:37 p.m. in the conference room of the City of Bethel offices.

II. ROLL CALL

Members Present:

Shrum, Eric (Chairman)
Jones, Harold L. (arrived later in the meeting)
Kreider, Irvin
Mead, Terry
Seo, Kilsoo
Duke, Bonnie (Finance Director)

Members Absent:

Tubbs, Don (excused, attending City Council Special Meeting)
Walters, Carolyn (excused)

Guests Present:

None

III. APPROVAL OF MINUTES

The Chairman requested approval of the minutes of the February 23, 1995 regular meeting. Upon motion by Ms. Mead, seconded by Mr. Kreider, the minutes of the February 23, 1995 regular meeting were unanimously approved.

IV. APPROVAL OF AGENDA

The Chairman requested approval of the agenda. Upon motion by Mr. Kreider, seconded by Ms. Mead, the agenda was unanimously approved.

V. COMMITTEE CHAIRMAN'S COMMENTS

The Chairman thanked the Finance Director for the professional job on the Audit RFP.

VI. FINANCE DIRECTOR'S COMMENTS

The Finance Director updated the Committee on efforts to improve the collection function within the City. The Finance Director also discussed further changes in the computer system which have streamlined the operations of the Finance Department. The Finance Director suggested to the committee that a recommendation for award of the contract for professional auditing services would have to be included in the council packet scheduled to be issued on May 18, 1995. If the committee met earlier in the week to score the RFP's and recommend a firm to the City Council, the recommendation could be included in the May 18, 1995 packet for the May 23, 1995 City Council meeting. All committee members agreed to reschedule the May 18, 1995 meeting to May 15, 1995.

VII. COMMITTEE MEMBERS COMMENTS

Mr. Seo discussed the fact that businesses have failed to remit taxes to the City which the business has collected from the taxpayers. Mr. Seo indicated that payment arrangements should be arranged with these

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businesses. The Finance Director indicated that payment arrangements are often made with businesses by execution of a promissory note at 15% interest. The Finance Director pointed out that all businesses currently have a 30 day interest free loan with the City because of the delay between the time the business collects the tax and the time the business remits the tax to the City.

Ms. Mead had no comments.

Mr. Kreider had no comments.

VIII. PEOPLE TO BE HEARD

None

IX. OLD BUSINESS

ITEM A. Sales Tax Recodification

The Finance Committee reviewed the sales tax ordinances from several communities and discussed various sales tax issues. Chairman Shrum discussed recent developments in which large retailers have been indicating an interest in establishing a cooperative agreement with financial institutions in Bethel whereby a customer would order merchandise to be delivered via mail and the customer would deposit payment for the merchandise in a local bank. The Finance Committee felt that, if the merchandise was delivered to Bethel, this would be a taxable sale and that the financial institution would be considered a local agent of the retailer.

No action was taken.

X. NEW BUSINESS

ITEM A. Scoring System for RFP for Professional Auditing Services

All committee members were given a copy of the Request for Proposal for Professional Auditing Services. The Finance Committee discussed criteria which should be used in scoring responses to the City's request for proposal for Professional Auditing Services. The Finance Committee designed a scoring sheet to be used in evaluating the RFP. The Finance Director was instructed to prepare the scoring sheet with the criteria determined by the committee and to forward the technical portion of the responses to each committee member, together with a scoring sheet for each response, prior to the May 15, 1995 Finance Committee meeting so members will have an opportunity to thoroughly review the responses. The Finance Committee agreed to open and score the dollar costs portion of the responses to the RFP in executive session at the May 15, 1995 meeting.

No action was taken.

XI. ADJOURNMENT

Upon motion by Ms. Mead, seconded by Mr. Jones, and unanimously approved, the meeting was adjourned at approximately 9:45 p.m.

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I. CALL TO ORDER

The meeting was called to order by Chairman Shrum at 7:33 p.m. in the conference room of the City of Bethel offices.

II. ROLL CALL

Members Present:

Shrum, Eric (Chairman)
Jones, Harold L
Kreider, Irvin
Mead, Terry
Seo, Kilsoo
Tubbs, Don
Duke, Bonnie (Finance Director)

Members Absent:

Walters, Carolyn (excused)

Guests Present:

Laurie Adams, Purchasing Agent, City of Bethel (to complete bid abstract for RFP scoring)

III. APPROVAL OF MINUTES

The Chairman requested approval of the minutes of the April 20, 1995 regular meeting. Upon motion by Mr. Jones, seconded by Mr. Kreider, the minutes of the April 20, 1995 regular meeting were unanimously approved.

IV. APPROVAL OF AGENDA

The executive session for scoring of the RFP's for Professional Audit Services was moved in front of "Old Business" so that the Purchasing Agent could complete the bid opening and be excused for the remainder of the meeting. The Chairman requested that a review of the City Manager's Recommended Budget for FY96 be added under New Business, Item A. The Chairman requested approval of the amended agenda. Upon motion by Mr. Kreider, seconded by Ms. Mead, the agenda, as amended, was unanimously approved.

V. COMMITTEE CHAIRMAN'S COMMENTS

The Chairman commented on the candidates for the City Manager position. The Chairman was impressed by all the candidates and expressed his disappointment that more citizens and groups did not participate in the opportunity to meet the candidates. The Chairman reiterated his previous concerns that the insurance billing for the ambulance service should be contracted out so that collections on the revenues could be improved. The Chairman again indicated that he felt the charge for the ambulance service should be increased. The Chairman also indicated that he believed a business was being conducted within the City without a business license and requested that the Finance Director follow up with enforcement action, as appropriate. The Chairman further stated that the business may have already ceased to operate and that enforcement may be difficult at this time, however, enforcement may be available upon the next trip to town by the business.

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VI. FINANCE DIRECTOR'S COMMENTS

The Finance Director updated the Committee on efforts to improve the collection function within the City. The Finance Director updated the Committee on the status of the budget. The Finance Director reported that efforts are continuing for implementation of a fixed asset group of accounts in the financial records of the City. The Finance Director reported that information is being accumulated as required for implementation of a new accounting standard which requires that the costs of closure and post-closure for the City's landfill site be recognized and funded over the life of the landfill.

VII. COMMITTEE MEMBERS COMMENTS

Mr. Jones discussed the benefit of the Animal Control Officer position in the Police Department and hoped that the position would not be eliminated. Mr. Jones indicated that he did not want to see the City "dog shoot" reinstated if there is no control of dogs in the City.

Mr. Seo updated the committee on the status of negotiations between the City and the Korean community for acquisition of the Bogangles building for use as a place of worship for the Korean community.

Ms. Mead was concerned about the lack of understanding of local economics by citizens, business, and government within Bethel. Ms. Mead suggested that the City obtain outside assistance in developing an objective analysis of the local economy so that programs and incentives could be implemented which would foster local business and the local economy.

Mr. Tubbs commented on rumors that the Finance Committee works too hard for small business and not hard enough for the operations of the City. Mr. Tubbs strongly disagreed that the Finance Committee ignores its responsibilities to the City in favor of the interests of small business. Mr. Tubbs indicated that City's often provide incentives for businesses to move into the community and that the City needs to analyze the possibilities of the City providing incentives for businesses to locate in Bethel. Mr. Tubbs suggested that lowering the single sale limit of \$10,000 for sales tax would be one positive step toward improving the local economy.

Mr. Kreider indicated that all of the people in Bethel need to be educated about the cycle of money within the community. Mr. Kreider indicated that the only way the City will be able to grow is to keep the money moving within the community by providing incentives for citizens to buy locally. Mr. Kreider commented about a Chamber of Commerce meeting in which free cards to Sam's Club were distributed. Mr. Kreider felt that this is another example of the fact that money is not staying in the community, therefore, the community will suffer.

VIII. PEOPLE TO BE HEARD

None

IX. EXECUTIVE SESSION

ITEM A. Audit RFP Scoring and Recommendation to City Council

Mr. Jones made a motion to go into executive session for the purpose of scoring the proposals for professional audit services. The motion was seconded by Mr. Tubbs and unanimously carried.

Mr. Jones moved to come out of Executive Session. The motion was seconded by Mr. Tubbs and unanimously carried. Ms. Adams was excused from the meeting.

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Mr. Jones moved that the following recommendation be presented to City Council at the next meeting:

The Finance Committee recommends that the City Council award the contract for Professional Audit Services for the fiscal year 1995, with the option of auditing the two subsequent fiscal years, to Altman Rogers & Co. The total all-inclusive maximum price for audit services for fiscal year 1995 will be \$18,900.

The motion was seconded by Ms. Mead and unanimously carried.

X. OLD BUSINESS

ITEM A. Sales Tax Recodification

Because of the length of time spent reviewing the proposals for audit services and the length of time required to verify the calculations in the scoring of the proposals, the committee decided that it would be better to schedule a work session later in the month to work on the sales tax recodification. The Finance Committee scheduled a work session for Sales Tax Recodification for May 24, 1995 at 7:30 PM in the conference room of the City Offices.

XI. NEW BUSINESS

ITEM A. Review of City Manager's Recommended Budget for FY96

All committee members were given a copy of the City Manager's Recommended Budget for FY96. Because the members of the committee had not had an opportunity to read and prepare comments on the Recommended Budget, the committee decided to review the budget and individual members who wished to comment on the budget could forward any comments to the mayor.

No action was taken.

XII. ADJOURNMENT

Upon motion by Ms. Mead, seconded by Mr. Jones, and unanimously approved, the meeting was adjourned at approximately 9:39 p.m.

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I. CALL TO ORDER

The meeting was called to order by Chairman Shrum at 7:33 p.m. in the conference room of the City of Bethel offices.

II. ROLL CALL

Members Present:

Shrum, Eric (Chairman)
Jones, Harold L.
Kreider, Irvin
Mead, Terry
Seo, Kilsoo
Tubbs, Don
Walters, Carolyn
Duke, Bonnie (Finance Director)

Members Absent:

Mead, Terry

Guests Present:

None

III. APPROVAL OF MINUTES

The Chairman requested approval of the minutes of the May 15, 1995 regular meeting. Upon motion by Mr. Jones, seconded by Mr. Kreider, the minutes of the May 15, 1995 regular meeting were unanimously approved.

IV. APPROVAL OF AGENDA

The Chairman requested approval of the agenda. Upon motion by Mr. Jones, seconded by Mr. Kreider, the agenda was unanimously approved.

V. COMMITTEE CHAIRMAN'S COMMENTS

The Chairman welcomed Ms. Walters back. The Chairman indicated that the Chamber of Commerce has begun to include a review of outstanding sales tax in the Chamber's process for approving applications for businesses who wish to join the Chamber of Commerce. The Chamber of Commerce would provide ample opportunity for applicants to present information to the Chamber should an application be denied.

The Chairman indicated that he would be unable to attend the regularly scheduled July meeting of the Finance Committee and polled other members to determine if a quorum could be established for the July meeting. Several other members also had scheduling conflicts with the July meeting. The July meeting was then canceled.

VI. FINANCE DIRECTOR'S COMMENTS

The Finance Director updated the Committee on efforts to improve the collection function within the City. The Finance Director reported to the Committee on ongoing changes to computer systems to streamline the operations of the Finance Department.

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VII. COMMITTEE MEMBERS COMMENTS

Mr. Kreider indicated that he was pleased with the efforts of the Finance Department and the Finance Director to improve collections within the City and encouraged the Finance Director to continue the efforts.

Mr. Tubbs discussed the recently completed budget process and complimented the Finance Director on her efforts in the budget process and her input at the various budget meetings. Mr. Tubbs encouraged members of the Finance Committee to suggest ways in which the City could reduce operating costs and increase revenues. Mr. Tubbs also welcomed Ms. Walters back.

Ms. Walters thanked the committee members for welcoming her back.

Mr. Seo had no comments.

Mr. Jones complimented the Finance Director and Cindy Haines, Customer Service Supervisor, in their professionalism in resolving a problem with the billing for the Laundromat. The problem was resolved.

VIII. PEOPLE TO BE HEARD

None

IX. OLD BUSINESS

ITEM A. Sales Tax Recodification

The Finance Committee discussed several issues for suggested changes in the Sales Tax Ordinance including lowering the cap for single sales, implementing penalty provisions in the ordinance, sanctions for non-payment, and revisions to forms and applications.

X. NEW BUSINESS

None

XI. ADJOURNMENT

Upon motion by Mr. Jones, seconded by Ms. Walter, and unanimously approved, the meeting was adjourned at approximately 9:47 p.m.

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I. CALL TO ORDER

Finance Committee member Hal Jones served as the Acting Chair of the meeting and called the meeting to order at 7:32 p.m. in the conference room of the City of Bethel offices.

II. ROLL CALL

Members Present:

Jones, Harold L
Mead, Terry
Seo, Kilsoo
Walters, Carolyn
Duke, Bonnie (Finance Director)

Members Absent:

Kreider, Irvin
Pavil, Mary

Guests Present:

None

III. ELECTION OF CHAIR

Mr. Jones asked for nominations for members to serve as the chair of the committee. Ms. Mead nominated Ms. Walters for the chair position. Ms. Walters indicated that she would not be able to serve as chair of the committee due to the time involved in the position. Ms. Mead withdrew the nomination. Ms. Walters then nominated Ms. Mead for the position. There were no further nominations. Upon motion by Mr. Jones, seconded by Mr. Seo, the nominations were closed. Ms. Mead was unanimously elected as chair of the committee. Ms. Mead acted as chair for the remainder of the meeting.

IV. APPROVAL OF MINUTES

Ms. Mead requested approval of the minutes of the June 15, 1995 regular meeting. Ms. Mead noted an error in the minutes regarding her attendance at the June 15, 1995 regular meeting. Upon motion by Mr. Jones, seconded by Mr. Seo, the minutes of the June 15, 1995 regular meeting were unanimously approved, subject to correction of the error for Ms. Mead's attendance.

V. APPROVAL OF AGENDA

The Chairman requested approval of the agenda. The following items were added to the agenda under New Business:

- B. Sending a letter and/or plaque to Eric Shrum thanking him for his service on the Finance Committee
- C. Discussion of supporting the appointment of Don Tubbs to the Finance Committee
- D. Update on health care alternatives/employee benefit plan
- E. Discussion of revenue enhancements
- F. Discussion of Senior exemption from sales tax on gaming

Upon motion by Mr. Jones, seconded by Ms. Walters, the amended agenda was unanimously approved.

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VI. COMMITTEE CHAIR'S COMMENTS

Ms. Mead indicated that she had met the new City Manager, Ken Weaver, and was very impressed with his knowledge, experience, and willingness to work with various groups in the community. Ms. Mead reported that the City Manager had requested Ms. Mead's participation on a five member committee to score responses to the City's Request for Proposals for employee group benefits. Ms. Mead had agreed to serve on the scoring committee and was looking forward to participating.

Ms. Mead reported that she had attended a City Council worksession on revenue enhancements and believes that any efforts to support local businesses would increase the revenue base for sales tax.

VI. FINANCE DIRECTOR'S COMMENTS

The Finance Director updated the Committee on efforts to improve the collection function within the City. The Finance Director reported to the Committee on ongoing changes to computer systems to streamline the operations of the Finance Department. The Finance Director also reported on her attendance at the Municipal Finance Officers Association of Alaska conference in Valdez.

VII. COMMITTEE MEMBER COMMENTS

Mr. Jones indicated that he was pleased with the election of Ms. Mead as Chair of the Finance Committee.

Mr. Seo discussed a situation which resulted in a special meeting of the Transportation Commission to allow for a cab permit to a cab operator.

Ms. Walters had no comments.

Ms. Mead indicated that she had expressed her comments in the Committee Chair Comments portion of the meeting.

VIII. PEOPLE TO BE HEARD

None

IX. OLD BUSINESS

X. NEW BUSINESS

A. **Priorities**

The Committee discussed the issues which have either been addressed previously by the committee or which need to be addressed by the committee. Priorities included sales tax recodification, monitoring health care plan selection process, and expansion of the sales tax audit function. No formal action was taken.

B. **Sending a letter and/or plaque to Eric Shrum thanking him for his service on the Finance Committee**

The committee discussed the contributions made by Eric Shrum, former Chair of the Finance Committee, and unanimously passed the following recommendation:
"The Finance Committee recommends that a letter, and possibly a plaque, be sent to Eric Shrum thanking Mr. Shrum for his service to the Finance Committee and to the citizens of Bethel."

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- C. **Discussion of supporting the appointment of Don Tubbs to the Finance Committee**
The Committee discussed the open seat on the Finance Committee and discussed the fact that Mr. Don Tubbs had submitted a letter to the City Clerk offering to serve on the Finance Committee. A discussion of the past contributions of Mr. Tubbs to the committee occurred. The following recommendation was unanimously passed:

The Finance Committee recommends that Don Tubbs be appointed to the Finance Committee to fill the vacancy created by the resignation of Eric Shrum and offers the following information to support the recommendation:

- Don Tubbs served on the Finance Committee prior to being elected to the City Council and served as the council representative during a portion of his term as a City Council member.
- Mr. Tubbs was replaced by Mary Pavil as the City Council representative on the Finance Committee after the October 1995 election because Mr. Tubbs decided not to run for re-election to the City Council.
- Mr. Tubbs has obtained extensive knowledge of both financial and non-financial issues facing the City of Bethel by virtue of his service on the Finance Committee and the City Council.
- The knowledge which Mr. Tubbs possesses is extremely valuable and will benefit the Finance Committee, the City Council, and the citizens of Bethel.
- Mr. Tubbs actively participated in Finance Committee meetings and made significant contributions to the Finance Committee.
- Mr. Tubbs is willing and able to continue to make significant contributions to the City of Bethel through participation on the Finance Committee.

- D. **Update on health care alternatives/employee benefit plan**
The Finance Committee discussed the Request for Proposals issued for employee group benefits and the scoring committee selected to score the responses to the RFP. No action was taken.
- E. **Discussion of revenue enhancements**
The Finance Committee discussed the sources of revenue for the City, the City Council's worksession on revenue enhancements, and possible new sources of revenue. No action was taken.
- F. **Discussion of Senior exemption from sales tax on gaming**
The Finance Committee discussed the need for a uniform system to estimate the senior exemption from sales tax on gaming activities. The Finance Committee made the following recommendation:
The Finance Committee recommends that a system be reviewed by the City which would provide for a 25% flat exemption on Gross Sales for a senior exemption on gaming activities in lieu of the present senior exemption based on actual Gross Sales to seniors for gaming activities and that all revenue from gaming activities be uniformly determined and collected.

XI. **ADJOURNMENT**

Upon motion by Mr. Jones, seconded by Ms. Walters and unanimously approved, the meeting was adjourned at approximately 10:27 p.m.