

Koyuk Activity Report

General Information:

A new City Clerk was hired in August and Nome RUBA/LGS Josie Morrow made a field trip to Koyuk in September to work with the Clerk on FY98 financial statements. In addition, Josie reviewed all mail and files on the City Clerk's desk and advised her on appropriate actions for each item. Josie completed the FY01 Capital Matching Grant applications with both City and Utility Clerks and drafted a resolution for prioritization of the grants. The City is requesting funds for equipment for the Business Offices and major repairs needed on the Utility's heavy-duty equipment. Josie started the Utility Clerk on the VSW questionnaire and referred her to the Alaska Native Tribal Health Consortium (ANTHC) engineer for assistance with project determination and description. Utility service agreements were reviewed and revised to include information useful for collections. Josie had both Clerks calculate leave accrual for an employee who had recently left City employment, so that they would understand the Personnel ordinance and method of accrual. The City Clerk then drafted a letter to the employee advising her of the results.

Intensive phone contact was maintained with this community throughout this quarter, and Nome RUBA/LGS Josie Morrow summarizes this assistance as follows:

- FY00 Budget Ordinance was adopted in late July. An ordinance dissolving the Utility Board was also adopted at this time. Assistance with agendas, draft budgets, and public hearing notice and process was given to the City Clerk.
- Assistance was given to the Clerk in completing resolutions and required forms for FY00 capital matching grants appropriated to the City.
- The Water Plant Operator took delivery of fuel in July without prior authorization. It was recommended that the Mayor and Council advise him of the correct procedures and that the Clerks contact the fuel company for the price and some payment plan.
- The Mayor resigned his office in August and the vacancy and appointment procedures for the office of Mayor were reviewed with the Council. A new Mayor was appointed at the regular Council meeting in August.
- Local hire provisions in the City's ordinances were reviewed with the Council's Secretary and recommendation given her that she and the Mayor contact the ANTHC engineer and advise him of the Ordinance and work out the details with him for project hire.
- Provided assistance to the Utility Clerk in preparation of monthly financial statements. Resulted in a format that tied in to the budget and all reports were brought up to date.
- Leave accruals for two Utility employees were calculated with the Utility Clerk. A leave accrual form and employee pay rate history form were provided to the Utility Clerk and it was suggested she include the completed forms in the employees' personnel files. It was also recommended that she accrue the leave with each payroll for those qualifying employees. Other payroll assistance provided the Utility Clerk was help in completing forms from Department of Labor concerning employee

discharges. Assisted the City Clerk in determining the qualification of a Bingo employee for leave accrual.

- Referred a letter from the Coast Guard regarding violations in the FY 99 fuel farm inspection to ADEC/Division of Energy.

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.

The Utility Clerks bills monthly and is diligent in cutting off services where provided for in the City's collection policy. The Utility Clerk was diligent in working with Nome RUBA Josie Morrow on customer files and found a number of hookups to the Water/Sewer system who were not being billed. She reported these customers to the Utility Board and began billing them July 1st. Inconsistency with rate application was also discovered by the Clerk and Josie, and those corrections were made beginning July 1. Collections continue to be a problem, and it was recommended that a collection agency be contacted by the Utility Clerk to find out what services could be provided the City. The DCED/MRAD RUBA Program is also pursuing the viability of using this community as a test community for contracting out billing and collections with an outside agency. More work will be done on this latter approach in the second quarter of FY00.

The Utility Clerk and City Clerk are preparing monthly financial reports this fiscal year. Expenditures are being made from the appropriate bank account and all cash receipts are being recorded. Adjustments to the grants' bank account will be made once all grant reports are reconciled and completed.

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. The Council did budget FY00 net proceeds only to the City, so it is hoped that cash flow will improve after the summer months. 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 the Model Financial Record Keeping System (MFRKS), and need to convert to a computerized system. The City and Utility are looking for funding sources for PC's, printers and software. A priority this next fiscal year is the computerization of both business offices.

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 newly hired City Clerk is making a good start with detailed cash receipt and cash disbursement journals. In addition, she had substantially completed the FY98 budget detail sheets by the end of this quarter in preparation of the FY98 Certified Financial Reports (CFR's) that are required for State Shared Revenues. The Utility Clerk

needs to complete the financial reports for the months of April through June of 1998 for inclusion in the CFR's.

The Utility Clerk has been with the Utility for a year, and is meticulous in her work, once trained. She still needs additional training on bank reconciliations, and the Nome RUBA will provide this on her next field trip to the community.

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. The Utility had overpaid payroll taxes at the end of this quarter in the amount of \$1,647. The City will owe taxes, but the amount had not been determined as of the date of this report.

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. A workshop in Nome on The Organization of Utilities will be provided in November, and the City is encouraged to send more than one person to this.

Leadership/Governance — The new Council and Mayor are an enthusiastic group, with sincere intentions to turn the City's finances around. The Utility Board had ignored the steady decline in the Utility finances these past five years, and had been operating with no checks and balances. They were not cooperating with the Council's request for monthly reports and representation at Council meetings, and as a result, the Council abolished the Utility Board in July. Many personnel problems have been ignored over the years, and the current Council is adamant in addressing problems as soon as they occur.

Operation of Utility — The Water/Sewer utility lost its lead operator the preceding quarter. However, the alternate operator is OIT certified and competent in all areas. A search for a second Operator is underway. The trash haul utility has no running equipment, and trash is building up around town. There is money in the new Capital Matching grants that could be used to repair the haul truck, and it was recommended to the Council that the City make those repairs a priority.

(Continued on next page.)

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