

Wales Activity Report

Josie Morrow, LGS/RUBA, Nome Regional Office

General Information:

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

- Determined that the municipal elections for the City are in November. Encouraged the City Clerk to read the election ordinances and prepare an election calendar.
- Provided schedules of items needed to complete the FY's 98 and 99 Certified Financial Reports and ANHB final grant report. Followed up on these matters throughout the quarter.
- Provided specific information relating to vacancies in Council Member seats. Reviewed qualification of Council Members with the Clerk and had her identify sections in the City Ordinances that related to these two matters in case she was questioned by the Council at their August meeting.

Observations and Recommendations:

Finances —The FY01 budget ordinance was in a deficit situation, and the City was advised last quarter by the Nome RUBA to amend the budget such that expenditures did 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 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 quarter she filed 14 Small Claims actions. 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 Permafund dividends and wages.

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 at June 30th was \$15,300. A more current update on the customer accounts receivable will be available at December 31st.

Wales is not carrying any insurance, and the Nome RUBA/LGS advised them they must at least carry workers compensation insurance. The Mayor was going to 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. In March, the Nome RUBA had 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 was still trying to obtain some missing bank account information and check registers at the end of this quarter. It is expected that both fiscal years will be completed this next quarter. Josie had high expectations of the new City Clerk completing the FY2000 Certified Financial Reports this quarter; but now that she has had more contact with the Clerk, she thinks that the City will need some assistance for these to be completed.

Tax Problems — IRS levied the City's shared revenues this past quarter for 1999 payroll taxes 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 payroll 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 of this year, 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 says 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.

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

