

Cold Bay Activity Report

Community Overview

Lead RUBA Staff: Elizabeth Manfred, Anchorage Office

2002 Population: 116

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 is open and provides a new space for agencies to provide training or community presentations.

Currently water is supplied by one well and stored in a 213,000-gallon tank. 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 45,000 gallons a day. The city is searching for funding to dig a second well. 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.

G & K, INC provides electricity to the community. There is one school with a current attendance of 12 students.

Because of its central location and modern airport, Cold Bay serves as the regional center for air transportation on the Alaska Peninsula, and as an international hub for private aircraft. The state, federal government, and airline transportation service provides 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 on QuickBooks Pro, which was installed this quarter through the RUBA program.

RUBA Activity This Reporting Period

RUBA staff accompanied the QuickBooks Pro contractor twice to Cold Bay to install, train, and customize the accounting software. The city clerk is also responsible for all utility billings and collections. The clerk received four ten-hour days of training in QuickBooks Pro. During the second trip to the community, assistance was provided drafting the annual budget. RUBA staff met with the Mayor one-on-one and attended a city council meeting for introduction of the budget that identified all revenues and expenditures correctly for the utility.

In response to revenue sharing cuts, the city requested and RUBA staff provided draft ordinances for raising the accommodation tax, fuel transfer tax, and dock wharfage fees.

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 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 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. The clerk added the interest rate for the first time to the delinquent account and the business is now paying on time. The newly adopted FY04 budget correctly identifies all revenues and expenditures. Monthly finance reports will be generated after the third contractors visit in August.

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

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

Accounting Comments: 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. The accounts receivable and payable system is now in place that accurately tracks the information.

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"/> | | | The utility is current on filing tax reports. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | | The utility is current on making tax deposits. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | If there are any past tax liabilities, a repayment agreement has been signed and repayments are current. |

Tax Problems Comments: Tax deposits are made as required as the city payroll services are currently 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 | |
|-------------------------------------|--------------------------|--|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility has a posted workers compensation insurance policy in effect. |
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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 is 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 forms were provided by RUBA staff and training of the evaluation process will be held for the entire city council in August as requested.

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) to give it the authority to operate.

Sustainable Indicators

<input type="checkbox"/>	<input checked="" 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 council is becoming more involved in the oversight of the utility. The utility manager attended small wastewater system training in Sitka. The utility bookkeeper continues to receive training in QuickBooks Pro.

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 assisting the operator in developing 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

QuickBooks Pro training and accounting procedures knowledge continue to be the number one priority. Personal commitments prevented the clerk from attending QuickBooks training in Anchorage on report writing which would have allowed her generate and provide the city council with monthly finance reports. It is imperative that the council is aware of the expenditures the utility is incurring.

A second priority is adopting a purchasing system. RUBA staff will work with the council to develop a purchasing system that requires prior approval and budget consideration prior to ordering items.

RUBA staff continues to assist the clerk on aspects of local government management that affect the utility. She was provided training on budget drafting and adoption. The Mayor is exploring new revenue source options and has requested assistance for a utility rate analysis.