CITY OF BETHEL
FINANCE COMMITTEE
MONDAY, JUNE 27, 2022, 6:30 PM
LOCATION: COUNCIL CHAMBERS, 300 STATE CHIEF EDDIE HOFFMAN HIGHWAY

Zoom Instructions:

HTTPS://ZOOM.US/J/99674371849?PWD=NWTUNURHC1EVOE15DUVONFJ3NKNP UT09

MEETING ID: 996 7437 1849 PASSCODE: 507255

MEMBERS	STAFF
Carol Ann Willard, Chair	Duane Wright, Ex Officio Member
Robert Rey, Vice Chair	Xavier Mason, Ex Officio Member
David Trantham Jr.	Alexandra Batchelor, Ex Officio Member
John Hamilton	finance@cityofbethel.net
Farah Sears	907-543-1381
Vacancy	
Eric Whitney, Council Rep.	

I. CALL TO ORDER

II. ROLL CALL

III. PEOPLE TO BE HEARD – FIVE MINUTES PER PERSON

IV. APPROVAL OF AGENDA

A. 06.27.2022

V. APPROVAL OF MEETING MINUTES

A. 05.23.2022

VI. NEW BUSINESS

A. Business Licenses - B.M.C. 5.04

B. Sales Tax Compliance – B.M.C. 4.16

VII. EX OFFICIO REPORT

VIII. MEMBER COMMENTS

IX. ADJOURNMENT

We are accepting written testimony from the public for each of our public meetings. The deadline to submit your written testimony will be 4:00 pm the day of the meeting. Please send written testimony to abatchelor@cityofbethel.net

Anonymous submissions will not be accepted.

Posted on 06/22/2022 at City Hall, AC Co., Swanson's, and the Post Office.

____

Alexandra Batchelor, Recorder

City of Bethel, Alaska
Finance Committee Minutes

May 23rd, 2022 | Regular Meeting | Bethel, Alaska

I. CALL TO ORDER

A Regular Meeting of the Finance Committee was held on May 23rd, 2022, at 6:35 PM in person and via Zoom.

II. ROLL CALL

Comprising a quorum of the Committee, the following were present: Carolann Willard, Farah Sears, (Via Zoom: Eric Whitney and Robert Rey

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

Unexcused Absences: Brian Henry,
Excused Absences: David Trantham

Guest Presenter: Lori Strickler – City Clerk – **VI. Special Item**

III. PEOPLE TO BE HEARD:
IV. APPROVAL OF AGENDA

05/23/2022

MOVED BY	Eric Whitney	Motion to approve
SECOND BY	Farah Sears	
VOTE ON MOTION	All in favor	4-0

V. APPROVAL OF MINUTES:

03/28/2022

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

04/25/2022

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

VII. NEW BUSINESS –

A. Declaration of Vacancy.

MOVED BY	Farah Sears	
SECOND BY	Eric Whitney	
VOTE ON MOTION	All in favor	4-0

VIII. EX Officio Member Reports

- **A.** Introduction of Duane Wright, Finance Director
- **B.** Finance Financials
- **C.** Manager's Report

IX. COMMITTEE MEMBER COMMENTS:

Eric Whitney: Finance Committee meeting had enlightening subjects today.

Robert Rey: Concurred with Council Rep Whitney, loved the topics we talked about. Welcome to Bethel. Looking forward to having productive meetings with Duane in the future, thank you so much.

John Hamilton: Followed up previous comments, exciting atmosphere. Thanked Farah , for the points she discussed.

Farah Sears: Since I talked so much, welcomed Duane. Expressed excitement over the direction Duane will take the Finance Department and to participate in the government we all lived under.

Carolann Willard: Agreed with previous comments. Also thanked Duane for his introduction and comments. Welcomed him to Bethel.

X. MOTION TO END MEETING:

MOVED BY	Eric Whitney	Motion to approve
SECOND BY	Farah Sears	
VOTE ON MOTION	All in Favor	4-0

The chair called the meeting to an end at 8:15 pm.

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Carol Ann Willard, Chair

ATTEST:

____
Alexandra Batchelor, Recorder

Committee Name 2022 Attendance

Regular Meetings

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

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

City of Bethel
Finance Department
Monthly City Manager's Report for May 2022

Date:	May 1st – May 31th, 2022
To:	Peter Williams, City Manager
From:	Duane Wright, Finance Director
Subject:	Management Report, May 31th, 2022

The Finance Department's Monthly City Manager Report details the progress, challenges, and activities of the Finance Department for the month of May 2022.

Current Events within the Finance Department

- The Finance Department continued work on the completion of the external (BDO) annual audit for FY-21.
- As part of the audit process the Finance Department is investigating the funding and disbursement of moneys from the "Cares-Act" funding during 202. There was separate account established at FNB Alaska and none of the transactions recorded there were incorporated in the Caselle accounting system used by COB.
- The Finance Department continued work on the completion of the FY-23 budgeting cycle.
- The Finance Department worked on evaluating the proposed changes to the accrual of Sick and PTO time. If this change adopted, it will impact the current proposed FY-23 budget and require a budget modification in July of 2022.
- The Finance Department is no longer fully staffed. We are currently seeking an open Accounting Assistant I position. We also waiting for the return of an employee out on Maternity leave.
- The Finance Director has initiated a sales tax compliance (Audit) process The first "Notice of Sales Tax Audit" has been sent out to a business who has not filed a sales tax return since 2017.
- Finance continues to work on the Grant funding process for the Avenues Project. The Finance Department also continues to support the Grant manager with grant accounting processes.

Staffing/Recruitment

- One fulltime position is open - Accounting Specialist I

City of Bethel

City of Bethel - Finance
Periods: 07/21-06/22

Jun 23, 2022 08:47AM

Account Number	Account Title	2021-22 Current year Budget	06/2022 Current year Actual	06/2022 Current year Encumbrance	Balance Remaining	%
GENERAL FUND						
FINANCE						
100-53-6000	SALARIES	656,155.00	504,072.28	.00	152,082.72	76.82
100-53-6002	RELOCATION EXPENSES	5,000.00	.00	.00	5,000.00	.00
100-53-6010	OVERTIME	16,000.00	14,918.72	.00	1,081.28	93.24
100-53-6022	HOLIDAY PAY	.00	2,516.96	.00	2,516.96-	.00
100-53-6023	LEAVE CASHOUT	8,359.00	2,771.55	.00	5,587.45	33.16
100-53-6030	SOCIAL SECURITY EXPENSE	.00	856.21	.00	856.21-	.00
100-53-6031	PAYABLE MEDICARE FICA	9,746.00	7,745.21	.00	2,000.79	79.47
100-53-6032	UNEMPLOYMENT	11,964.00	1,822.00	.00	10,142.00	15.23
100-53-6033	WORKERS' COMPENSATION	17,364.00	1,803.71	.00	15,560.29	10.39
100-53-6034	PERS	147,874.00	111,193.15	.00	36,680.85	75.19
100-53-6040	EMPLOYEE GROUP BENEFITS	228,852.00	143,790.56	.00	85,061.44	62.83
100-53-6041	UTILITY BENEFIT	41,040.00	21,522.20	.00	19,517.80	52.44
100-53-6060	TRAVEL/TRAINING	20,000.00	17,508.98	.00	2,491.02	87.54
100-53-6100	SUPPLIES	10,000.00	11,920.67	.00	1,920.67-	119.2
100-53-6150	GASOLINE/DIESEL/OIL	1,100.00	903.58	.00	196.42	82.14
100-53-6170	TELEPHONE	300.00	120.52	.00	179.48	40.17
100-53-6171	STAFF CELLULAR PHONES	2,500.00	1,927.22	.00	572.78	77.09
100-53-6200	MINOR EQUIPMENT	11,000.00	9,235.76	.00	1,764.24	83.96
100-53-6230	VEHICLE MAINT/REPAIR	1,000.00	1,055.36	.00	55.36-	105.5
100-53-6231	VEHICLE PARTS & TOOLS	.00	29.59	.00	29.59-	.00
100-53-6310	Admin-Outsourced Services	119,000.00	58,403.32	.00	60,596.68	49.08
100-53-6311	AUDITING EXPENSE	100,000.00	91,840.00	.00	8,160.00	91.84
100-53-6331	HARDWARE/SOFTWARE SUPPORT	35,000.00	15,433.72	.00	19,566.28	44.10
100-53-6335	OTHER PROFESSIONAL FEES	268,500.00	205,552.89	.00	62,947.11	76.56
100-53-6400	INSURANCE	7,000.00	5,006.69	.00	1,993.31	71.52
100-53-6502	ADVERTISING	500.00	.00	.00	500.00	.00
100-53-6503	DUES & SUBSCRIPTIONS	9,250.00	1,397.98	.00	7,852.02	15.11
100-53-6506	POSTAGE	1,000.00	1,079.19	.00	79.19-	107.9
100-53-6530	FINANCE CHARGES/PENALTIES	500.00	366.38	.00	133.62	73.28
100-53-6531	BANK CHARGES	56,000.00	46,769.52	.00	9,230.48	83.52
100-53-6532	CASH OVER/SHORT	500.00	7.85	.00	492.15	1.57%
100-53-6533	IRS PENALTIES AND INTEREST	4,400.00	4,591.71	.00	191.71-	104.3
100-53-6534	COLLECTION/SMALL CLAIMS	500.00	25.00	.00	475.00	5.00%
100-53-6539	MISCELLANEOUS EXPENSES	5,000.00	1,676.26	.00	3,323.74	33.53
100-53-6700	INDIRECT COST RECOVERY	566,327.00-	560,070.76-	.00	6,256.24-	98.90
100-53-6711	ADMIN OVERHEAD-IT SVCS	25,000.00	23,127.81	.00	1,872.19	92.51
100-53-9693	KiosK+Annual Fees&NewCopier	20,000.00	.00	.00	20,000.00	.00
Total FINANCE:		1,274,077.00	750,921.79	.00	523,155.21	58.94
Grand Totals:		1,274,077.00	750,921.79	.00	523,155.21	58.94

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	2021-22 Current year Budget	2021-22 Current year Actual	2022-22 Current year
GENERAL FUND				
FINANCE				
100-53-6000	SALARIES	656,155.00	504,072.28	152,082.72
100-53-6002	RELOCATION EXPENSES	5,000.00	.00	5,000.00
100-53-6010	OVERTIME	16,000.00	14,918.72	1,081.28
100-53-6022	HOLIDAY PAY	.00	2,516.96	2,516.96-
100-53-6023	LEAVE CASHOUT	8,359.00	2,771.55	5,587.45
100-53-6030	SOCIAL SECURITY EXPENSE	.00	856.21	856.21-
100-53-6031	PAYABLE MEDICARE FICA	9,746.00	7,745.21	2,000.79
100-53-6032	UNEMPLOYMENT	11,964.00	1,822.00	10,142.00
100-53-6033	WORKERS' COMPENSATION	17,364.00	1,803.71	15,560.29
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100-53-6150	GASOLINE/DIESEL/OIL	1,100.00	903.58	196.42
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100-53-6230	VEHICLE MAINT/REPAIR	1,000.00	1,055.36	55.36-
100-53-6231	VEHICLE PARTS & TOOLS	.00	29.59	29.59-
100-53-6310	Admin-Outsourced Services	119,000.00	58,403.32	60,596.68
100-53-6311	AUDITING EXPENSE	100,000.00	91,840.00	8,160.00
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100-53-6503	DUES & SUBSCRIPTIONS	9,250.00	1,397.98	7,852.02
100-53-6506	POSTAGE	1,000.00	1,079.19	79.19-
100-53-6530	FINANCE CHARGES/PENALTIES	500.00	366.38	133.62
100-53-6531	BANK CHARGES	56,000.00	46,769.52	9,230.48
100-53-6532	CASH OVER/SHORT	500.00	7.85	492.15
100-53-6533	IRS PENALTIES AND INTEREST	4,400.00	4,591.71	191.71-
100-53-6534	COLLECTION/SMALL CLAIMS	500.00	25.00	475.00
100-53-6539	MISCELLANEOUS EXPENSES	5,000.00	1,676.26	3,323.74
100-53-6700	INDIRECT COST RECOVERY	566,327.00	560,070.76	6,256.24
100-53-6711	ADMIN OVERHEAD-IT SVCS	25,000.00	23,127.81	1,872.19
100-53-9693	KiosK+Annual Fees&NewCopier	20,000.00	.00	20,000.00

Account Number	Account Title	2021-22 Current year Budget	2021-22 Current year Actual	2022-22 Current year
Total FINANCE:		2,406,731.00	1,871,063.31	535,667.69
GENERAL FUND Revenue Total:		.00	.00	.00
GENERAL FUND Expenditure Total:		2,406,731.00	1,871,063.31	535,667.69
Net Total GENERAL FUND:		2,406,731.00-	1,871,063.31-	535,667.69-
Net Grand Totals:		2,406,731.00-	1,871,063.31-	535,667.69-

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

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 May-2022.

Group Training Sessions:

- This month, no group training sessions occurred

Independent Training(s):

- The Accounts Specialist II has completed a three day on-line course to obtain HR knowledge/training.
- The Deputy Director is continuing his CPA training.

Select Tasks & Statuses by Sub-Department

Utility Billing

Tasks	Frequency	Status
Collections	Monthly	Current. This month we were very aggressive in contacting and issuing payment plans for delinquent account holders.
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 (April)
Budget Amendments (from budget ordinances)	As needed	Current (April)
Cash Reconciliations	Monthly	Current (April)
Investment Reconciliations	Monthly	Current (April)
Create Allocations & Run Checkout	Monthly	Current (April)
DOJ Grants	Quarterly	Current (April)

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:

- Developed a new "Delinquent Dock Storage Payment Agreement"

- Reviewing the process for open not renewed bi-annual business licenses. Working to complete and reconcile all license renewals.

Small & Big Wins

Finance Department

- The first draft of the FY-23 budget has been completed and provided to city council for review and approval. Waiting FINAL approval and adoption of budget.
- The Finance Department will place the Questica project on hold until August 2022. In August we will re-evaluate the appropriate solution and determine the path forward.

Accounting Specialist II

- Reviewed several boxes of documents and they were approved to be destroyed according to the retention schedule.
- Resumed payroll and AP duties to cover for a staff member on leave
- Assumed some additional HR duties due to vacancy of HR Manager position
- Assisted in pulling samples for the FY-21 Audit
- 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
- Reviewed the process of creating and using Pivot tables in Excel to manipulate the exported data to analyze and create journal entries
- 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
- Assisted the Transit Manager in collecting a prior month's transit invoices and journal entries

Special Tasks

- The General Ledger Accountant has continued updating the object codes in the WellsOne Expense Manager portal

- The Deputy Director retention schedule update
- The 2022 Census of Governments, Survey of Public Employment & Payroll was completed
- The 2022 Quarterly Survey of Selected Non-Property Taxes was completed

<u>Challenges</u>

- The Finance Department needs to continue training so that we may become more proficient at completing our daily tasks and duties.
- An unintended consequence of the Chart of Accounts update, has affected our ability to complete quarterly reports for some grants
- Sometimes our utility billing personnel engage with very rude and aggressive customers, and it is beginning to have a significant negative affect towards their morale. Our people should never be placed in position where they made to feel threatened or afraid. We must develop policy and procedure and train on process to respond in these situations.
- We are struggling with some of our personnel in the wake of the HR managers departure. There are situations where the City was out of compliance due errors and omissions left by prior HR manager.

<u>Goals for the near Future</u>

- Utilizing data analytics to identify challenges and opportunities that can spur economic development.
- Develop a transition plan (Road Map) and process to enable the payroll lead to move into a Human Resources role.
- Reconciling all accounts and their correct distributions, particularly the Seawall Maintenance Fund.
- Seeking approval from the Union to begin implementing the Finance Department's Incentive Program.
- At least three stronger internal processes, such as:
    - Scripts for answering phones
- At least one Zoom workshop instructing small business owners how to file their sales tax returns.
- Schedule Finance Department staff training for month of June 2022