

Coffman Cove Activity Report

Community Overview

Lead RUBA Staff: Gina Shirey-Potts, Juneau Office
 2003 Population: 163
 Region: Southeast
 Local Governments: Second Class City



The City of Coffman Cove operates and manages the piped water and sewer system. The City Council is the policy making body for the utility.

Due to archaeological site discoveries, residents have relocated to three new subdivisions (Bowhead, Dog Creek and Forest Service), on land previously owned by the University and DNR. Coffman Cove uses a surface water source; a new water treatment system and storage tank supply the piped water system. A piped sewage system was recently completed. 69 homes now have complete plumbing. The City burns refuse and hauls the ash to Thorne Bay, and bales non-combustibles.

RUBA Activity This Reporting Period

The first QuickBooks community visit was made during the week of January 19, 2004. The second visit was during the week of February 23rd. Ms. Judy Willis and Ms. Elaine Price attended the Advanced QuickBooks class in Anchorage on March 9th and 10th.

Capacity Indicators

Finances

Essential Indicators

- | 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. |

Sustainable Indicators

- | | | |
|-------------------------------------|--------------------------|---|
| <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 budgets appear to be realistic, and they are very detailed. Monthly financial reports are being provided to the city council. The utility currently has enough revenues to cover operating expenses.

The City is also putting money aside in a reserve account for major breaks and repairs. The YTD revenues are equal to or above those budgeted. The expenditures for the most part are equal to or below those budgeted. Budget amendments are considered. The Office Manager is still working on some budget amendments for FY04.

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 City has a collection policy and follows it. This is evident by their high collection rate. There are, however, a few problem accounts. One particular customer has a “stub out” to his property but is not receiving any water or sewer service and has not made a payment on his account. The customers are billed on a monthly basis. Currently accounts receivable and accounts payables are done by hand, but the City will be converting these to QuickBooks with the assistance of RUBA. The Office Manager calculates payroll, completes payroll tax reports, and makes tax deposits. The City also has a cash receipts and cash disbursement system to record money received and spent.

The City now has a chart of accounts on QuickBooks. The chart of accounts was modified after the first community visit and was corrected during the second community visit after the class feature was re-explained to the community. The Office Manager does the bank reconciliations. The City also has a purchasing system.

During the second site visit, it was discovered that the Office Manager had redone by hand the QuickBooks bills that the system generated. To make the Office Manger feel better about QuickBooks, the water and sewer department was set up as a second company. The statement feature was also showed to the Office Manager as another option for billings instead of invoices.

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: There doesn't appear to be any tax problems at this time. During the second site visit, it looked like there may have been some late payments and/or reports, but the penalties and interest has been paid to the IRS.

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 type="checkbox"/> | <input checked="" type="checkbox"/> | The utility has adequate written job descriptions for all positions. |
| <input type="checkbox"/> | <input checked="" 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: The City has a posted workers' compensation insurance policy.

The City has an adopted personnel policy reviewed by their city attorney. All position descriptions have been recently reviewed and updated except for the city clerk. The City doesn't follow their written personnel evaluation processes. The City has a written hiring process although they usually just add the duties of a new position to an existing position to give that position more hours. (Most jobs are part-time.) The City has personnel folders with the necessary information. The City has a probation period of three months. An evaluation is given at the end of the three months. The City provides training opportunities to staff as needed.

During the first and second community visit it became apparent that there were some personnel problems with the city clerk and some other city staff and elected officials. LGS Shirey-Potts advised the City to review job descriptions and create an organizational chart. She also recommended following their written evaluation procedures.

Organizational Management

Essential Indicators

- | Yes | No | |
|-------------------------------------|--------------------------|--|
| <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 checked="" type="checkbox"/> | <input 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: The City of Coffman Cove owns and operates the water and sewer system. The City Council is the policy making body for the utility. The Office Manager reports that the council is very interested in the operation of the water and sewer utility and requests separate financial information for the utility. The Office Manager is also the Utility Manager. She attended the Financial Utility Management class in Ketchikan May 2003 and owns and operates her own business as well. The Office Manager and another office person are being trained in the operation of QuickBooks. The City has adequately trained operators. The main operator is Level I certified and testing for Level II. The back-up operator is Level I certified. The City has adopted the necessary ordinance to give it the authority to operate.

The Mayor has drafted an organizational chart for the City. The city council meets as required and complies with the Open Meetings Act.

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 checked="" type="checkbox"/> | <input type="checkbox"/> | The operator provides status reports to the manager on a routine basis. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility has completed and distributed its <u>Community Confidence Report (CCR)</u> . |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility is not on the <u>Significant Non-Compliance (SNC)</u> list. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility maintains an inventory control list. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility maintains a critical spare parts list. |

Operation of Utility Comments: The operators are working towards the necessary certification. The Utility has a preventative maintenance plan.

The Office Manager does not receive a formal O&M report from the utility operator and does not routinely “spot check” the facilities. While the Utility staff are very safety conscious, they don’t necessarily hold safety meetings. (There aren’t enough of them to hold meaningful safety meetings.) The Utility hasn’t suffered any major problems due to management issues. The Utility is operating above the level of service proposed. The operator does provide a status report to the Office Manager on a routine basis. The Utility completed and distributed their CCR in July 2003. The Utility isn’t on the SNC list. The Utility maintains an inventory control and critical spare parts list and is in the process of updating that list.

RUBA Activities For The Coming Quarter

The final QuickBooks community visit is scheduled for the week of April 12th.

