

Teller Activity Report

General Information:

Nome RUBA/LGS Josie Morrow went to Teller with the Juneau Regional Offices Supervisor, Peter Freer, during the last week of November, where they reviewed grant files and documentation of nine specific grants. In addition, they met with the City Council and provided training for newly elected officials on their roles and responsibilities. They reviewed the Open Meetings Act and Conflict of Interest laws with the Council. Peter and Josie also discussed the precarious financial position of the City. A report of the trip with specific recommendations was released subsequent to this quarter and will be summarized in the next quarter's RUBA report.

Extensive assistance over phone and fax were provided by the Nome RUBA this quarter and can be summarized as follows:

- The Council adopted revision number seven of the FY00 Budget Ordinance at the end of October.
- Much follow-up of the municipal elections, runoff elections, and certification of the elections was done because of turnover in the City Clerk position during the election process. The Council had its reorganization meeting during Josie's and Peter's field trip.
- Assisted the City Clerk to reconstruct a lost bank deposit. The Acting City Clerk followed up on direction given to contact entities who had remitted checks and obtain replacements.
- Modified an employee leave accrual form and calculated the former City Clerk's leave. Ran through the sections in the Personnel Ordinance concerning leave and reviewed the calculations with the Acting City Clerk.
- Drafted a recruitment notice and job description for City Clerk position. The Mayor posted the notice throughout town. Subsequent to this quarter, the Acting City Clerk (formerly Secretary/Bookkeeper) was appointed to the Clerk position.
- Answered questions about the Cable Utility and a problem with a customer.
- Taught the Acting City Clerk how to calculate payroll tax deposits. Directed her to obtain the forms from IRS. Once she received the forms, she started making tax deposits.
- Taught the Acting City Clerk how to prepare the quarterly federal and state payroll reports. Completed the outstanding reports for quarters 2 and 3 and began quarter 4.
- During field trip went through all papers and files scattered throughout three offices. Compiled a list of five items that needed to be completed for receipt of shared revenues, payment in lieu of taxes, capital matching grants, and a permit renewal for the Landfill. The new Mayor completed these items.

(Continued on next page.)

- Continuing problems at the laundromat with sales of tokens and retention of attendants resulted in the Mayor selling tokens at a 10% discount to the two stores in the City. Customers now have access to tokens during extended hours, and the City business office is relieved of that traffic.

Josie completed the City's 1998 Consumer Confidence Report with Steve Schreiber of the National Rural Water Association. The Certifications due DEC are to be mailed out in early January.

Observations and Recommendations:

Finances — The City continues to have approximately \$275,000 of outstanding bills this quarter. Past due accounts receivable remain the same as last quarter: Cable - \$8,100; HB/Trash Collections - \$77,000. Bingo/Pulltabs net proceeds are budgeted to support 25% of the City budget, but few payments of net proceeds had been made to the City as of the end of this quarter. It was suggested by the Nome RUBA/LGS that all net proceeds from gaming be dedicated to the City until that time all debts are paid off; and the new Mayor has followed through with that suggestion this past quarter. The new Mayor has also pursued Sales Tax on gaming revenue and did collect on November net receipts. He has sent a letter to the gaming permit holders requesting a repayment plan for back sales tax.

All financial reports need to be brought up-to-date for this quarter and the budget amended where needed. Utility rates, as recommended by the Nome RUBA in the last quarter of FY99, need to be increased.

AML/JIA premiums are still outstanding for last fiscal year and this year. The City is in jeopardy of losing all insurance coverage.

The new Mayor has made a commitment to contact all the City's creditors and work out a repayment plan with them. This repayment plan needs to be incorporated into the amended budget.

Accounting Systems — The record keeping is a paper system and has not been kept up. All cash receipts have not been recorded through the NEBS Cash Receipts Journal, and checks have not been spread in the Check Register. There have been no financial reports for the current fiscal year. There was some evidence that financial reports were prepared last fiscal year, up to January 1999; however, upon review of the January report, it was apparent to MRAD staff that the information was not complete. The new Mayor has instructed the acting City Clerk to start using the MRAD Model Financial Record Keeping System, and he will be monitoring that progress. The Nome RUBA and new Mayor have made it a priority to automate the business offices as soon as possible. Funding sources for equipment are being looked into by the Mayor as this quarter ends.

An organized filing system is needed as soon as possible. Assistance is needed this calendar year for the City to get up-to-date on all its grant reports and bank reconciliations. The new Mayor has contacted the various MRAD grant personnel for assistance.

Tax Problems — The City had not filed payroll tax reports for the second and third quarters this calendar year. The Nome RUBA assisted the Acting City Clerk at the end of this quarter with these reports and they were completed shortly after the new year.

IRS levied the City's Shared Revenues and PILT monies in the amount of \$41,000 for 1998 and 1st quarter 1999 payroll taxes. Completed quarterly reports show that \$17,600 are owed IRS for quarters 2 and 3 in 1999, and \$1,275 are owed to DOL/ESD for quarters 2 and 3 in 1999. Penalties and interest will increase these amounts due. The 4th quarter payroll reports are estimated to be approximately \$7,500 due IRS, and \$550 due DOL/ESD. Of the amounts due IRS and DOL/ESD for the last 3 quarters in 1999, the Bingo fund employee costs account for 55% of the liability.

Personnel System — The City has a Personnel ordinance that has not been adhered to in the past. The new Mayor has been reviewing the ordinances and is cognizant of his duties. There had been a serious lack of supervision of employees. The new Mayor has exhibited strong skills in management of employees, and it is expected that there will be reportable improvements in this area next quarter. The City had been recruiting for a new City Clerk. Shortly after the ending of this quarter, the Mayor recommended to the Council that they promote the Secretary/Bookkeeper, who had been Acting City Clerk, to the position. The recommendation will be considered at the regular monthly meeting in January.

It was recommended by Nome RUBA and Juneau Regional Office Supervisor Peter Freer that the City designate a direct supervisor over the Bingo coordinator and that his activities be monitored more closely, including approval of expenditures, timesheets, work schedules, reports, and bank deposits.

It was also recommended to the new Mayor that all advances be discontinued, and if any need to be made, that they not be made with cash.

Organizational Management — An organizational chart needs to be drawn up as a reference tool for the Council and employees and public. Collection policies need to be addressed in the current Utility ordinances and user agreements signed by all customers.

Leadership/Governance — The City Council reorganized at its November meeting. The new Mayor is a strong leader with a lot of energy. There is a vacant seat on the Council that needs to be filled. Council Members unexcused absences need to be monitored more carefully. Continuous training of Council members in their roles and responsibilities and understanding of City Ordinances should be included in the RUBA work plans.

Operation of Utility — The Water Plant is operated through the School District and the operator needs to be supplied with turbidity testing equipment. The City has been selling

untreated water from a ground source outside the City limits, and there are a number of issues that need to be addressed, including water quality. The City operated Trash and Honey Bucket Haul and Water delivery service are dependent on equipment running and roads being clear of snow. The City did apply for and received FY00 Capital Matching Grants to keep equipment in good repair, so it is expected that this next fiscal year will see some improvements in the service.

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 | |