

Complex, but Critical

Mapping the economics &
determining the financial viability of
washeterias in rural Alaska

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Talking:

1. Calculating washeteria 'cost'
2. Economic context of that cost
3. Ways to move forward

One calculating cost

calculating
cost
is vital

but the
cost
of what 

construction
maintenance
operation (partly)

cost

construction
maintenance
operation (partly)

cost

all operations
management
replacement

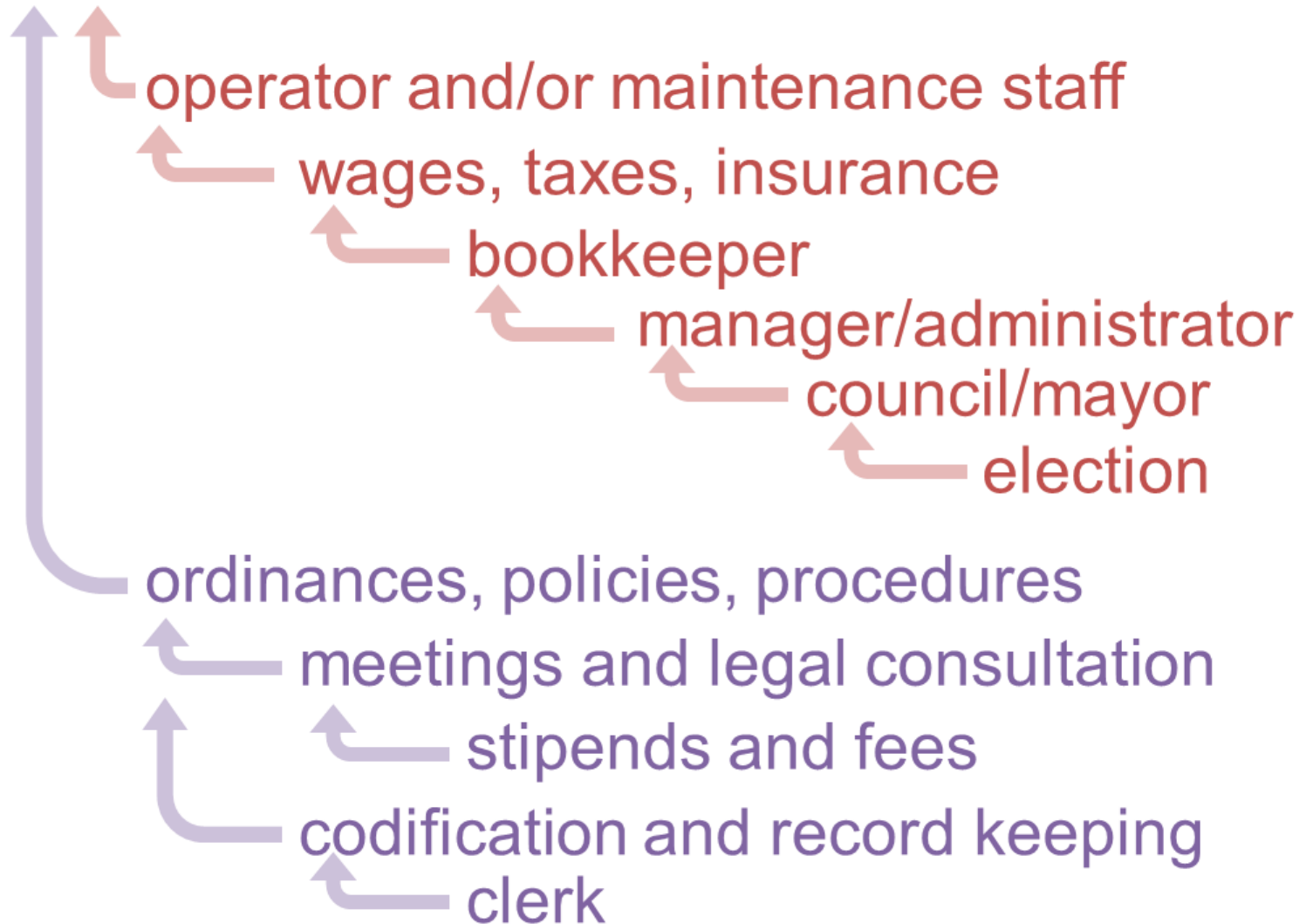
I don't know.

mingling of functions/needs

community differences

insufficient information

washeteria



washeteria

fuel oil, electricity, supplies, testing, etc.

user fees

bookkeeping and collections

outside revenue sources

budget and CFS/audit

trained council and admin staff

travel and training

local taxes

legal authority

elections

administrative staff

OPERATING EXPENDITURES

WASHETERIA

Expenses:

Wages/Salaries
Operator Training
Supplies
Insurance

		FY 11 BUDGET (As Amended)	FY 11 ACTUAL
Personal Services:	Salaries	\$ 27832.00	\$ 17720.38
	Stipends	\$	\$
	Payroll Taxes	\$ 2268.00	\$ 3170.83
	Workers Compensation	\$	\$
	Retirement / Pension	\$	\$
	Other:	\$	\$
	Other:	\$	\$
Total Personal Services		\$ 30100.00	\$ 20891.21
Travel:	Airfare	\$	\$
	Per Diem	\$	\$
	Training, Workshop & Conference Fees	\$	\$
	Other:	\$	\$
	Other:	\$	\$
Total Travel		\$	\$
Facility Expenses:	Telephone	\$ 900.00	\$ 405.80
	Rent	\$	\$
	Electricity	\$ 8000.00	\$ 7774.00
	Water & Sewer	\$ 6000.00	\$
	Fuel Oil	\$ 10649.00	\$ 21781.58
	Repairs / Maintenance (buildings)	\$ 1500.00	\$
	Other: Well Supply	\$	\$ 3473.57
	Other:	\$	\$
Total Facility Expenses		\$ 27049.00	\$ 33434.95
Supplies:	Office & Clerical Supplies	\$ 1500.00	\$ 1590.43
	Postage Supplies	\$	\$
	Copier Supplies	\$	\$
	Other: Water Samples	\$ 2000.00	\$ 560.00
	Other:	\$	\$
Total Supplies		\$ 3500.00	\$ 2150.43
Equipment:	Equipment	\$	\$
	Vehicle / Equipment Maintenance	\$	\$
	Other:	\$	\$
	Other:	\$	\$
Total Equipment		\$	\$
Other Operating Expenses:	Interest & Late Charges	\$	\$
	Insurance & Bonding	\$	\$ 727.56
	Membership Dues & Fees / Subscriptions	\$	\$
	Bank Charges	\$	\$ 159.25
	Contractual Services:	\$	\$
	Other: Analytica	\$	\$ 840.25
	Other:	\$	\$
Total Other		\$	\$ 1727.06
TOTAL WASHETERIA EXPENDITURES		\$ 60649.00	\$ 58293.65

Expenses:

Admin & Finance
Budget Overruns
Insurance & Fees
More samples

DETAILED FY 11 CERTIFIED FINANCIAL STATEMENT

OPERATING EXPENDITURES		FY 11 BUDGET (As Amended)	FY 11 ACTUAL
Personal Services:	Salaries	\$ 61119.00	\$ 61969.56
	Stipends	\$	\$
	Payroll Taxes	\$ 4959.00	\$ 22622.73
	Workers Compensation	\$	\$
	Retirement / Pension	\$	\$ 29.63
	Other:	\$	\$
	Other:	\$	\$
	Total Personal Services	\$ 66078.00	\$ 84621.92
Travel:	Airfare	\$ 1000.00	\$ 870.90
	Per Diem	\$ 2000.00	\$ 4913.00
	Training, Workshop & Conference Fees	\$ 150.00	\$
	Other:	\$	\$
	Other:	\$	\$
	Total Travel	\$ 3150.00	\$ 5783.90
Facility Expenses:	Telephone	\$ 4000.00	\$ 4072.19
	Rent	\$	\$
	Electricity	\$	\$ 5191.18
	Water & Sewer	\$	\$
	Fuel Oil	\$	\$ 17731.56
	Repairs / Maintenance (buildings)	\$ 10649.00	\$
	Other:	\$ 300.00	\$
	Other:	\$	\$
	Total Facility Expenses	\$ 14949.00	\$ 26994.93
Supplies:	Office & Clerical Supplies	\$ 1200.00	\$ 6476.72
	Postage Supplies	\$ 530.00	\$ 323.35
	Copier Supplies	\$ 600.00	\$
	Other: <i>Water Samples</i>	\$ 500.00	\$ 240.00
	Other:	\$	\$
	Total Supplies	\$ 2830.00	\$ 7040.07
Equipment:	Equipment	\$	\$ 1824.65
	Vehicle / Equipment Maintenance	\$ 3500.00	\$
	Other:	\$	\$
	Other:	\$	\$
	Total Equipment	\$ 3500.00	\$ 1824.65
Other Operating Expenses:	Interest & Late Charges	\$	\$
	Insurance & Bonding	\$ 7500.00	\$ 5443.56
	Membership Dues & Fees / Subscriptions	\$ 900.00	\$ 1405.50
	Bank Charges	\$ 5400.00	\$ 147.20
	Contractual: Legal Services	\$	\$
	Contractual: Accounting / Audit Services	\$	\$
	Other Contractual:	\$	\$
	Other: <i>Analytica - Water Samples</i>	\$	\$ 2104.00
	Other:	\$	\$
	Total Other	\$ 13800.00	\$ 9120.26
TOTAL ADMINISTRATION & FINANCE EXPENDITURES		\$ 104307.00	\$ 135367.73

Enter on line 23 of Financial Summary

Expenses:

Council stipends Council travel

OPERATING EXPENDITURES

COUNCIL

		FY 11 BUDGET (As Amended)	FY 11 ACTUAL
Personal Services:	Salaries	\$	\$
	Stipends	\$ 8400.00	\$ 11300.00
	Payroll Taxes	\$	\$
	Workers Compensation	\$	\$
	Retirement / Pension	\$	\$
	Other:	\$	\$
	Other:	\$	\$
	Total Personal Services	\$ 8400.00	\$ 11300.00
Travel:	Airfare	\$ 1500.0	\$ 960.90
	Per Diem	\$ 1800.00	\$ 3009.00
	Training, Workshop & Conference Fees	\$ 500.00	\$
	Other:	\$	\$
	Other:	\$	\$
	Total Travel	\$ 3800.00	\$ 3969.90
Facility Expenses:	Telephone	\$	\$
	Rent	\$	\$
	Electricity	\$	\$
	Water & Sewer	\$	\$
	Fuel Oil	\$	\$
	Repairs / Maintenance (buildings)	\$	\$
	Other:	\$	\$
	Other:	\$	\$
	Total Facility Expenses	\$	\$
Supplies:	Office & Clerical Supplies	\$	\$
	Postage Supplies	\$	\$
	Copier Supplies	\$	\$
	Other:	\$	\$
	Other:	\$	\$
	Total Supplies	\$	\$
Equipment:	Equipment	\$	\$
	Vehicle / Equipment Maintenance	\$	\$
	Other:	\$	\$
	Other:	\$	\$
	Total Equipment	\$	\$
Other Operating Expenses:	Interest & Late Charges	\$	\$
	Insurance & Bonding	\$	\$
	Membership Dues & Fees / Subscriptions	\$	\$ 450.00
	Bank Charges	\$	\$
	Other Contractual:	\$	\$
	Other:	\$	\$
	Other:	\$	\$
	Total Other	\$	\$ 450.00
TOTAL COUNCIL EXPENDITURES		\$ 12200.00	\$ 15719.90

Enter on line 24 of Financial Summary

OPERATING EXPENDITURES

WASHETERIA

FY 12 BUDGET
(As Amended) FY 12 ACTUAL

Personal Services:	Salaries	\$ 30,280.00	\$ 27,026.00
	Stipends	\$	\$
	Payroll Taxes	\$ 3,121.87	\$ 2,926.92
	Workers Compensation	\$	\$
	Retirement / Pension	\$	\$
	Other:	\$	\$
	Other:	\$	\$
Total Personal Services		\$ 33,401.87	\$ 29,952.92
Travel:	Airfare	\$	\$
	Per Diem	\$	\$
	Training, Workshop & Conference Fees	\$	\$
	Other:	\$	\$
	Other:	\$	\$
Total Travel		\$	\$
Facility Expenses:	Telephone	\$	\$
	Rent	\$	\$
	Electricity	\$ 2,500.00	\$ 1,491.00
	Water & Sewer	\$	\$
	Fuel Oil	\$	\$
	Repairs / Maintenance (buildings)	\$	\$ 507.09
	Other:	\$	\$
	Other:	\$	\$
Total Facility Expenses		\$ 2,500.00	\$ 1,998.09
Supplies:	Office & Clerical Supplies	\$	\$
	Postage Supplies	\$	\$
	Copier Supplies	\$	\$
	Other:	\$	\$
	Other:	\$	\$
Total Supplies		\$	\$
Equipment:	Equipment	\$	\$
	Vehicle / Equipment Maintenance	\$	\$
	Other:	\$	\$
	Other:	\$	\$
Total Equipment		\$	\$
Other Operating Expenses:	Interest & Late Charges	\$	\$
	Insurance & Bonding	\$	\$
	Membership Dues & Fees / Subscriptions	\$	\$
	Bank Charges	\$	\$
	Contractual Services:	\$	\$
	Other:	\$	\$
	Other:	\$	\$
Total Other		\$	\$

TOTAL WASHETERIA EXPENDITURES

\$35,901.87

\$ 31,951.01

Enter on line 32 of Financial Summary

Expenses:

Wages/Salaries

Operator Training

Supplies

OPERATING EXPENDITURES

WASHETERIA

Expenses:

Even figures Operator Training

		FY 12 BUDGET (As Amended)	FY 12 ACTUAL
Personal Services:	Salaries	\$ 46,000.00	\$ 47,400.00
	Stipends	\$	\$
	Payroll Taxes	\$ 6,500.00	\$ 6,600.00
	Workers Compensation	\$ 2,800.00	\$ 2,800.00
	Retirement / Pension	\$	\$
	Other:	\$	\$
	Other:	\$	\$
	Total Personal Services	\$ 55,300.00	\$ 56,800.00
Travel:	Airfare	\$ 420.00	\$
	Per Diem	\$ 1,800.00	\$
	Training, Workshop & Conference Fees	\$ 80.00	\$
	Other:	\$	\$
	Other:	\$	\$
	Total Travel	\$ 2,300.00	\$
Facility Expenses:	Telephone	\$ 1,080.00	\$ 1,080.00
	Rent	\$	\$
	Electricity	\$ 6,000.00	\$ 6,500.00
	Water & Sewer	\$	\$
	Fuel Oil	\$ 30,000.00	\$ 39,000.00
	Repairs / Maintenance (buildings)	\$	\$
	Other:	\$	\$
	Other:	\$	\$
	Total Facility Expenses	\$ 37,080.00	\$ 46,580.00
Supplies:	Office & Clerical Supplies	\$	\$
	Postage Supplies	\$ 400.00	\$ 390.00
	Copier Supplies	\$	\$
	Other:	\$	\$
	Other:	\$	\$
	Total Supplies	\$ 400.00	\$ 390.00
Equipment:	Equipment	\$	\$
	Vehicle / Equipment Maintenance	\$	\$
	Other: <i>Repair + Replacement</i>	\$ 15,000.00	\$ 8,600.00
	Other:	\$	\$
	Total Equipment	\$ 15,000.00	\$ 8,600.00
Other Operating Expenses:	Interest & Late Charges	\$	\$
	Insurance & Bonding	\$	\$
	Membership Dues & Fees / Subscriptions	\$	\$
	Bank Charges	\$	\$
	Contractual Services: <i>Water Sample (4) Test Fee</i>	\$ 2,500.00	\$ 2,400.00
	Other: <i>Building Coverage - AML - JTA</i>	\$ 4,000.00	\$ 4,000.00
	Other:	\$	\$
	Total Other	\$ 6,500.00	\$ 6,400.00
TOTAL WASHETERIA EXPENDITURES		\$ 118,580.00	\$ 118,770.00

more

**services &
offerings**

=

more

**staffing &
admin**

Relevant Median Hourly Wages

(Outside Anchorage/Mat-Su, Fairbanks, and Southeast)

Lawyer: \$52.17

Public Manager: \$36.46

Machinery Maintenance Worker: \$28.86

Operator: \$24.66

Payroll Clerk: \$21.53

Municipal Clerk: \$21.21

Gaming Service Worker: \$19.38

Bookkeeper: \$19.00

Janitor: \$16.33

-May 2012 Wages Scales, Alaska DLWD

new
technologies

new
skills and certifications

new
community expenses



Sample Roundtrip Air Tickets

(Between Bush Communities and Regional Hubs)

Kaktovik – Fairbanks: \$666

Shageluk – Bethel: \$672

Kaltag – Fairbanks: \$560

Point Hope – Kotzebue: \$504

Teller – Nome: \$324

Buckland – Kotzebue: \$324

Eek – Bethel: \$230

Comparing Associated Costs

Napakiak, FY12:

Airfare = \$7,676.97

Postage = \$645.90

Telephone for all utilities = \$6,567.96

Washeteria worker's labor = \$28,200.35

Fuel for all utilities = \$38,984.40

Comparing Associated Costs

Teller, FY11:

Council stipends = \$6,421.84

Washeteria payroll taxes = \$6,119.39

Washeteria electricity = \$2,037.93

Comparing Associated Costs

Eek, FY12:

Council stipends = \$25,750.00

Council meeting door prizes = \$4,930.00

Washeteria personnel costs = \$56,800.00

Washeteria fuel oil = \$39,000.00

Comparing Associated Costs

Koyuk, FY12:

City's internet = \$1,855.00

Election judges = \$671.00

Interest & late fees = \$907.00

Council stipends = \$30,175.00

Council travel & training = \$9,187.00

Washeteria janitorial supplies = \$720.00

Washeteria personnel costs = \$3,856.00

Comparing Associated Costs

Shishmaref, FY12:

Washeteria travel = \$5,113.81

Washeteria water testing = \$3,196.70

Council stipends = \$48,210.55

Washeteria fuel oil = \$23,019.59

City elections = \$614.25

Washeteria telephone = \$498.40

Hidden costs:

Bookkeeping needs

Collections processes

Overtime and after-hours pay

More insurance

Travel and training

Shipping and postage

Replacement savings

More council meetings

New ordinances and policies

Two economic context

Declared Municipal Washeteria Net Incomes vs. Populations and Median Household Incomes

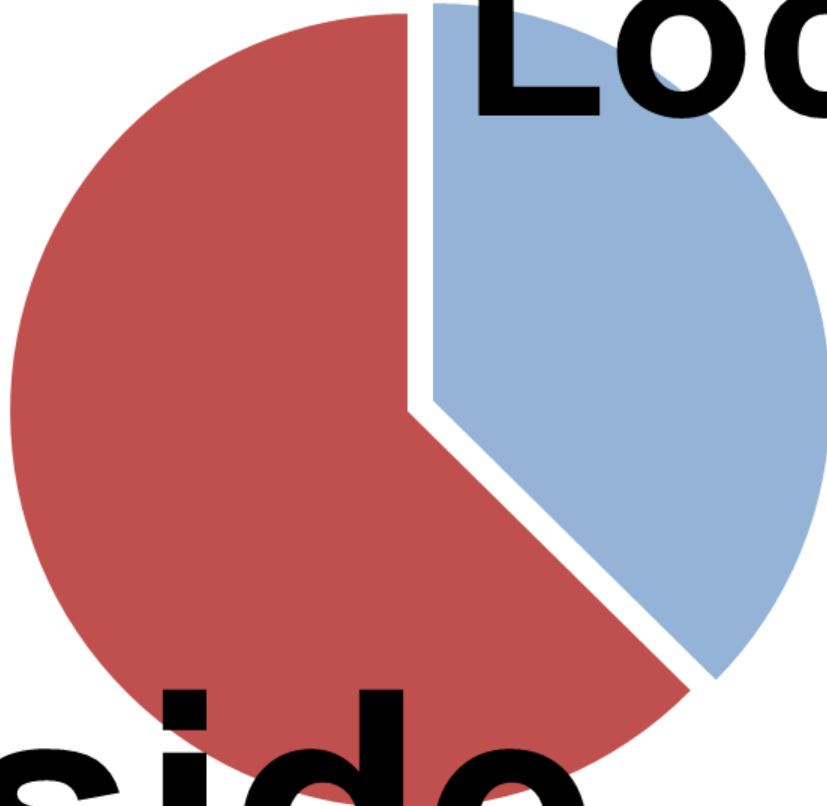
City	Pop.	Net	Net/Pop.	MHI
Buckland	450	-\$35,800	\$80	\$46,250
Eek	340	-\$42,000	\$124	\$36,250
Koyuk	340	-\$2,400	\$7	\$24,250
Napakiaik	360	-\$38,700	\$108	\$38,750
Napaskiak	430	-\$1,000	\$2	\$41,500
Mekoryuk	210	-\$5,400	\$26	\$24,400
Teller	250	-\$13,200	\$53	\$27,250

-Net figures from most recent available budget ordinances and CFSs, MHIs from US Census Bureau

Subsidies

**Local + Outside
Revenues**

Local



Outside

Local Revenues

(user fees)

equipment rentals

gaming profits

other enterprises

sales tax

cigarette tax

Local Revenues

could also include:

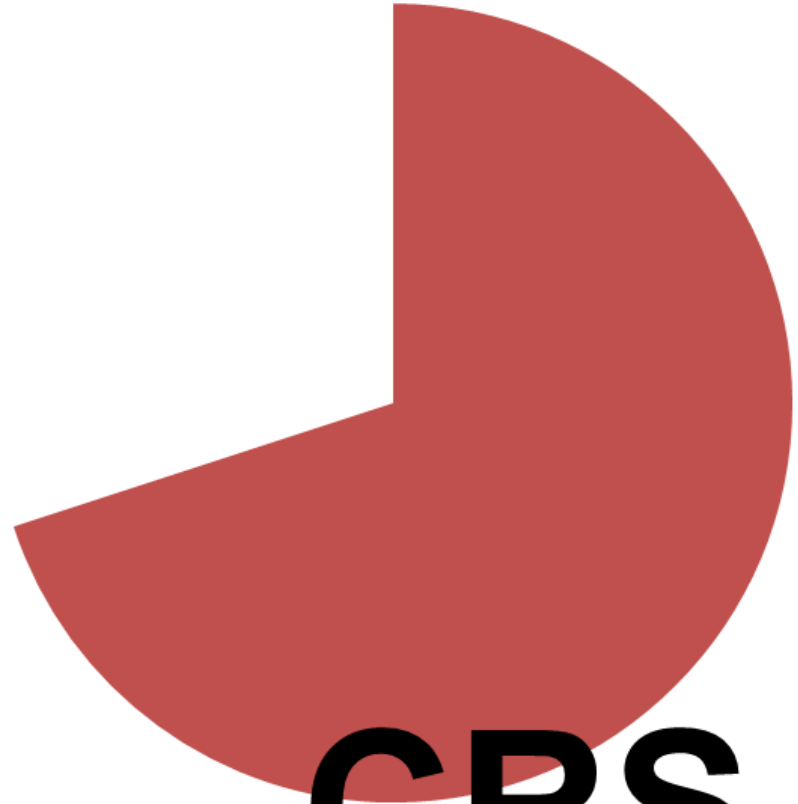
alcohol sales
property tax

tribes can't tax
limited tax base
levy is expensive
effect of taxes
ethical questions

But
Remember



Outside



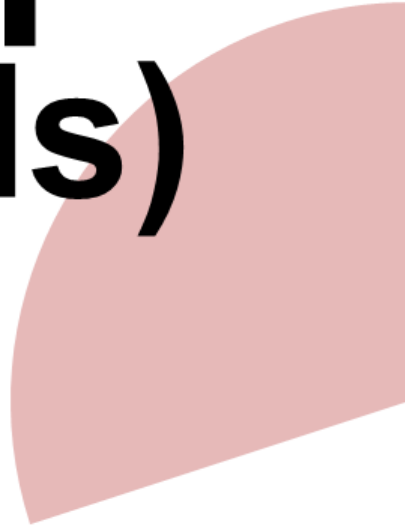
**CRS
(State)**

400 people
≈ \$110,000



CRS
(State)

PILT (Feds)



PILT (Feds)



**400 people
≈ \$45,000**

moving forward

Three

It's essential to:

think in a community context

think in a management context

assess the true, unique costs

determine local capacity

design cheaper systems

