

Requested by: Finance Director
Meeting date: February 12, 2007
Adopted: February 12, 2007
Vote: Cox, Ewing, Holler, Koskela, Menard, Metiva in favor

**CITY OF WASILLA
RESOLUTION SERIAL NO. 07-03**

A RESOLUTION OF THE WASILLA CITY COUNCIL APPROVING THE SETTLEMENT OF A CLAIM FOR DELINQUENT CITY SALES TAX AGAINST DAN H. PATTERSON d/b/a PC EXPRESS.

WHEREAS, Dan H. Patterson d/b/a PC Express ("PC Express") owes the City \$13,142.30 in delinquent sales tax, penalties and interest; and

WHEREAS, PC Express disputes the validity of the penalties assessed against it, which total \$3,750; and

PC Express is preparing to sell its business, and the City has been unable to locate any other assets of PC Express from which the delinquent sales tax obligation could be satisfied; and

PC Express has offered to pay the City \$10,000.00 in full satisfaction of the City's claim against it for delinquent sales tax, penalties and interest; and

WHEREAS, the Finance Director and City Attorney have recommended that acceptance of this offer is in the best interest of the City.

NOW THEREFORE BE IT RESOLVED by the Wasilla City Council that the City is hereby authorized to accept the offer of Dan H. Patterson d/b/a PC Express to pay the City the sum of \$10,000.00 in full satisfaction of the City's claim for delinquent sales tax, penalties and interest as described above.

ADOPTED by the Wasilla City Council on February 12, 2007.


DIANNE M. KELLER, Mayor

ATTEST:



KRISTIE L. SMITHERS, MMC
City Clerk

[SEAL]



**CITY OF WASILLA
LEGISLATION STAFF REPORT**

RE: Resolution 07-03

Agenda of: February 12, 2007
Originator: Finance Department

Date: February 6, 2007

Route to:	Department	Signature/Date
	Police Chief Youth Court, Dispatch, Code Compliance	
	Culture and Recreation Services Director Library, Museum, Sports Complex	
	Public Works & Recreation Facility Maintenance Director	
X	Finance, Risk Management & MIS Director Purchasing	
X	Deputy Administrator Planning, Economic Development, Human Resources	
X	City Clerk	

REVIEWED BY MAYOR DIANNE M. KELLER:

FISCAL IMPACT: yes \$ or no Funds Available yes no

Account name/number:

Attachments: City Of Wasilla Delinquent Sales Tax Claim agreement

SUMMARY STATEMENT:

Mr. Patterson, owner of PC Express, has made an offer to settle a delinquent sales tax claim owed to the City of Wasilla. Mr. Paterson owes the City \$13,142.30 broken down as follows:

Sales Tax	\$ 5,840.00
Interest	2,614.59
Delinquent Pay Penalty	937.71
Estimated Tax Civil Penalty	<u>3,750.00</u>
Total	<u>\$13,142.30</u>

Mr. Patterson has offered to pay the City \$10,000 in full satisfaction of the City's claim against it for the delinquent sales tax, penalties and interest owed based on disputing the validity of the estimated tax assessment penalties assessed against it.

Based on analyzing the facts surrounding the disputed sales tax case, the probability of collecting the total amount due, the potential cost of collection and the fact that the City will receive from the settlement offer all sales tax, interest and delinquent pay penalties owed to the City, the Finance Director and City Attorney recommends that the Council accept Mr. Patterson's offer. Mr. Paterson has deposited the sum of \$10,000 with the

City subject to the approval of the Wasilla City Council accepting the offer. If the Council does not accept the offer, the City of Wasilla will return the monies to Mr. Patterson and will take further collection action to collect the delinquent sales tax claim.



CITY OF WASILLA

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• Telephone 907-373-9070 • Fax 907-373-9085

January 31, 2007

Mr. Dan H. Patterson
P.O. Box 872043
Wasilla, Alaska 99687

Re: City of Wasilla Delinquent Sales Tax Claim

Dear Mr. Patterson:

The City of Wasilla ("City"), subject to approval of the Wasilla City Council, accepts your offer to pay the sum of \$10,000.00 in exchange for the City's release its claim against you for delinquent sales tax.

It is understood that you will pay the sum of \$10,000.00 to the City in cash or cashier's check. The City will deposit the payment, subject to the terms of this letter. The acceptance of your offer will be presented to the Wasilla City Council for approval at its next regular meeting, on Monday, February 12, 2007. If the Council approves the acceptance of your offer, the City will retain the \$10,000.00, dismiss the sales tax collection lawsuit that it brought against you, and file notice of satisfaction of its claim in the Palmer Recording District. If the Council does not approve the acceptance of your offer, the City will promptly return the sum of \$10,000.00 to you without interest, reserving all rights to take further collection action against you.

Please sign in the space provided below to indicate your acceptance of the agreement above.

Yours truly,

CITY OF WASILLA

Ted Leonard
Finance Director

ACCEPTED AND APPROVED this 31st day of January 2007.

Dan H. Patterson