



## CITY OF WASILLA

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### WASILLA CITY COUNCIL MINUTES

REGULAR MEETING DATE: 11/09/92 TIME: 7:00 PM

1. CALL TO ORDER, PLEDGE OF ALLEGIANCE:

2. ROLL CALL:

COUNCILMEN:

Mr. Carney  
Mr. Carson  
Mr. Erickson  
Ms. Hjellen  
Mr. McCarthy  
Mrs. Palin-Excused

STAFF:

Mayor Stein  
Mr. Deuser-Attorney  
Mr. Harris-Deputy Administrator  
Mrs. Harris-Deputy Clerk  
Mr. Nelson-City Clerk-Excused

3. APPROVAL OF AGENDA:

The agenda was approved with the following additions and changes: Persons To Be Heard Item B. Mike & Sally Chryst withdrew from the agenda; Item B. Kevin Harrington; Wasilla Growth Alliance; Unfinished Business Item A.1. Resolution No. WR92-49; Authorizing the Mayor to act on behalf of the City of Wasilla in the acquisition of real property which is to be acquired for a valuable consideration (City Shop)

4. CONSENT AGENDA:

- A. Regular Meeting Minutes 10/26/92; Recommend: Approval as presented.
- B. Ordinance Serial No. 92-39; Establishing a Police Department; Recommend: Introduction and schedule for public hearing at the next regular meeting, 11/23/92
- C. Resolution No. WR92-50; Opposing relocating the Iditarod Dog Sled Race Re-start to the Iditarod Headquarters site; Recommend: Adoption
- D. Moved to Unfinished Business Item A.1.
- E. Ordinance Serial No. 92-42; Authorizing negotiated sale of City property for construction of Senior Housing; Recommend: Introduction and schedule for public hearing at the next regular meeting, 11/23/92

Motion/Second: McCarthy/Hjellen

That the Consent Agenda comprising the foregoing items be and the same are hereby approved as written and that the various Officials of the City are hereby authorized and directed to take such action as may be necessary to give effect to the recommendations as therein contained. Motion passed.

5. **PUBLIC HEARING:**

- A. **Ordinance Serial No. 92-38; Amending the FY-93 Budget by appropriating additional funds to the General Fund for advertisement of Council meeting agendas**

Mayor Stein opened the hearing to the public. No comments were made. Mayor Stein closed the hearing to the public.

6. **PERSONS TO BE HEARD: (NON AGENDA ITEMS)**

- A. **Isabel Mendecona;** Child Sexual Abuse  
Not present.

- B. **Kevin Harrington;** Wasilla Growth Alliance

Mr. Harrington spoke in opposition of moving the Iditarod Trail Dog Sled Race Re-start from the old airport site to the Iditarod Trail Headquarters site and spoke of week long festivities which occur in conjunction with the re-start. Mr. Harrington also presented Council with a petition of business owners opposed to the re-start being moved and asked everyone to attend the worksession scheduled for Tuesday November 10th with the Planning Commission on this subject.

7. **EXECUTIVE SESSION: (NONE SCHEDULED)**

8. **UNFINISHED BUSINESS:**

- A. **Ordinance Serial No. 92-36;** Amending the FY-93 Budget by appropriating additional funds to the CIP Fund for City Shop Purchase and Structural Upgrade (Adoption)

1. **Resolution No. WR92-49;** Authorizing the Mayor to act on behalf of the City of Wasilla in the acquisition of real property which is to be acquired for a valuable consideration (City Shop);

Mr. Harris reported that an electrical engineer had gone through the shop and guestimated that it will cost approximately \$20,000 to upgrade the electrical, the electrical engineer will prepare a cost estimate and statement of work to incorporate into the bid specifications. Mr. Harris reported that we should be able to do the entire project for \$130,000; \$57,000 for purchase, \$43,000 for structural fixes, \$2,500 for closing, \$3,000 for engineering and \$20,000 for electrical upgrade.

Motion/Second: Hjellen/Erickson

To adopt Ordinance Serial No. 92-36. Motion passed.

Motion/Second: Carney/Hjellen

To adopt Resolution No. WR92-49. Motion passed.

- B. **CM. No. 92-124;** Naomi, Glenwood Paving Financing

1. **Resolution No. WR92-\_\_\_;** Declaring its intent to issue road local improvement district bonds from which it will reimburse itself for expenditures incurred prior to the issuance of the bonds

There was no objection to proceed as is currently scheduled.

9. **NEW BUSINESS:**

A. **CM. No. 92-121;** Blue Line (Engineering) Copier  
Motion/Second: Carney/Hjellen

To approve CM. No. 92-121, to purchase the Xerox 2515 Engineering Copier for a price of \$7,000. Motion passed.

B. **Ordinance Serial No. 92-40:** Amending Chapters 6.50 (Sales Tax) and 9.04 (Business Licenses)

1. **CM. No. 92-123:** Ordinance Serial No. 92-40 Explanation  
Motion/Second: Carney/Hjellen

To introduce Ordinance Serial No. 92-40 and set for public hearing at the next regular meeting, 11/23/92. Motion passed.

C. **Ordinance Serial No. 92-41;** Amending the FY-93 Budget by appropriating additional funds to the General Fund for Sales Tax collection and administration

1. **Budget Commentary**  
2. **IM. No. 92-31;** Sales Tax Administration  
Motion/Second: Carney/McCarthy

To introduce Ordinance Serial No. 92-41 and set for public hearing at the next regular meeting, 11/23/92. Motion passed.

D. **CM. No. 92-125;** Police Chief Selection Advisory Committee  
Mayor Stein appointed the following people to the police chief selection advisory committee: David Blanchett, Bill Herman, Ron Otti, District Attorney Goldman or Cyrie, Jane Fiesthamel, John Glass, Laura Chase and Ray McCarthy as Ex-officio member.

E. **Royal Peking New Liquor License Application**

There was no objection to the new liquor license application made by Royal Peking.

10. **COMMUNICATIONS:**

- A. **National Bank of Alaska;** Wasilla Airport Property, (Former)
- B. **Notice of Violation;** Glacier Cab Co.
- C. **Council/Planning Commission Worksession**
- D. **Mayor Stein Travel**

11. **ADMINISTRATION REPORTS:**

**Bob Harris:** Reported on the City Shop purchase closing, the Airport snow blower and downtown snow removal.

12. **AUDIENCE COMMENTS:**

**Rose Plamquist:** Stated that Talkeetna Street is not plowed and she is having trouble getting out.

**Barbara Jones;** Stated she put in an application for the Police Chief Selection Committee and is disappointed she was not selected.

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Sandra Mederas; Commended the Mayor and Council on their minority selection for the police chief selection committee.

13. COUNCIL COMMENTS:  
Councilman Carney; Stated he will be out of town for the next meeting.
14. ADJOURNMENT:  
There being no further business the meeting adjourned at 8:15 p.m.

APPROVED:

  
\_\_\_\_\_  
JOHN C. STEIN, Mayor

RESPECTFULLY SUBMITTED:

  
\_\_\_\_\_  
Marjorie D. Harris, CMC  
Deputy City Clerk

Willet R. Bushnell  
Ida M. McMahon

City Council  
City of Wasilla  
Wasilla, Ak

November 21, 1992

Re: Public hearing on ordinance 92-40

Dear Councilmembers and Mayor Stein

We have reviewed proposed Ordinance 92-40 and council memorandum no. 92-123 regarding business license and sales tax amendments. The ordinance has several technical problems and numerous typing errors. The technical problems are as follows:

1. Section 6.50.130 The section that is being removed by Erling doesn't agree to the ordinance booklet that was handed out to the public. It would appear that Erling did not use ordinance 92-29 (Substitute) for the basis of his amendments or the public has been given the wrong copy of ordinance 92-29 in the booklet.

2. Section 9.04.010 The wording contradicts existing wording in the current city code section 9.04.01 (A). Section A requires only one license for a business no matter how many locations. The new wording for section B contradicts this by requiring a license for each location.

Ordinance 92-40 section 9.040.020 (C) requires a seller to furnish a bond or other security if required by the Mayor or Manager. The provision is to insure prompt payment of city sales taxes collected. The provision should be part of the sales tax ordinance not part of the business license ordinance. If included in the business license ordinance it implies that the bond would be limited to the amount due under the business license provisions or \$25.00 maximum. The provision is also written in such a way that the bond could be required by the Mayor even if a business is not delinquent in filing or paying its sales tax.

Section 9.040.020 (C) should be deleted completely or rewritten as an amendment to the Sales tax chapter of the City code.

After reviewing the business license code section 9.04 as it would read after the amendments we find that several other issues become a problem.

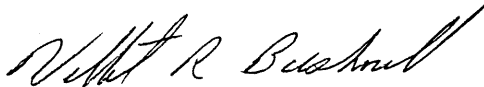
1. The bond etc required in section 9.04.020(C) would be limited to the \$25 license fee if the existing wording is used. It also would only be part of the business license rules and not be a penalty under the sales tax rules.

2. This ordinance doesn't address the fact that a business license is required to collect tax starting January 1, but section 9.04 does not require a business to obtain a license until Feb. 1.

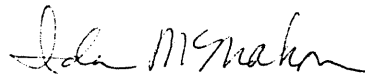
3. The penalties provided by the Business license code section do not agree with the penalties and provisions of the sales tax ordinance. Most future problems with the business license are also going to be tied to a sales tax problem. It would be easier to administer if both business license and sales tax were part of the same code.

We have reviewed a substitute ordinance written by Councilmember Hjellen. We believe that the substitute addresses the problems and incorporates these changes. Also it allows the penalties under the sales tax and business license to be the same. The substitute would make future enforcement of the business and sales tax code sections easier to enforce.

We would recommend that all amendments to a tax ordinance should be reviewed by an attorney before a public hearing is scheduled. Thank you for your consideration of these comments.



Willet Bushnell, CPA



Ida McMahon, CPA

**Bushnell & McMahon**  
Certified Public Accountants

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Wasilla, Alaska 99687

Willet R. Bushnell  
Ma M. McMahon

City Council  
City of Wasilla  
Wasilla, Ak

November 21, 1992

Re: Public hearing on ordinance 92-41

Dear Councilmembers and Mayor Stein;

We have reviewed the proposed Ordinance 92-41 and the council memorandum no. 92-31 regard the amendment of the Fy-93 budget and the hiring and additional sales tax clerk. We have the following comments regarding the ordinance and memorandum.

Regarding the hiring of a Sales Tax Clerk:

A. The City is adding an additional clerk to handle sales tax before an evaluation of the workload can be made by the new senior accountant.

B. Arguments for the addition of the clerk are the same as the ones used for the senior accountant. If the new senior accountant does his or her job then the clerk would not be needed.

C. If paperwork required by the sales tax ordinance is simplified it would eliminate the need for a clerk. We would suggest the following:

Suggestion 1. That 12 forms be mailed as a packet to each business license holder in January of each year. This would save mailing costs and staff time. When printing the forms the City could pre-bundle them at the printer so they were ready for mailing.

Suggestion 2. Change the sales tax ordinance so that businesses that collect less than \$200 per quarter be require to file quarterly returns instead of monthly. The filing and collection of small monthly amounts is not cost effective.

D. The Clerk, if needed, should be hired for one month as a temporary in order to get business license forms out and to mail sales tax forms. After the initial paperwork, collection of sales tax is rather routine and should not require an additional person.

E. First sales tax returns will not be received by the City until mid February. The clerk, if needed at all, would not be needed until then.

F. The council memorandum does not mention that the addition of the sales tax clerk would relieve the existing staff of the

work load involving business license administration.

**The council should reduce the budget amendment to eliminate the funds for the sales tax clerk. The council should also eliminate the position.**

Regarding the funds for computer software:

The funds requested for administering the sales tax collection seem reasonable except for the provision requiring \$7,300 for computer software. We are assuming the city is buying Mentor software for the current system 36 for \$7,300. The assumption would be that within a year or so the city would be changing their computer system to a networked PC system or a AS400 system. In either case the software would be replaced. It would seem that a database program would meet the needs of keeping city records for sales tax and provide batch posting information. The cost of database software and the setup to track sales tax would be approximately \$1,500 vs \$7,300.

Another concern that we have over the networking of the City sales tax system with the city computer is the confidentially provisions. Would the system have enough safeguards to insure that only the senior accountant had access to sales tax information.

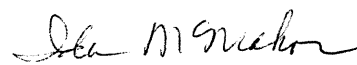
The city clerk also states in his memo to the council that a point of sale system would be purchased as part of this \$7,300. The point of sale system is used by the utility program and other city departments. The cost of this system should be charged to the departments benefiting from the expenditure. In any case, we would recommend that an evaluation of system needs would be appropriate before an expenditure of this magnitude.

Regarding the Finance department organization:

The finance director has shown that the senior accountant would only supervise the sales tax clerk. The senior accountant should be in a supervisory role for the entire department. The City auditors and others have indicated that higher level accounting skills and supervision are required. Traditional authority would accomplish this.

Our clients pay us to evaluate the cost efficiency of their accounting systems. We have written these comments not only because our business and clients will be effected by the sales tax ordinance, but because we are residents of Wasilla. We believe the City Council should spend more time concentrating on simplifying City ordinances and evaluating the quality and staffing needs of the City. Thank you for your consideration of our comments.

  
Willet Bushnell, CPA

  
Ida McMahon, CPA