

Nondalton Activity Report

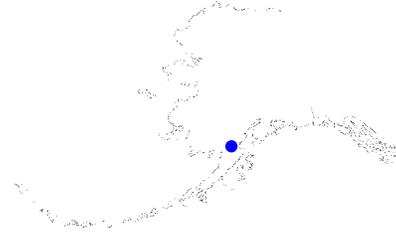
Community Overview

Lead RUBA Staff: Roxanne Auge, Anchorage Office

2000 Census 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

DCED has developed a draft work plan with the community that still needs to be formalized. During the last quarter, Roxanne Auge made two trips to Nondalton - on April 9 to work with the new City Clerk and discuss on-going recommendations with City staff and Council; and May 22 to provide Council training on budgeting, assist with the FY '02 budget, and discuss with the Council, members of the public, and Lake and Peninsula Borough representatives Pat Poland's follow up letter to Nondalton. Roxanne also traveled to King Salmon on May 16th to meet with the Borough Assembly to discuss possible options and cooperative efforts to address some of the issues in Nondalton.

Scott Ruby and Roxanne Auge assisted with issues concerning the petition to recall the mayor. The statement of ground for recall on the petition application was longer than the 200

words that the Alaska Statutes allow so it was recommended that the petition be denied and petitioners be informed that they can resubmit after correcting the problem.

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.

The City Council and public continue to show a keen interest in what is going on with the City. About 20 members of the public showed up for the May 22nd budget meeting as well as three members of the Lake and Peninsula Assembly.

Observations and Recommendations

Finances — Progress continues to be slow. The City Clerk is on maternity leave and the mayor has informed the Council that he will not hire the alternate to work in her place. Other than the budget, the Council was not able to make much headway this quarter on the priority items identified to work on including the repayment plan. The focus this quarter was primarily on informing the Council and public about the status of City operations, compiling budget numbers to present to the Council and public, and presenting information on the budgeting process (what, why, who, when, how). More information is needed 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. As we suggested, the City has opened a new bank account and the mayor was able to come up with some of the checks that were missing or unaccounted for when we worked on reconciling with the bank statement. These need to be reconciled with the existing information. The City Clerk and Mayor continue to be resistant to implementing many of Roxanne's recommendations.

The City needs to continue working on the following items for addressing its financial management problems:

- Order more receipts and continue using the NEBS cash receipts system to record all money coming into the City.
- Continue updating the check register and budget detail sheets using the forms Roxanne set up in the computer.
- Do monthly financial reports using the forms Roxanne set up in the computer.
- 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.
- 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 and 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. As of July 31, 2001, the City has not yet submitted its FY02 Budget and FY00 Certified Financial Statement, which were both due in Juneau on June 30, or its FY02 Safe Communities Resolution. The City also needs to make a concentrated effort to collect water and sewer payments and rents.

Accounting System — Nothing to report other than what reported already.

Tax Problems — Except for notification that the IRS has released its lien on the City's \$5,000 fish tax entitlement, there have been no updates on the status of the City's IRS debt this quarter. According to IRS, the City owes \$78,103.00 to the IRS plus an undetermined amount for the 2nd, 3rd, and 4th quarters of 2000 and the 1st quarter of 2001. This figure may or may not include 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. The City was audited by State of Alaska, Department of Labor (DOL) this quarter and according to DOL staff, they owe about \$4,000 in ESC payments including penalties and interest of between \$600-\$800.

Personnel System — The Mayor is a paid position, responsible for administering City business and supervising and directing the work of City staff. Until recently, the Mayor spent very little time in the City office and there is no indication that staff was provided much direction or that work was monitored. Roxanne has discussed with the City Council the need to do performance evaluations of all City staff, including the Mayor. Roxanne is working with the City Council to draft job descriptions to clarify job duties and management responsibilities.

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.

DCED has made the following recommendations to the Council:

- Institute the emergency operations staffing plan that was discussed in February. This plan was: have only critical staff, water plant operator, clinic janitor, and City Clerk, working only 2 hours a day.
- Consistently use parliamentary procedure at all meetings.
- Take minutes of all Council meetings and 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 RUBA staff sent 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 — There have been no updates on water and sewer account information provided since the customer billings last August. The balances due calculated from those figures are \$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. Will continue to work on this.

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

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 the Federal Environmental Protection Agency regarding a proceeding to assess an administrative penalty under the Federal Clean Water Act.

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		

Anticipated Activity

Roxanne Auge will be returning to Nondalton in September to continue training the new City Clerk and alternate, provide Council training, and work on implementing past recommendations, including:

- Using parliamentary procedure at all meetings to help direct the flow of discussion and ensure clarity regarding decisions.
- Developing job descriptions.
- Monitoring and evaluating the Mayor, staff, and Council.

