

Brevig Mission Activity Report

Community Overview

Lead RUBA Staff: Leroy Seppilu, Nome Office

2003 Population: 314

Region: Bering Straits

Local Governments: 2nd Class City



Brevig Mission completed construction of a 4-phase, \$8.5 million piped water and sewer system and new landfill in November 2002. There are 56 residential customers paying \$120 per month, 9 commercial customers paying \$180 per month and Bering Strait School District paying \$4,416.67 per month. The City also operates the trash haul system and sewage lagoon. The fee for trash haul is included in the residential water/sewer utility fee. Water is supplied from Shelmon Creek and is treated and stored in a 100,000-gallon tank at the washeteria. The tank is filled monthly. Water is piped into the school from the washeteria. The City Council is the policy making body for the utility.

RUBA Activity This Reporting Period

The mayor came back from vacation and held a special meeting to discuss the suspension and firing of the city administrator. After much discussion, the council rehired the administrator because of her skills with monthly water/sewer utility bill collections. She was keeping the w/s utility collection rate slightly over 95%. The bookkeeper was having a difficult time trying to keep up with the bills owed by the City. The unpaid bills had accumulated to \$27,000. Nome RUBA staff had made a trip to determine what needed to be paid. IRS and electricity bills were the first ones to be paid. The rest will be paid off as revenues trickle in. The council cut all the city's employee work hours. The administrator and bookkeeper's hours were cut by two hours each. Near the end of the present quarter, the bookkeeper resigned because she wanted a \$2 an hour raise from her current \$14.50 per hour. Nome RUBA staff recommended to the administrator to wait a few days to see if she would come back and if she doesn't, the council can decide what to do. She was being promoted to Assistant City Administrator/Bookkeeper. Nome RUBA recommended that procedures set in the City's personnel policies be followed, including the pay schedule.

Capacity Indicators

Finances

Yes	No	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	All revenue and expenses for the utility are listed in the utility budget.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	The utility has adopted a balanced realistic budget.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Monthly financial reports are prepared and submitted to the policy making body.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	The utility is receiving revenues (user fees or other sources) sufficient to cover operating expenses.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	The utility is receiving revenues (user fees or other sources) sufficient to cover operating expenses and Repair & Replacement (R&R) costs.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	YTD revenues are at a level equal to or above those budgeted.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	YTD expenditures are at a level equal to or below those budgeted.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	A monthly manager’s report is prepared.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Budget amendments are completed and adopted as necessary.

Finances Comments:

The Water and Sewer Utility Department had a revenue of \$155,000 last fiscal year with expenditures of \$117,000. This does not include fuel oil and electric expenses. We estimate that these two major expenses will add about \$25,000 next year when the City assumes them. The w/s project is currently paying for them.

Accounting Systems

Essential Indicators

Yes	No	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	The utility has adopted a collection policy and actively follows it.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	The utility bills customers on a regular basis.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	An accounts receivable system is in place which track customers and reports past due accounts and amounts.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	An accounts payable system is in place.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	The payroll system correctly calculates payroll and keeps records
<input checked="" type="checkbox"/>	<input type="checkbox"/>	A cash receipt system is in place that records incoming money and what it was for.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	The Utility has a cash disbursement system that records how money was spent.

Sustainable Indicators

<input checked="" type="checkbox"/>	<input type="checkbox"/>	A chart of accounts is used that identifies categories in a reasonable, usable manner.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Monthly bank reconciliations have been completed for all utility accounts.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	The utility has a purchasing system that requires approval prior to purchase, and the approval process compares proposed purchases to budgeted amounts.

Accounting System Comments:

The administrator is back and she has caught up to using the QuickBooks Pro. The Council and the bookkeeper are trying to fine-tune the monthly financial report format. An Excel spreadsheet is being used but the council would like to have checking account balances and accounts payables with explanations on them. The council complained about how difficult to understand the QuickBooks Pro monthly financial statements are.

Tax Problems

Essential Indicators

Yes	No	NA	
<input checked="" type="checkbox"/>	<input type="checkbox"/>		The utility has a system to accurately calculate, track, and report payroll tax liabilities.
<input checked="" type="checkbox"/>	<input type="checkbox"/>		The utility is current on filing tax reports.
<input checked="" type="checkbox"/>	<input type="checkbox"/>		The utility is current on making tax deposits.
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	If there are any past tax liabilities, a repayment agreement has been signed and repayments are current.

Tax Problems Comments:

The city does not have any tax problems this quarter.

Personnel System

Essential Indicators

Yes	No	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	The utility has a posted workers compensation insurance policy in effect.

Sustainable Indicators

<input checked="" type="checkbox"/>	<input type="checkbox"/>	The utility has adopted and uses a Personnel Policy, which has been reviewed by an attorney, AML, or DCED for topics and language.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	The utility has adequate written job descriptions for all positions.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	The utility has adopted and follows a written personnel evaluation process that ties the job description to the evaluation.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	The utility has an adequate written hiring process.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	The utility has personnel folders on every employee that contain at least: I-9, Job Application and Letter of Acceptance.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	The utility has a probationary period for new hires that includes orientation, job-training/oversight, and evaluations.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	The utility provides training opportunities to staff as needed and available.

Personnel System Comments:

It has been a major relief that the council re-hired the administrator. The mayor thought it was important enough to convince the council to retain her. Her value lies in her ability to keep the collection rate for the w/s utility very high.

Organizational Management

Essential Indicators

Yes	No	NA	
<input checked="" type="checkbox"/>	<input type="checkbox"/>		The entity that owns the utility is known and the entity that will operate the utility is set.
<input checked="" type="checkbox"/>	<input type="checkbox"/>		The policy making body is active in policy making of the utility.
<input checked="" type="checkbox"/>	<input type="checkbox"/>		The policy making body enforces utility policy.
<input checked="" type="checkbox"/>	<input type="checkbox"/>		The utility has an adequately trained manager.
<input checked="" type="checkbox"/>	<input type="checkbox"/>		The utility has an adequately trained bookkeeper.
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The utility has an adequately trained operator(s).
<input checked="" type="checkbox"/>	<input type="checkbox"/>		The utility has adopted the necessary ordinances (or rules and regulations) necessary to give it the authority to operate.

Sustainable Indicators

<input checked="" type="checkbox"/>	<input type="checkbox"/>	The utility has adopted an organizational chart that reflects the current structure.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	The policy making body meets as required.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	The utility complies with the open meeting act for all meetings.

Organizational Management Comments:

There are no organizational management issues to discuss this quarter.

Operation of Utility

Essential Indicators

Yes	No	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	The utility operator(s) are actively working towards necessary certification.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	The utility has a preventative maintenance plan developed for the existing sanitation facilities.

Sustainable Indicators

<input type="checkbox"/>	<input checked="" type="checkbox"/>	The manager receives a monthly O&M report from the utility operator and routinely "spot checks" the facilities to see that the maintenance items are being completed.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	The utility has a safety manual and holds safety meetings.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Utility facilities have not suffered any major problems/outages due to management issues that are still unresolved.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	The utility is operating at the level of service that was proposed.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	The operator provides status reports to the manager on a routine basis.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	The utility has completed and distributed its <u>Community Confidence Report (CCR)</u> .
<input type="checkbox"/>	<input checked="" type="checkbox"/>	The utility is not on the <u>Significant Non-Compliance (SNC)</u> list.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	The utility maintains an inventory control list.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	The utility maintains a critical spare parts list.

Operation of Utility Comments:

The City was able to get 10,000 gallons of fuel oil paid by the w/s utility project. The project also paid for the electricity. The City will take control later this fall for these two expenses. If the fuel oil prices continue to remain high, we expect the City to pay about \$20,000 for fuel next year and about \$15,000 for electricity.

RUBA Activities for the Coming Quarter:

Nome RUBA staff was invited to attend the ceremony to hand over the management and operation of the new sanitation landfill in October. RUBA will monitor the financial activities of the w/s utility by review of monthly financial statements.

