

Kassan Activity Report

Community Overview

Lead RUBA Staff: Gina Shirey-Potts, Juneau Office

2002 Population: 55

Region: Southeast

Local Governments: Second Class City



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

Water is derived from a water infiltration gallery at Linkum Creek, is treated and piped to all homes in the core area. Homes use individual septic tanks, and 95% are fully plumbed. A feasibility study to examine water and sewer service for a new 121-lot subdivision is underway. The City collects refuse weekly; the Thorne Bay landfill is used. Electricity is provided by Alaska Power and Telephone Company.

RUBA Activity This Reporting Period

On November 10-14, 2003, Ms. Holly Young from the city and Ms. Michele Stack-Magee from the tribe attended the Beginning QuickBooks in Anchorage. The installation site visit is scheduled for the week of January 26, 2004.

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 type="checkbox"/>	<input checked="" 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 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 FY04 budget was passed on July 15, 2003. The fiscal year started on July 1, 2003. The budget is balanced, but it is balanced with the carry forward money from FY03. The deficit without the carry forward money is \$6,607.36. After adding the carry forward money, the positive balance is over \$300,000. All revenue and expenses are listed in the utility budget. The City, generally

speaking, provides monthly financial reports to the city council. However, the City is working out some problems with their QuickBooks (they hired CPA Todd Tew to assist) and hasn't had a financial report from QuickBooks to give to the council. The utility is receiving revenues sufficient to cover operating expenses.

The City is not placing any funds in a repair and replacement fund. Year-to-date revenues are about what was expected; however, expenses appear to be above those expected due to some equipment purchases by the previous city administrator/ clerk. A monthly manager's report is not prepared nor are budget amendments made.

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 type="checkbox"/>	<input checked="" 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 requested assistance with their collection policy. Specifically they are looking at adding a policy that anyone who is past due needs to pay 10% of the past due amount in addition to their regular monthly payment. Utility bills are sent out monthly. The City is currently using QuickBooks for their accounts receivable, accounts payable, and payroll. The City doesn't use a receipt book to write receipts for all payments, but they keep track on a list of all people who pay them so that she can reconcile the cash box and deposit slips. The City uses QuickBooks for their cash disbursement system.

The City has identified a chart of accounts. Monthly reconciliation's have been done in the past but are not being done now until the CPA fixes their accounts on QuickBooks. The City uses a purchase order system for big purchases only.

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 uses QuickBooks to calculate, track, and report payroll liabilities. They are current on filing their tax reports and making tax deposits.

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 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 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 insurance coverage through the Alaska Municipal League/ Joint Insurance Association.

The City has adopted a personnel policy, but the city clerk was unsure if it had been reviewed by an attorney or AML/JIA. She made a note to check on that. The City has job descriptions for all positions in the employee handbook. The City doesn't have a formal evaluation process. The hiring process is written down in their codebook. There are personnel folders on every employee with the necessary documentation. The city clerk doesn't think the City has a probationary period, but RUBA staff believes they do. The City does provide training opportunities as needed.

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 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).

- 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 of Kasaan owns and operates the water and sewer system. The City Council is the policy making body for the utility. The city council is active in making policy. They are currently reviewing the rates and looking at raising them. The council enforces utility policy and notifies staff on who can have credit and who can't. The duties of the utility manager are split among different staff so it's hard to evaluate the utility manager. The bookkeeper has no formal training other than what she's learned on the job. (Previously the City contracting with an accounting firm in Ketchikan to keep their books.) The operator appears to be adequately trained. The City Clerk thought he was certified at Level I.

The City doesn't have a written organizational chart. The city council does meet 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

- 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.
 The utility has a safety manual and holds safety meetings.
 Utility facilities have not suffered any major problems/outages due to management issues that are still unresolved.
 The utility is operating at the level of service that was proposed.
 The operator provides status reports to the manager on a routine basis.
 The utility has completed and distributed its Community Confidence Report (CCR).
 The utility is not on the Significant Non-Compliance (SNC) list.
 The utility maintains an inventory control list.
 The utility maintains a critical spare parts list.

Operation of Utility Comments: The operators have achieved the necessary certification to operate the utility. The utility doesn't have a preventative maintenance plan.

Since one person isn't designated as the utility manager, the manager doesn't receive a monthly O&M report and doesn't spot check the facilities. The utility has a safety manual but doesn't hold meetings. (There is only one operator right now.) The City is on a boil water notice, but it isn't necessarily tied to management issues. There was a landslide in their watershed last October that plugged up the dam. They haven't been able to completely fix the problem yet. The utility is operating at the level of service that was proposed. The operator doesn't provide a status report on a routine basis. The CCR (Water Quality Report) was done last summer. The utility may be on the SNC list due to the boil water notice. The utility doesn't maintain an inventory control list or a critical spare parts list.

RUBA Activities For The Coming Quarter

One QuickBooks installation site visit is schedule for January 2004. It is likely that at least one more community visit and an advanced QuickBooks class in Anchorage will take place in the upcoming quarter.

