



CITY OF
PORTLAND, OREGON

OFFICE OF CITY AUDITOR

Barbara Clark, City Auditor
Audit Services Division
Richard Tracy, Director of Audits
1220 S.W. Fifth Ave., Room 120
Portland, Oregon 97204
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February 10, 1995

TO: Vera Katz, Mayor
Commissioner Earl Blumenauer
Commissioner Charlie Hales
Commissioner Gretchen Kafoury
Commissioner Mike Lindberg
Barbara Clark, City Auditor

SUBJECT: Review of the City of Portland Assessments and Liens Division

Attached is Report #203 from the Audit Services Division covering a review of the City's Assessments and Liens Division. In accordance with the City Auditor's FY 1993-94 audit schedule, a review of the internal controls within the Division was conducted. Because the Audit Services Division is not organizationally independent from the Assessments and Liens Division, the audit work on this project was performed under contract by Coopers & Lybrand, an independent certified public accounting firm.

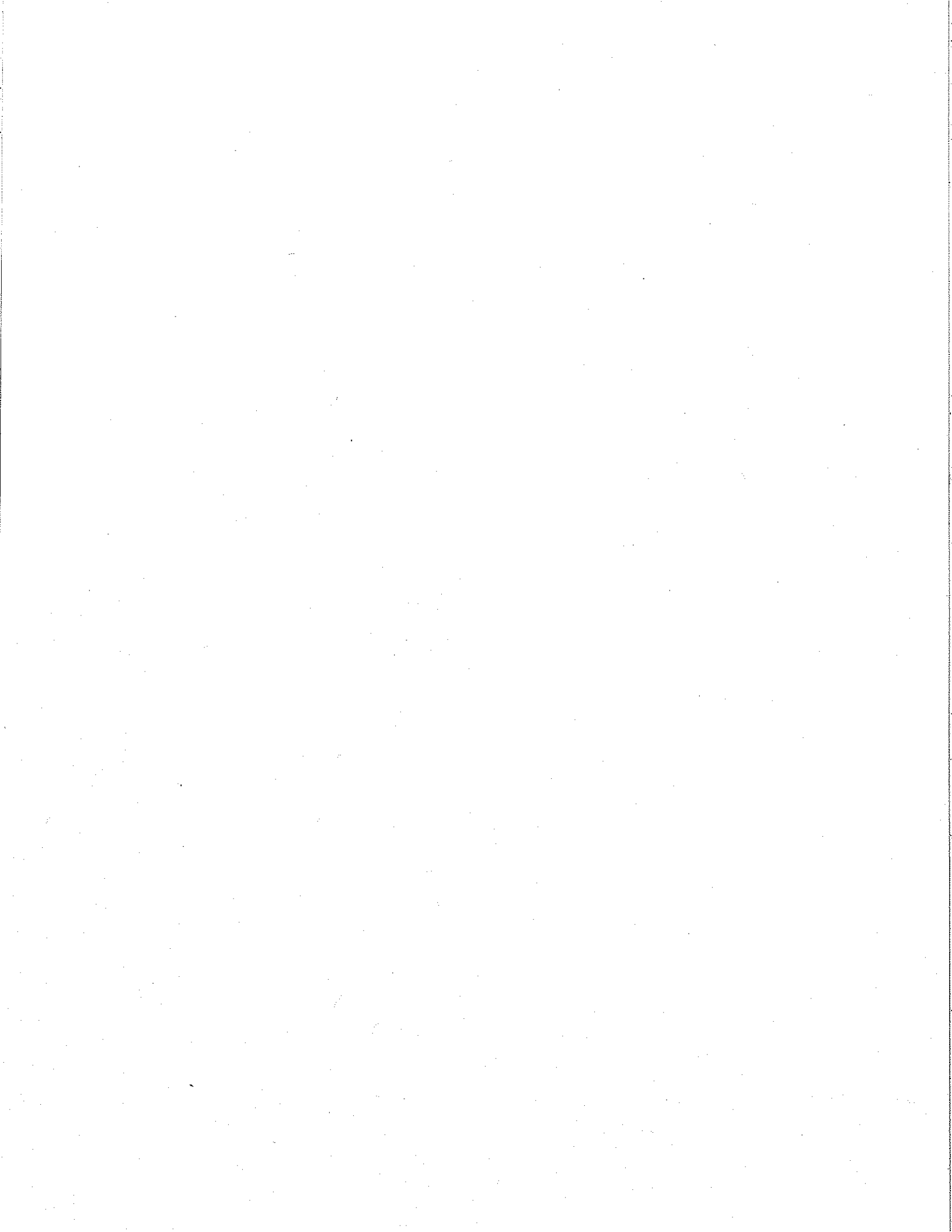
We reviewed drafts of the report (prepared by Coopers & Lybrand) with management from the Assessments and Liens Division. Generally, they are in agreement with the report's recommendations. A written response from the Liens and Assessment manager is included at the back of the report.

We hope this report will give the Assessments and Liens Division, the City Council, managers and the general public a better understanding of the Liens and Assessment program, and some suggestions for improvement.

We appreciate the cooperation and assistance we received from the staff of the Assessments and Liens Division in conducting this audit and in preparing the report.

Richard Tracy
Director of Audits

cc: Dan Vizzini, Division Manager
Frank Dufay, Program Manager



January 31, 1995

Mr. Richard C. Tracy
Director of Audits
Office of the City Auditor
City of Portland
Portland, Oregon

Dear Mr. Tracy:

We have applied the agreed-upon procedures discussed below to certain accounting procedures and internal controls of the Assessments & Liens Division (Division) of the City of Portland (City) during the period July 1, 1993 to June 30, 1994. These procedures were performed solely to assist you in determining the adequacy of certain accounting procedures and internal controls in the Division. It is understood that this report is solely for your information and should not be used by those who did not participate in determining the procedures. Our procedures and findings are as follows:

Establishing Customer Accounts:

We selected 30 assessments and performed the following four tests:

- (1) We reviewed original amount of the assessment, and compared required payment amounts and dates, the interest rate and other information included in the supporting documentation, to information entered in the assessments and liens computer system.

We traced each assessment from the original supporting documentation (assessment contract, project detail, LID appropriations, etc.) prepared by the respective bureau to the assessments and liens computer system matching the original assessment amount, date of assessment, project number, tax identification number, property owner's name and assessment type. If the assessment was contracted, we compared the contracted amount, initial interest rate, financing option and financing plan to the signed contract. No exceptions were noted.

- (2) Determined the existence of supervisory review and approval of new assessments entered in the assessments and liens computer system.

Finding and Recommendation:

During our inquiry with the liens and assessments manager, we noted no detailed supervisory review of new assessments against the original assessment documents (see above) is performed after the assessments have been input into the assessments and liens computer system by the administrative specialists. Additionally, no supervisory review is performed after the administrative specialists have updated the accounts (i.e. updated from estimated to proposed). We also noted that if a change is made after the project is assessed, the adjustment appears on an edit report, but if a change is made before it is assessed, no edit reports are generated detailing the change.

We recommend a detailed review (comparing information entered into the computer system to the original assessment documents) for all new assessments entered into the system be performed by management and the review be evidenced by a signature and date. We also recommend an edit report be generated daily, detailing all changes made to the system, and this report should be reviewed, signed and dated by management.

- (3) Reviewed the policy for safeguarding original records and documents and determined compliance with the policies.

We noted original assessment and lien records (assessment contract, project detail, LID appropriations, etc.) appear to be adequately safeguarded. Records are regularly shipped to archives and are stored in a locked room until shipment occurs.

- (4) Reviewed the selected accounts for proper billing, according to the terms in the assessment agreement.

We reviewed the contract date in the assessments and liens computer system to determine if it was comparable to the date on the signed contract. The contract date within the system is the starting date of the billing cycle. From the entered contract date, we reviewed the billing cycle to determine if it was in agreement with the financing option selected by the homeowner. We also compared the initial interest rate from the signed contract to the interest rate in the assessments and liens computer system. For contracts in which the assessment bond had been sold, we compared the interest rate in the City ordinance for the bond sale to the updated interest rate in the assessments and liens computer system. No exceptions were noted.

Receipt, Recording and Deposit of Assessment Payments:

We reviewed controls in the following areas:

- (1) Segregation of duties in receipt, recording and deposit functions.

We noted the following in regard to segregation of duties: A secretarial clerk picks up the mail, a staff assistant opens the mail, two secretarial clerks enter the receipts into the assessments and liens computer system, and the Treasury Division makes the cash deposits.

Finding and Recommendation:

As noted above, the mail is opened and separated by the staff assistant each morning. The staff assistant has the ability to access and update the assessments and liens subledger and also assists with the posting of the cash receipts during busy times.

We recommend an individual, independent of the posting of cash receipts to the assessments and liens subledger, open the mail daily and run a tape of the checks received. The total from this tape should be reconciled daily to the amount posted to the assessments and liens subledger by an individual independent of the posting of the cash receipts.

- (2) Access to account information.

The liens and assessments manager, senior accountant, associate accountant, accounting assistant, secretarial clerks, and administrative secretaries have the ability to modify information in the assessments and liens computer system. The customer account specialists only have the ability to update minor customer information such as owner's name or mailing address. The customer account specialists do not have the ability to adjust or update other account information. No one within the Division has access to modify information in the IBIS system.

- (3) Posting of cash receipts to the assessment receivable accounts.

We noted there appears to be many controls over the posting of cash receipts to the assessment receivable accounts including the use of bar codes for account and amount entry, comparison of batch tapes run on checks with tapes run on coupons, agreement of receipt amounts between the Division and Treasury and agreement of batch totals with edit reports. However, we did note certain weaknesses in controls surrounding the posting of cash receipts. These weaknesses, which are elaborated in more detail in other sections of this report, include: (1) no supervisory review of the reconciliation of entries

posted to the assessments and liens computer system to cash receipts batch totals and adjustments (2) no reviews are made of the accuracy of payment information for payment received with no remittance coupon and (3) there was one instance where the cash receipts batch tape was not initialed by the preparer.

(4) Safeguarding controls over receipts and deposits.

Checks are turned over to the Treasury Division on a timely basis, after the assessments and liens subledger has been updated.

(5) Reconciliation of receipts between Division records to Treasury deposits.

Based on discussions with the lien program manager, the accounting assistant and the supervising deputy treasurer, we noted that differences in reconciliations of receipts between the Division and the Treasury Division deposits are infrequent. When differences do exist, Treasury notifies the accounting assistant and the situation is given immediate attention and is resolved in a timely manner.

(6) Controls prohibiting system overrides and deviations from department policy.

The ability to update customer account information is limited to the liens and assessments manager, liens program manager, senior accountant, accounting assistant, secretarial clerks and administrative specialists. The customer account specialists do not have the ability to modify account data other than general information such as addresses and names. All changes to assessed accounts (cash receipts and adjustments) are detailed daily on an edit report which is reviewed and reconciled by the accounting assistant to the batch totals, adjustment sheets, and total deposits.

Finding and Recommendation:

The accounting assistant is responsible for reviewing the daily edit report ("Batch Summary for xx\xx\xx" report) which details all entries posted to the assessments and liens system the previous day. The accounting assistant prepares the reconciliation of total postings to cash receipts batch totals and adjustments. No supervisory review of the reconciliation or the report is performed. In addition, the accounting assistant has access to the assessments and liens system. The accounting assistant could potentially post an adjustment to an individual's account without any review or knowledge by management.

We recommend management perform a supervisory review of the reconciliation and designate an individual to perform the reconciliations who does not have access to the system.

- (7) Procedures governing items rejected by the assessment and lien computer system and how duplicate transactions are avoided.

If no remittance coupon is submitted with an assessment payment, the secretarial clerk cannot enter the payment by scanning the bar code on the coupon, but must instead manually input the account number and dollar amount into the assessments and liens system.

Finding and Recommendation:

No review is made of manual entries to ensure accuracy of the account number and payment amount for payments received with no remittance coupon. Instead, the Division relies on notification from the homeowner if a discrepancy is noted by the homeowner.

We recommend management review all payments manually input by the secretarial clerks to ensure accuracy of input on a daily basis.

When a check cannot be processed as part of the cash receipts process, due to a lack of an account number or for any other reason, the payment is given to a customer account specialist to be resolved. The customer account specialist makes every effort to contact the individual and identify the account number so the payment can be processed. In addition, the customer account specialist occasionally contacts the other bureaus to determine if the payment belongs elsewhere and was misdirected.

Finding and Recommendation:

When a check cannot be processed as part of the normal cash receipts process the check is stored in an unlocked safe until it is resolved. This safe is located in the center of the Division and anyone within the Division has access to it. Potentially, checks could be removed from this unlocked safe without detection by management.

We recommend uncashed checks be stored in a locked safe and access to the safe be limited to management only.

The checks and coupons are batched into groups of approximately 50 and one secretarial clerk runs a tape of each batch of the checks and another secretarial clerk runs a tape of each batch of coupons. These tapes are compared and any differences in amount are immediately resolved. Prior to making the batch entry, a secretarial clerk enters the total batch amount as calculated on the batch total tapes onto a prompt screen. After a batch has been entered entirely, the computer will process the batch if the computer total agrees to the amount entered at the beginning. If the amounts differ, the computer will not accept the batch, but will instead indicate the differing amount. The difference is immediately resolved and, once corrected, the batch is accepted by the computer.

Collections and Accounts Receivable:

We selected 60 payments and traced the payment to the assessments and liens accounting subledger and to the daily deposit detail and to the Treasury deposit. For the items selected, we reviewed for timely processing and that collection of past due amounts are properly posted to the subledger.

Finding:

During our testing of cash receipts we noted one case where the batch tape, prepared by the secretarial clerk from the customer coupons submitted for payment, was not initialed by the preparer. The batch number was 1994-05-05-020.

We recommend all batch tapes be signed by the preparer and a supervisory review be performed on all batch tapes prepared to ensure comparison with the batch tape from the checks is performed.

We reviewed four monthly reconciliations of the assessment receivable account subledger to the general ledger and noted if differences are resolved in a timely manner.

Finding and Recommendation:

We noted a reconciliation of the receivable balance per the assessments and liens system to the IBIS system is not performed every accounting period, but instead is only performed at year end as part of the annual audit. During the year, items could potentially be posted in error to the IBIS system or the assessments and liens system and it would not be detected until the year end reconciliation.

We recommend the assessments and liens subledger be reconciled to the IBIS system every accounting period. Additionally, this reconciliation should be reviewed by management and indicated by a signature and date. By performing a reconciliation every accounting period, the annual reconciliation would not be as time consuming to produce.

Work Supervision and Reporting Systems:

We reviewed four aged analysis reports of outstanding customer accounts to determine if they are prepared on a periodic basis and are evidenced by an appropriate supervisory review.

Finding and Recommendation:

We noted aged analysis reports of delinquent accounts are only produced on an as needed basis. When a new report is generated the old one is disposed. An aged report should be generated every accounting period and used as a tool to track the collection rate on delinquent accounts and to maintain historical information on these accounts. Management should review this report every accounting period for accuracy and completeness and document the review by signature and date. These reports should be retained for at least a year in order to be used for comparisons between periods.

We recommend aged analysis reports of delinquent accounts be generated every accounting period and used by management to access collections results.

Review controls of override privileges for customer account specialists and note if override reports indicate an appropriate supervisory review.

When a customer account specialist negotiates adjustments to a customer's account the customer account specialist must follow specific guidelines which tells him or her what and how much of the late charges they can reduce. Adjustments must be approved by the lien program manager. The customer account specialist does not have access to modify the assessments and liens subledger, so the adjustments are posted by a secretarial clerk who is independent of the adjustment process.

Additional Considerations and Recommendations:

In addition to the work performed on the procedures listed above, we noted the following :

CONSIDER CHARGING A PROCESSING FEE FOR ALL SIDEWALK ASSESSMENTS

When sidewalk assessments are charged to property owners, the owner has the option of paying the assessment in total before the lien is formally assessed by the City Council. If the owner pays the total assessment before actual assessment is made by the City Council, the owner, currently, only has to pay the actual cost of the sidewalk repair, but does not pay the 10% processing fee charged by the Division. Since the Division has already entered the estimated assessment into its computer system prior to formal assessment being made by the City Council, the Division has already incurred processing time and costs which it does not recover if payment is made early. Early payment appears to be a common practice of homeowners.

We recommend the Division consider charging its processing fee of 10% for all sidewalk assessments, whether the amount is paid by the property owner before approval by the City Council or not. This would allow the Division to recover its processing costs of all sidewalk assessments. Or, as an alternative, we recommend the Division consider waiting for the actual assessment to be made by the City Council prior to entering the assessment into the assessments and liens computer system.

CONSIDER CHARGING OTHER BUREAUS FOR PROCESSING COSTS WHEN
THE BUREAU CANCELS ITS ASSESSMENT AFTER IT HAS BEEN ENTERED

During meetings with the lien program manager and the senior accountant, we noted it is common for the Bureau of Buildings (Bureau) to assess liens and then cancel them when they are challenged in the hearings procedure or for a variety of other reasons. Between the time the owner is notified of the proposed assessment and the Bureau cancels the assessment, the Division inputs the account and begins billing procedures. When the cancellation occurs, the Division is unable to charge processing fees to the property owner and therefore does not recover any processing costs.

We recommend the Division consider internally charging the Bureau a processing fee if the Bureau cancels its own assessment after the Division has entered the assessment into its computer system.

ENCOURAGE MORE AGGRESSIVE COLLECTION PROCEDURES AGAINST
DELINQUENT ACCOUNTS

The assessments and liens system has a large number of delinquent accounts up to 10 years old. Until recently, the Division's policy was to avoid foreclosure proceedings due to the negative publicity it would generate and the Division often waited until Multnomah County (County) foreclosed on the property due to delinquent property taxes. Often no money would be generated for the City from the County's foreclosure or the County had no reason to foreclose. Over time, a large number of accounts have remained delinquent with no action being taken by the Division.

We noted that if a property owner requests a special payment plan (SPP) due to difficulty in paying the current assessment, the owner is no longer charged penalties. If the owner requests a SPP and then becomes delinquent on the SPP, the Division does not remove them from the SPP to again begin accruing penalties. Instead the account only accrues interest.

We recommend the Division continue to enforce collection policies to reduce the number of delinquent accounts. Also, the City should regularly produce delinquent reports for

Mr. Richard C. Tracy

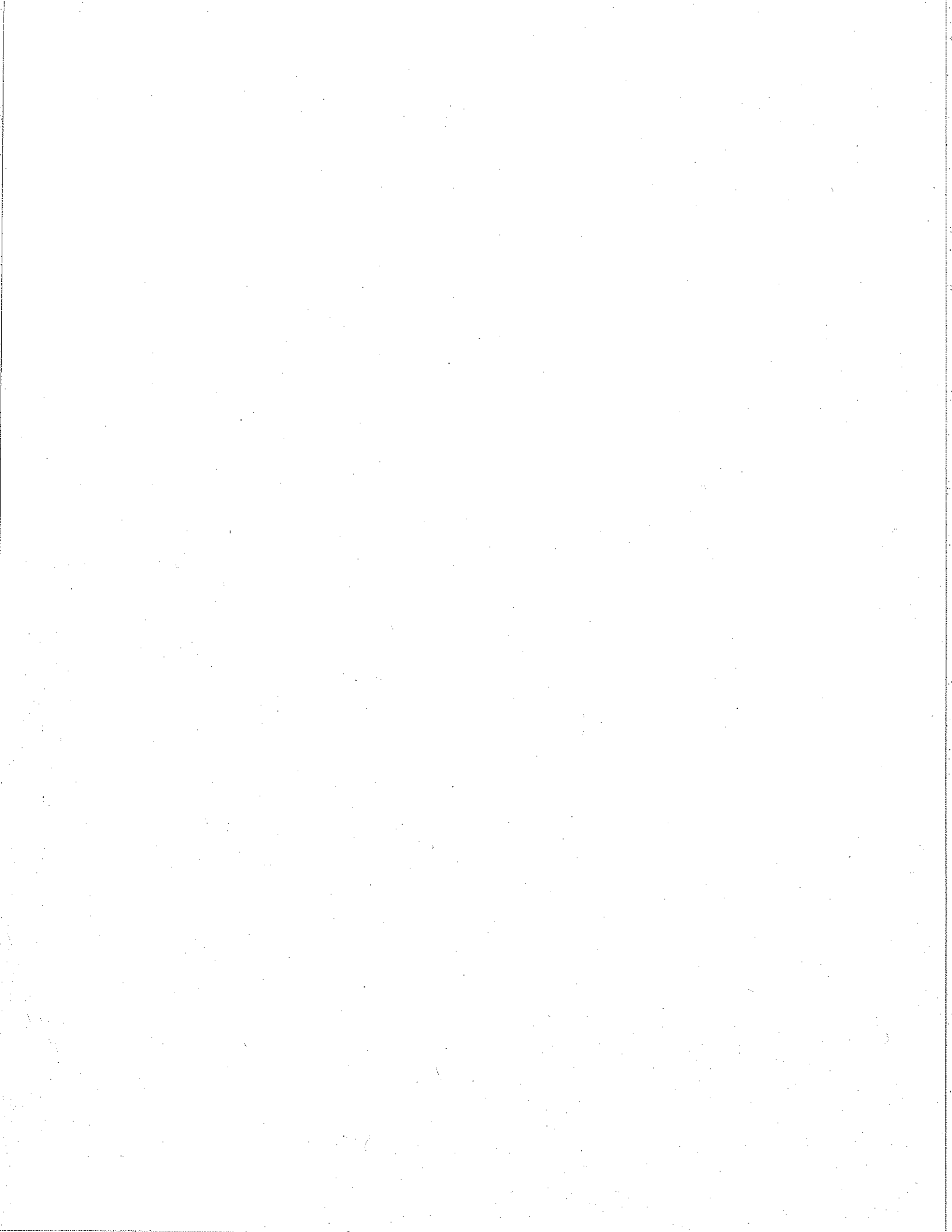
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owners which are on SPP's to determine if they should remain on the plan or be removed. If a homeowner is not complying with the SPP, the account should be removed from the plan and the account should revert back to the original contract.

Because the above procedures do not constitute an audit conducted in accordance with generally accepted auditing standards, we do not express an opinion on the accounting procedures or internal controls of the Assessments & Liens Division of the City of Portland. In connection with the procedures noted, except as noted above, no matters came to our attention that caused us to believe that the assessments and liens accounts should be adjusted. Had we performed additional procedures or had we conducted an audit of the financial statements of the Assessments & Liens Division in accordance with generally accepted auditing standards, matters might have come to our attention that would have been reported to you. This report relates only to the procedures outlined above during the period from July 1, 1993 to June 30, 1994 and does not extend to any financial statements of the City of Portland, Oregon or the Assessments & Liens Division, taken as a whole.

Coopers & Lybrand L.L.P.






City of Portland, Oregon
Office of the City Auditor
Assessments and Liens Division
Daniel G. Vizzini, Manager
503-823-4087 FAX: 503-823-4571

MEMORANDUM
January 18, 1995

TO: Richard Tracy and Amoy Williamson
Audit Services Division

FM: Dan Vizzini, Assessments Manager 

CC: Frank Dufay and Dan Schmidt
Assessments and Liens Division

RE: Coopers and Lybrand Review of Accounting Procedures and Internal Controls

The Assessments and Liens Division has reviewed the comments of Coopers and Lybrand regarding their review of the Division's accounting procedures and internal controls. On balance, the report paints a fair and accurate picture of the Division's accounting procedures. However, we would like to provide additional information regarding their findings and recommendations.

In addition to the attached responses, we are enclosing revised City Code provisions governing the assessment of sidewalk repair charges. This information was specifically requested by Coopers and Lybrand during our November meeting.

Feel free to call Frank Dufay (4088), Dan Schmidt (4092) or me (4087) if you require additional information.

Attachment.

Responses to Coopers and Lybrand Report
Review of Accounting Procedures and Internal Controls
Assessments and Liens Division
January 18, 1995

General Comments

We are pleased to note that the review did not identify any significant case of processing error or omission. This finding is a testament to the dedication of the Division staff, our commitment to staff training and team-building, and our continuous efforts to strengthen cost-effective accounting policies and procedures.

1. Establishing Customer Accounts

The text should be revised to change the term "administrative secretary" to "administrative specialist".

A(2) Supervisory Review. The findings and recommendations should be directed specifically to the various assessment programs which are administered by the Division. We offer the following observations for each of the major categories of assessments:

Local Improvement Districts. Current assessment procedures have multiple reviews by staff other than the Administrative Specialist who posts the assessment to the Lien Accounting System. The following procedures that LID assessment records are properly and accurately created and modified.

- ★ An administrative specialist posts and updates new assessment accounts from apportionment worksheets. The worksheets are prepared by the Assessment Analyst with the assistance and review of the Assessments Manager.
- ★ Once posted to the Lien Accounting System, the accounts are reviewed by the Assessment Analyst and project engineers in the participating public works bureau.
- ★ Estimate and final assessment rolls and assessing ordinances are prepared by an Administrative Specialist and reviewed by the Assessment Analyst, Project Engineer and Assessment Manager before these documents are filed for Council consideration.

Sidewalk Repair Projects. Current assessment procedures do not include adequate oversight by a third party, independent of the assessment process. We offer the following refinements.

- ★ An administrative specialist posts and updates new assessment records from source documents provided by the Bureau of Maintenance, with limited review by the Sidewalk Section.
- ★ The Assessment Manager performs a review of proposed assessment rolls and assessing ordinances before consideration by City Council. This review is limited to assessment project totals and not individual assessment accounts.

- ★ We propose to modify the assessment procedure to include a detailed review of the proposed and final assessment roll and source documents by the Assessment Analyst and Sidewalk Section staff, as well as a random review of new assessment accounts by the Assessment Manager before the assessment ordinance is presented to the Council.

System Development Charges, Private Plumbing Loans, Large Lot Deferral Loans and Sewer Safety Net Deferrals. Current assessment procedures do not include adequate oversight by a third party, independent of the assessment process. We offer the following refinements.

- ★ Current assessment procedures are similar to those used for sidewalk repairs. However, the Administrative Specialist does not share assessment posting information with any representatives of the Bureau of Environmental Services.
- ★ The Assessment Manager reviews the assessing ordinance and proposed assessment roll in aggregate, but does not perform a detailed review of individual assessments.
- ★ We proposed to add a review of source documents by the Assessment Analyst or other Division staff member, and a random review of new assessment accounts by the Assessments Manager before the proposed assessment roll and assessing ordinance is prepared for Council consideration.

Building-Related Assessments. Current assessment procedures do not include adequate oversight by a third party, independent of the assessment process. We offer the following refinements.

- ★ An Administrative Specialist posts and updates new assessment accounts based on source documents provided by the Buildings Bureau. There is no supervisory review or review by Buildings Bureau staff.
- ★ We propose to modify the assessment procedure to include a detailed review of the proposed and final assessment roll and source documents by the Assessment Analyst and Buildings Bureau staff, as well as a random review of new assessment accounts by the Assessment Manager before the assessment ordinance is recorded in the Docket of City Liens.

General Comments on Assessment Processing. In addition to these specific actions, we offer the following observations and suggestions:

- ★ The Administrative Specialist should run a tape of posting documents for non-LID assessment projects, and compare the posting tape to the proposed assessment roll. The tapes and supporting documents should be provided to the Assessment Analyst and Assessments Manager to facilitate an audit of the related assessment roll.
- ★ We do not agree with the recommendation that an edit report be generated to track adjustments or modifications prior to final assessment. There are no modifications or adjustments that may be made prior to final assessment that can not be verified or audited along with the review of the final assessment roll. And none of the modifications or adjustments have any impact on liens receivables or reconciliations with the City's general ledger. We prefer to concentrate our limited resources on accounting controls which support the assessment process and confirm the legitimacy of the final assessment roll and assessing ordinance. These documents form the legal basis for the assessment lien, and subsequent lien billing and collection activities.

2. Receipt, Recording and Deposit of Assessment Payments

- ★ *A(1) Segregation of Duties.* We agree that it is desirable to separate the tasks of compiling and tallying checks from the task of posting payments to the Lien Accounting System. We propose that the Division's Staff Assistant compile the receipts from the daily mail and run a single tape of all receipts as a control total, or compile a running total of the number of checks received and processed. The control tape will be used by the Division's Accounting Assistant to reconcile the accumulation of all payment batches which were processed during the day.
- ★ *A(2) Access to Account Information.* The terminology used in this section, and repeated throughout the report, should be clarified. In our lexicon, a "modification" is a change to a non-financial data element, such as an owner's name or mailing address. An "adjustment" is a financial transaction which changes liens receivables, or one or more of an account's running totals of interest, penalties or costs.

Almost all Division staff have security clearance to modify lien account information, and are trained to post a log note to the account explaining the modification. A limited number of accounting and supervisory staff are authorized to post adjustments. The Lien Accounting System provides daily detailed reports of all account adjustments, and these reports are reviewed and reconciled by the Associate Accountant. We believe that existing accounting reports and review procedures are adequate to prevent or detect any unauthorized adjustments.

- ★ *A(5) Reconciling Receipts to Treasury Deposits.* The reference to Associate Accountant is incorrect, and should be changed to Accounting Assistant. This problem also exists in A(6) System Overrides. The references made throughout the Findings section should be changed to Accounting Assistant.
- ★ *A(6) System Overrides.* We agree that the daily edit report should be reviewed by someone other than the Accounting Assistant. We prefer to assign the review of the daily adjustment reports to our Associate Accountant, and the review of daily payment reports to our Accounting Assistant. In addition, we will continue to require our Senior Accountant to review payments and adjustments on an accounting period basis.
- ★ *A(7) Processing Rejected Items.* We understand the intent of this recommendation to insure accurate processing of all rejected payments. However, the requirement of management oversight is not substantiated by our payment posting record. We will review alternatives which may include separate batching of rejected items, a random audit of payment records by our Accounting Assistant, or the use of a check code to verify manual payment batches.

We agree with the recommendation that we secure all uncashed checks into a locked safe. We have acquired a fireproof filing cabinet to use for this purpose.

3. Collections and Accounts Receivables.

- ★ *A. Processing Payments.* We consider as excessive the recommendation that a supervisor review batch tapes to insure that they are signed and dated. Our past performance does not necessitate such a costly procedure. Alternatively, we would prefer to have the Accounting Assistant review these items as a part of the review of daily batches.

- ★ *B. Accounting Period Reconciliations.* We understand and support this long-standing recommendation. However, we would like to evaluate the relative cost-effectiveness of accounting period versus quarterly reconciliations. The Division is completing a full reconciliation through FY 94-95 AP 5. Once completed, we will review the time required and decide whether to continue the process for AP 6 or wait until AP 10. We shall continue to reconcile payments, adjustments and assessments each accounting period.

4. Work Supervision and Reporting Systems.

- ★ *Collection Strategy.* The Division uses a targeted collection strategy which focuses primarily on batches of delinquent accounts organized by assessment project. We use project based accounting reports and individual account transaction histories to track delinquencies. Aging reports are only used to support annual pre-foreclosure efforts. We have identified modifications to the aging reports which will make them a more effective resource for project-based targeted collections.

In addition to the specific and focused efforts of the Lien Accounting Section, the Assessments Manager monitors delinquencies and the financial status of assessment related funds on a quarterly basis, in an effort to identify at an early stage the negative impacts of aging delinquencies.

- ★ *Processing Fees.* The Auditor's Office sponsored a Code change which was approved by Council in July, 1994. The change incorporated the 10% assessment fee into sidewalk repair invoices. The first group of integrated assessments will be posted to the Lien Accounting System within the next month. In addition, the Division has begun discussions with the Bureau of Buildings to address uncollected assessment processing costs associated with a multiplicity of Building-related assessments.
- ★ *Aggressive Collection Procedures - Special Payment Plans.* During the past year, we have performed a review of delinquent special payment plan accounts, and some follow-up collection work has been performed. However, we do not have a regular reporting system for tracking such delinquencies. We will design a tracking system which identifies special payment plan delinquencies as a part of our weekly pre-billing report. In this way, we will be able to add collection demand letters to such accounts as a part of the normal billing cycle.

Code Section.

F. Concrete saw cut. \$4.25 per linear foot unit.

G. Root removal. \$3.75 per square foot unit. The fee shall be based on the amount of ground area disturbed.

H. Special structural, excavation and fill jobs and jobs in areas of traffic and pedestrian congestion shall be charged as provided for in Title 5, Section 5.48.030. Determination of whether a job is of special type shall be made by the City Engineer.

I. Cost basis charges for work may be made at the discretion of the City Engineer if the actual cost can be conveniently and accurately determined in accordance with the provisions of Title 5.

17.28.150 Billing for Charges.

A. When work is completed on any construction, reconstruction or repair of a sidewalk, curb or driveway, the amount of the charge shall be determined by the City Engineer or responsible bureau and reported to the City Auditor. The City Auditor shall calculate a proposed assessment that includes the amount of the improvement charge plus 10% of the charge to defray the administrative costs of notice, assessment and recording.

B. The City Auditor shall prepare a proposed assessment notice consisting of the following information:

1. The legal description and site address of the property;

2. The proposed assessment amount;

3. The manner and deadline for filing written objections to the proposed assessment amount and a statement that the specific reasons for the objection must be stated in writing;

4. The date, time and location of the public hearing for Council consideration of the proposed assessment;

5. A statement that the final assessment will be recorded in the Docket of City Liens, and will be a lien which has first

priority against the property as provided by state statute;

6. A statement that the final assessment may be paid in full or paid in installments if authorized by Code;

7. A statement that the assessment shall be paid or financed, or an objection filed, within 20 days of the date of the notice. The statement must state that the objection must be in writing, must state the particular reasons for the objection, and must be filed with the City Auditor;

8. A statement that if an objection is filed, the assessment shall be paid or financed within 20 days of the date of the notice of the final decision in response to the appeal and the amount of assessment and interest shall date back to the date of the notice of the final decision; and

9. A statement that a delinquent final assessments may be collected by foreclosure and property sale.

C. The City Auditor shall mail the proposed assessment notice by first class mail to the owners of the affected property. The notice shall be deemed given upon deposit in the U.S. mail.

17.28.160 Assessment of Charges.

A. The City Auditor shall refer to the City Engineer or responsible bureau all remonstrances and remove from further assessment action the proposed assessments which are associated with the remonstrances. The City Engineer or responsible bureau shall review each remonstrance by taking the following actions:

1. Determine whether the improvement work was required by Code and whether the conditions required the improvements, whether the required improvements are consistent with Code and City specifications, and whether the improvement charges are calculated as provided by Code; and

2. Determine the extent of actions or adjustments which are necessary to bring the proposed assessment into compliance with

TITLE 17
PUBLIC IMPROVEMENTS

Code and program standards; and

3. Mail a statement of findings to the remonstrating property owner, and file a copy with the City Auditor. The findings shall include a statement that the property owner may appeal the determination to the Council.

B. The Council shall conduct a public hearing on the proposed assessments, however is should be held no sooner than 20 days following the date of the proposed assessment notice as provided in this Chapter. The Council shall consider and make its determinations based on the requirements of this Code and the City specifications maintained by the City Engineer. The Council shall affirm or modify the proposed assessments based on its findings. The Council's decisions shall be implemented by ordinance which sets forth its findings and decision. The decision of the Council may be appealed to the court by writ of review.

C. Following adoption of the assessing ordinance, the City Auditor shall mail a final assessment notice to the owners of the affected property as shown on the last available assessment roll in the office of the county assessor. The notice shall be deemed given upon deposit in the U.S. mail. The notice shall contain the following information:

1. The legal description and site address of the property;
2. The final assessment amount;
3. A statement that the final assessment is recorded in the Docket of City Liens, and is a lien which has first priority against the property as provided by state statute;
4. The manner and deadline for paying the final assessment in full or requesting to pay the final assessment in installments if authorized by Code;
5. The interest, penalties and collections costs which shall be charged if the final assessment is not paid or an installment payment contract is not filed before the

deadline contained in the notice; and

6. A statement that delinquent final assessments may be collected by foreclosure and property sale.

D. The City Auditor shall maintain a Docket of City Liens containing final assessments on property. Any unpaid final assessment shall be recorded in the City lien docket, and it shall be binding upon the property owner and all subsequent property owners of the property or any segregated part of it. The docket shall stand thereafter as a lien docket the same as ad valorem property taxes assessed in favor of the City against each lot or parcel of land until paid, for the following:

1. The amount of the unpaid final assessments docketed, with accrued interest at the rate determined by the City Council, or in the case of an installment contract, at the rate set forth in the contract; and

2. Any additional interest, penalties, or billing charges imposed by the City with respect to any installments of final assessments which are not paid when due.

E. All unpaid final assessments together with accrued and unpaid interest and penalties and billing charges are a lien on each lot or parcel of land respectively, in favor of the City and the lien shall have first priority over all other liens and encumbrances whatsoever.

F. The City shall enforce assessment liens and installment payment contracts under this Chapter in the same manner as other City assessments as set forth in Title 5.

