CITY OF BETHEL
FINANCE COMMITTEE
MONDAY, DECEMBER 26, 2022, 6:30 PM
LOCATION: 300 CHIEF EDDIE HOFFMAN HIGHWAY, BETHEL, ALASKA

ZOOM MEETING LINK: HTTPS://ZOOM.US/J/99674371849?PWD=NWTUNURHC1EVOE15DUVONFJ3NKP UT09
ZOOM MEETING ID: 996 7437 1849 ZOOM PASSCODE: 507255

MEMBERS	STAFF
Carol Ann Willard, Chair	Xavier Mason, Ex Officio Member
Robert Rey, Vice Chair	Alexandra Batchelor, Ex Officio Member
John Hamilton	abatchelor@cityofbethel.net
Shannon Hoffman	907-543-1381
Farah Sears	
Rose Henderson, Council Rep.	
Vacant	

I. CALL TO ORDER

II. ROLL CALL

III. PEOPLE TO BE HEARD – FIVE MINUTES PER PERSON

A. Please submit written public comments to finance@cityofbethel.net by 4:00 p.m. the day of the meeting.

IV. APPROVAL OF AGENDA

A. 12/26/2022

V. APPROVAL OF MEETING MINUTES

A. 10/24/2022

B. 11/28/2022

VI. UNFINISHED BUSINESS

VII. NEW BUSINESS

A. A. Proposed Changes to B.M.C. 04.16.430 (H) (Farah Sears)

VIII. EX OFFICIO REPORT

IX. MEMBER COMMENTS

X. ADJOURNMENT

Posted 12/21/2022 at City Hall, AC Co., Swanson's, and the Post Office.

____

Alexandra Batchelor, Recorder Ex-Officio Staff

City of Bethel, Alaska
Finance Committee Minutes

November 28th, 2022 | Regular Meeting | Bethel, Alaska

I. CALL TO ORDER

A Regular Meeting of the Finance Committee was held on November 28th, 2022, at 6:30 PM in person by Carolann Willard, Chair.

II. ROLL CALL

The following Finance Committee members were present: Carolan Willard, Chair, Rose Henderson City Council (City Mayor).

Also in attendance is Xavier Mason (Ex Officio).

Unexcused Absences:
Excused Absences: John Hamilton, Farah Sears, Robert Rey (Vice Chair), and Alexandra Batchelor, Recorder (Ex Officio).

A MEETING WAS NOT HELD DUE TO A LACK OF QUORUM

____
Carol Ann Willard, Chair

ATTEST:

____
Alexandra Batchelor, Recorder

City of Bethel, Alaska
Finance Committee Minutes

October 24th, 2022 | Regular Meeting | Bethel, Alaska

I. CALL TO ORDER

A Regular Meeting of the Finance Committee was held on October 24th, 2022, at 6:39 PM in-person and via zoom.

II. ROLL CALL

Comprising a quorum of the Committee, the following were present: Rose Henderson (City Council – Mayor), Carolann Willard, Robert Rey, John Hamilton, and Farah Sears via Zoom.

Also in attendance: Duane Wright (Ex Officio), Xavier Mason (Ex-Officio), and Alexandra Batchelor (Recorder)

Unexcused Absences:
Excused Absences:

III. PEOPLE TO BE HEARD: NONE

IV. APPROVAL OF AGENDA

10/24/2022

MOVED BY	Robert Rey	Motion to approve
SECOND BY	John Hamilton	
VOTE ON MOTION	All in favor	4-0

V. APPROVAL OF MINUTES:

08/22/2022

MOVED BY	Robert Rey	Motion to approve
SECOND BY	John Hamilton	
VOTE ON MOTION	All in favor	4-0

09/26/2022

MOVED BY	Robert Rey	Motion to approve
SECOND BY	John Hamilton	
VOTE ON MOTION	All in favor	4-0

VI. NEW BUSINESS –

B. Discussion of B.M.C. 04.16.420 – No Motion to Approve

C. Discussion of B.M.C. 04.16.430 – No Motion to Approve

VII. EX Officio Member Reports

VIII. COMMITTEE MEMBER COMMENTS:

Robert Rey: I've been on the committee for three years now; tonight seemed like a pretty healthy conversation. Like we haven't had anything this healthy **in a long**

time since I've been on board. I appreciate everyone's opinions and that we could say what we wanted without being attacked. I am looking forward to having healthier conversations. Good conversations. I know we went overtime pretty late, but I appreciate everyone's time and efforts tonight.

John Hamilton – Likewise, very informal**.** For once, it felt like we were really discussing thing earlier and understanding it—progress, not perfection. I think we are headed in the right direction.

Farah Sears – Really great conversation. I am in king with everybody else. I think there needs to be checks and balances with everyone else involved. I think penalties are supposed to be punitive; that's why they are penalties. When will the letters about the Amnesty program letter go out? Other than a great meeting.

Rose Henderson – Thank you for inviting me. I was happy to be here. My goal is to be on every committee or commission the city has. Hopefully, I will be elected that many times since they are two-year elected seats. And you only have to sit on a committee/commission for one year. I chose Finance this time, Duane, was this just a bubbly excitement shouting, "Come to my committee, come to my committee." This was wonderful, thank you.

Carolann Willard – I appreciate everyone showing up today. Five of five showed up today and had a quorum last meeting. We didn't have one, so that's nice. Can we add the vacancy we have? I appreciate all the questions and good discussions we had today.

IX. MOTION TO END MEETING:

MOVED BY	Rose Henderson	Motion to approve
SECOND BY	Robert Rey	
VOTE ON MOTION	All in Favor	4-0

The chair called the meeting to an end at 8:25 pm.

____
Carol Ann Willard, Chair

ATTEST:

____
Alexandra Batchelor, Recorder

4.16.430 Penalties for violations.

A. A person who is convicted of a violation of this chapter, where a fine is not otherwise specifically described in this section, shall be subject to a fine of not more than five hundred dollars ($500) plus any surcharge required to be imposed by AS 29.25.074.

B. A buyer or seller who knowingly or negligently submits false information in a document filed with the city pursuant to this chapter is subject to a fine of five hundred dollars ($500).

C. A seller who knowingly or negligently falsifies or conceals information related to its business activities within the city is subject to a fine of five hundred dollars ($500).

D. A person who knowingly or negligently provides false information when applying for a certificate of exemption is subject to a fine of three hundred dollars ($300).

E. Any seller who fails to file a return required under this chapter within fifteen (15) days of written notification by regular mail, regardless of whether any taxes were due for the reporting period for which the return was required, shall be subject to a penalty of twenty-five dollars ($25) for the first sales tax return not timely filed, and fifty dollars ($50) for each subsequent sales tax return not timely filed within a one- (1-) year period thereafter. The filing of an incomplete return shall be treated as the filing of no return.

F. Sellers who have not filed returns for two (2) consecutive reporting periods shall be assumed to have ceased conducting business and shall be removed from the roll of active businesses. Reinstatement of a business removed from the active roll by this section shall require the payment of a mandatory reinstatement fee.

G. A person subject to the requirements of BMC 4.16.150, who fails to provide a written receipt or invoice setting out the amount of tax due on the transaction when the amount of the tax is required to be shown on the receipt or invoice, shall pay a penalty to the city equal to twice the amount of the tax due on the sale; however, the minimum penalty is twenty-five dollars ($25).

H. ~~A seller who fails or refuses to produce requested records or to allow inspection of their books and records shall pay to the city a penalty equal to three (3) times any deficiency found or estimated by the finance department with a minimum penalty of five hundred dollars ($500).~~

If a seller is chosen for audit by the finance department, they are required to produce the records requested or allow for inspection of their books. The letter process is as follows:

1. 1st Audit Letter: The seller has two weeks to respond based on the date of the letter. Additional time can be granted if the seller contacts the Finance Director.

2. 2nd Audit Letter: If the seller has not contacted the Finance Director, a second notice is sent, and an additional two weeks is given for a response from the seller. If there is still no contact from the seller.

3. 3rd Letter: The last notification of the seller's selection of a sales tax audit is sent requesting their records or inspections of their books is sent by certified mail, giving the seller one final chance and two weeks more to produce the above items to the finance department.

Final determination and Penalties: If it is determined that the seller is refusing to comply with the audit. The Finance Director will assess an estimation of income determined using comparable businesses as the source to calculate sales tax owed to the city. The seller will also be fined a penalty equal to three (3) times any deficiency found or estimated by the finance department with a minimum penalty of five hundred dollars ($500).

I. A seller who falsifies or misrepresents any record filed with the city is guilty of an infraction and subject to a penalty of five hundred dollars ($500) per document.

J. Misuse of an exemption card is an infraction and subject to a penalty of:

1. Fifty dollars ($50) for a first occurrence and a one- (1-) month suspension of the privilege to use an exemption card;

2. One hundred dollars ($100) for a second occurrence and a one- (1-) year suspension of the privilege to use an exemption card; and

3. Five hundred dollars ($500) for a third occurrence and the potential lifetime revocation of the privilege to use an exemption card issued by the city.

K. A penalty imposed under any part of this section may not be waived or reduced except upon a clear showing of reasons beyond the control of the person upon whom the penalty is imposed and only with the written consent of the city attorney. Any other waiver or reduction of penalties shall only occur with the consent of the city council.

L. All remedies for violations of this chapter are cumulative and are in addition to any others existing at law or in equity.

M. Nothing in this chapter shall be construed as preventing the city from filing and maintaining an action at law to recover any taxes, penalties, interest and fees due from a seller. The city may also recover full actual reasonable attorney's fees in any action against a delinquent seller.

N. If the city manager or finance director has reason to believe that a seller who has been removed from the roll of active businesses pursuant to this section is in fact continuing to conduct business, the city manager may cause a proceeding to be filed in the Superior Court requesting the issuance of an injunction prohibiting that business from continuing to conduct business. [Ord. 17-39 § 2.]

The Bethel Municipal Code is current through Ordinance 22-35, passed October 25, 2022.

City of Bethel
Finance Department
Monthly Manager’s Report for November 2022

Date:	November 1st – November 30th, 2022
To:	Peter Williams, City Manager
From:	Xavier Mason, Deputy Finance Director
Subject:	Management Report, November 30th, 2022

The Finance Department’s Monthly Managerial Report details the progress, challenges, and activities of the Finance Department for November 2022.

Current Events within the Finance Department

- The Finance Department has begun the FY21 auditing cycle
- The Finance Department has begun the FY23 budgeting cycle
- The Finance Director has been dismissed

Staffing/Recruitment

- Finance Director
- Front Desk/Utility Billing (one vacancy)
- Temporary Position (two vacancies)

Training

The goal of the Finance Department is for our staff to be continuously and incrementally improving in our capacity to fulfill our duties. One of our objectives is to provide staff with opportunities for growth and exposure within all our sub-departments. The following is a list of group and independent trainings that were taken by members of the Finance Department during the month of November.

Group Training Sessions:

- The Finance Department had a team meeting where the roles of the Purchasing Agent were discussed.

- The Finance Department had a team meeting where we discussed senior and retail exemption cards.
- The Finance Department had a team training regarding frequently asked questions in the utility billing sub-department.

Independent Training(s):

- The General Ledger Accountant had a training session with the Carmen Jackson LLC Team for the Accounts Payable Reconciliation process.
- The General Ledger Accountant has continued their online course to increase their knowledge and understanding.
- The Account Specialist II attended an online training with the Government Finance Officers Association.
- The new Utility Billing personnel has continued their orientation.
- One of our Sales Tax personnel has learned how to business license and sales tax renewals.

<u>Select Tasks & Statuses by Sub-Department</u>

Utility Billing

Tasks	**Frequency**	**Status**
Collections	Monthly	Slightly behind.
ORS’	Daily	Current.

Payroll/AP

Tasks	**Frequency**	**Status**
Personnel Action Requests	As Needed	Current.
Deferred Compensation	Bi-weekly	Current.
Payroll	Bi-weekly	Current.
Accounts Payable	Weekly	Current.

Sales Tax

Tasks	Frequency	Status
Applying Business License Payments	Daily	Current.
Mailing Delinquency Notices	Monthly	Current.
Constructing Aging Reports	Monthly	Current.
Applying Business License Renewals	As needed	Current.
Drafting Payment Plans	As needed	Current.
Applying Payments	Daily	Current.
Reviewing & Processing Exemption Cards	As needed	Current.

General Ledger

Tasks	Frequency	Status
Journal Entries	Monthly Recurring	Current (October).
Budget Amendments (from budget ordinances)	As needed	Current (October).
Cash Reconciliations	Monthly	Current (October).
Investment Reconciliations	Monthly	Current (October).
Create Allocations & Run Checkout	Monthly	Current (October).
DOJ Grants	Quarterly	Current (October).

Internal Improvements

The following are a list of internal tasks, actions, projects, or changes that we have made within the Finance Department for the purpose of improving operations:

- The Finance Department discussed the possibility of utilizing Caselle's 'Check on Demand' function to assist Utility Billing with the depositing of refunds.

- Relocated all sales tax filings to the primary sales tax office.

Small & Big Wins

Sales Tax

- Updated and reformatted the business license and sales tax renewal form
- Created a process for handling the amnesty requests for delinquent sales tax
- Contacted approximately 16 delinquent account holders
- Corrected approximately 10 delinquent accounts
- Renewed approximately 20 business licenses
- Closed approximately 14 business accounts
- Assisted the Grant Manager with the administrative duties for the Community Action Grant

Utility Billing

- Hired a new employee, so now this sub-department is staffed. This is a very big win.
- Corrected approximately 53 accounts
- Processed approximately 42 Extra-Calls
- Assistance for rent and utility payments can be found at:
    - https://www.ahfc.us/blog/posts/ahfc-invites-new-rent-relief-applications
    - Low Income Household Water Assistance Program
        - This is a program from the State of Alaska that assists individuals in making payments for their water and sewer services.

Payroll/AP/AR Dock

- ACH payments were activated in the Accounts Payable module
- Prepared for the PTO cash-out disbursements
- Making preparations for year-end tasks

Accounting Specialist II

- Reviewed several boxes of documents with the City Clerk Department that were then approved to be destroyed according to the retention schedule.

- Resumed payroll and AP duties to cover for a staff member on leave
- Continued the transition of undertaking P-Card Duties from the General Ledger Accountant

General Ledger

- Applied a recently learned reconciliation process to the A/R, Business licenses, and Business Tax clearing accounts
- Reclassed expenditures related to grants, payroll, and P-Card purchases
- Continued updating the object codes in the WellsOne Expense Manager from the previous 3-digit codes to the new 4-digit codes

Challenges

- The Finance Department needs to continue training so that we may become more proficient at completing our daily tasks and duties.
- The Finance Department is short-staffed, but we are really pulling together as a team to complete our objectives and satisfying customers.

Goals for the near Future

- Utilizing data analytics to identify challenges and opportunities that can spur economic development.
- Seeking approval from the Union to begin implementing the Finance Department's Incentive Program.
- At least three stronger internal processes, such as:
    - Guidelines for overtime approval. (Completed)
    - Guidelines for PTO requests. (Completed)
    - Scripts for answering phones
- At least one Zoom workshop instructing small business owners how to file their sales tax returns.

Report Criteria:

- Accounts to include: With balances
- Include Funds: 100
- Print Fund Titles
- Page and Total by Fund
- Include Sources: None
- Print Source Titles
- Total by Source
- Include Revenues: None
- Include Departments: 53
- Print Department Titles
- Total by Department
- All Segments Tested for Total Breaks

Account Number	Account Title	2022-23 Current year Budget	2022-23 Current year Actual	2022-22 Current year
GENERAL FUND				
FINANCE				
100-53-6000	SALARIES	699,921.00	262,584.65	437,336.35
100-53-6010	OVERTIME	16,000.00	11,005.54	4,994.46
100-53-6022	HOLIDAY PAY	.00	9,333.63	9,333.63-
100-53-6023	LEAVE CASHOUT	40,064.00	642.77	39,421.23
100-53-6030	SOCIAL SECURITY EXPENSE	1,300.00	.00	1,300.00
100-53-6031	PAYABLE MEDICARE FICA	10,381.00	4,230.86	6,150.14
100-53-6032	UNEMPLOYMENT	12,743.00	.00	12,743.00
100-53-6033	WORKERS' COMPENSATION	1,849.00	470.15	1,378.85
100-53-6034	PERS	157,503.00	62,221.95	95,281.05
100-53-6040	EMPLOYEE GROUP BENEFITS	228,852.00	64,144.91	164,707.09
100-53-6041	UTILITY BENEFIT	41,040.00	8,731.98	32,308.02
100-53-6060	TRAVEL/TRAINING	20,000.00	9,652.43	10,347.57
100-53-6100	SUPPLIES	11,000.00	10,087.57	912.43
100-53-6150	GASOLINE/DIESEL/OIL	1,200.00	452.16	747.84
100-53-6170	TELEPHONE	250.00	40.12	209.88
100-53-6171	STAFF CELLULAR PHONES	2,000.00	755.42	1,244.58
100-53-6200	MINOR EQUIPMENT	11,000.00	4,231.81	6,768.19
100-53-6230	VEHICLE MAINT/REPAIR	1,266.00	436.19	829.81
100-53-6240	PROPERTY MAINT	.00	5.48	5.48-
100-53-6310	Admin-Outsourced Services	95,000.00	40,517.62	54,482.38
100-53-6311	AUDITING EXPENSE	100,000.00	11,000.00	89,000.00
100-53-6331	HARDWARE/SOFTWARE SUPPORT	19,000.00	5,191.18	13,808.82
100-53-6335	OTHER PROFESSIONAL FEES	290,000.00	84,975.62	205,024.38
100-53-6400	INSURANCE	33,901.00	2,819.25	31,081.75
100-53-6502	ADVERTISING	2,500.00	.00	2,500.00
100-53-6503	DUES & SUBSCRIPTIONS	5,000.00	334.95	4,665.05
100-53-6506	POSTAGE	1,300.00	302.58	997.42
100-53-6530	FINANCE CHARGES/PENALTIES	300.00	55.15-	355.15
100-53-6531	BANK CHARGES	52,000.00	21,059.53	30,940.47
100-53-6532	CASH OVER/SHORT	500.00	19.82-	519.82
100-53-6533	IRS PENALTIES AND INTEREST	4,000.00	647.87	3,352.13
100-53-6539	MISCELLANEOUS EXPENSES	4,000.00	1,417.86	2,582.14
100-53-6700	INDIRECT COST RECOVERY	907,855.00	240,023.21	667,831.79
100-53-6711	ADMIN OVERHEAD-IT SVCS	33,260.00	9,213.58	24,046.42
100-53-9693	KiosK+Annual Fees&NewCopier	20,000.00	.00	20,000.00
	Total FINANCE:	2,824,985.00	866,455.90	1,958,529.10
	GENERAL FUND Revenue Total:	.00	.00	.00

Account Number	Account Title	2022-23 Current year Budget	2022-23 Current year Actual	2022-22 Current year
GENERAL FUND Expenditure Total:		2,824,985.00	866,455.90	1,958,529.10
Net Total GENERAL FUND:		2,824,985.00-	866,455.90-	1,958,529.10-
Net Grand Totals:		2,824,985.00-	866,455.90-	1,958,529.10-

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- Total by Source
- Include Revenues: None
- Include Departments: 53
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- Total by Department
- All Segments Tested for Total Breaks

Committee Name 2022 Attendance

Regular Meetings

Member Name	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
John Hamilton*	P	U	E	U	P	P	E	P	E	P	E	
Brian Henry	U	U	U	U	R							
Henry S. Batchelor Jr.									P			
Rose Henderson, Mayor										P	P	
Robert Rey	P	E	P	U	P	P	E	P	U	P	E	
Farah Sears	P	P	P	U	P	U	P	P	E	P	E	
David Trantham, Jr.	P	P	P	P	E	E	E	R				
Eric Whitney	P	U	P	P	P	U	U	P	P			
Carol Ann Willard	P	P	E	P	P	E	P	P	P	P	P	
Finance Director	P	P	P	P	P	P	P	P	P	P	P	
Recorder	E	P	P	P	P	P	P	P	P	p	E	

Special Meetings

Member Name	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.

Vacancy shall be declared by the body when a member: Fails to attend 3 regular meetings without being excused by the body Fails to attend 3 special meetings without being excused by the body Fails to attned 65% of regular meetings Fails to attend 65% of special meetigns.	**P=Present** **E=Excused** **U=Unexcused**	Chair determines excused/unexcused during roll call. If a member disagrees with the the chair, a motion to overule the decision of the chair can be made. * Alternate Member