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# City of Bethel, Alaska

## Finance Committee Minutes

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Monday November 23, 2015 Regular Meeting

Bethel, Alaska

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### CALL TO ORDER

A regular meeting of the Finance Committee was held on November 23 at 6:30 p.m. in City Council Chambers.

Meeting was called to order by Chair Carol Ann Willard at 6:30 PM.

### ROLL CALL

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

Willard, Shantz, Albertson, Trantham, Cochrane, Shear, Russell

Excused absences: Egoak

Also in attendance were the following:

Hansel Mathlaw, Finance Director

Tonya Hendrix, Assistant Finance Director

Patty Burley, City Attorney

Carole Jung, Recorder

### PEOPLE TO BE HEARD

Buck Bukowski- Spoke on behalf of the VFW regarding the gaming sales tax. Suggested an excise tax instead of gaming sales tax.

Michelle DeWitt- Spoke on behalf of BCS Foundation regarding the gaming sales tax.

Judy Wasierski- Spoke on behalf of VFW Auxiliary regarding gaming sales tax. They are losing money most months and have re-written their guidelines on scholarships. Their biggest expense is sales tax.

Pete Ebertz- Spoke on behalf of the Lion's Club regarding the gaming sales tax. Emphasized that most of the charitable work that is done is funded by gaming and the proceeds go back into the community. The Lions club used to give 10,000 scholarships in the past and now they cannot. Purchased an ambulance at the fire dept. in the past. They couldn't consider doing that now.

**MOTION: TO STRIKE ITEM 2 FROM THE AGENDA (Further review of 15-32)**

<b>MOVED BY:</b>	Shear	To strike the second item on the agenda.
<b>SECONDED BY:</b>	Shantz	

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

<b>MOVED BY:</b>	Shantz	To approve the agenda.
<b>SECONDED BY:</b>	Albertson	

<b>VOTE ON MOTION</b>	Motion carried by unanimous vote.
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**MOTION:** To Approve the minutes from October 26, 2015

**MOVED BY:** Albertson

**SECONDED:** Shear

**VOTE ON MOTION:** Motion carried by unanimous vote.

**NEW BUSINESS**

Gaming Sales Tax

At that time the chair passed the meeting over to vice chair Shantz for a conflict of interest. Chair Willard is the president of the Bethel Lions Club and also a part time employee of BCSF.

Member Trantham stated his conflict of interest. He is a senior citizen and is exempt of sales tax. The City Attorney stated that seniors are not exempt from gaming sales tax.

Member Trantham then stated that he has another conflict, he is a member of the VFW but not in Bethel. Co-Chair stated that he is not a conflict because he is not a member in the state of Alaska.

Member Shear stated a conflict due to being a member of the auxiliary. She is an officer in the auxiliary. Co-Chair agreed that that would be a conflict. The city attorney stated that if anyone has a personal financial gain from these conflicts. Carol Ann would be the only one that has a conflict of interest.

Co Chair asked the Finance Director what the city's view is of the gaming sales tax.

Finance Director- the gaming revenue represents 4-5% of city revenue. He handed out some sheets representing the numbers. The Co-Chair asked the finance director what his feeling was on the people who have come to speak to the committee. Finance director said that without looking at the numbers in depth, he does not know. The gaming is taxed like any other tax, at 6%. Mr. Ebertz stated that gaming wasn't always taxed like a regular sale. The city attorney said she would have to research to find out when it was decided that gaming would be taxed like a regular sale.

**MOTION:** To Suspend the Rules (in order to ask questions)

**MOVED BY:** Albertson

**SECONDED:** Cochrane

**VOTE ON MOTION:** Motion carried by unanimous vote.

Council Rep Albertson had a few questions for the people to be heard about some of the figures on the proposed excise tax.

Right now they are being taxed on each playback. The people to be heard proposed a 12% excise tax instead of the 6% tax for each playback. They would like to be taxed on the profit rather than each transaction because the profit does not stay theirs for more than a minute if their customers are "playing back" their rippie card.

Member Cochrane asked if there are any examples of any other communities using an excise tax. Member Trantham had a request, he wanted a copy of the City of Bethel code on gaming tax and the state code on gaming tax. The question was referred to the attorney. The gaming tax is built into the current sales tax ordinance as it is written now. The city is in the process of re-writing that now. It's not available at this time. We can get a copy of the state code.

The committee asked for 1. Estimated financial impact of the changes, 2. History of how the sales tax came to be, 3. BCSF to provide a monthly and maybe a quarterly snapshot of their gaming record, 4. Finance to explain the playbacks as payment or if it's a double taxation and 5. hard copy of anything in our city sales tax that might point directly to gaming and 6. A copy of any state tax code and any easy references from other communities. Member Russell asked for clarification of the financial impacts of the changes. Member Cochrane said that it means basically the difference in the revenue that the city is collecting in the current system versus what the city would be collecting with a 12% excise tax.

**MOTION:** Suspension of Dec. 2015 meeting

**MOVED BY:** Shantz

**SECONDED:** None

**VOTE ON MOTION:** Motion Failed. Shantz withdrew his motion.

**MOTION:** To have the meeting in December but move it to December 14, 2015

**MOVED BY:** Cochrane

**SECONDED:** Russell

**VOTE ON MOTION:** Motion carried by unanimous vote.

## COMMENTS

Finance Director- No Comments

Council Rep- No Comments.

Member Trantham- Thanked everyone for coming.

Member Cochrane- On the gaming tax review, it's worth looking into.

Chair Willard- No comments.

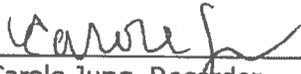
Vice Chair Shantz- No Comments

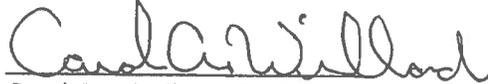
**ADJOURNMENT**

<b>MOVED BY:</b>	Cochrane	To adjourn the meeting until next month. Meeting adjourned until Dec. 14.
<b>SECONDED BY:</b>	Shear	

<b>VOTE ON MOTION</b>	Motion carried by unanimous vote.
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APPROVED THIS 14<sup>th</sup> DAY OF December, 2015.

  
Carole Jung, Recorder

  
Carol Ann Willard, Chair