

Shishmaref Activity Report

Community Overview

Lead RUBA Staff: Leroy Seppilu, Nome Office
 2003 Population: 594
 Region: Bering Straits
 Local Governments: 2nd 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. Nineteen 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 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 Quarter

The city council hired a new bookkeeper and she has continued to make payments to debts that continue to pile up. The city still has a very high payroll. The city was listed as one of the five communities in the Nome region scheduled to have its electricity cut off due to non-payment.

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 type="checkbox"/> | <input checked="" 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. |

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 city has hired a bookkeeper that has been trying to pay off past due accounts. The bookkeeper does not keep records of the total amount the city owes to various vendors as the previous bookkeeper did. RUBA staff recommended to her to start compiling a list of debts owed and make it part of the monthly report to the city council. The city owes about \$7,600 to an electricity provider. RUBA recommended to the bookkeeper to immediately contact Alaska Village Electric Cooperative, Inc. (AVEC) and set up a payment plan. The city will need to come up with at least \$2,550 before July 28, 2005, when the AVEC agent will come to the community to start shutting off electricity for customers that have not made payments. If the city pays \$2,550, AVEC will then give the city a couple of more months to pay the rest of the delinquent account. This may give the city much needed breathing space to pay off the rest within two months.

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 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 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 checked="" type="checkbox"/> | <input 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 new bookkeeper has some experience using Quickbooks Pro. Her biggest concern right now is to pay off debts the city has continued to incur. The new bookkeeper has NOT compiled a list of what is owed to see if any progress is being made at all. RUBA has recommended that she make a list of debts owed to see where the city is at financially.

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 type="checkbox"/>	<input checked="" type="checkbox"/>		The utility is current on making tax deposits.
<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 currently owes IRS over \$100,000 in past due tax liabilities starting from 2002. The city council has not made any efforts to lower payroll to affordable levels for the past several years despite advice by Nome RUBA staff.

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 new bookkeeper is facing the same problems as the previous bookkeeper: problems with meeting payroll every payday, paying taxes, etc. The council has not made any efforts to control hiring of misc. employees on day-to-day basis. The current council's attitude has been the same as that of previous councils: "We need to provide employment to our community and we have cut as much as we can.". This attitude has made the city continually in debt for the past several years.

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 checked="" type="checkbox"/> | The utility has an adequately trained manager. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility has an adequately trained bookkeeper. |
| <input type="checkbox"/> | <input checked="" 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) necessary to give it the authority to operate. |

Sustainable Indicators

- | | | |
|-------------------------------------|--------------------------|--|
| <input checked="" type="checkbox"/> | <input 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:

There are no Organizational Management issues this quarter.

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

- | | | |
|--------------------------|-------------------------------------|---|
| <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 type="checkbox"/> | <input checked="" 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 (CCR)</u> . |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | The utility is not on the <u>Significant Non-Compliance (SNC)</u> 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:

There are no Operation of Utility issues this quarter.

RUBA Activities For The Coming Quarter

At least one trip may be made to introduce Nome RUBA staff to the new bookkeeper and to determine what training needs are.

