

Teller Activity Report

Josie Morrow, LGS/RUBA, Nome Regional Office

General Information:

Scheduled field trips to Teller this quarter were cancelled due to the City Clerk's absences to stay with her very ill grandfather while he was undergoing treatment in Anchorage. However, Nome RUBA/LGS Josie Morrow assisted the City through telephone, email, and fax this quarter. Josie helped the City Clerk and Mayor complete the following:

- 1st quarter payroll tax reports.
- FY01 Budget.
- An amended utility ordinance clarifying the City's billing and collection policies and providing a schedule of rates to be charged for each utility service.
- A comprehensive listing of all customers accounts receivable for each utility.
- 1999 Consumer Confidence Reports on Water Quality and Certification of Completion.

The City sent its Mayor to the Sanitation Planning Workshop in Nome in April. The City also sent its Gaming Manager to the week long Introduction to City/Utility Financial Management Workshop in Nome at the end of May. Both workshops were sponsored by DCED's RUBA Program and Norton Sound Health Corporation, Office of Environmental Health.

The City of Teller was chosen to participate in an external billing project through AVEC. The City's utility billings will be done by AVEC through the next fiscal year. The project is being funded by the Denali Commission Special Projects funds to develop Utility management capacity. Various teleconferences were held with the Nome RUBA, the Mayor, and AVEC to coordinate this project. The City did revise its billing and collections ordinance and adopted a rate schedule for its various utility services so that AVEC could have a more legal basis on which to bill. However, due to absences of the City Clerk this past quarter, some of the coordination was not completed. It is expected that the billing services will begin sometime in August, September, or October.

The RUBA Program has made Leroy Seppilu, Anchorage RUBA, available to assist the Nome RUBA this next fiscal year in the revision of various cities' Codes of Ordinances. Teller was chosen by Josie as having the highest priority in this endeavor, and Leroy will be meeting with the City Council and staff in early July to begin this process.

The City has many incomplete grants, of which the Reindeer Processing Plant is the most critical to the community. A task force of DCED employees in Nome, Fairbanks, and Juneau has been teleconferencing with other DCED divisions and Kawerak, Inc. and the City Mayor to develop a plan to complete this facility. At the end of June 2000, Kawerak was funding a marketing study and were actively pursuing additional funds for completion of the plant.

Observations and Recommendations:

Finances — The City remains approximately \$235,000 in debt, with the largest amounts being owed to IRS, AML/JIA, and the Cable Company. IRS and AML/JIA have levied the City's FY01 Shared Revenues in the amounts of \$40,504 and \$37,111, respectively. The City asked for reappropriation of some of its Capital Matching Grants this quarter so that the debt with the Cable Company for equipment could be bought out at a negotiated price.

Almost none of the City's utility customers are current in their payments. Past due accounts for Cable TV are \$9,300 and Honey Bucket/Trash Haul, \$84,000.

Accounting Systems — The City Clerk is the bookkeeper for the City and Utility Departments, with the exception of Bingo and Pulltab activities. Those books are kept by the Gaming Coordinator. All of the record keeping is done through manual registers and journals, with some excel spreadsheets for employee history information. Unfortunately, the City Clerk does not keep the excel spreadsheets up to date on the employees, and has a difficult time completing the payroll tax reports.

The City Clerk has indicated to the Nome RUBA that she is up-to-date with monthly financial reports, but as of this quarter has not sent any of those reports to Josie, as requested. The FY99 Certified Financial Reports have not been completed, and the Nome RUBA was asked to assist with those. Josie did give the City Clerk direction on locating files for the compilation of those reports; but as of the end of this quarter, the Clerk had not put the information together.

The Mayor is desirous of automating all accounting at the City, and the City's FY01 Capital Matching Grant request included the purchase of computers and software.

Cash receipts are still not being deposited daily. There was another robbery at City Hall in April 2000. The Nome RUBA is considering making proof of daily bank deposits a condition of the RUBA Program. She will discuss this with the Mayor and staff on her next field trip. As it is, the Clerk is far too casual in her handling of money; and it has been recommended by the Nome RUBA, since she began working with this community over a year ago, that the City must deposit all receipts daily. Josie did discuss the mechanics of this procedure with the Clerk this quarter, but the Clerk did nothing to institute the procedure.

Tax Problems — The levy on the City's FY01 Shared Revenues in the amount of \$40,504 is for amounts due from 1999 payroll taxes. Gaming Activities employees account for 55% of these amounts due, and the Nome RUBA has provided the Mayor and City Clerk with a breakdown of payroll taxes that the Gaming account needs to remit to the City. Discussions between IRS/Fairbanks and the Nome RUBA this quarter indicated that the 1st quarter 941 was not received by IRS. Josie did notify the Mayor concerning this, and he was to follow up with the Clerk once she returned to work.

Personnel System — There continues to be a serious lack of supervision of key employees, primarily the City Clerk and Gaming Coordinator. The new Mayor was exhibiting some really good managerial skills the first three months after he was elected to his office in November of 1999; however, the expected gains that would result from closer supervision have not materialized. Both employees have attendance and productivity problems that are not being addressed. The Nome RUBA has been hesitant in writing letters of deficiencies to the Council because of the newness of the Clerk, and the problems being exhibited by the Gaming Coordinator are ones that require an executive session. The Nome RUBA is scheduling a field trip to Teller at the end of September to address these serious concerns.

The Mayor did act upon a recommendation made by the Nome RUBA, Josie Morrow, and Juneau Regional Office Supervisor, Peter Freer, that the City discontinue all employee advances. The Mayor is strictly adhering to this policy. However, he has not followed through with the recommendation that the Gaming Coordinator have more direct supervision, including approval of expenditures, timesheets, work schedules, reports, and bank deposits.

Organizational Management — The City Clerk is not able to do the bookkeeping and accounting functions expected of her. In the past, the City always had a Bookkeeper position; however, the duties of the position were more those of a secretary/receptionist, rather than a true bookkeeper's. The Nome RUBA is recommending that the City either hire a more experienced Clerk, or that the Clerk's position be scaled back to the traditional City Clerk functions, and that a more skilled person be hired to do all bookkeeping and accounting, including Gaming. This will have to happen, anyway, once the City starts using an automated accounting system, such as QuickBooks Pro; so it would be best if the Mayor and Council prepared for this change early in FY01.

The City needs to develop customer files and agreements for services. Collections on old debts must happen this next fiscal year; and it is a priority for the Nome RUBA that the Council act on her recommendation for a more experienced Bookkeeper position.

Leadership/Governance — The Mayor was aggressive in pushing through an amendment to the City's billing and collection policies late this quarter. He was also instrumental in getting the FY01 Budget passed before the beginning of the new fiscal year. He remains a strong leader and concerned Mayor. It is expected that once the summer months are over, he will again be at the City Offices on a more frequent basis. None of the Council is able to assist the Mayor, and it is hoped that the next municipal election in October will result in some stronger support and talent for the City.

The new Council will be required to attend a training session conducted by the Nome RUBA that will familiarize them with their roles and responsibilities. Anchorage RUBA Leroy Seppilu will also be stressing leadership as he reviews and rewrites the City's Code of Ordinances with the Council. A large part of Leroy's review will include answering questions and instilling in the Council and Staff a better understanding of their government and what is expected of each of them.

Operation of Utility — The City has not distributed the 1998 and 1999 Consumer Confidence Reports on water quality that the Nome RUBA and RMW assisted them with. Josie will follow up with the City on this next step.

The School continues to operate the Water Treatment Plant. Turbidity testing equipment and training will be provided by the RMW, so that violations in this area can be eliminated.

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	