

Cold Bay Activity Report

Community Overview

Lead RUBA Staff: Elizabeth Manfred, Anchorage Office

2001 Population: 88

Region: Alaska Peninsula

Local Government: Second Class City located within the Aleutians East Borough.



City provided services include piped water, piped sewer, landfill, health clinic, dock, fire/EMS/ambulance and a library. The city municipal building includes a fitness center. The new community center will open in January 2003.

Currently water is supplied by two wells and stored in two 10,000-gallon tanks. Most residents are connected to the piped water and sewer system. A few homes have individual wells and septic systems. The sewage treatment plant can process up to 32,000 gallons a day. The community is beginning planning for a new well, water treatment plant, water storage tank, water and sewer lines, lagoon and outfall lines are planned. Residents transport their own refuse to the landfill, located 1.5 miles north of the city. A feasibility study is being done to determine whether to clean up or replace the landfill.

Electricity is provided by G & K, Inc. There is one school located in the community, attended by 12 students.

Because of its central location and modern airport, Cold Bay serves at the regional center for air transportation on the Alaska Peninsula, and as an international hub for private aircraft. The state and federal government and airline transportation services provide the majority of local employment. It has a promising future as a service and fueling center for the bottomfish industry. The city council changes frequently in relationship to reassignments of state and federal employees. The clerk was hired in late October. Currently the City has engaged Payroll Management of Anchorage to complete payroll activities while the clerk does all other city accounting manually. The City had Cougar Mountain Software and will convert to QuickBooks Pro in the Spring of 2003.

RUBA Activity This Reporting Period

The City Clerk and a Council member, who is also a City employee, traveled to Anchorage to attend the initial QuickBooks Pro 2003 accounting software class. The basic introduction to QuickBooks was presented in a hands-on setting at the UAA computer lab. RUBA staff and a contractor traveled to Cold Bay to install QuickBooks Pro 2003 and continue the training, which is customized to the community's services. Four eight hour days in the community were devoted to QuickBooks training. The Clerk met with me in the evenings for clerk training with an emphasis on legislative drafting guidelines.

RUBA staff assisted the City Clerk in setting up the office files and introduced the state retention schedule. Several boxes of outdated files were eliminated and new vendor files were created. Personnel files were created and hiring contracts signed and filed. RUBA staff

assisted the clerk in obtaining a public notary license. The City Clerk also traveled to Fairbanks to participate in the Alaska Association of Municipal Clerks training.

Capacity Indicators

Finances

Essential Indicators

Yes	No	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	All revenue and expenses for the utility are listed in the utility budget.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	The utility has adopted a balanced realistic budget.
<input type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input checked="" type="checkbox"/>	YTD revenues are at a level equal to or above those budgeted.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	YTD expenditures are at a level equal to or below those budgeted.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	A monthly manager's report is prepared.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Budget amendments are completed and adopted as necessary.

Finances Comments: The utility recently lowered their utility rates by 5% without a rate analysis being completed. Their collection rate is very high with only one local business continuing to be delinquent. The City ordinance allowed for interest to be charged on delinquent accounts, however it had not been done previously. The new City Clerk is now adding late interest charges to the appropriate invoices.

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 type="checkbox"/>	<input checked="" type="checkbox"/>	An accounts receivable system is in place which track customers and reports past due accounts and amounts.
<input type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input checked="" type="checkbox"/>	Monthly bank reconciliations have been completed for all utility accounts.
<input type="checkbox"/>	<input checked="" 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 Comments: The City currently contracts Payroll Management in Anchorage to do all aspects of payroll. It is recommended that a purchasing system requiring prior approval to purchase be adopted immediately. Currently City employees order what they want when they want without checking the budget. Checks are cut to the vendor upon order instead of arrival of the product.

Tax Problems

Essential Indicators

Yes No NA

- The utility has a system to accurately calculate, track, and report payroll tax liabilities.
- The utility is current on filing tax reports.
- The utility is current on making tax deposits.
- If there are any past tax liabilities, a repayment agreement has been signed and repayments are current.

Tax Problems Comments: In the past the City had problems properly making tax reports/deposits. They currently are paying off a small debt from over two years ago. Tax deposits are now made as required with the City payroll services contracted out. RUBA staff and a contractor installed QuickBooks Pro and completed the payroll set up in March. The City Clerk was not confident enough to begin payroll but will assume these duties next quarter. The payroll services contract will be canceled when the City Clerk assumes those duties.

Personnel System

Essential Indicators

Yes No

- The utility has a posted workers compensation insurance policy in effect.

Sustainable Indicators

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

Personnel System Comments: The utility has not following the adopted hiring process. They are taking steps to change procedures and act upon the adopted policy only. Personnel files were not maintained. The new clerk has created personnel files for current employees and is obtaining the necessary documents for each. Evaluations have not been completed.

Organizational Management

Essential Indicators

Yes No

- The entity that owns the utility is known and the entity that will operate the utility is set.
- The policy making body is active in policy making of the utility.
- The policy making body enforces utility policy.
- The utility has a adequately trained manager.
- The utility has a adequately trained bookkeeper.
- The utility has a adequately trained operator(s).
- The utility has adopted the necessary ordinances (or rules and regulations) necessary to give it the authority to operate.

Sustainable Indicators

- The utility has adopted an organizational chart that reflects the current structure.
- The policy making body meets as required.
- The utility complies with the open meeting act for all meetings.

Organizational Management Comments: The City Council should become more involved in the oversight of the utility. The Utility Manager attended a Operator in Training (OIT) class and is scheduled to attend a small wastewater system training soon. The utility Bookkeeper is receiving training and proves to be efficient in her new tasks.

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 type="checkbox"/>	<input checked="" type="checkbox"/>	The utility has a preventative maintenance plan developed for the existing sanitation facilities.

Sustainable Indicators

<input checked="" type="checkbox"/>	<input 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</u> (CCR).
<input checked="" type="checkbox"/>	<input type="checkbox"/>	The utility is not on the <u>Significant Non-Compliance</u> (SNC) 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 has a certified operator who is working to maintain his certification. Doug Abbas, VSW, is working with the operators to develop a preventative maintenance plan, inventory control list, and critical spare parts list. The City’s second well was damaged beyond repair in a recent earthquake and funding for a new well is being researched.

RUBA Activities for the Coming Quarter

The first priority is to continue with the QuickBooks Pro training and accounting procedures. With the new software in place, the clerk can begin to generate financial reports for the governing body. The budget will be drafted and adopted next quarter using information received from the new computer accounting data provided.

The second priority is to generate and provide the City Council with monthly financial reports. It is imperative that the council is aware of the expenditures the utility is incurring.

The third priority is adoption of a purchasing system. RUBA staff will work with the Council to develop a purchasing system that requires prior approval and budget checks.

RUBA staff will also work with the new clerk on aspects of local government. She was provided training on the Open Meetings Act and will fax to this office the agenda the day it is posted locally. RUBA staff trained the clerk in drafting legislation and continues to proof all ordinances and resolutions at her request.