

Introduced by: Council Member DeWitt  
Introduction Date: October 26, 2021  
Public Hearing Date: November 9, 2021  
Action: Passed  
Vote: 6-1

# CITY OF BETHEL, ALASKA

## Ordinance #21-50

### **AN ORDINANCE BY THE BETHEL CITY COUNCIL CLARIFYING AND SUPERSADING PRIOR ORDINANCES REGARDING FUNDING OF THE YUKON-KUSKOKWIM FITNESS CENTER AND REQUIRING ONE HALF OF ONE PERCENT (0.5%) OF THE TAX RATE ADDED TO ANY SALES PRICE AND REMITTED TO THE CITY TO BE DEPOSITED INTO AN INTEREST-BEARING ACCOUNT USED EXCLUSIVELY TO FUND THE DEVELOPMENT, EXPANSION, AND OPERATIONS OF THE YUKON-KUSKOKWIM FITNESS CENTER**

- WHEREAS,** over the past fifteen years, the Bethel City Council has adopted uncodified ordinances associated with creating and funding the Yukon-Kuskokwim Fitness Center, also known from time to time as the Multiuse Recreation Facility, the Bethel Aquatic Training and Health Center, and other similar names;
- WHEREAS,** on October 25, 2005, the Bethel City Council unanimously passed Resolution #05-38, supporting development of a multiuse recreation facility in Bethel;
- WHEREAS,** on March 7, 2007, the Council adopted **Ordinance #07-08**, designating an annual budgetary allotment for the planning, construction, operation, and maintenance of a multiuse recreational center, and further:
- designating an allotment of \$500,000 annually for the purpose of construction, operation, and/or maintenance of a multiuse recreation facility in Bethel;
  - requiring that \$500,000 be spent each year or saved in an interest-bearing account for up to two years;
  - prohibiting the designated interest-bearing account from accumulating more than \$1,050,000; and
  - requiring that the ordinance would become effective only if and after the voters approved a two-year 1% sales tax increase in the October 2007 general election;
- WHEREAS,** on May 22, 2007, the Council adopted **Ordinance #07-10**, amending Ordinance #07-08 by making the annual \$500,000 designation for the

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multiuse recreation facility contingent upon the voters approving, at the October 2007 general election, a 1% sales tax increase for two years for planning, construction, operation, and costs of the facility, and a 5% sales tax increase for 18 years;

**WHEREAS,** on August 14, 2007, the Council adopted **Ordinance #07-21**, approving the following ballot proposition language for Proposition No. 1 on the October, 2007 general election ballot:

*Shall the City of Bethel increase the sales tax and use tax by one (1) percent (total tax of 6%) for a period of 2 years followed by a decrease of a half (.5) percent (total tax 5.5%) which shall sunset on October 27, 2027?*

**WHEREAS,** Ordinances #07-21 and #07-08 clearly tie sales tax increase to the multiuse recreation facility;

**WHEREAS,** on October 2, 2007, the majority of the voters in the City's regular election approved Proposition 1 as stated above;

**WHEREAS,** on November 27, 2007, the Council adopted **Ordinance #07-12 (B)**, a special budget ordinance amending the Fiscal Year 2008 budget and transferring \$500,000 to the Multiuse Recreation Center Capital Project Fund;

**WHEREAS,** on May 27, 2008, the Council adopted **Ordinance #08-08**, amending Ordinance #07-08 by removing the \$1,050,000 account cap and the \$500,000 annual contribution identified in Ordinances #07-08 and #07-10, and instead designating contribution to the fund in an amount equal to the amount of total City sales tax revenue collected multiplied as follows:

FY 2009 = 16.67%  
FY 2010 = 12.88%  
FY 2011-2027 = 9.09 %  
FY 2028 = 4.55%

**WHEREAS,** on August 11, 2009, the Council adopted **Ordinance #09-21**, approving the following ballot proposition language for Proposition No. 2 at the October, 2009 general election:

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*Shall the current sales and use tax be maintained in the City of Bethel at the rate of six percent (6%)? (Ordinance No. 09-21).*

*Currently, the sales and use tax rate is six percent (6%). This sales and use tax rate of six percent (6%) is to be reduced on January 1, 2010 to five and one half percent (5.5%), and reduced further on October 2, 2027 to a rate of five percent (5%). A yes vote would cause the sales and use tax to be maintained at a rate of six percent (6%).*

- WHEREAS,** on October 6, 2009, the majority of the voters voting in the City's regular election, approved Proposition 2, causing the 6% sales tax rate to be maintained at that rate in perpetuity;
- WHEREAS,** on August 25, 2009, the Council adopted **Ordinance #09-25**, requiring that funds generated from sales tax revenue designated for the pool and recreation center be appropriated monthly to a designated interest-bearing account;
- WHEREAS,** on April 27, 2010, the Council adopted **Ordinance #10-13**, which further amended Ordinance #07-08 to:
- Require transfer of an amount equal to one-half of one percent of sales taxes collected to a designated interest-bearing account established for use on the Bethel Aquatic Training and Health Center;
  - Require that all funds deposited to the designated interest-bearing account be allowed to accumulate as needed and be used to pay all expenses related to the development and operation of the Bethel Aquatic Training and Health Center, including but not limited to its design, promotion, construction, operation, and repair; and;
  - Require the City Manager and/or his designee to administer the funds and ensure that the proceeds from the designated interest-bearing account be spent for the purpose stated;
- WHEREAS,** on October 11, 2011, the Council adopted **Ordinance #11-20**, directing the administration to transfer all remaining pool and recreation facility monies held by the City into the designated interest-bearing account;
- WHEREAS,** on June 23, 2020, the Bethel City Council adopted **Ordinance #20-16**, which explained how the calculation of the dedication was to be applied,

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stating "one half of one percent of the six percent, of all sales tax remitted to the City" which has since been read to imply that the dedication did not capture all rates of sales tax collected by the city, which is incorrect;

**WHEREAS,** the foregoing string of ordinances and actions in totality create a picture of the Council's directives; however, the flurry of documents and amended actions render the legislative record unclear, and Council directives difficult to decipher;

**WHEREAS,** an unclear legislative record is problematic, and a consolidated action representing current directives will make the collection, dedication, accounting, and spending of recreation center funds clear and concise for administration, the Council, the public, and the legislative record;

**WHEREAS,** all prior legislation has intended to dedicate to the fund one half of one percent of all tax rates added to sales and remitted to the City, excluding penalties and interest collected from delinquent accounts;

**WHEREAS** as of the effective date of this ordinance, the dedication of funds to the YK Regional Aquatic Health and Safety Center Fund reflect the following sales tax rates and calculations as required under current Bethel Municipal Code:

Sales Tax, including remote sales, is set at a rate of six percent (6%)  
The monthly calculations of one half of one percent (0.5%) of six percent (6%) is equal to 8.33% ( $0.5/6=8.33\%$  rounded to a maximum of 2 decimals). A total of 8.33% of general and remote sales taxes collected will be dedicated to the YK Regional Aquatic Health and Safety Center Fund.

Alcohol Sales Tax, including remote sales, is set at a rate of fifteen percent (15%). The monthly calculations of one half of one percent (0.5%) of fifteen percent (15%) is equal to 3.33% ( $0.5/15=3.33\%$  rounded to a maximum of 2 decimals). A total of 3.33% of all Alcohol Sales Taxes collected will be dedicated to the YK Regional Aquatic Health and Safety Center Fund.

Marijuana Sales Tax is set at a rate of fifteen percent (15%)  
The monthly calculations of one half of one percent (0.5%) of fifteen

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percent (15%) is equal to 3.33% ( $0.5/15=3.33\%$  rounded to a maximum of 2 decimals). A total of 3.33% of Marijuana Sales Taxes collected will be dedicated to the YK Regional Aquatic Health and Safety Center Fund.

**WHEREAS,** nothing in this ordinance precludes a future new sales tax or new rate of levy, if the City of Bethel approves an alternative sales tax rate for specific goods or services, the dedication of tax and the associated calculation of the new tax rate shall adhere to the standards provided herein.

**NOW THEREFORE BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF BETHEL, ALASKA:**

**SECTION 1.** This is a non-codified Ordinance and shall not become part of the Bethel Municipal Code.

**SECTION 2.** Ordinances #07-08, #07-10, #08-08, #09-25, #10-13, and #20-16 are hereby clarified and superseded as follows. To the extent this ordinance conflicts with the prior ordinances named in this section, this ordinance shall control.

**SECTION 3.** There is established a Yukon Kuskokwim Regional Aquatic Health and Safety Center Fund. The fund is created to cover expenses related to the development, expansion, and operation of the Yukon-Kuskokwim Fitness Center, including but not limited to design, promotion, construction, operation, repair, and maintenance of the facility.

**SECTION 4.** One half of one percent of the tax rate added to any sales price and remitted to the City shall be deposited into an interest-bearing account dedicated to the Yukon Kuskokwim Regional Aquatic Health and Safety Center Fund. Sales tax collections designated to the fund shall include all sales taxes that the City is permitted to collect under the Bethel Municipal Code at the time of sale and remittance, whether the sale occurs in Bethel or through a remote seller. The one half of one percent sales tax designation described and directed under this section does not sunset and shall continue in perpetuity, absent superseding action by the Council.

**SECTION 5.** This Ordinance shall become effective immediately following adoption by the Bethel City Council.

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**ENACTED THIS 9<sup>th</sup> DAY OF NOVEMBER 2021 BY A VOTE OF 6 IN FAVOR AND 1  
OPPOSED.**



Mark Edward Springer (Nov 20, 2021 09:23 AKST)

Mark Springer, Mayor

ATTEST:

  

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Lori Strickler, City Clerk

# Ordinance 21-50 Clarifying and Superceding Prior Ordinances Regarding Funding of YK Fitness Center

Final Audit Report

2021-11-20

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## "Ordinance 21-50 Clarifying and Superceding Prior Ordinances Regarding Funding of YK Fitness Center" History

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