

# Shishmaref Activity Report

## Community Overview

Lead RUBA Staff: Leroy Seppilu, Nome Office

2001 Population: 562

Region: Bering Straits

Local Governments: Second Class City



The City of Shishmaref operates a central watering point, a water truck delivery service, multiple watering points and the washeteria. They also provide a honeybucket haul service. The City Council is the policy making board for the utility.

Water is derived from a surface source, is treated and stored in a new tank. Shishmaref is undergoing major improvements, with the construction of a flush/haul system and household plumbing. 19 HUD homes have been completed, and 71 homes remain. The new system provides water delivery, but the unserved homes continue to haul water. The City hauls Honeybuckets and the new flush tanks. The school, clinic, Friendship Center, City Hall and fire hall are connected to a sewage lagoon.



## RUBA Activity This Reporting Period

RUBA staff worked with the city council and city staff to change the municipal election date because of mistakes made by the city clerk with posting of notices. The council authorized the city clerk to postpone the regular election and work with RUBA staff to set up a new election timeline and request pre-clearance from U.S. Dept. of Justice for the new election date. December 6, 2002, was selected as the new election date and the municipal election was held successfully with a run-off two weeks later for two council seats.

The city has been having a difficult time keeping utility clerks for long. The city has gone through at least three during the past year. This appears to be due to internal conflicts within the city administration office. The city has hired a bookkeeper proficient with QuickBooks

Pro to catch up with the use of the accounting software program for the Administration and Utility departments and do the quarterly reports and end-of-the-year taxes.

The city still owes IRS large amounts of back-taxes. The current total owed is about \$45,000. The city council is looking for ways to raise revenues to meet the monthly minimum payment. The city turns over about \$4,000 to \$5,000 a month from Bering Strait School District water sales to IRS already. One way that is being looked at is to add certain utility users, such as telephone and electric, to charge for sales tax for use of services. Another one is to go after businesses that collect the 2% sales tax, but do not pay the city what they collected. A sample letter of demand to the businesses was provided by RUBA staff to use. The council will decide on whether to seek lawsuits against the businesses to get the money back or seek other ways.

## 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 type="checkbox"/>	<input checked="" type="checkbox"/>	The utility is receiving revenues (user fees or other sources) sufficient to cover operating expenses.

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#### 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. This was not in Johnny' table.
<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 new bookkeeper is working to put the utility finances back on track. The utility was getting behind on some of the reports because of the turnover of utility clerks. Hopefully, this will solve the problem. This eases the city clerk's workload since she was getting behind on her other work.

## Accounting Systems

### Essential Indicators

Yes	No	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	The utility has adopted a collection policy and actively follows it.
<input type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input checked="" type="checkbox"/>	An accounts payable system is in place.
<input type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input checked="" 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 System Comments:** The QuickBooks Pro accounting software program has not been put to use by the utility and city clerk. The city clerk had been trained with the program but she constantly goes on leave and doesn't try to catch up when she comes back to work. Hopefully, the city will catch up with the new bookkeeper's efforts.

## 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:** The city's tax liabilities are still about \$45,000. This is back to about where it was two years ago. It had gone up to \$100,000, but the council made the effort to pay it off and IRS took the city's SRS money to lower the debt.

## 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 type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input checked="" type="checkbox"/>	The utility has an adequate written hiring process.
<input type="checkbox"/>	<input checked="" 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 checked="" 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 constant turnover of utility clerks is not helping the city at all. The previous utility clerks have said that they could not get along or work with the city clerk. The city clerk is a very strong-willed person.

## 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 type="checkbox"/>	<input checked="" type="checkbox"/>	The policy making body is active in policy making of the utility.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	The policy making body enforces utility policy.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	The utility has a adequately trained manager.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	The utility has a adequately trained bookkeeper.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	The utility has a 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 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:** A new mayor, Curtis Nayokpuk, was elected as mayor after the delayed municipal election. He is very aggressive and more assertive than the previous mayors. RUBA staff is looking forward to working with him on several issues, especially the tax liabilities.

We will see how the new bookkeeper will be doing in the next several months. The city clerk claims she is very good at what she does.

## Operation of Utility

### Essential Indicators

- | Yes                      | No                                  |   |
|--------------------------|-------------------------------------|---|
| <input type="checkbox"/> | <input checked="" 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. |

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### 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 type="checkbox"/>            | <input checked="" type="checkbox"/> | The utility is operating at the level of service that was proposed.   |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | The operator provides status reports to the manager on a routine basis.   |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | The utility has completed and distributed its <u>Community Confidence Report</u> (CCR).   |
| <input type="checkbox"/>            | <input checked="" 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 utility department is still handing over about \$4-5,000 a month to IRS from the sale of water to Bering Strait School District.

## RUBA Activities For The Coming Quarter

The RUBA staff plan on making at least one trip to assess the current finances and the status of the sewer collection and water delivery.