

# Shishmaref Activity Report

## Community Overview

Lead RUBA Staff: Leroy Seppilu, Nome Office

2002 Population: 589

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 a washeteria. They also provide a honey bucket service. The City Council is the policy making body for the utilities.

Water is derived from a surface source, it 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 their own water. The City hauls honey buckets and the new flush tanks. The school, clinic, friendship center, city hall and fire hall are connected to a sewage lagoon.

## RUBA Activity This Quarter

A new city clerk was hired by the city council. Anna Kuzuguk started early June. A training schedule is being set up by RUBA to provide training for her. A utility clerk may be hired in the near future.

The director of the Division of Community Advocacy (DCA) and Nome RUBA staff traveled to Shishmaref to discuss the importance of completing the Capital Matching Grant (CMG) resolution for FY03. A council meeting was held with the director and RUBA staff explaining the need for the council to pass the resolution and FY04. The director and RUBA staff worked with the city clerk to start the process to complete the FY04 budget. A timeline was created and explained to the mayor and some of the council members after the meeting. The city submitted the completed FY04 budget on June 30, 2003.

**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 checked="" type="checkbox"/> | <input type="checkbox"/>            | The utility has adopted a balanced realistic budget.   |
|                                     | <input checked="" type="checkbox"/> | Monthly financial reports are prepared and submitted to the policy making body.                        |
|                                     | <input checked="" 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 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 last IRS Form 941 quarterly report states that at least \$73,000 in gross pay was made by the city. This is still substantially high. Every pay period the clerk has had to look for money from various departments and bank accounts to meet payroll. Sometimes, the city has to forego pay for some employees until later. RUBA has continually suggested to the council that they make extensive cutbacks on payroll to make ends meet..

**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 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 type="checkbox"/>            | <input checked="" type="checkbox"/> | The payroll system correctly calculates payroll and keeps records  |
| <input type="checkbox"/>            | <input checked="" 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 type="checkbox"/> | <input checked="" 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 new city clerk is attempting to use QuickBooks Pro but has not been able to keep up. An accountant from Northwest Community College in Nome will be doing a weekend of training with QuickBooks Pro in the near future. RUBA invited the city clerk to attend the Advanced QBP training in Anchorage, but was unable to attend due budgetary constraints at the city.

## Tax Problems

### Essential Indicators

- | Yes                      | No                                  | NA                       |  |
|--------------------------|-------------------------------------|--------------------------|--|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> |                          | The utility has a system to accurately calculate, track, and report payroll tax liabilities.             |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> |                          | The utility is current on filing tax reports.  |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> |                          | The utility is current on making tax deposits.   |
| <input type="checkbox"/> | <input checked="" 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 still has past IRS tax liabilities of about \$37,000. The council was looking to pay by borrowing from the bank to pay off the debt, but there were “setbacks”, as the mayor said, in obtaining the loan. The city is behind one quarter with the 941 report. The city has not completed and submitted Form 941 for 1<sup>st</sup> quarter, 2003. The city has been sending the ESC reports and payments on time.

## 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 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 checked="" type="checkbox"/> | <input type="checkbox"/>            | The utility has a probationary period for new hires that includes orientation, job-training/oversight, and evaluations.            |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | The utility provides training opportunities to staff as needed and available.  |

**Personnel System Comments:** The city council is in the process of hiring a new utility clerk. During the past several months the council had been delegating the positions responsibilities to the city clerk while the position was vacant. That increased job responsibility caused the city clerks to become overloaded and they would quit. Sometimes the council couldn't find a suitable temporary utility clerk for months at a time. Many of the former utility clerks were quitting due to conflicts with the previous city clerk.

## 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.  |

- 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 council has almost completed the review of personnel policies and hope to complete by September, 2003.

**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. |

**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:** According to the sanitation operator, the water lines in the city office and the fire department building are broken and have not been fixed.

**RUBA Activities For The Coming Quarter**

The mayor, new city clerk and RUBA staff are discussing plans to provide training for the city clerk and soon-to-be filled utility clerk position. The training may be provided during July and August, 2003.