

# Stebbins Activity Report

Josie Morrow, LGS/RUBA, Nome Regional Office

## General Information:

Stebbins became a RUBA community this quarter. All agreements were signed and Nome RUBA/LGS Josie Morrow made one field trip to the community in June to begin the accounting hardware and software implementation for the City/Utility. Josie installed the PC, power backup unit, and QuickBooks Pro 99. The printer was not yet received at the City, and Josie will install it on her next field trip. Josie began the implementation of the accounting software and created a chart of accounts for the City based on their budget, grants, and types of utilities. She trained both the City Administrator and City Clerk in setting up employee payroll accounts and vendor accounts. She will continue the implementation and training next quarter, using FY01 as the starting date for all transactions.

While on the field trip, Josie met with the Council, IRA, and project engineers at a joint meeting, explaining her role in the City and Utility capacity development. The City and IRA have a joint memorandum of understanding for ownership and operation of the new system, but currently, the IRA participation is one of partnership in the design process. Josie will be training the IRA Bookkeeper, along with the two City employees, in the use of QuickBooks Pro, and she did include the IRA Bookkeeper in the training schedule for next quarter.

Other assistance to the City this quarter included oversight of FY00 financial reports and the development of the FY01 Budget, completion of the 1999 Consumer Confidence Report (CCR) on water quality, response to EPA concerning the 1998 Consumer Confidence Report that was completed by the Nome RUBA and RMW but not carried through by the past City Administrator. Josie had the new Administrator send the reports out with the July bills and the Certifications of Compliance were sent to DEC and EPA. The City was unable to send any of its Council Members or employees to recent Utility Management workshops in Nome, so Josie did a training session for the Administrator and Clerk on CCR's and daily reporting requirements that should be monitored by the Administrator.

The Nome RUBA also spent time with the City Administrator and City Clerk in reviewing the customer accounts receivable. Many accounts were incorrect, and Josie assisted the staff with corrections. Josie also provided the Administrator and City Clerk with a records retention schedule and looked through filing cabinets and boxes with the staff, giving them some ideas about archiving records.

## Observations and Recommendations:

Finances — The City has no back debt, other than IRS, that the Nome RUBA could ascertain on this first field trip. A more complete picture of the City's financial status will be available during this calendar year, as Josie implements the new accounting software.

The City carries insurance with a company in Anchorage and they are current with their premiums.

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 who do the bookkeeping and accounting functions for the City and Utility. The two newest employees were hired late in January, and had spent the past five months filing papers, completing tax reports, organizing employee payroll history files, and just trying to catch up with utility billings and financial reports. At the time of the Nome RUBA's June field trip, the City Clerk was just getting started with the cumulative monthly financial reports and needed Josie's assistance with revenues and costing out purchases from the two local stores and the various fuel companies.

ANTHC, with the assistance of the Nome RUBA, purchased a DELL PC, power backup unit, and HP Printer for the City this quarter. Upon Josie's direction last quarter, the City purchased QuickBooks Pro 99, and has committed the business office staff to working with Josie this calendar year to implement this software.

The Nome RUBA discovered about 20 customer accounts that had not been billed for honey bucket and trash haul, some of which went back as far as 1997. The prior City Administrators and Clerks had been billing Cable and Honey Bucket Haul and Trash Haul at one lump sum, and that lump sum was only the charge for Cable. Josie helped the City Administrator draft a letter to send to these 20 customers telling them of the problem and correcting their accounts due. It was decided to make the corrections for only the past 6 months.

All bank accounts are reconciled to date. Filing is completed, and the Administrator has begun to archive documents.

Tax Problems — The City is unsure how much it owes in back taxes. The Nome RUBA found one piece of paper in the City files that indicated there was a lien against some City Property in the amount of \$200,000. She found some notes 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/Anchorage and will have a more definite report next quarter. Currently, the City is making \$2,000 per month payments to IRS against amounts owed for back payroll taxes.

The City is current with its 2001 payroll taxes and is remitting payroll tax deposits with each payroll.

Personnel System — The City has an older personnel ordinance and in the past year has requested a more up-to-date ordinance from the Nome RUBA. Josie did send them 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.

The City Administrator is clearly the day-to-day supervisor for the employees. The Mayor meets daily with the Administrator, and there seems to be excellent communication among all staff.

Organizational Management — The new City Clerk did not know where the City’s Code of Ordinances were. The Nome RUBA found them for her on the bookshelf and went through the Code with her, pointing out items she should be aware of, in particular public notices and elections.

The City adopted a Utility Ordinance in April 2000. The Ordinance was written by the Vice-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. Overall, this new ordinance is vague in language and difficult for the office staff to understand. In addition, there needs to be adopted a Resolution with all rates. There is no current rate schedule. The rates being charged appear to have been done administratively by the former Mayor, now Vice-Mayor.

The Nome RUBA has requested a copy of the memorandum of agreement between the City and IRA. It is unclear to both entities where the organization is going in the long-term.

Leadership/Governance — The former Mayor, now the Vice-Mayor, held his office for over fifteen years, and is having a hard time stepping back. He continues to drop in at City offices and gets involved with the day-to-day running of everything. The staff have requested that the Nome RUBA do some kind of training in the very near future, so that the Council understands their roles and responsibilities. The new Mayor was out of town when Josie was in Stebbins, so she did not get to meet with him. It was observed that the former Mayor does interfere with the business office staff, and he does need to “let go.”

Operation of Utility — Neither Water Plant Operator is OIT certified, but they are serious about passing the test; and it is hopeful that this will happen this next fiscal year.

The City Administrator sent all Consumer Confidence Reports and Certifications of Compliance to users of the system and DEC this quarter.

**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

