

Stebbins Activity Report

Josie Morrow, LGS/RUBA, Nome Regional Office

General Information:

Nome RUBA/LGS Josie Morrow made one field trip to the City/Utility in March 2001 to begin the QuickBooks Pro implementation with the Administrator and Clerk. Unfortunately, the City Clerk had to quit that week due to family reasons, so Josie was only able to get as far as creating a chart of accounts, employee records, and compile information and data for input into the accounting records.

Other assistance through phone and fax was provided by the Nome RUBA this quarter and consisted of end of year reports to IRS and the timing of payroll tax deposits, grants information, and the calculation of overtime for employees working a variable shift.

The City Clerk attended the Utility Planning Workshop in Nome the week of January 29th.

Observations and Recommendations:

Finances — The City has no back debt, other than IRS. A more complete picture of the City's financial status will be available during FY02, when the City implements the computerized accounting system.

Accounting Systems — The City is using manual registers, journals, and checks. Over the past fiscal year, there has been a constant turnover in the City Administrator and City Clerk positions, both of whom do the bookkeeping and accounting functions for the City and Utility. The newly hired City Administrator is not very proficient with computers, but she had hired a City Clerk who had good bookkeeping skills. Unfortunately, this Clerk resigned in March due to family pressures. The City was recruiting for another Clerk at the end of this quarter.

Utility billings are current, but Josie needs to examine them closely on her next field trip to make sure that all corrections for missed billings were passed on to the customers.

Tax Problems — The City is unsure how much it owes in back taxes. One piece of paper in the City files indicated there was a lien against some City property in the amount of \$200,000. Some notes were found from an IRS auditor during a March 2000 audit where he came up with an \$89,000 amount due. Josie says that she will have to clarify the tax problem with IRS. As of last summer, the City was making \$2,000 per month payments to IRS against amounts owed for back payroll taxes. The City was current through this quarter with its FY01 payroll taxes.

Personnel System — The City has an older personnel ordinance and in the past year has requested a more up-to-date ordinance. They were sent one, but the Council has not done

anything with it. They did discuss the need to attend to amending the current personnel ordinance this next fiscal year, and will make it a priority on the RUBA work plans. There are few personnel problems at this City/Utility. The largest hurdle is keeping employees.

Organizational Management — The City adopted a Utility Ordinance in April 2000. The ordinance was written by the Mayor and needs to be amended to include more specific language about each utility, how to handle corrections to accounts, past due bills, and disconnects. This new ordinance is vague in language and difficult for the office staff to understand. They also need to adopted a resolution stating all rates. There is no current rate schedule. The rates being charged have been adopted administratively by the Mayor.

The Nome RUBA has requested a copy of the Memorandum of Agreement (MOA) between the City and IRA. It is unclear to both entities where the organization is going in the long-term. As of March 31, 2001, Josie had not yet received a copy of this MOA.

Leadership/Governance — The Vice-Mayor this past year was elected to the office of Mayor for this next municipal year. He had been the long-time Mayor in the past, and has a strong hands-on style of management. The Council and Mayor do need training in their roles and responsibilities in the near future. They also need to read through the ordinances and Title 29. Josie will try to work in a training session before the end of this fiscal year.

Operation of Utility — The primary water plant operator passed the OIT test this past quarter. The City’s water system is on the Significant Non Compliance (SNC) List for Surface Water Treatment Rule (SWTR) Violations. The violations are for not monitoring entry point chlorine residual daily, no distribution chlorine residual and late operator reports. The RMW and project engineer are working with the operator to clear up these violations.

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:

The Nome RUBA will be making two field trips to the City/Utility during the April-May-June quarter to complete the QuickBooks implementation and training and to conduct a work session on the Utility and Personnel ordinances.