

DRAFT

104-3-2

FINANCE DIRECTOR  
Stu Robinson

FINANCE COMMITTEE  
Hal Jones, Chairman  
Darell Jones  
Irv Kreider  
Mark Renner  
Clint Schink  
Kilsoo Seo  
Agnes Phillips, City Council Rep.



City of Bethel  
Regular Finance Meeting Minutes  
Thursday, January 20, 2000

I. CALL TO ORDER

Chairman Hal Jones convened the meeting at 7:36 p.m. in the Eddie Hoffman Senior Center conference room.

II. ROLL CALL

Present: H. Jones, Kreider, Renner, Seo  
Absent: D. Jones, Phillips, Schink  
Other Attendees: Stuart Robinson, Finance Director; Jonna Daugherty, Sales Tax/Accounts Receivable Clerk; Laurie Walters, Asst. Finance Director; Dave Trantham, public citizen; Ron Irwin, Tundra Drums

III. PEOPLE TO BE HEARD

MR. DAVE TRANTHAM

Dave Trantham questioned the City's policy regarding people to be heard at Council meetings. Mr. Trantham stated that he was concerned about having gone to Council meetings in the past and asking questions and then having a member of the Council instructing the other members that they have no obligation to answer any questions posed to them by the public. Mr. Trantham was very disturbed by this and wondered out loud whether the Council had forgotten who put them there.

IV. APPROVAL OF AGENDA

**Motion:** M/M by Renner, 2nd by Seo to approve the agenda as presented.  
**Vote:** Voice vote. Motion carried unanimously.

V. APPROVAL OF MINUTES

**Motion:** M/M by Kreider, 2<sup>nd</sup> Renner by to approve the minutes of the December 16, 1999 meeting as presented.  
**Vote:** Voice vote. Motion carried unanimously.

Chairman Jones asked whether the City had heard anything more on the alcohol stores shipping to the bush. Finance Director Robinson reported that the Finance Department was making daily contact with the attorney about this issue. He added that the City had received conflicting information as to whether or not the tax was enforceable. Mr. Robinson stated that the businesses would most likely contest the required collection, forcing the City to take the businesses to court.

Mr. Robinson updated the Finance Committee on the status of those who were now paying and had paid in the previous months and named those businesses to whom the City sent letters of assessment.

Chairman Jones questioned whether the City could send a letter to the Alcohol Beverage Control Board (ABC) asking that the business licenses of those who are shipping to Bethel, but not collecting, be revoked, since the businesses are required to comply with the stipulations noted on their license. Chairman Jones suggested that the letter should also be send to Rep. Sattler, Senator Hoffman, the high-ups of the ABC Board, and even to Governor Knowles's office.

## VI. OLD BUSINESS

### **ITEM A: ORDINANCE 99-14: ALCOHOL BEVERAGE DELIVERY SITE**

Finance Director Robinson reported on the information that he had gathered regarding Barrow's alcohol beverage control site. Mr. Robinson stated that the control site charged a \$10.00 handling fee for each order, and that Barrow never viewed the control site as a revenue source, only as a public safety issue. Barrow's City Manager did have one regret though, Mr. Robinson continued, and that being that the ordinance allowed people traveling to bring alcohol in as personal baggage and was not subject to the controls of the alcohol beverage control site.

Chairman Jones stated that he saw this ordinance just increasing the profitability of the bootleggers. Committee member Kreider stated his agreement with the Chairman's comments, and encouraged the City keep things status quo and to just continue to pursue the collection of the taxes.

**Motion:** M/M by Kreider, 2<sup>nd</sup> Renner that unless the City Council is interested in seeing the standard of living rise for bootleggers, they should let the issue of the alcohol control site die.

**Vote:** Voice vote. Motion carried unanimously.

Mr. Dave Trantham stated he has been following this ordinance and the discussion of it for the last three years and the more he hears the more he is opposed to it. He reported that the draft ordinance dated October 7, 1998 is the same draft ordinance he sees in front of him today-nothing has changed. Mr. Trantham announced that he has compiled 217 questions regarding the ordinance, but when he began to question the City Council, the former Mayor advised the rest of the Council that they were not required to answer any questions. Mr. Trantham then questioned the purpose of the ordinance. A Committee member reported hearing a Council member say that the purpose was to make money. Finance Director Robinson reminded the Committee of Barrow's perspective of the issue.

Mr. Trantham continued by stating that the ordinance says the City Manager has the authority to decide whether the control site is run in-house or contracted out, allowing the City Manager to set policy, which only the Council can do. Mr. Trantham commented that

he has seen lots of ordinances, but this is the very worst, and if he were on Council he would be ashamed to sign his name to it. He reported that Ollie Olsen asked just one question about whether the ordinance is totally constitutional, and that already concerned citizens have begun to contribute money to a defense fund for the lawsuit that will ensue should the ordinance be approved.

Mr. Trantham encouraged the Finance Committee to consider rewording their motion to the City Council, stating that the wording was a little weak, and that wording it the strongest way possible was very important.

Chairman Jones thanked Mr. Trantham for his comments, and stated that as the Finance Committee is was necessary that they, the Committee, speak strictly to the financial issues relating to the proposed ordinance. The Assistance Finance Director was asked to read the motion. After hearing the motion read, Mr. Trantham rescinded his request to have the Committee rephrase their motion.

Mr. Trantham began the conclusion of his comments, by stating that he was the chairman of the "We Won't Take It Any More" committee. He reported that the 217 questions he referred to before were prepared by legal council, and that if the issue went to court all 217 questions would be read, and the courts would hear how Mr. Trantham had been denied the right to speak to the Council.

#### **VII. NEW BUSINESS**

*NONE*

#### **VIII. COMMITTEE CHAIR'S COMMENTS**

Chairman Jones inquired as to when the new business licenses would be mailed. He was informed that they were expected to be out by the following week. Chairman Jones reported that he had an 'atta-boy" for Stu from a citizen who was seeking public information and felt he was getting the run around from other sources in the City, but that he was finally able to get the information from Stu.

#### **IX. FINANCE DIRECTOR'S COMMENTS**

Finance Director Robinson introduced Sale Tax/Accounts Receivable Clerk Jonna Daugherty to the Finance Committee. He then reported on the issues that Jonna had been working diligently on since being hired: alcohol beverage delivery site; alcohol use tax collection and assessment letters; business license processing including reformatting the reporting forms; senior sales tax exemption issues; and not to mention getting familiar with the computer software that is not exactly friendly. Mr. Robinson stated that Ms. Daugherty has faced many challenges in getting things done, but that all those "challenges" are being worked on.

Discussion followed regarding what can be done to those businesses that fail to pay sales taxes. Ms. Daugherty explained to the Committee that she had been through the sales tax and business license ordinances numerous times and could not find any language that would allow the City to shut the business down if they do not pay. Chairman Jones was adamant that that sort of language was present in the original ordinance because the Committee wanted the City to have the ability to revoke the license.

Mr. Robinson reported that the local sales tax audits were scheduled for May. Discussion followed about enforcement of the ordinance and number of audits to be performed, etc. Chairman Jones suggested that Mikunda, Cottrell be given ample time to review the ordinances before being work and that they be given the opportunity to address the Committee regarding the intent of the ordinance if it is unclear.

Mr. Trantham reported that in August he bought an outboard motor from a merchant who did not charge him sales tax, which is required. Mr. Trantham stated that he had told the vendor he had better charge the tax now, because when the City shows up to audit his books and he is told that he owes the City the tax, Mr. Trantham will refuse to pay it.

**X. FINANCE COMMITTEE MEMBER'S COMMENTS**

D. JONES-absent

KREIDER-none

PHILLIPS-absent

RENNER-none

SCHINK-absent

SEO-none

**XI. ADJOURNMENT**

**Motion:** M/M by Renner, 2<sup>nd</sup> by Kreider to adjourn the meeting at 8:53 p.m.

**Vote:** Voice vote. Motion carried unanimously.

**PASSED AND APPROVED THIS \_\_\_\_TH DAY OF MARCH, 2000**

**Signature:**

\_\_\_\_\_  
**Hal Jones, Chairman**

**ATTEST:**

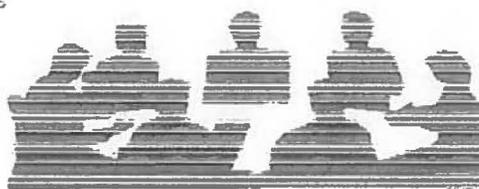
\_\_\_\_\_  
**S. Robinson, Finance Director**

**CITY FINANCE COMMITTEE**

*Hai Jones, Chairman*  
*Darrell Jones*  
*Irv Kreider*  
*Mark Renner*  
*Clint Schink*  
*Kilsco Seo*  
*Agnes Phillips, Mayor*

**FINANCE DIRECTOR**

*Sam Robinson*  
*Sam Robinson*



**City of Bethel**  
**Regular Finance Meeting Minutes**  
**Thursday, May 11, 2000**

**I. CALL TO ORDER**

Chairman Hai Jones convened the meeting at 7:40 p.m. in the front conference room at the Bethel City Hall, after the City Manager gave a tour of the building to the Committee members.

**II. ROLL CALL**

**Present:** D. Jones, H. Jones, Phillips, Renner, Seo  
**Absent:** Kreider, Schink  
**Guest Attendees:** Bob Horton, City Manager; Lewis Walters, Asst. Finance Director

**III. PEOPLE TO BE HEARD**

None

**IV. APPROVAL OF AGENDA**

Chairman Jones requested that Old Business Item B: Paying of Sales Tax be added to the agenda and Sales Tax and Business License Status be removed from the Finance Director's Comments as he was absent and had provided the information to the Chairman.

**Motion:** M/M by Renner, 2nd by D. Jones to approve the agenda as amended.

**Vote:** Voice vote. Motion carried unanimously.

**V. APPROVAL OF MINUTES**

**Motion:** M/M by Renner, 2<sup>nd</sup> by D. Jones to approve the minutes of the January 20, 2000, meeting as presented.

**Vote:** Voice vote. Motion carried unanimously.

FINANCE COMMITTEE MINUTESVI. OLD BUSINESSITEM A: REVIEW OF SALES TAX

Chairman Jones stated that he had received a recommendation from the Finance Director before Mr. Robinson left town that the Committee consider amending the remittance schedule for paying sales tax and increasing the business license fees.

There was some discussion about the recommendation to amend the remittance schedule and all members were in favor of such a change, however, Committee member D. Jones did want to clarify that the remittance schedule was to be based on *annual* gross sales.

**Motion:** M/M by D. Jones, 2<sup>nd</sup> by Kemmer to recommend to the City Council that the Sales Tax Ordinance be revised to reflect the amended sales tax remittance schedule as proposed by the Finance Director, with the *annual* gross sales clearly noted.

**Vote:** Voice vote. Motion carried unanimously.

Discussion shifted into exemptions for homebuilders and the tax cap on single sale units. There were questions posed by the Committee members regarding what the qualifiers of each of the above items were. City Manager Herron responded to the questions to the satisfaction of the members. Also briefly discussed was sales tax and business license education and sales tax remittance form, and a question as to why the City was having the business owner make their own copies of the form.

The Committee then went back to reviewing the increase in business license fees proposed by Finance Director Robinson. Several members voiced very adamantly their opposition to such increases, mostly in regard to the business license fee for the business who's annual gross sales are greater than \$500,000 being increase to .5% of the annual gross sales. City Manager suggested that the Committee could eliminate the percentage and just go with a flat fee of \$300, if that is the number they chose. Instead, the Committee selected to postpone a decision until the Finance Director could be present at the next meeting to defend his recommendation.

**Motion:** M/M by Kemmer, 2<sup>nd</sup> by D. Jones to postpone any further discussion on the increase of business license fees until the next scheduled meeting.

**Vote:** Voice vote. Motion carried unanimously.

VII. NEW BUSINESSITEM A: OVERVIEW OF CITY MANAGER'S PROPOSED BUDGET

City Manager Herron presented his proposed budget to the Committee members, explaining that his budget proposes a breakeven balance for the operating expenses and debt services payments on the General Fund side of the budget, but the General Fund Capital expenditures would have to be funded from the cash reserves.

Some discussion ensued regarding increasing revenues.

**FINANCE COMMITTEE MINUTES**

**VIII. COMMITTEE CHAIR'S COMMENTS:**

Chairman Jones stated that he still thought a City owned liquor store was a good way to increase revenues for the City.

**IX. FINANCE DIRECTOR'S COMMENTS:**

Finance Director Robinson was absent from the meeting.

**X. FINANCE COMMITTEE MEMBER'S COMMENTS:**

D. Jones-none

Kenner-absent

Bill Lee-none

James Hall-absent

Scott-absent

Ray-none

**XI. ADJOURNMENT**

**Motion:** M/M by Kenner, 2<sup>nd</sup> by D. Jones to adjourn the meeting at 8:42 p.m.

**Vote:** Voice vote. Motion carried unanimously.

**PASSED AND APPROVED THIS 6TH DAY OF JUNE, 2000.**

**Signature:**

  
Hal Jones, Chairman

**ATTEST:**

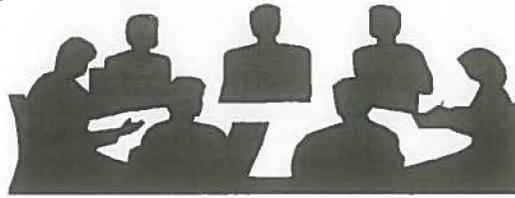
  
Stuart Robinson, Finance Director

*CITY FINANCE COMMITTEE*

- Hal Jones, Chairman*
- Darell Jones*
- Irv Kreider*
- Mark Renner*
- Clint Schink*
- Kilsoo Seo*
- Agnes Phillips, Council Rep.*

*FINANCE DIRECTOR*

*Stu Robinson*



**City of Bethel**  
**Regular Finance Meeting Minutes**  
**Thursday, June 13, 2000**

**I. CALL TO ORDER**

Chairman Hal Jones convened the meeting at 7:35 p.m. in the front conference room at the Bethel City Hall.

**II. ROLL CALL**

- Present: H. Jones, Kreider, , Schink, Seo
- Absent: D. Jones (U), Phillips (E), Renner (E),
- Other Attendees: Stuart Robinson, Finance Director; Laurie Walters, Asst. Finance Director; Daniel Kashetok, public citizen

**III. PEOPLE TO BE HEARD**

*MR. DANIEL KASHETOK* presented his proposal for home garbage pick-up to the Finance Committee members, and distributed a copy of the letter he wrote to the editor after dogs torn into his garbage. Mr. Kashetok stated that he was working with AVCP to get a small business loan to purchase a truck, which he would use for his garbage pick-up business. Mr. Kashetok reported that he had come to City Hall a couple of weeks earlier to get his business license when Finance Director Stuart Robinson suggested to him that he bring his idea to the Finance Committee. He has approached the manager of Swanson about the possibility of trash clean-up around the store and the manager was very interested, agreeing on \$15/hr to pick-up the trash. When Chairman Jones inquired if Mr. Kashetok had thought about what he would charge his customers for garbage pick-up, he replied that he figured he would need \$15 month. Mr. Kashetok was unsure of the number of potential customers he might have.

Finance Director Stuart Robinson interjected that the real reason he suggested that Mr. Kashetok come talk with the Finance Committee is because of the non-compete clause within the Bethel Municipal Code relating to services. Further discussion followed on how Mr. Kashetok's business may impact the City's services and revenue, and possible limitations and restrictions that may be imposed on the scope of his services.

**Motion:** M/M by Schink, 2nd by Kreider to recommend the City Council approve the concept of Mr. Kashetok's request to start a garbage pick-up business, with the understanding that associated cost and restrictions to be placed on the business would need to be developed, and that the Council approve his application for a business license.

**Vote:** Voice vote. Motion carried unanimously.

#### IV. APPROVAL OF AGENDA

Finance Director Robinson requested that Old Business Item A: Business License Fees, Old Business Item B: Sales Tax Form, New Business Item B: Water/Sewer Rate Increase, and New Business Item C: Home Owner's Exemption be added to the agenda.

**Motion:** M/M by Kreider, 2nd by Seo to approve the agenda as amended.

**Vote:** Voice vote. Motion carried unanimously.

#### V. APPROVAL OF MINUTES

**Motion:** M/M by Seo, 2<sup>nd</sup> by Kreider to approve the minutes of the May 11, 2000 meeting as presented.

**Vote:** Voice vote. Motion carried unanimously.

#### VI. OLD BUSINESS

##### **ITEM A: BUSINESS LICENSE FEES**

Finance Director Robinson gave some brief history to explain his recommendation to the Committee that they consider increasing the fees for business licenses. Mr. Robinson reported that after the Council passed the revised sales tax and business license ordinances, which increased the business license fee from \$10 per year to \$50 for a two-year license, approximately 200 businesses failed to renew their license. Mr. Robinson stated that the changes to the ordinances were intended to decrease paperwork for the City while increasing revenues, but that the increased revenues never materialized. He shared with the members his strong opinion that the \$25 per year for a business license for the bigger businesses is just not enough when they are making hundreds of thousands of dollars a year.

Chairman Jones reported that at a recent meeting of the Bethel Chamber of Commerce, a vote was taken on this very issue, and the members voted in favor of a business license fee increase up to \$150. At that meeting, the Chamber members had made it very clear that all businesses, big or little, should pay just the \$150 per year, as not to benefit one or penalize another.

Mr. Robinson voiced his frustration regarding contractors who leave Bethel after completing a \$5 million or \$12 million project and pay absolutely nothing for the services provided and to use and damage the City's roads. Further discussion followed as to what businesses in that situation should pay to the City.

Chairman Jones state that he though Council should consider increasing revenue to the City in the form of a 1% sales tax increase or decreasing the City's operational costs by cutting programs from the budget or significant cutting program costs.

**Motion:** M/M by Kreider, 2<sup>nd</sup> by Schink recommending that City Council place a one-percent (1%) sales tax increase on the ballot and then support the increase.

**Vote:** Voice vote. Motion carried unanimously.

**ITEM B: SALES TAX FORMS**

Chairman Jones reported that he had received an abundance of calls from business owner's upset about being asked to make their own copies of the sales tax forms. Finance Director Robinson tried to explain why the Finance Department had opted to do that for this year. Much discussion followed on the content of the remittance forms, and Committee members made recommendations for changes.

**VII. NEW BUSINESS**

**ITEM A: SALES TAX AUDIT 2000**

Finance Director Robinson informed the Committee of the status of the local sales tax audits being performed by Mikunda, Cottrell and Co., reporting that seven audits were completed in June, with five more scheduled during July and another five in August. According to information received by the auditors, the audits are going very smoothly.

**ITEM B: WATER AND SEWER RATE INCREASE**

Discussion took place on the issue of piped water and sewer services and the amount of money the City is losing due to low rates for those users on piped service. Chairman Jones shared his opinion that piped water and sewer rates should be increased so they are more in line with the rates for hauled service. Committee members address the possibility of installing meters on the piped services. It was suggested that the City would bear the initial cost with the homeowner paying an additional monthly fee on their utility bill as a way to recover the cost incurred by the City. Committee members were unanimous in their opinion that hauled services should remain a flat fee, but that the City should find a way to meter piped services. Finance Director Robinson informed the Committee that the piped water and sewer project slated for City Subdivision would include meters installed on the pipes, and that existing pipes in other parts of town could be retrofitted with meters.

**Motion:** M/M by Schink, 2<sup>nd</sup> by Seo recommending that City Council increase the monthly fee for piped water and sewer, including the garbage fee, to approximately \$150 month, matching the monthly cost of a customer on hauled water and sewer services who receives 500 gallons per week

**Vote:** Voice vote. Motion carried unanimously.

The Committee recessed for a ten-minute break at 9:25 p.m., and Chairman Jones reconvened the meeting at 9:36 p.m.

**ITEM C: HOME OWNER'S EXEMPTIONS**

Finance Director Robinson informed the Committee that under the revised Bethel Municipal Code only two exemptions are allowed; the sales tax exemption for senior citizens and the sales tax exemption for persons building their own home. Mr. Robinson went on to explain the criteria that qualify a homeowner for the exemption and the rules that apply to the exemption, including how a single sale unit fits into the equation. Part of Mr. Robinson's explanation was that the ordinance says "new home", not a continuation of improvements or adding on to the home. Several Committee members spoke up recalling that the exemption was to be given if it was a "project", but that the homeowner had to pay the \$200 fee each time an exemption was requested for a new "project".

**Motion:** M/M by Kreider, 2<sup>nd</sup> by Seo to amend the ordinance to reflect the understanding of the Committee that the exemption also applies to "projects".

**Vote:** Voice vote. Motion carried unanimously.

Further discussion followed regarding changing the single sale unit cap to allow for more sales tax to be collected on the sale of a home.

**VIII. COMMITTEE CHAIR'S COMMENTS**

Chairman Jones commented that he would like to see a change in the City's budget process to include it going through something like a subcommittee, where an autonomous body can review the budget. This unbiased body would be made up of persons who have some expertise related to a specific department whose budget they would examine.

**IX. FINANCE DIRECTOR'S COMMENTS**

Finance Director Robinson reported that the City Council had shot down an attempt by the Police Department to increase taxicab permit fees from \$100 to \$250. The Transportation Commission had also failed to approve the increase desired by the City.

**Motion:** M/M by Kreider, 2<sup>nd</sup> by Schink recommending to Council that the monthly taxicab permit fees be increased to \$150.00

**Vote:** Voice vote. Motion carried unanimously.

**X. FINANCE COMMITTEE MEMBER'S COMMENTS**

D. JONES-absent

KREIDER-none

PHILLIPS-absent

RENNER-absent

SCHINK-none

SEO-none

**FINANCE COMMITTEE MINUTES**

**XI. ADJOURNMENT**

***Motion:*** M/M by Kreider, 2<sup>nd</sup> by Schink to adjourn the meeting at 10:30 p.m.

***Vote:*** Voice vote. Motion carried unanimously.

**PASSED AND APPROVED THIS 13TH DAY OF JULY, 2000.**

**Signature:**

\_\_\_\_\_  
**Hal Jones, Chairman**

**ATTEST:**

\_\_\_\_\_  
**Stuart Robinson, Finance Director**

*CITY FINANCE COMMITTEE*

*Hal Jones, Chairman  
Darell Jones  
Irv Kreider  
Mark Renner  
Clint Schink  
Kilsoo Seo  
Agnes Phillips, Council Rep.*



*FINANCE DIRECTOR*

*Stu Robinson*

**City of Bethel  
Regular Finance Meeting Minutes  
Thursday, October 12, 2000**

**DRAFT**

**I. CALL TO ORDER**

Chairman Hal Jones convened the meeting at 7:50 p.m. in the front conference room at the Bethel City Hall, following the Sales Tax and Business License General Information presentation.

**II. ROLL CALL**

Present: H. Jones, D. Jones, Kreider, Phillips, Seo  
Absent: Renner (E), Schink (U)  
Other Attendees: Stuart Robinson, Finance Director; Laurie Walters, Asst. Finance Director; Rob Lewis, Mikunda, Cottrell & Co.

**III. PEOPLE TO BE HEARD**

There was no one present to speak.

**IV. APPROVAL OF AGENDA**

**Motion:** M/M by Kreider, 2<sup>nd</sup> by D. Jones to approve the agenda as presented.

**Vote:** Voice vote. Motion carried unanimously.

**V. APPROVAL OF MINUTES**

**Motion:** M/M by Kreider, 2<sup>nd</sup> by Seo to approve the minutes of the June 13, 2000 meeting as presented.

**Vote:** Voice vote. Motion carried unanimously.

VI. OLD BUSINESS

***ITEM A: SALES TAX AUDITS-2000***

Finance Director Robinson briefed the Committee on the status of the local sales tax audits and then invited Rob Lewis of Mikunda, Cottrell & Co. to further elaborate. Before Mr. Lewis could begin, Chairman Jones interjected with a question to Finance Director Robinson asking that if the City knows there is a problem with a certain business in town, is there something to prohibit the City from focusing on those businesses, rather than the businesses being chosen solely by random selection. Finance Director Robinson replied that there was nothing wrong with the method the Chairman had described, and added that he though the City should use that approach.

Committee member D. Jones asked about the time period covered by the audit. Mr. Lewis replied that the audits covered the 1999 calendar year. He continued on to say that the report, soon be forthcoming to the City, would indicate the businesses that Mikunda, Cottrell & Co. felt the City should follow up with in the coming years, due to concerns regarding procedures by those businesses. Mr. Lewis explained that this first year he and his associates really wanted to concentrate on pointing out to the audited businesses areas where they needed to improve and methods to correct the problems. Mr. Lewis remarked that most of the businesses were cooperative throughout the audit.

Chairman Jones voiced his deep concerns about restaurant delivery persons not providing, or hesitating to provide, a receipt to the customer when delivering the food orders, claiming that they had to return the receipt to the restaurant. Further discussion ensued. The Committee unanimously agreed that this was a very big problem and that the restaurants would be the focus during the next round of audits.

VII. NEW BUSINESS

***ITEM A: SALES TAX REMITTANCE SCHEDULE***

The Committee members quickly reviewed the recommendations for sales tax remittance schedule made at a previous meeting.

\* **Motion:** M/M by Kreider, 2<sup>nd</sup> by D. Jones that as a cost savings and benefit to the City, the Finance Committee recommends the establishment of a quarterly sales tax submittal for businesses. This motion also changes the requirements for the monthly sales tax filing from annual gross sales greater than \$500,000 to annual gross sales greater than \$250,000.

**Vote:** Voice vote. Motion carried unanimously.

**Note:** *The recommended sales tax remittance schedule would be as follows:*

<i>Annual gross sales less than \$24,000</i>	<i>file annual</i>
<i>Annual gross sales greater than \$24,000, less than \$250,000</i>	<i>file quarterly</i>
<i>Annual gross sales greater than \$250,000</i>	<i>file monthly</i>

**ITEM B: BUSINESS LICENSE FEES**

Discussion took place regarding raising the business license fees. Finance Director Robinson reiterated his desire to see a tiered schedule based on annual sales of each business. The schedule suggested would be as follows:

Annual gross sales...	
less than \$24,000	\$50/2-year license
greater than \$24,000, less than \$250,000	\$150/2-year license
greater than \$250,000	\$200/2-year license

Chairman Jones replied that the Chamber of Commerce had previously discussed this issue and were absolutely not in favor of a tiered schedule, but would support the business license fee being raised from \$50 for a two year license to \$150 for that same two year period. Further discussion followed as to reasons the fee should not be changed.

**Motion:** M/M by D. Jones, 2<sup>nd</sup> by Kreider to leave the license fee as is, with no increases.

**Vote:** Roll call vote. Motion failed, 3-yes, 2-no (H. Jones, Phillips).

**Motion:** M/M by Kreider to raise the license fee to \$100 for a two year period. Kreider retracted the motion after it failed for lack of a 2<sup>nd</sup> to the motion.

**ITEM C: SALES TAX EDUCATION**

Finance Director Robinson reported that the first of the Sales Tax and General Information Education presentation was completed immediately preceding the Finance Committee meeting. He added that the education classes would continue on a monthly basis until all business required to attend had been invited and gone through the presentation. He also pointed out that the ordinance states that those businesses who do not attend the required educational class will be assessed a \$250 fee at the time they renew their license.

**ITEM D: CONSTRUCTION, MANUFACTURING AND HOME OWNER CONSTRUCTION SALES EXEMPTION (REVIEW)**

Chairman Jones indicated that the way the ordinance governing the exemption for home-owner construction is currently written does not reflect the original intent of the Committee. He explained that the Committee had meant for the exemption to cover "projects" in general, meaning any building construction, not limited to persons building their own new residence which they plan to personally occupy. The Committee spent several minutes discussing whether or not they thought repairs and home projects qualified as home owner construction under this exemption, and what the term of the exemption should be.

\* **Motion:** M/M by D. Jones, 2<sup>nd</sup> by Seo to change the language from "new single family home" to "construction project", with a term of 12 months, and increasing the fee to \$250. If an individual wished to continue their "project" beyond the twelve month period they would be required, at the expiration of each exemption certificate, to apply for an additional exemption certificate, each time paying an additional \$250.00.

**Vote:** Voice vote. Motion passed unanimously.

Other discussion included increasing the tax for new home sales from \$175 to a higher amount. Finance Director Robinson suggested the amount of the tax be based on a percent of the sale price of the home. When that suggestion failed to attract favorable opinions, Assistant Finance Director Walters suggested the Committee consider something around \$500, but the Committee was unwilling to consider an amount that high. The general consensus of the Committee was that a fairly substantial increase would not produce much benefit to the City. They calculated the additional amount of taxes collected by the City to be approximately \$6,500, based on an average of 20 houses built each year. After further discussion, they agreed to raise the tax for new home sales to \$200, a \$25 increase over the existing amount.

\* **Motion:** M/M by Phillips, 2<sup>nd</sup> by Seo to raise the sales tax fee on new home sale from \$175.00 to \$200.00.

**Vote:** Voice vote. Motion passed unanimously.

**Note:** *Chairman Jones excused Committee member Seo at 9:15 p.m.*

#### VIII. COMMITTEE CHAIR'S COMMENTS

Some discussion took place about the sales tax and general information education presentation and the requirement for attending. Chairman Jones wanted to ensure that the City would not be charging the \$250 penalty to those business who do not attend the education presentation with giving them notice of the requirement and the consequences. Finance Director Robinson clarified that because the City has not followed through with proper notification of the requirement to attend the education presentation and the \$250 penalty for not attending, the City would not be penalizing any business the \$250 during the upcoming business license renewal period.

#### IX. FINANCE DIRECTOR'S COMMENTS

Finance Director reported that during the recent election, the proposition to increase the city sales tax from 5 percent to 6 percent failed. He also reported the more aggressive enforcement of sales tax remissions/collections had proved to be very successful, as the City experienced an increase in the sales tax revenue during fiscal year 2000.

#### X. FINANCE COMMITTEE MEMBER'S COMMENTS

PHILLIPS-reported that the previous City Council meeting Willie Kepple brought a 55 gallon drum with him to the Council meeting to request a suspension of the City sales tax on heating fuel products due to the rising costs that will be detrimental to many lower income families. Finance Director Robinson informed the Committee that the Finance department had already done an analysis of the financial impact to the City and found that it would cost the City \$700,000 in sales tax revenue that the City can absolutely not afford, especially since the City's heating fuel expenses are going to skyrocket as well.

KREIDER-stated that the reason for the proposition to increase the sales tax by one percent was to help make ends meet for the City. The Committee said at a previous meeting that

the City was going to have to get the one percent sales tax increase passed or cut expenses. Committee member Kreider pointed out that not the City will be forced to cut expenses and possibly even entire programs.

D. JONES-reported that the advisory vote for establishing an alcohol beverage delivery site went down in smoke as well. Committee member D. Jones suggested that the City could still consider a City-owned liquor store, which would save the City financially. The City would be the only seller of liquor and all other importation would be banned. All of the City's bottles would be stamped, and this would greatly assist in locating bootleggers, since their bottles would not have the City stamp.

RENNER-absent

SCHINK-

SEO-absent

**XI. ADJOURNMENT**

**Motion:** M/M by Phillips, 2<sup>nd</sup> by D. Jones to adjourn the meeting at 9:50 p.m.

**Vote:** Voice vote. Motion carried unanimously.

**PASSED AND APPROVED THIS 14<sup>th</sup> DAY OF DECEMBER, 2000.**

**Signature:**

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**Hal Jones, Chairman**

**ATTEST:**

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**Laurie Walters, Asst. Finance Director**