

# Wales Activity Report

Josie Morrow, LGS/RUBA, Nome Regional Office

## General Information:

Nome RUBA/LGS Josie Morrow assisted the City Clerk and Mayor this quarter to complete the Resolutions, Budget, and applications needed for FY00 and FY01 Shared Revenues and Payment in Lieu of Taxes. Carol Piscoya from the Nome Regional Office made a trip to the City to help the Clerk gather together all financial information so that Josie could reconstruct the FY98 and FY99 Certified Financial Reports (CFR). IRS has levied the City's shared revenues for 1999 payroll taxes in the amount of \$40,852. At the end of this quarter, Josie had completed the FY98 CFR's and was beginning the FY99's. The City has pledged a portion of its FY01 Shared Revenues to the annual fuel shipment.

Other assistance provided by the Nome RUBA through phone and fax are as follows:

- Small Claims procedures for collection on Honey Bucket Haul accounts past due.
- Completion of Alaska Native Health Board (ANHB) Grant report.
- Obtained information from the Juneau Grants Office for the City's Capital Matching Grants. Reviewed the information with the Clerk so she would understand the schedules and what monies were still available.
- Advised Clerk about a reporting form sent to her by USDA for the Clinic Project. Researched check registers for possible reimbursements on the Clinic Project from USDA, and prepared a worksheet for the Clerk to use as reference.
- Discussed FY01 Budget with Clerk and advised her she needs to amend it. Sent her the forms, ordinance, and worksheet format.
- Reviewed the Post Office lease for the rental of space at City Hall and advised the Clerk of an error that she needed to have the Post Office correct. They had the wrong payee on the lease.
- Completed the 1999 Consumer Confidence Report on water quality and the Certifications of Compliance.
- Completed the 1999 quarterly contribution reports due Department of Labor, Employment Security Division.

The City sent one of its Council Members to the Sanitation Planning Workshop in Nome in April. The City also sent its City Clerk 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.

## Observations and Recommendations:

**Finances** — A FY00 Budget was completed in the third quarter FY00. The City also completed a FY01 budget early this quarter. The FY01 budget had a deficit situation, and the City was advised by the Nome RUBA to amend the budget such that expenditures did

not exceed revenues. Josie also advised the City to include budget for grants that would be worked on this next fiscal year, and she assisted the Clerk and Mayor with costing out some salaries against grant budgets.

The City hired a competent City Clerk early this calendar year. The new Clerk made collections on past due utility accounts a priority and filed 14 Small Claims actions early this quarter. The 14 past due accounts total \$10,825. Partial payments of \$1,634 were made by 5 of the accounts, and the Clerk is now filing levies against Permanent Fund Dividends and wages.

Review of the June 30<sup>th</sup> customer accounts receivable balance indicate that, among the 36 active accounts, 3 are current, 10 were part of the Small Claims filings this quarter, 14 more need to be filed upon, and 5 are 30 to 60 days in arrears. There are 12 inactive accounts at June 30<sup>th</sup>, of which 4 are in Small Claims and the remaining 8 mostly have balances of 1 month. Total balance due from active and inactive customers for Honey Bucket Haul at June 30<sup>th</sup> was \$15,300.

A more complete assessment will be made of the City next quarter. The Nome RUBA estimates that the new City Clerk will have caught up with all financial reports and should have a complete list of debts, if any.

**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. The Nome RUBA had to have Carol Piscoya from the Nome Regional Office go out to the City and search through all the boxes of files, desk drawers, and cabinets to try to find accounting information for FY98 and FY99 so that financial reports could be reconstructed. Josie reports that she is still sifting through files, but should be finished with those reports this next quarter. Josie also reports that she has great confidence in the new City Clerk, and expects to see FY00 Certified Financial Reports completed by the City this next quarter.

**Tax Problems** — The City did not deposit and of 1999 payroll taxes nor did they file all four quarters' reports. The reports were done in January 2000, in order to complete the 1999 W-2's. As a result, it was calculated that the City owed approximately \$40,000 in taxes and penalties. IRS levied the City's shared revenues this quarter in the amount of \$40,504. Once the Shared Revenues are disbursed, the City will be up to date with Federal taxes. The new City Clerk has kept all payroll tax deposits current this calendar year.

The City also owed Department of Labor (DOL) for Employment Contribution taxes. There were balances due from 1992 – 1994, and all of 1999. The City remitted \$2,400 to DOL for past due amounts and completed the quarterly reports for 1999. The City is now current with DOL/Employment Security Division.

**Personnel System** — Since 1998, the City had been unable to keep a Clerk for more than a few months. However, in late January 2000, 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 past reports, the Nome RUBA said she has been critical of the timidity of the long time Mayor. However, it was noticed these last two quarters of FY00 that the Mayor has developed some fire and 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.

The Nome RUBA and RMW completed the City’s 1998 Consumer Confidence Report on water quality in January; and the Clerk completed the 1999 Report with Steve Shreiber from the National Rural Water Association at the May Utility Management Workshop in Nome. However, neither year’s report and certification have been received by DEC. The Nome RUBA will follow up with the City Clerk on the status of these filings early this next 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

