

Stebbins Activity Report

Josie Morrow, LGS/RUBA, Nome Regional Office

General Information:

Due to turnover in City Administrator and City Clerk this quarter, Nome RUBA/LGS Josie Morrow did not travel out to the City to continue the accounting software implementation she had begun the prior quarter. Josie did work with the office staff to gather together information she needed for the implementation, but very little of the documentation was completed before the staff turnover occurred.

Other assistance provided this quarter was review of the municipal election ordinances with the City Administrator and monitoring of posting of election notices. Josie also gathered together information on all of the City's current grants and passed the information on to the Vice-Mayor and City Administrator.

Observations and Recommendations:

Finances — The City has no back debt, other than IRS, that the Nome RUBA could ascertain on her field trip last quarter. A more complete picture of the City's financial status will be available during this fiscal 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 whom do the bookkeeping and accounting functions for the City and Utility. The two newest employees were hired late in January, and had spent the first 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. As of the end of this quarter, the City had not yet completed its FY99 Certified Financial Reports. The City did submit a FY01 Budget but had not even started its FY00 financial reports.

ANTHC, with the assistance of the Nome RUBA, purchased a DELL PC, power backup unit, and HP Printer for the City last quarter. The City purchased QuickBooks Pro 99 for its accounting software and had committed the business office staff to working with Josie this calendar year to implement this software. Josie reports that she does not expect the implementation to begin until the City hires permanent staff for its business office. The City is currently recruiting for a City Administrator and City Clerk.

Last quarter, 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. Josie reports that she needs to verify that this back billing did happen. She has concerns that the City may have slipped back into the older way of doing things now that the City Administrator position is vacant.

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. As of last quarter, the City was making \$2,000 per month payments to IRS against amounts owed for back payroll taxes.

The City was current with its 2001 payroll taxes, through June 30th. Josie reports that she has the impressions the City is behind on its third quarter payroll tax deposits.

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.

Organizational Management — The City adopted a Utility Ordinance in April of this year. 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. As of the end of this quarter, Josie has not received a copy of this MOA.

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 last quarter, 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.

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

