

Wales Activity Report

Josie Morrow, LGS/RUBA, Nome Regional Office

General Information:

Nome RUBA/LGS Josie provided assistance this quarter through phone and fax on the following:

- Monitored the municipal elections.
- Advised the City Clerk and Mayor concerning questions they had about deductions from Council members' stipends for utility bills, small claims procedures, and other collection ideas.
- Alaska Native Health Board (ANHB) final grant report and transfer of funds to general account.
- Issues with two Council members and how the Mayor should handle them.
- Workers compensation insurance.

The City sent one of its Council members and the City Clerk to the Utility Organization Management workshop in Nome the week of November 13th.

Observations and Recommendations:

Finances —The FY01 budget ordinance was completed prior to the beginning of the new fiscal year, but it is in a deficit situation. The Nome RUBA advised the City Clerk and Mayor that they need amend the budget such that expenditures do not exceed revenues. Josie also advised the City to include budgets for grants that would be worked on this next fiscal year, and she assisted the Clerk and Mayor last quarter with costing out some salaries against grant budgets. The City had not amended the FY01 budget as of the end of this quarter, and the Nome RUBA will be following up on this matter.

The City Clerk continues to pursue collections on past due utility accounts. Last summer the City Clerk filed 14 small claims actions totaling \$10,825. Partial payments of \$1,634 were made by 5 of the accounts last quarter, and the Clerk filed levies against Permanent Fund Dividends and wages this quarter.

Review of the June 30th customer accounts receivable balance indicate that, among the 36 active accounts, 3 are current in their payments, 10 are part of the small claims filings, 14 more need to be filed upon, and 5 are 30 to 60 days in arrears. There are 12 inactive accounts at June 30th, of which 4 are in small claims and the remaining 8 mostly have balances of one month. Total balance due from active and inactive customers for honey bucket haul on June 30th was \$15,300. A more current update on the customer accounts receivable will be available on December 31, 2000.

Wales is not carrying any insurance, and the Nome RUBA/LGS advised them they must at least carry workers compensation insurance. The Mayor did call an insurance company in Anchorage for an estimate on premiums for the next calendar year.

Accounting Systems — The City uses manual journals and registers. They have not been keeping any kind of budget detail sheets since the turnover in Clerks in 1998. Nor were they spreading costs in the check register. Monthly financial reports were not being done since mid 1998. The Nome RUBA had to complete the City's FY98 and FY99 Certified Financial Reports. The City Clerk needs some direct supervision in the completion of financial reports, and Josie will be working with the Mayor to accomplish this.

Tax Problems — IRS levied the City's shared revenues for 1999 in the amount of \$40,504. The new City Clerk has kept all payroll tax deposits current this calendar year and has filed the required quarterly reports in a timely manner.

Personnel System — Since 1998, the City had been unable to keep a Clerk for more than a few months. However, in late January 2001, the City hired an experienced Clerk, who has all intentions of staying with the City and seeing that it gets back on its feet. The new City Clerk reports that the Mayor and Council are supportive of her and what she needs to do, so there is a lot of positive energy being generated.

Personnel management has not been strong in the past, at the City. There have been at least 5 employees that the Nome RUBA can remember these past two years who have taken advantage of their positions and not feared any action on the part of the Council. Josie has been working with the Mayor and Council to address problems as they arise, and it appears that the new City Clerk is providing the backup and leadership that has been lacking in the past.

Organizational Management — The City has a Code of Ordinances, but it is only recently that the Clerk and Council have been reading them. The code is very old and needs amending. The Nome RUBA will be working with the City to strengthen their billing and collection policies this next fiscal year.

Leadership/Governance — In the last nine months the Mayor has taken a strong position on old accounts past due the City. The Nome RUBA will be making a high priority to work with the Council and train them better in their roles and responsibilities.

Operation of Utility — The Water Plant Operator is OIT Certified and is current with his testing. He has a good attitude and can always be relied upon to carry out instructions from the RMW. However, the City's water system is on the Significant Non Compliance (SNC) List for Surface Water Treatment Rule (SWTR). The violations are for late operator reports, not measuring entry point chlorine residuals daily and no distribution chlorine residual. DEC reports that the Sanitary Survey is long overdue and should be scheduled as soon as possible.

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	

