

Golovin Activity Report

Josie Morrow, LGS/RUBA, Nome Regional Office

General Information:

One field trip was made by Josie Morrow, Nome RUBA/LGS, in mid-June. At that time Josie met with the Council regarding cut off notices for past due accounts and procedures for collections. She assisted the Council with the calculation of new gas prices for the Fuel Sales Fund. Some concerns discussed at the meeting were: the absence of a permanent City Clerk, communications between staff and City Council members, backlog of financial reports for both the City and Utility, non completion of either FY99 Audit or Certified Financial Reports, and lack of progress on FY01 Budget. Josie worked with the Utility Bookkeeper and temporary City Clerk to begin the FY01 Budget process. She identified tasks that needed immediate attention, and assisted the Utility Bookkeeper in understanding the calculation of sales price for gas. Josie met with the Volunteer Fire Department Board to help them understand the City policies regarding pay calculations and leave accrual. Josie also met with Alaska Native Tribal Health Consortium (ANTHC) Project Engineers and reviewed management concerns.

Telephone and fax assistance by Josie Morrow during this period were as follows:

- Assisted the temporary City Clerk to complete the FY01 Shared Revenues application and provided the Council with a resolution for Shared Fisheries revenues.
- Followed up on payroll tax issues after a call from the IRS agent in Fairbanks.
- Gave the Utility Bookkeeper some ideas about scheduling water deliveries and recommended there be an updated customer survey.
- Explained to the Utility Bookkeeper the concerns of the Council regarding bringing an infant to work. The situation was successfully resolved.
- Explained salaried vs. hourly employees to the Utility Bookkeeper and advised him on how to handle a situation where an hourly employee was treating himself as a salaried employee. Advised the Vice-Mayor of the situation and the circumstances and how the matter should be handled.
- Sent the Mayor and Power Plant Operator names and numbers for assistance with a Coast guard inspection.
- Advised the Council via teleconference on problems they are having with each other at meetings. Decided that there would have to be some intense training on interpersonal relationships during the next two field trips.
- After a phone call from the IRS agent in Fairbanks, contacted the Golovin Volunteer Fire Department regarding some missing 941's. The bookkeeper was able to find the missing reports and she gave them to the IRS agent at the Nome workshop in May.
- Completed the 1999 Consumer Confidence Report on Water Quality.

The City sent its Mayor to the Sanitation Planning Workshop in Nome in April. The City also sent two Councilmembers to the week long Introduction to Financial Management Workshop in Nome at the end of May. Golovin Volunteer Fire Department sent its Bookkeeper, Fire Chief, and Gaming Coordinator to the May workshop also. Both workshops were sponsored

by DCED's RUBA Program and Norton Sound Health Corporation, Office of Environmental Health.

Observations and Recommendations:

Finances — The City has not been successful in hiring a City Clerk, and the Utility Bookkeeper continued to be the acting City Clerk up to the time she went on maternity leave in April. This summer the Council hired a temporary City Clerk who is very capable, but she will be returning to college mid-August. The temporary City Clerk has been trying to catch up all City financial reports and has hired a temporary assistant to file papers that have been accumulating in the Clerk's Office. The Utility Bookkeeper is almost a year behind in Power Cost Equalization (PCE) reports, her financial statements are only current as of February 2000, bank statements have not been reconciled, and collections on past due accounts have fallen behind. It had been recommended over and over again by the Nome RUBA that a monthly aging of past due accounts be presented to the Council at its regular meetings. The Utility Bookkeeper did not follow through with this recommendation until Josie's field trip in June. As a result, the Council is requiring a monthly report from the Utility Bookkeeper and is budgeting a Utility Clerk into its FY01 Budget. It is obvious that there needs to be more oversight in the Utility business office, in particular with timely disconnects and pursuit of past due accounts.

The City is still preparing schedules for its FY 99 audit. Due to the chaos in the two City business offices, it was decided that the Nome RUBA would assist the City Clerk in preparing a FY99 Certified Financial Report, so that the City could receive its FY01 Shared Revenues and Payment in Lieu of Taxes (PILT) in a timely manner. The City has dedicated a portion of its FY01 Shared Revenues for direct payment to the fuel vendor for its Fall barge order.

The City remains current with its insurance premiums and carries adequate coverage through AML/JIA.

Accounting Systems — The City and Utility use QuickBooks Pro on Macintosh computers. There continue to be major failures of the aging computers in the City and Utility offices. Alaska Native Tribal Health Consortium (ANTHC) purchased a PC, printer, and software for the water/sewer utility this quarter. The City Council directed the Utility Bookkeeper to order a comparable computer set-up for the electric utility and fuel sales. Josie Morrow assisted the City Clerk and Utility Bookkeeper with an order, and it is expected that implementation and training in the new software will be through a special project contract with the DCED/RUBA Program later this calendar year.

Bank reconciliations still need to be brought up to date. Once a new City Clerk is hired, Josie Morrow will assess the situation and provide training as necessary on reconciliation of bank statements. In addition, business office personnel need training on reconciling quarterly payroll reports and year-end reports and forms. Record keeping continues to be a serious problem. A system needs to be developed and filing completed before the end of this calendar year.

Tax Problems — The Electric Utility/Fuel Sales Funds have been making timely payroll tax deposits these past two fiscal years, however IRS reports that forms 941 for the 4th quarter 1998 and 1st quarter 1999 were not filed. Once Josie contacted the Utility Bookkeeper about the situation, the Bookkeeper found the completed forms and mailed them in to the agent in Fairbanks. The City, too, had been making timely payroll tax deposits up to the 2nd quarter of 2000. Due to the turnover in the City Clerk's office and no oversight by an experienced Council Member, tax considerations got out of hand. The City has remitted the outstanding payroll taxes with the 2nd quarter form 941, and the Vice-Mayor is responsible for supervising the day-to-day activities of the City Clerk's Office.

In addition, the IRS levied the City's general account this quarter for back payroll taxes from 1997 in the amount of \$9,308. The City is contesting this action and had asked for more information from IRS to verify this situation. IRS did provide a printout. However, the City Clerk and Bookkeeper cannot understand the information and are waiting for Josie to assist them on her next visit to the City.

Personnel System — The Utility Bookkeeper and Council have problems following personnel policies. The City does have a recent Personnel Ordinance, but there continues to be confusion with an older policy. Council and staff review of the most recent policy during prior quarters was helpful to all. A repeat of this exercise will be conducted once a new City Clerk is hired. In the interim, Josie Morrow is incorporating payroll calculation problems into her field trips, so that the Council, Bookkeeper, and employees can at least understand some of the more recent issues.

Job descriptions, classifications, pay scale, evaluations, and merit reward need to be incorporated into the policies and procedures. Work plans will be developed with the Personnel Management Component being given primary consideration. Recent employee evaluations were done at the end of the fiscal year. However, the Council still needs to provide the employees with copies of the evaluations and meet with each employee to discuss the evaluation before they are signed. Josie Morrow will be meeting with the Council on this next step when she travels to the City later in August.

Organizational Management — The past City Clerks had not codified the ordinances passed in late 1996/early 1997, nor any updates. The Nome RUBA will incorporate this step into RUBA Work Plans once a permanent City Clerk is hired.

The organization of the City and Utility needs to be put on an Organization Chart so the Council and staff can analyze the lines of communication, supervision, and work duties. Currently, it appears that there is some chaos in the way the bookkeeping, sales, receipting, and reporting are being handled. In addition, the lines of authority are not clear. This charting can be included in the Personnel training that the Nome RUBA will be scheduling with the Council and staff on the next field trip. Appropriate Utility Ordinances need to be drafted when it is determined what system(s) will be built for water/sewer. Current Utility Ordinances need incorporating into the correct section of the City's Code of Ordinances, and the payment and collection policies need clarifying. City Personnel were not able to attend the Utility Organization Management workshop in

Nome in mid November 1999. However, it is strongly recommended that appropriate personnel attend this workshop next fiscal year.

Leadership/Governance — Council training needs to happen as soon as possible in the new fiscal year and can be coordinated with the Personnel training. The City Council has a history of acrimonious meetings and much turnover. Somehow there needs to be instilled in the Council and public a sense of pride in its City government. There is another vacancy on the City Council this quarter, and an appointment to this seat will happen at the August Council meeting.

Family ties between Council members and staff, and Council members who are also City employees continue to cause much dissent in management of day-to-day affairs as well as implementation of policies. These concerns will be incorporated into the Council training.

Operation of Utility — The Water Plant operator resigned in June. The City was advertising for an operator at the end of this quarter.

The Volunteer Fire Chief, who is also the Water/Sewer Project Liaison, and the City’s two Council Members completed the 1999 Consumer Confidence Reports with Steve Shreiber from the National Rural Water Association at the May Utility Management workshop in Nome. The Nome RUBA and RMW completed the City’s 1998 Consumer Confidence Reports at the November Utility Management workshop in Nome; however, the City did not follow through and mail the Certification of Completion and copies of the reports to DEC for either year. Josie will follow up on these mailings when she visits the City early next quarter.

Ranking 1 = Inadequate
 4 = Adequate to meet minimum requirements
 7 = Exceeds requirements

Category	1	4	7
Finances		X	
Accounting Systems	X		
Tax Problems		X	
Personnel System		X	
Organizational Management		X	
Leadership/Governance			X
Operation of Utility		X	