

MEMORANDUM

STATE OF ALASKA Commerce, Community, and Economic Development

TO: Fred Broerman, LGS 4

DATE: May 28, 2024

FROM: Nick Martinez
LGS 3/ Bethel Region

SUBJECT: Trip Report
Aniak, Alaska
April 16-19, 2024

PURPOSE OF TRIP: Assist with the FY2025 budget ordinance, land transfers, flood information, and rate changes.

PERSONS CONTACTED: Mayor Dan Bonanno and city council members Nora Kelila, Francis Brown, and Clara Morgan, Public Works Operators Steven Simeon and Francis Vaska, City Clerk Morgan Simeon, Librarian Trisha Folz, and City Manager Lenore Kameroff

OBSERVATIONS: On Tuesday, April 16, 2024, Bethel RUBA staff departed Bethel at 3:00 p.m. and arrived in Aniak at 3:40 p.m. RUBA staff went to the city office, met with city staff, and discussed with the city manager tasks the city needed assistance with during the trip. Bethel RUBA staff was brought up to speed with what has been going on in the city including moving the library to where the city office is and the city office moving to the city rental unit next door, employees and recruitment for open positions, and agenda items for the upcoming city council meeting. RUBA staff finished the day by reviewing the FY2024 budget to prepare for assisting with drafting the FY2025 budget and began researching registration for heavy equipment.

On Wednesday, April 17, 2024, Bethel RUBA staff began drafting the FY2025 budget ordinance with the city manager. RUBA staff used the most updated monthly financial report to project income and expenses and the city manager provided a copy of projected wages, payroll taxes, and insurance costs. The city manager also provided details about current grants that the city had in addition to ones they had thought about reapplying for. The city staff informed RUBA staff that the [Low Income Household Water Assistance Program](#) (LIHWAP) ultimately had not helped residents as much as it was first thought to. The program was based on income and the people who did fill out the paperwork did not qualify. Since then, the city has sent out letters to delinquent customers notifying them of the amounts and possible repercussions for failure to pay.

The city manager informed RUBA staff that due to the fluctuating power that Aniak Light and Power Company provides, the city wants to get updated property information from the utility about where the power lines and poles are to see if they are on city property. The city manager relayed that the community does not always have consistent power and rates went up drastically recently so the city wants to know how it could help with the current problem. Additionally, the city manager asked RUBA staff how to get an updated map of the city's buried sewer lines. A map of the sewage lines would be helpful to the city for planning purposes to know where lines might be needed for future housing projects. RUBA staff advised that the engineer for the community may have a copy of the sewer lines

blueprint. RUBA finished the day going over the projected income and expenses for FY2025 and began brainstorming how to overcome the projected deficit to make the budget balanced.

On Thursday, April 18, 2024, Bethel RUBA staff met with the city manager and equipment operator to discuss the upcoming financial year. RUBA staff discussed multiple scenarios that could help reduce the current projected deficit in the budget including raising public works and sewer rates for residents and commercial businesses and lowering the hours worked for city staff by one hour. The city manager stated that commercial businesses used the landfill more often than individuals and it would be a good revenue source to create a monthly usage rate for commercial businesses. Additionally, RUBA staff learned that council had talked about raising rates before but had not passed any ordinances regarding rates.

The city manager discussed with RUBA staff about assuming the role of public works director with the caveat of either hiring a new employee for a financial director or training the current city clerk on financials. RUBA staff agreed that would be a good idea because the public works director position has been vacant for a long time but emphasized the importance of finding someone to take over the financial role so the manager (who has been and still is handling the city's finances) would not be overworked. The city manager agreed and stated she would bring it up at the city council meeting later that day. Bethel RUBA staff attended the city council meeting and advised council about the FY2025 budget. RUBA staff suggested that council raise sewer rates and the public works service fee and provided information about how much to increase them. Additionally, RUBA staff advised that cutting full-time employees by an hour, similar to what was done at the beginning of FY2024, would also help cut expenses. RUBA staff also advised that the land lease for the clinic is set to expire within the next couple of years. City council should draft a letter to YKHC notifying them of a monthly lease fee. Council was told that this would be an additional revenue stream that is not currently in place.

On Friday, April 19, RUBA staff departed Aniak at 9 a.m. and landed back in Bethel at 11:30 a.m.

RECOMMENDATIONS: RUBA staff strongly advises city council to raise their sewer and public works rates along with establishing a commercial landfill rate. The current rates have not been raised in years. Costs incurred by the city in providing essential services to residents (such as road maintenance, landfill management, and sewer service) have significantly increased. Revenue from current user fees is no longer adequate to cover the expenses for providing these services. Raising the monthly residential public works service fee from \$10 to \$25 as well as raising the residential sewer user fee by \$15 will help provide the city with adequate funds to keep providing these essential public services.

CC: Mayor David Bonanno and Aniak City Council
Anita Erickson, VSW Project Engineer
Lynn Kenealy, Division of Community and Regional Affairs, RUBA Program Manager