

# Koyuk Activity Report

Josie Morrow, LGS/RUBA, Nome Regional Office

## General Information:

A field trip was made to the community in early March by Nome RUBA/LGS Josie Morrow to assist the temporary City Clerk to locate files and records to complete the FY98 Certified Financial Reports and to clean up the piles of files accumulated in the office by the prior City Clerk. Josie met with the Council concerning various personnel issues, Council vacancies, and the possibility of the City being part of a Billing and Collections Project through the RUBA Program. Josie also met with two former Council members and explained the Council seats and their terms.

Josie made many assists through the phone and fax, and they can be summarized as follows:

- Discussed with the Council, and one member in particular, the roles and responsibilities of the Council and those of the two Clerks.
- Had the Council elect officers. They were misinformed by one of the Council members that they had to have all 7 Council members present to do this.
- Assisted the Mayor and Utility Clerk with termination letters.
- Reviewed a draft utility agreement for the new water/sewer hookups.
- Assisted the ANTHC engineer with the purchase of a PC, printer, and software for the Utility Clerk. Developed an implementation and training plan for the accounting software that will begin next fiscal year.
- Made a schedule of Council Seats, term expirations, and incumbents to be displayed in both offices at City Hall.
- Located a copy of the City map identifying the location of a proposed tank farm. Had a copy sent to the acting City Clerk.
- Advised the Utility Clerk to contact the ANTHC engineer about electric bills formerly paid through the project. Also, gave her direction on a waiver that needs filing with DEC.
- Assisted the City Clerk with various letters from IRS inquiring about differences in W-2's and Payroll Tax Reports for 1997 and 1998. Had her locate missing W-2's for 1996 and contact IRS for forgiveness of penalties.
- Coordinated with the acting City Clerk to recreate remaining information needed for FY98 Certified Financial Reports.
- Obtained grant reports last filed with DCED/MRAD.

## Observations and Recommendations:

Finances — The City has back debts of \$23,090, which includes a FY99 fuel loan balance of \$10,299. The Utility has back debts of \$21,920, which includes a FY97 fuel loan balance of \$7,076. Payment of debt was provided for in the FY00 budget, but current revenues budgeted from Gaming net proceeds have not been adequate to pay these debts.

The Utility Clerks bills monthly and is diligent in cutting off services where provided for in the City's collection policy. However, there still remains large past due balances for Cable and Garbage which the Council is not willing to pursue. Past due accounts for Cable TV are \$1,350; and past due bills for Garbage collection are \$18,610.

The City Council chose not to participate in the Outside Billing and Collection Project that would have been funded through the RUBA Program.

The Utility Clerk has been submitting monthly financial reports, but none were completed by the City Clerks. The City Clerk hired this past quarter was terminated in early January. A temporary City Clerk was hired in late January, but she left for a new position in mid March. She was not able to prepare any financial reports.

The City and Utility are in a fragile financial position. The Bingo/Pulltabs net receipts support the City and Utility, but not at a level that provides a stable monthly income. This past quarter there was a turnover in Bingo/Pulltabs supervising personnel and no net proceeds were donated to the City. Of great concern is a check from City General Funds in March to the Bingo account to cover costs for winners and start up funds. This past year the Bingo account has not been reimbursing the City General Fund for payroll taxes paid on its behalf. The City Council ignores all suggestions by the Nome RUBA for more specific oversight of the Gaming activities.

The City's Water/Sewer rates are some of the lowest in the region, and a rate study is a priority for the Council. A study will be done this calendar year by the Nome RUBA, once some better cost and customer information is documented.

Accounting Systems — The City and Utility are using a manual system for bookkeeping and need to convert to a computerized system. This quarter, the ANTHC engineer purchased a PC and printer for the Utility. The City and Utility books will be converted to QuickBooks Pro at the beginning of the fiscal year.

The City Clerk position has turned over continuously these past three years, and there has been a real break down in the receipting of cash receipts and detailed costs through the check register. The Council recently appointed the Utility Clerk to act as City Clerk, and she is diligent in recording all cash receipts in the NEBS system.

The Utility Clerk has been with the Utility for over a year, and is meticulous in her work, once trained. She still needs additional training on bank reconciliations and grant reporting. This should be tied in to the QuickBooks Pro training.

Tax Problems — The City and Utility usually owe money at the end of each quarter. Both entities try to make payroll tax deposits with each payroll, but available funds are quite often not adequate. Constant monitoring of payroll tax deposits is done by the Nome RUBA. The Utility was up to date through December 31, 1999, with its payroll tax deposits; however, at the end of this quarter both the City and Utility will owe taxes.

Personnel System — The Personnel Ordinance being used by the City dates back to 1988 and needs to be reviewed and updated. All City employees and Council Members need a review of the current ordinance. This will be a priority in the work plans being drawn up next quarter. A pay scale, evaluations, and merit increases need to be considered in the updated ordinance.

Organizational Management — All Utility ordinances are old and poorly written. These need to be updated soon. Collection policies are poor. These too need to be revised.

Leadership/Governance — The newly reorganized Council has had two resignations this quarter. One seat has been filled, and the Council is recruiting for interested persons for appointment to the second seat. The Mayor and Vice Mayor are willing to work with the Nome RUBA on all issues; however there have been some serious interference and misinformation from two other Council members this past quarter. The Nome RUBA reports that it is a constant battle to keep up with the activities of the Council and that Council training needs to happen on the next RUBA field trip. The new Council also needs to reaffirm its commitment to the RUBA Program.

Operation of Utility — The Water/Sewer utility continued to have some major freeze-up problems this quarter; but with the quick response from the RMW and PHS/ANTHC, repairs were being addressed. The trash haul utility has no running equipment, and trash is building up around town. There is money remaining in some of the Capital Matching grants that could be used to repair the haul truck, and it was recommended to the Mayor that the City make those repairs a priority.

**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	

