

Shaktoolik Activity Report

Josie Morrow, LGS/RUBA, Nome Regional Office

General Information:

Nome RUBA Josie Morrow provided assistance to the City this quarter through phone and fax. She helped the City Clerk purchase a new PC and printer. In addition, she assisted the City Clerk with the completion of the FY02 Revenue Sharing application.

The City sent its Utility Clerk to the Utility Planning Management workshop in Nome the week of January 29th.

Observations and Recommendations:

Finances — The Water/Sewer Utility has 60 active customers: 54 residential, 5 commercial, and the School District. Currently, there are 5 inactive accounts that have past due amounts totaling \$1,072. This is less than 1.2% of current revenues, or 8% of current customers. The City is pursuing repayment on the 5 past due accounts, and it is expected that most of the amounts will be recovered in fiscal year 2001.

The City has disconnects for nonpayment twice a year: June and September. In June 2000 there were only 2 disconnects. September 2000 there were no disconnects. A reconnect fee of \$100 is assessed when the customer pays off his past due account and requests reinstatement of service.

The City has an outstanding balance due AML/JIA of \$23,560 for insurance premiums dating back to sometime before 1997. AML/JIA cancelled all insurance coverage with the City in 1997. The City/Utility has no insurance coverage at this time.

This City is one of the two cities in the Bering Strait Region who do not have any gaming activities within the City limits. The City government relies on sales tax, building and equipment rentals, and shared revenues to support its general fund activities. The Utility is subsidized through heavy equipment rentals. At the end of FY00, these rentals provided \$15,770 to the Water/Sewer utility. The Nome RUBA did make the Council cognizant of the subsidy, and that the Council needs to consider utility rate increases this next fiscal year.

The heavy equipment rental is dependent on construction projects and cannot be expected every year. Also, the rental rates for heavy-duty equipment need to be more consistent with industry standards, and an agreement should be signed between the City and the contractor. Currently, the Mayor is making agreements with a handshake and his best estimate as to what he thinks the rent should be. There have been instances where the repairs to the equipment far exceeded the revenues from rentals, and the Council has asked the Mayor to stop this practice. The Nome RUBA did fax to the Mayor a list of information she needed to research the blue book rental rates, but he did not return the completed schedule to her.

Josie will follow up on the rental rates so that the City can be prepared for the upcoming construction season.

Accounting Systems — Both City and Utility Clerks use manual check registers and cash receipts journals to track expenditures and revenues. Both Clerks are meticulous in maintaining these manual records and reconciling all bank accounts to the registers and journals.

The Utility Clerk uses a manual customer accounts receivable card system that is up-to-date at the end of each day. The Utility Clerk has been working at the City for almost two years and has an outstanding set of books. She has instituted a daily Safe Audit Worksheet, where she can account for all cash in the safe, daily, and can tie all the money into bank deposits and the NEBS receipt journal. These cash audit sheets are also used by the Water Plant Operator in transmittal of receipts from the Washeteria, and are incorporated into the Utility Clerk's daily cash counts and Safe Audit Worksheets.

The Utility Clerk posts customers' payments daily on a wall chart. The Mayor and other Council Members use this chart to keep track of customers who are falling behind in payments. Quite often the Mayor will contact the customer to find out what the problem is with payment; and, as a result, there are very few customers who are more than a month past due in their payments. This community also has a drawing each month for the customers who are current on their accounts. Winner of the drawing gets a free month of service.

The only problem encountered by the Utility Clerk is the monthly financial report on the Excel spreadsheets. She does not have much experience with Excel and needs assistance with formulas and formats.

Josie has been working with the Mayor to identify a funding source for new computers and accounting software for the two business offices. This quarter the City was able to purchase a Gateway PC and HP printer for the City Clerk. A similar setup is needed for the Utility Clerk, as well as accounting software and training.

Tax Problems — The City Clerk is responsible for payroll tax deposits and filing of quarterly and annual tax reports. The City Council will not sign payroll checks unless they see a check to the depository for the payroll taxes. As a result, the City is always up to date on payroll tax deposits; and all forms are usually completed and filed within the first week following the end of a tax quarter. IRS reports that there are no taxes due from the City and Utility.

Personnel System — The Mayor and Council and staff have requested the Nome RUBA to conduct training sessions on the current personnel ordinance and to help them with the development of personnel policies

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Organizational Management — The City has a fairly new Code of Ordinances (1997 updated). It is very clear that the City is operating successfully under the current organization structure. Both City and Utility Clerks have clearly defined areas of responsibility. The City Clerk is currently organizing her files and using the records retention schedule provided her by the Nome RUBA to organize her work area better. The Utility Clerk’s office is so clean it hurts the eyes. Josie did recommend to her that she should help the City Clerk with file maintenance, as time permits. The City has begun the archiving of records and should be finished with this project at the end of the summer.

There are very clear lines of supervision within the City structure. The Mayor is accessible at his offices in the adjoining IRA building, and he walks through the various City buildings numerous times during the day to check up on daily activities. All employees communicate well with each other and the public, and the respect and politeness they show to one another is one of the reasons for the success of this City.

Leadership/Governance — This City is a good example of the strong Mayor form of government working well within a small community. The Mayor has held his position for the past 20 years. He is also the current President of the IRA and works hard to keep the three major organizations (City, IRA, and Native Corporation) pulling together.

The Mayor is strict about Council meetings not lasting more than two hours. He is well organized for each meeting and keeps the other members on tract. There are very few special meetings during the year, and the annual expenditures for stipends certainly reflect the Mayor’s and Council’s efficiency.

Operation of Utility — There is one Water Plant Operator and he is OIT certified. Ideally, the City needs to hire an alternate Operator for backup.

The City’s water system is on the Significant Non Compliance (SNC) List for Surface Water Treatment Rule (SWTR) because of no distribution chlorine residual and late operator reports.

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	

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Anticipated Activity:

The Nome RUBA will be assisting the City and Utility Clerks in the development of the FY02 budget and purchase of workers compensation insurance.