

False Pass Activity Report

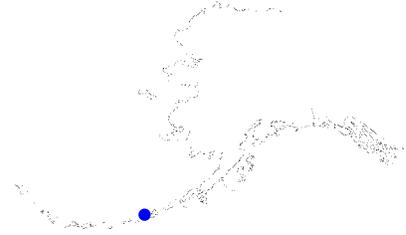
Community Overview

Lead RUBA Staff: Elizabeth Manfred, Anchorage Office

2000 Census Population: 76

Region: Aleutians

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



City provided services include electric, piped water, septic pump outs, refuse collection, landfill, dock, fuel oil delivery, recreation center, and a library. The city provides office space and housing for the VPSO. The local economy is based upon commercial salmon fishing and fishing services.

Water derived from a nearby spring and reservoir, is treated and stored in a 60,000-gallon tank. The majority of residences are connected to the piped water system, although several residents are connected to a private system. The community has two certified water treatment operators and is in compliance with DEC water testing regulations. Almost 80% of the homes are fully plumbed. Many residents have individual septic tanks that are pumped by the city upon request. The city collects refuse twice a week and hauls it to the open landfill.

Construction begins this summer to update the water treatment plant, update the water tank, and add two water main extensions. The city also received a \$100,000 VSW grant for a study of a community septic system. The design will include gravity feed/lift station and an effluent outfall line. Construction also begins this year of a public safety building.

The Denali Commission has awarded a \$30,000 grant for funding a landfill and access road feasibility study.

Currently city administration and utility employees have the management skills to implement all of the above grants.

General Information

Mayor Nickels invited RUBA staff to assess the utility management and record keeping policies of False Pass and present a RUBA Services Agreement to the city. False Pass is a proactive community. The Mayor and City Council hold regular meetings to discuss planned projects and actively seek funding sources for the development of those projects. They annually adopt a realistic budget and maintain a healthy reserve account. They also have assistance in seeking grants through the services of the Aleutians East Borough Grant Writer, Sharon Boyette. The Tribal Council and City Council work well together and support the endeavors of each Council. The City will be laying two water main extensions, updating the water treatment plant and water tank this year and has a VSW study approved for a

community septic system, all in an effort to provide better health and welfare to the citizens. They recently built a new clinic and a city building that houses the post office and community library.

Observations and Recommendations

Finances — The utility has a balanced realistic adopted budget, revenues are being collected at the budgeted levels, expenditures are below budgeted levels and the manager provides the governing body a monthly report. The City maintains a large cash reserve in a Merrill Lynch account.

Accounting Systems — The utility is currently using Cougar Mountain accounting software which the Clerk has not received adequate training on. This software was recommended by the auditing firm, and the Mayor was quick to point out that the City had been led to believe that this system would be much easier to use. He stated that the City has spent approximately \$20,000 to implement the system, and it is not being used. The Clerk is able to generate payroll, invoices, and complete basic functions for record keeping.

Tax Problems — There is no outstanding liability to the IRS. The City appears to be current on all tax reports and deposits.

Personnel System — The City has an adopted personnel policy. The adopted policy is not adequate, and has not been reviewed or updated since adoption in 1994. Mayor Nickels requested RUBA assistance in drafting and adopting written safety plans and personnel evaluation forms. Job descriptions need to be developed and adopted. Written hiring agreements will also need to be developed. The City does carry Workers Compensation Insurance through AML/JIA.

Organizational Management — The City's work order system consists of checking the white board in the Administrator's office on a daily basis. The governing body meets monthly; has adopted a utility ordinance; and complies with the open meetings act for all meetings. The City's Code of Ordinance is not current. The Mayor revised several issues including rates in the ordinance. Specific contractors (audit firm) listed the ordinance and other changes that need to be made. Ordinances haven't been codified for the past couple of years. The City has two certified water treatment operators.

Operation of Utility — The utility operator provides a monthly written report to the governing body. The utility is in full compliance with State testing requirements. Presently the utility clerk is working with Brad Alt to complete a Community Confidence Report for distribution to local customers. The Mayor has asked for RUBA assistance in drafting and adopting an inventory control list and a critical spare parts list.

Category	Inadequate	Meets Minimum Requirements	Exceeds Minimum Requirements
Finances		X	
Accounting Systems	X		
Payroll Taxes			X
Personnel System	X		
Organizational Management	X		
Operation of Utility	X		

Anticipated Activity

Based on the RUBA Assessment completed March 1, 2002, False Pass was nominated to participate in the QuickBooks Pro Installation and Training Project. The City Administrator and City Clerk will travel to Anchorage for an initial QuickBooks Pro training class. A QuickBooks Pro contractor will then make three trips to False Pass to install the software, standard chart of accounts, and customize the training to the community services.

The following activities are targeted for completion during the next quarter:

- (1) finalize the RUBA assessment of the city;
- (2) install QuickBooks Pro software and train utility staff;
- (3) adopt job descriptions for all city positions;
- (4) implement a new job evaluation form; and
- (5) complete and distribute a community confidence report.