

CITY FINANCE COMMITTEE

*Rob Lewis, Chairman
Oly Olson
Irv Kreider
Hal Jones
Dave Trantham
Hugh Short, Jr., Council Rep.*



FINANCE DIRECTOR

Robert B. Strahan

**City of Bethel
Regular Finance Meeting Minutes
Thursday, March 28, 2002**

I. CALL TO ORDER

Vice Chairman Olson convened the meeting at 7:46 p.m. in the front conference room at the Bethel City Hall.

II. ROLL CALL

Present: Jones, Olson, Trantham, Short
Absent: Kreider (excused)
Other Attendees: Robert Strahan, Finance Director; Laurie Walters, Asst. Finance Director; Colleen Soberay, City Clerk; Gary Vanasse, Council member; Darcy Anderson, citizen; Jorene Hout, citizen; Bob Graham, citizen

III. PEOPLE TO BE HEARD

Darcy Anderson, on behalf of Bethel Community Services, presented her request that the Committee consider supporting individuals who have severe disabilities by amending the existing sales tax exemption language to include this class of individuals. Ms. Anderson explained that there are currently 17 individuals in Bethel who meet the criteria as “severe disability”, who because they live in an ‘assisted living residence’ or ‘supportive living residence’ already receive their qualifying expenses as tax exempt. She explained that is amendment would only affect four individuals who live in rental locations or single family dwellings that are not identified as ‘assisted living residence’ or ‘supportive living residence’, so the financial impact to the City would be very minimal, and as she had calculated for just utilities, it would be less than \$2,000 a year in lost sales tax revenue. The sales tax exemption language would mirror the current language for the senior citizen sales tax exemption.

Committee member Jones stated that the only reason he opposed amending the sales tax exemption language to allow for this request, is due to his concern about setting a precedent to and this action possibly opening the door for other organizations or groups of people to approach the Council requesting tax exempt status for their specific cause. Discussion

ensued. In the end, all other committee members voiced their support for the requested change to the sales tax exemption language.

Motion: M/M by Trantham, 2nd by Short to recommend to the City Council that they consider and approve adding the “severe disability” classification, as it is legally defined, to the sales tax exemption language in the ordinance.

Vote: Roll call vote (4-yea). Motion carried unanimously.

Jorene Hout spoke to the committee, concerned about sales tax and financing agreements for purchase or lease of equipment located in Bethel from companies who are based outside of Bethel. Ms. Hout gave the example of a Sean Pinelli and Ben Rael purchasing equipment from Café Del Mundo who went to Orix Financial in Pennsylvania. Orix is charging Sean and Ben sales tax on the lease amount, because they are residents of Bethel. She stated that these situations are comparable to mail orders, which have no office or personnel in Bethel, and they do not collect and remit sales tax to the City. Ms. Hout felt that there is an inequity in the way these two situations are handled and that the City’s ordinance does not allow for the City to collect sales tax from these leasing companies. She reported that some equipment leasing companies are charging their customers sales tax and some are not. She suspects that some companies are collecting sales tax and not remitting. Ms. Hout feels very strongly that Ben and Sean are owed a refund since the sales tax on their leased equipment was charged in error. After some brief discussion, Ms. Hout added that the transaction, if it was really taxable, should have been handled as a single sale unit and that the tax would only have been charged on the first \$3,500.

Further discussion followed on the language of the ordinance being referenced and whether the City could take some action to verify that leasing companies are or are not collecting sales tax.

Committee member Short informed Ms. Hout that Ben and Sean should submit a letter to the City requesting a refund. Finance Director Strahan agreed, stating that once the City received their request some action could be taken.

Gary Vanasse introduced himself to the committee members as one of the newest members to City Council. Mr. Vanasse informed the Committee that one of his highest priorities is to use the committees and commissions extensively. His goal is to refer a lot of work to them, but that they always have the option of dumping the work back to Council. Mr. Vanasse thanked the members for their service and stated that most people don’t realize the amount of time and effort that the members put into respective committees and commissions, because most of the time their work is done in a quiet manner.

IV. APPROVAL OF AGENDA

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

Vote: Voice vote. Motion carried unanimously.

V. APPROVAL OF MINUTES

Committee member Jones noted that he wished to clarify that it was not metered piped service that he was referring to, but the high cost of forcing owners of subdivisions to put in piped water/sewer service in areas that do not have and will not have in the foreseeable future piped water and sewer, just for the sake of forcing them to do it.

Motion: M/M by Jones, 2nd by Trantham to approve the minutes of the March 7, 2002, meeting as amended.

Vote: Voice vote. Motion carried unanimously.

Committee member Short questioned needing to add Ordinance 02-09 to the agenda.

Motion: M/M by Jones, 2nd by Short to amend the agenda by adding New Business Item C-Discussion of Ordinance 02-09.

Vote: Voice vote. Motion carried unanimously.

VII. NEW BUSINESS

ITEM A: FY03 BUDGET

Committee member Jones informed the other members that the Finance Committee has not taken an active roll in the budget process in recent years. If all the Council wants is for the Finance Committee to sit in the audience you might get some of members there, but not all. He continued that if the Council wanted the Finance Committee to take a more active roll, he would be happy to put in the extra time. Hal added for the record, that it has been suggested that the Finance Committee take one department a year, and rotate departments each year, budget would get a very close audit down to the nitty gritty, since Council does not have time to it. Committee member Jones stated that he was aware that many departments hide a lot of money in their budget.

Committee member Short voiced his support of that idea, and stated he felt the Committee should be very involved in the process. He noted that numerous budget sessions were scheduled for April and May, and he encourage all the member to attend and participate in the process.

Chairman Olson responded that if all Council would allow them to do at the meetings was watch then he might as well stay at home for all the good it would do. He expressed his shared view with Committee member Jones that if they could look at, at least, one department a year, maybe more, and tear that budget apart to see if what they are buying is in line with what they need.

Committee member Short commented that if the Committee was willing to put the time and energy into it, the Council could probably find a department for them to review.

Vice Chairman Olson expressed his opinion that there is a lot of fat in a lot of departments. Finance Director Strahan questioned Olson about where he saw the "fat". Olson shared his examples. Discussion ensued regarding inefficiencies within the City.

Council member Vanasse encouraged the Committee to stay focused on the agenda item at hand. He also encourage the members to contact the department head if they see

things that they are concerned about, because it may be that the department head is not aware of the situation. He stated it was a good idea to start with their own department's budget first and reminded the members that they could take a look at that budget at any time. He concluded by adding that each department should, throughout the year, be keeping their respective committee or commission informed of any upcoming budgetary wants or needs.

Committee member Short assured the rest of the members that he and Council member Vanasse were committed to involving the Finance Committee in the budget process. Further discussion ensued.

Finance Director Strahan explained his desire to streamline the budget process and make things more efficient. He noted that one of his biggest concerns was the need to clean up the policies and procedures.

ITEM B: LEGAL EXPENSES AND CONTRACT FOR CITY ATTORNEY

Vice Chairman Olson felt that this was an area that needed to be looked at. He suggested that the City could save a lot of money on legal fees if we were to hire a local in-house attorney. He informed the members that LKSD's legal fees were \$83,000 last year compared to the City's \$304,000. Assistant Finance Director Walters noted the figure of \$304,000 was not all legal fees, but it included legal settlement payouts as well. She added that it was unfair to compare LKSD's legal expenses with the City's because of the difference in the nature of the two organizations. Finance Director Strahan concurred, stating that the City is in a position of enforcement of laws and ordinances that the school district is not, which can greatly increase the legal expenses. He noted that if the City were to hire an attorney, they would need a law clerk, plus start up expenses, not to mention that the person we hire would not be an expert in all areas, so you would still have to go outside the organization for some services; all of which would cost close to what we are paying now, if not more.

Discussion ensued regarding the committee's desire to review the billing statements from Preston, Gates and Ellis to see the issues and the person who had called the attorney. One member of the Committee in particular voiced his concern about who was utilizing the attorney. Assistant Finance Director Walters assured the Committee that not just any employee was calling the attorney, but that there were only a few department heads, and one or two employees in Administration and the Finance Department who were authorized to contact Louann Cutler's office.

Council member Vanasse proposed the possibility of hiring a paralegal instead of a lawyer. He stated that it was a good alternative, as going that route would be less expensive than hiring an attorney. He noted that the City currently has the attorney draft all of the ordinance and that is something that they should not do. Council member Vanasse and was also concerned about being able to recruit someone who wanted to work for the City at a salary that the City can afford.

Citizen Jorene Hout commented that having the City attorney do things like writing ordinances could drive up the cost as well. Committee member Short agreed that the City needs to become more efficient. He stated that while he was concerned about the rising

costs, he was also very aware of the liability issues and did not want to leave the City hanging out by not having sufficient legal assistance.

Discussion on this issue continued. Committee member Trantham expressed his strong feeling that the Committee and the City Council should review the billing statements from the City attorney every month, so they know exacting what the City is being charged for.

City Clerk Soberay stated while she agreed with many of the comments made by Council member Vanasse, she wanted to clarify that the City attorney does not draft all ordinances. The City Clerk does that work, unless the City is entering unknown territory and then the City may rely more heavily on the attorney. The attorney does however, review ordinance for legal content, as a precaution.

Motion: M/M by Jones, 2nd by Trantham to request through the Council the authorization to review the City's legal expenses billing statements.

Vote: Roll call vote (4-yea). Motion carried unanimously.

ITEM C: DISCUSSION – ORDINANCE 02-09

At this point, Committee member Short indicated that he needed to leave, but wanted to comment that he felt this ordinance was very flawed in several area, but that he does agree with the concept for people who are very overdue, but is not currently spelled out. He felt that if 2.52.025 was stricken, the time was inserted and the fluff was gotten rid of it could be sent it back to the Council.

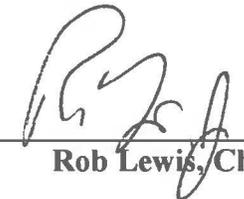
Some discussion ensued. Committee member Jones stated that it needed to have the time line included, whether it is 90 days, 60 days, or whatever. He doesn't really care as long as it is clear.

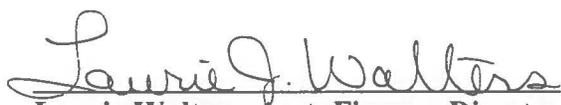
XI. ADJOURNMENT

Motion: M/M by Short 2nd by Jones to adjourn the meeting at 9:23 p.m.

Vote: Voice vote. Motion carried unanimously.

PASSED AND APPROVED THIS 25 DAY OF April, 2001.

Signature: 
Rob Lewis, Chairman

ATTEST: 
Laurie Walters, Asst. Finance Director

CITY FINANCE COMMITTEE

*Rob Lewis, Chairman
Oly Olson, Vice Chairman
Irv Kreider
Hal Jones
Dave Trantham
Hugh Short, Jr., Council Rep.
Thor Williams*



FINANCE DIRECTOR

Robert B. Strahan

**City of Bethel
Regular Finance Meeting Minutes
Thursday, April 25, 2002**

I. CALL TO ORDER

Chairman Lewis convened the meeting at 7:34 p.m. in the front conference room at the Bethel City Hall.

II. ROLL CALL

Present: Lewis, Jones, Olson, Trantham
Absent: Kreider (excused), Short (excused)
Other Attendees: Laurie Walters, Asst. Finance Director; Lt. Ben Dudley, Bethel Police Dept.

III. PEOPLE TO BE HEARD

There was no one to speak to the committee.

IV. APPROVAL OF AGENDA

Motion: M/M by Jones, 2nd by Trantham to approve the agenda as presented.

Vote: Voice vote. Motion carried unanimously.

V. APPROVAL OF MINUTES

Committee member Jones noted that he wished to clarify that it was not metered piped service that he was referring to, but the high cost of forcing owners of subdivisions to put in piped water/sewer service in areas that do not have and will not have in the foreseeable future piped water and sewer, just for the sake of forcing them to do it.

Motion: M/M by Olson, 2nd by Jones to approve the minutes of the March 28, 2002, meeting as presented.

Vote: Voice vote. Motion carried unanimously.

VII. NEW BUSINESS

ITEM A: FY03 BUDGET WORK SESSION

Committee reviewed and discussed the police department's budget, requesting Lt. Dudley and Asst. Finance Director Walters to respond with explanations as needed. The committee requested further detail on the proposed budget for training/travel, supplies, equipment and telephone. The committee concluded with the police department's budget and proceeded on to review and discuss the budget for city administration. The committee requested detail on the training/travel proposed budget for city administration. Further discussion ensued.

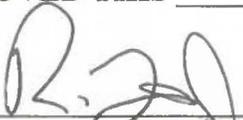
XI. ADJOURNMENT

Motion: M/M by Jones, 2nd by Trantham to adjourn the meeting at 8:50 p.m.

Vote: Voice vote. Motion carried unanimously.

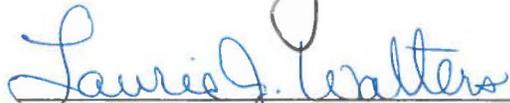
PASSED AND APPROVED THIS 6 DAY OF June, 2002.

Signature:



Rob Lewis, Chairman

ATTEST:



Laurie Walters, Asst. Finance Director

CITY FINANCE COMMITTEE

*Rob Lewis, Chairman
Oly Olson, Vice Chairman
Irv Kreider
Hal Jones
Dave Trantham
Hugh Short, Jr., Council Rep.
Thor Williams*



FINANCE DIRECTOR

Robert B. Strahan

**City of Bethel
Special Finance Meeting Minutes
Monday, May 6, 2002**

I. CALL TO ORDER

Vice Chairman Olson convened the meeting at 6:42 p.m. in the City Council chambers at the Bethel City Hall.

II. ROLL CALL

Present: Olson, Short, Trantham, Williams
Absent: Lewis (excused), Jones (excused), Kreider (excused)
Other Attendees: Robert Strahan, Finance Director; Laurie Walters, Asst. Finance Director

III. PEOPLE TO BE HEARD

There was no one to speak to the committee.

IV. APPROVAL OF AGENDA

The committee went right into New Business.

VII. NEW BUSINESS

ITEM A: FY03 BUDGET WORK SESSION

The committee reviewed and discussed the proposed budget for the public works department. Finance Director Strahan and Asst. Finance Director Walters answered questions and gave explanations as needed.

XI. ADJOURNMENT

Motion: M/M by Short, 2nd by Williams to adjourn the meeting at 8:00 p.m.

Vote: Voice vote. Motion carried unanimously.

CITY FINANCE COMMITTEE

*Rob Lewis, Chairman
Oly Olson, Vice Chairman
Hal Jones
Irv Kreider
Dave Trantham
Hugh Short Jr., Council Rep.
Thor Williams*



FINANCE DIRECTOR

Robert Strahan

**City of Bethel
Regular Finance Meeting Minutes
Thursday, June 6, 2002**

I. CALL TO ORDER

Chairman Rob Lewis convened the meeting at 7:34 p.m. in the City Council chambers at the Bethel City Hall.

II. ROLL CALL

Present: Lewis, Jones, Kreider, Olson, Trantham,
Absent: Short (unexcused), Williams (unexcused)
Other Attendees: Robert Strahan, Finance Director; Laurie Walters, Asst. Finance Director

III. PEOPLE TO BE HEARD

Paul Gregory is concerned about the health and safety of the citizens of Bethel. He spoke about the need to enforce the curfew ordinance in an effort to reduce the mischief, vandalism, and muggings going on in Bethel by teens and young adults. Mr. Gregory stated that the City Manager had said that the City did not have the funding to enforce the curfew. When questioned by a committee member about what he would like to see done, he responded that he would like to see the funding to be put back in place.

Committee member Olson responded that his understanding as to why the police department was not currently enforcing the curfew was due to the concern about the ordinance standing up in the courts. Mr. Olson recalled the current situation with Anchorage in a lawsuit with the ACLU over Anchorage's curfew law. His opinion was that the City should enforce the curfew and then deal with it at the time, if the ordinance is ever challenged. Committee member Lewis concurred. Committee member Jones was concerned about the City having an ordinance on the books that it is not enforcing and the precedent being set is sending the wrong message.

Motion: M/M by Jones, 2nd by Olson that due to the financial hardships on the City, recommend Council amend the curfew ordinance from under 18 years of age to 16 years and under, and direct the police department to start enforcing the curfew.

Vote: Roll call vote (yes-5, no-0). Motion carried unanimously.

Darcy Anderson questioned the status of the change to the sales tax ordinance that would allow for a sales tax exemption for the severely disabled, as previously requested. Finance Director Strahan noted that the City needed some additional information from Ms. Anderson before the ordinance could be finalized and forwarded to Council. She responded that the information Mr. Strahan was referring to had already been provided to the City Clerk and that she had left four messages for the City Clerk. Mr. Strahan stated he would be in touch with Ms. Anderson.

Darcy Anderson, current member of the Parks and Recreations committee who is soon to be leaving Bethel, applauded the City's efforts to support the Parks and Recreation Department. She noted that Owl Street Park is a great example of the good the department is capable of doing of there is support from the City.

Paul Gregory inquired as to what the associated costs of the City Sub piped water and sewer service would be to each customer living in the subdivision. He is concerned that the implementation of the system is right around the corner and the citizens have not been informed of the cost. Some brief discussion ensued. Finance Director Strahan stated that he would look into the related service costs. Mayor Rodgers noted that he recalled a discussion at a Council meeting that once Village Safe Water money is given to the contractor to lay out the project, there would be a residential hook-up fee of \$150-\$250 because the project money will only go so far. Mayor Rodgers stated that the Finance Director could look into it. Committee member Olson mentioned that if the resident is a beneficiary, ONC may kick in some money to help with the hook-up fee.

Robert Dillon questioned why, as a buyer of a home, he has to pay taxes of \$2,500, when he was trying to add to the community by purchasing a home. He expressed his opinion that the tax was not enforceable and he did not understand why the tax is being placed on the buyer. He asked the question about what stops him from taking his business out of Bethel, since the City is forcing the bank to force him to pay the tax through his loan closing. He noted that it was his understanding that the intent of the ordinance establishing this tax was to target contractors who were selling homes.

Committee member Jones announced he had found out about the tax just last week. He noted that he had written most of the sales tax ordinance and this \$2,500 real estate tax was never the desire of the Finance Committee. He added that the Finance Committee was opposed to taxing real estate transactions. The Committee felt that the sale of a home was a casual sale and the purchasing of homes improves the community and results in a more permanent citizen base.

Mr. Dillon asked if the ordinance is being misinterpreted. Committee member Jones stated that it was not being misinterpreted because the ordinance was proposed to the Council by the City Manager, but that it never went through the Finance Committee. Committee member Kreider added that this was just slipped in by the former Finance Director, because the Finance Committee had made it very clear how they felt.

Finance Director Strahan reviewed what he had discovered when researching the history of ordinance containing the real estate tax language. The Finance Committee was briefed by Stuart Robinson on Ordinance #01-28 of all sales tax issues. The Finance Committee had 30 days to react to the approved ordinance before being enacted. Committee member Jones recalled that the former finance director, Stuart Robinson, had told the committee the new language would affect only sales between a business (building homes) and the buyer. The Finance Committee never wanted the tax to be a result of an individual owner selling to an individual buyer.

Motion: M/M by Jones, 2nd by Kreider to recommend to Council that they 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 affect, retroactive from the first collection date.

Vote: Roll call vote (yes-5, no-0). Motion carried unanimously.

Committee member Olson added that he felt the City was forcing homeowners interested in selling their homes to violate the sales tax ordinance by selling without a business license. (*Note: Homeowners are not required to have a business license to sell their homes.*) Mr. Olson stated that he saw some real issues with the existing language.

Robert Dillon noted that he was aware the City was considering the Boys and Girls Club and that they were in Bethel earlier today to discuss their program with the City. He commented that whatever the cost to the City, the Parks and Recreation Department provides a marvelous program. Mr. Dillon stated that he has seen the Boys & Girls Club in Kotzebue and they just turn on the T.V. and leave the kids to watch T.V. and that is not what happens in this community. He stated that he would gladly give up \$2,500 if it would go Parks and Recreation and not into the City coffers.

Mayor Rodgers proposed changing the qualifying age for the senior citizens tax exemption down from 65 to 60 years of age. Mayor Rodgers stated that changing the age would encourage more seniors from the villages to do their shopping in Bethel, which would be good for the community.

Assistant Finance Director Walters informed the committee that the stores were required to ask to see the senior card before exempting the tax. Mayor Rodgers felt very strongly that it was an additional hardship to low-income seniors to have to spend the cab fare to come to City Hall to get an ID card. Committee member Kreider stated that if ID cards and driver's licenses were good enough for the airlines, the City should allow the stores to accept either of those forms of identification and not require a City ID card.

There was some discussion about whether the tax exempt age was 65 or 60. Committee member Trantham informed the committee that he felt the confusion about the age had to do with the age requirement for services up at the Senior Center. Senior who are 60 years of age or older are eligible for services at the Senior Center, while a senior must be 65 years of age to qualify for tax exempt status.

Chairman Lewis believed that the real confusion occurred when the ordinance passed, because some seniors who were under the age of 60 were grand-fathered in at that age, as long as they were 60 years of age by December 31, 1999, **and** they had to have previously applied for tax exempt status.

Mayor Rodgers suggested that the Finance Committee make a recommendation to Council to change the age requirement.

The Committee requested that this issue be placed on the next agenda as new business.

“Somewhere in the tape (around this period) Dave ask of the finance director why the Finance Committee has not received the request of attorney expenditures.

The committee recessed for a five minute break at 8:43 p.m.

The meeting was called back to order at 8:50 p.m.

IV. APPROVAL OF AGENDA

Motion: M/M by Jones, 2nd by Trantham to approve the agenda as presented.

Vote: Voice vote. Motion carried unanimously.

Motion: M/M by Jones, 2nd by Olson to suspend the rules to discuss New Business Item C: Parks and Recreation Department next since the Director of Parks and Recreation and the Director of the 4-H Program were present.

Vote: Voice vote. Motion carried unanimously.

NEW BUSINESS

ITEM C: DISCUSSION: PARKS & REC PROGRAM

Committee member Jones stated that he had requested this item to be placed on the agenda. Mr. Jones noted that he felt the Parks and Recreation Department was doing a good job, was working well, and has been doing what it is supposed to be doing. He reported that Boys and Girls Club (B & G Club) was interested in certain programs, not in little kids and not parks. He remembers the days when the Parks and Rec. department was not a good place for kids to be.

Discussion ensued about the negative points to having B & G Club take over Parks and Recreation department. Committee member Jones voiced his concern that the City may lose the partnership with the 4-HY Program if B & G Club were to take over.

The Director of 4-H gave a brief informal presentation regarding the B & G Club and what he knows about the Club and how they may run their program with the City. He praised the Parks & Recreation Director's work, and noted that she is the most active director he has.

Janet Athanas, Director of Parks & Recreation, stated that Council Member Short things B & G Club will keep kids out of trouble and that her department could be responsible for less children acting out in the community. Ms. Athanas informed the committee members that she wished the Parks and Recreation Department could make a difference, but in some cases the very kids hired by her department are the ones who have robbed the youth center. She added that she does not know what makes kids do that, but she is willing to listen to any suggestions. She expressed her desire to help the kids.

Motion: M/M by Jones, 2nd by Kreider recommending that the City retain the Youth Center and the Parks & Recreation Dept, as one department under the City, run by the City, and staffed by the City, and continue the partnership with the 4-H Program. Committee doesn't mind if Boys and Girls Club comes to Bethel, but let them do their own thing, as a stand-alone program.

Vote: Voice vote. Motion carried unanimously.

Chairman Lewis commented that his kids look forward to their mom being out of town because that means they get to go to the Youth Center. He noted that all the activities available to the kids are a great asset to the community. He voiced his agreement with Committee Member Jones' comment about "if it ain't broke, don't fix it". Mayor Rodgers expressed his agreement with the previous comments made by the committee members.

V. APPROVAL OF MINUTES

Motion: M/M by Jones, 2nd by Olson to approve the minutes of the April 25, 2002 regular meeting and minutes of the May 6, 2001, special meeting as presented.

Vote: Voice vote. Motion carried unanimously.

VI. OLD BUSINESS

ITEM A: DISCUSSION: FY03 BUDGET

Committee member Tranthan reported that over the past few months, members of the Finance Committee have been taking input from the community. Mr. Trantham informed the members that he had made contact with approximately 200 people from the community, and that in one months time those people changed their minds about not wanting the City to spend any additional money from the general fund unreserved fund balance. Of the people Mr. Trantham spoke with, their first priority is roads. The citizens recommended that the City spend an additional \$50,000 on gravel and appropriate \$50,000 to hire private contractors to haul sand from the City's sand pit. The second priority of the community members was to see a staff attorney position added to the FY03 budget, but unfunded until funds can be identified.

Motion: M/M by Jones, 2nd by Trantham recommending City Council appropriate an additional \$50,000 from the fund balance for gravel, for a total of \$350,000, and appropriate \$50,000 in Streets & Roads, from the fund balance, for the purpose of hiring private contractors to haul sand, at the advice of hundreds of citizens.

Vote: Roll call vote (yes-5, no-0). Motion carried unanimously.

Motion: M/M by Jones, 2nd by Olson recommending City Council add a staff attorney position to the FY03 budget, unfunded, pending a funding source being identified.

Vote: Voice vote. Motion carried unanimously.

VII. NEW BUSINESS

ITEM A: DISCUSSION: DAYCARE LICENSING

Committee member Olson noted that childcare is hard to find in Bethel and they charge little. He stated that if it is a large business they should charge tax, but women who provide babysitting services in their home with four or five children should be exempt.

Discussion ensued regarding whether there were any occupational licensing requirements by the state, or any other agency that may enforce a child to caretaker ratio, and that that may be a good way to determine who should charge sales tax and who should be exempt. Finance Director Strahan reported that the Sales Tax Clerk had checked with the State of Alaska and was told that there was no occupational license required for childcare.

Motion: M/M by Olson, 2nd by Jones recommending City Council amend the sales tax exemption language to include an exemption for childcare services who provide a service to less than 10 customers at any given time.

Vote: Roll call vote (yes-4, no-1, Lewis). Motion carried.

Additional discussion ensued about how the City would be able to determine number of children in a caregivers care.

ITEM B: DISCUSSION: SALES TAX FOR REAL ESTATE

Previously discussed while listening to people to be heard.

ITEM D: REVIEW ORDINANCE #02-09: AMENDING CHAPTER 2.52 OF THE BMC RELATING TO BOARDS, COMMISSIONS, AND COMMITTEES AND BMC 2.52 ET SEQ.

Some discussion took place, but because of the late hour, this discussion was postponed until the next meeting.

ITEM E: REVIEW ORDINANCE #02-10: AMENDING CHAPTER 13.04, 13.08 AND 13.12 OF THE BMC RELATING TO NOTICES AND BILLING PROCEDURES FOR UTILITY SERVICES; AND BMC 13.04, 13.08, AND 13.12 ET SEQ.

Committee noticed that the ordinance noted that it had passed. The Committee requested Assistant Finance Director to check with City Clerk to verify that this is the correct ordinance that was referred to the Finance Committee by the City Council.

VIII. COMMITTEE CHAIR'S COMMENTS

Chairman Lewis had no comments.

IX. FINANCE DIRECTOR'S COMMENTS

Finance Director Strahan had no comments.

X. FINANCE COMMITTEE MEMBER'S COMMENTS

JONES-none.

KREIDER-felt like Committee gained some ground tonight and got something done.

OLSON - would like to think the Council pays attention to the comments and recommendations made by the Finance Committee.

SHORT-absent

WILLIAMS-absent

TRANTHAM-wanted to let the Finance Director know that some of the citizens that he talked with felt that the proposed salary for the new staff accountant position was too low to attract a good candidate.

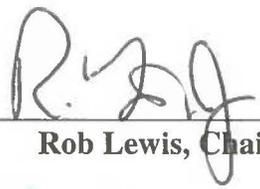
XI. ADJOURNMENT

Motion: M/M by Jones, 2nd by Olson to adjourn the meeting at 10:30 p.m.

Vote: Voice vote. Motion carried unanimously.

FINANCE COMMITTEE MINUTES

PASSED AND APPROVED THIS 25 DAY OF July, 2002

Signature: 
Rob Lewis, Chairman

ATTEST: 
Laurie Walters, Asst. Finance Director