

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

With the assistance of Nome RUBA staff, the city looked for options to purchase fuel after Yukon Fuel Co. refused to deliver fuel because of past financial problems with them. One most viable option was to have the local native store purchase the fuel for them and the city would make monthly payments of about \$2,500 using sales tax generated from retail sales at the store. The washeteria will purchase the 12,000 gallons that was delivered. The city was not eligible for AEA's bulk fuel revolving loan program because it still owes \$45,000 to AEA from a loan made in 1995. The city also has applied for the other AEA loan with stricter requirements. The city needs additional 12,000 gallons for general use.

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 checked="" type="checkbox"/> | <input 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 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 bookkeeper is making efforts to complete monthly financial reports and is doing a real good job at it. It has been a long time since the city has made financial reports. However, the city still needs to cut back on payroll. Nome RUBA staff has made this recommendation for the past three years without success. The council is finally beginning to see for themselves what financial condition they really are in. The city is still relying heavily on the earnings from gaming (bingo and pulltab) to pay for employees and other bills.

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"/> | <input type="checkbox"/> The utility bills customers on a regular basis. |
| <input type="checkbox"/> | <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 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 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:

Quarterly reports, such as 941 & ESC reports are done manually. Quickbooks Pro is not used to do the reports. Kawerak, Inc. QBP contractor for tribes has agreed to have city administration employees sit in on on-site training without charging the city. All aspects of QBP will be covered. RUBA has encouraged the city to participate.

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 has tax liabilities for the 1st and 2nd quarter and some 3rd quarter, 2004, totaling \$45,000. However, the city deposited at least \$7,000 for the 3rd quarter. This is encouraging since the city has never done this before. RUBA credits this to a Utility Management training in June that the bookkeeper attended. An IRS agent made a presentation on tax reports during the workshop.

Personnel System

Essential Indicators

Yes	No	NA	
<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 long-time utility clerk that worked continuously for three years quit and the city has hired a new utility clerk. RUBA staff has not yet determined her capabilities as a trip has not been made. Nome RUBA may make a trip to Shishmaref in mid-October.

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:

Municipal elections are coming up and the mayor's term is expiring. He has expressed interest in running again to continue trying to improve the city's financial condition. The city clerk, a very effective one, is AWOL and the council is trying to get him back to work as the election draws near.

Operation of Utility

Essential Indicators

Yes	No	
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/> The utility operator(s) are actively working towards necessary certification.
<input type="checkbox"/>	<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 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:

The new utility clerk will need training and Nome RUBA staff will travel to the community to do a re-assessment for training needs.

RUBA Activities For The Coming Quarter

Nome RUBA staff will be making another assessment of the city and the utilities to train the new utility clerk. The previous utility clerk quit for unknown reasons.

