

Nondalton Activity Report

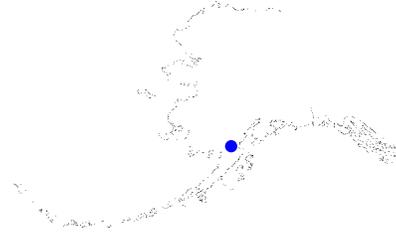
Community Overview

Lead RUBA Staff: Roxanne Auge, Anchorage Office

2001 Population: 221

Region: Cook Inlet

Local Governments: Second Class City



The City of Nondalton operates the piped water and sewer system and provides a central watering point for residents to haul their own water. The City Council is the policy making body for the utility.

An infiltration gallery at Six Mile Lake supplies the community with treated water. There are 88,000 gallons of storage capacity. 70 residences are connected to the piped water and sewer system and are plumbed. Funds have been requested to extend the system to 11 newly-constructed homes, and to make system improvements -- demand has doubled over the past 12 years. Refuse collection is not provided.

A new 60-acre landfill and incinerator are planned, following construction of the Iliamna-Nondalton road and bridge in 2003. The INN Electric Cooperative owns a diesel plant in Newhalen and 50 miles of distribution line to connect Iliamna, Newhalen and Nondalton. The Tazimina Hydroelectric Project has recently been completed, and powers the three communities.



General Information

RUBA staff has had contact this past quarter with the mayor and city council, city clerk, and members of the community through phone, fax, and mail. The regular municipal election scheduled for October 6 was voided because of electioneering at the polls and a new election was scheduled for December 27. Roxanne Auge, LGS/RUBA staff, sent a letter to each council member explaining the process required for voiding an election and provided the mayor information on submitting a request for preclearance from Department of Justice and a sample preclearance letter.

Roxanne had spoken with the borough manager regarding the borough clerk providing assistance with the city's December special election to ensure a successful outcome. I provided the Borough Clerk a copy of the city's election ordinance and sample election

documents so she could be available also to provide assistance. As far as I know, the city did not use borough assistance.

Roxanne tried to contact someone in the city office to find out how the December 27 special election went, but so far have only been able to reach the maintenance man who was repairing a broken pipe in the city office. Mike Black spoke with the city clerk during the election and as of that time there was one seat that had to have a run-off election because they didn't get the required 40% vote.

The City Clerk has returned from maternity leave. Her work schedule is 10:00 to 2:00 Monday – Friday. The Mayor hadn't hired an alternate to work in her place while she was on maternity leave - he was planning to handle her duties instead. Roxanne spoke with the Clerk last quarter and was informed that she would be resigning and leaving the community. She has apparently changed her mind again.

The focus of DCED staff continues to be Council and Clerk training, setting up a revised record keeping system, locating and organizing information on the City's finances, and helping the City to develop a repayment plan for their back debt. RUBA staff has developed a draft work plan with the community that still needs to be formalized.

Other than budget training with the Council and members of the community, Roxanne has not been able to make a lot of headway on the priority items identified to work on nor the repayment plan. Roxanne needs more information on all of the City's outstanding debts; contracts, and agreements for services; the files for all vendors and City leases and agreements; and an accounting of water/sewer payments and repayment agreements to complete a realistic repayment plan. Roxanne had hoped to have worked out a repayment plan with the City by now to address their back debt, but hasn't had the support from administrative staff or the council needed to move forward on this.

Observations and Recommendations

Finances — I have no new information on the city's finances since my last report.

Following are the items I had previously recommended the city work on to address its financial management problems:

- Reconcile the old check register with the checks the Mayor “found in a box” last quarter.
- Continue using the NEBS cash receipts system to record all money coming into the city.
- Continue updating the check register and budget detail sheets.
- Complete monthly financial reports using the forms set up in the computer by Roxanne.
- Assist with and support efforts to coordinate with vendors and other agencies to adopt a repayment plan.
- Organize the filing system and locate leases, contracts, grants, etc, pertinent to this fiscal year.

- Review leases and other agreements to clarify what the City should be receiving and what the City's responsibilities are in each case.
- Update accounts receivable for water and sewer and send out bills;
- Implement a purchase order system with the council approving any travel and other large purchases;
- Send a letter to all local vendors and businesses that the city patronizes regularly informing them that purchases will not be honored unless there is a purchase order approved by the city's authorized representative;
- Only have one person writing checks and receipting money coming in to ensure accountability and save money on personnel costs.
- Keep unused checks locked up.
- Stop any discretionary spending such as travel, rental cars, or purchases of incidentals.
- Only issue pay checks on pay day.
- Work on identifying and collecting any revenues the city might be entitled to, including making a concentrated effort to collect water and sewer payments and rents.

There have been no updates on water and sewer account information provided other than the customer billings from August 2000. Using these figures, the balances due as of August 2000 was \$69,978.04 owed to the city (some account balances are as high as \$5,000). The City needs to decide on a collection method that will result in a win-win situation for both the City and customers and take into consideration that the City has not consistently sent bills. Roxanne has provided information and offers of assistance to work on this.

Roxanne had previously faxed the City a sample letter requesting payment of delinquent water & sewer bills and offering some payment options, a sample repayment agreement, and an assignment of dividend form. She doesn't know if there was any follow through on this.

Tax Problems — Roxanne spoke with the City Clerk in early December and was informed that there were discrepancies between the 2000 payroll and what was reported on the W-2s. I discussed with her the procedure for correcting the W-2s and requested she fax me the information she was working from. I never received the requested information. Roxanne has not had any updates on the status of the City's IRS debt. Previous IRS reports indicated the City owed \$78,103 to the IRS plus an undetermined amount for the 2nd, 3rd, and 4th quarters of 2000 and the 1st quarter of 2001. I'm not sure if this figure includes penalties and interest and have been unable to confirm this with IRS. IRS had filed a levy on money the city was to receive from the State; however, I have been informed that these levies were released in July 2001. In October Roxanne was informed that the IRS is reinstating their liens. The liens had been lifted long enough for the city to receive about \$32,000 in Revenue Sharing and Safe Communities money of which a portion had been promised to the IRS. The IRS didn't receive the promised money and reinstated the lien.

The City was audited by SOA Department of Labor (DOL) in the 4th quarter of 2001 and according to DOL staff, they owed about \$4,000 in ESC payments including penalties and interest of between \$600-\$800. Roxanne has not heard if these have been paid.

Personnel System — The Mayor is a paid position, responsible for administering City business and supervising and directing the work of City staff. Because of problems with accountability and applying personnel rules to an elected official, RUBA staff had previously recommended to the Council that they amend their ordinance to change this practice. RUBA staff had previously provided a sample ordinance to accomplish this but, as far as we know, it was not introduced or adopted. Until recently, the Mayor spent very little time in the City office and there is no indication that City staff was provided much direction or that work was monitored. Roxanne has discussed with the Council the need to do performance evaluations of all City staff, including the Mayor. She was working with the City Council to draft job descriptions to clarify job duties and management responsibilities and hopes to continue working on this in the future.

Organizational Management — The City needs to consistently use parliamentary procedure at all meetings to help direct the flow of discussion and ensure clarity regarding decisions. There continues to be communication problems between the Mayor and some of the Council and there does not appear to be any significant change this quarter in how the City does business.

RUBA staff has made the following recommendations to the City Council:

- Institute the emergency operations staffing plan that we discussed in February 2001. Components of this plan included:
 - ✓ Have only critical staff, water plant operator, clinic janitor, and City Clerk, working minimal hours.
 - ✓ Consistently use parliamentary procedure at all meetings.
 - ✓ Take minutes of all Council meetings, type and post them immediately.
 - ✓ Get a wall calendar and note important dates/deadlines to ensure all staff and the Council stay informed.
 - ✓ Hold two meetings a month for a while until the City is able to get a handle on the issues it is currently dealing with.
 - ✓ Review and, if appropriate, adopt the ordinances clarifying Council duties and responsibilities and procedures and removing the provision for having a paid mayor.
 - ✓ Have the Mayor prepare an inventory of all City property.

Operation of Utility — No news has been heard regarding the status of the notice of violation of Alaska drinking water regulations and threat of legal action from DEC for failure to have the water sampled and tested, nor the Notice and Order to Respond from EPA regarding a proceeding to assess an administrative penalty under the Federal Clean Water Act.

Category	Inadequate	Meets Minimum Requirements	Exceeds Minimum Requirements
Finances	X		
Accounting Systems	X		
Payroll Taxes	X		
Personnel System	X		
Organizational Management	X		
Operation of Utility	X		

Anticipated Activity

- In October, Roxanne had spoken with VSW staff about coordinating a trip with VSW and ANTHC to hold a public meeting. There has been no follow through on this. In addition, Roxanne discussed with the borough manager the possibility of he and some borough council members attending a public meeting also to update the community on the status of the triplex land issue and ongoing negotiations with the borough, DNR, F&G, and DOE. These discussions have not resulted in any definite travel plans. Roxanne hopes to schedule a trip within the next quarter with other interested agencies to meet with the new council and public to inform them of the status of various projects and issues; continue training the City Clerk, Alternate City Clerk, and City Council; and continue working on implementing past recommendations.