

# **City of Rockaway Beach**

## **Financial Management Policies**

Adopted by City Council-\_\_\_\_\_

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## ACCOUNTING

**Purpose.** The City of Rockaway Beach must maintain a system of financial monitoring, control, and reporting for all operations, funds, and agencies in order to provide effective means of ensuring that the overall goals and objectives will be met and to assure the City of Rockaway Beach supporters that the City is well managed and fiscally sound.

**Policies.** The City will maintain high standards of accounting. Generally Accepted Accounting Principles (GAAP) will be used in accordance with the standards developed by the Governmental accounting standards board (GASB). If guidance beyond GASB is necessary, principles will be used in accordance with the standards developed by the financial accounting standards board (FASB).

An independent annual audit will be performed by a public accounting firm, which will issue an official opinion on the annual financial statements and management letter detailing areas that need improvement. This independent annual audit must meet the requirements of ORS 297.425. If over \$300,000 is received for a single federal program, that program needs to be audited according to office of management and budget circular a133.

Financial systems will be maintained to monitor expenditures and revenues on a monthly basis with thorough analysis. The accounting system will provide monthly information about cash position and investment performance. Full disclosure will be provided in the financial statements and bond representations.

**Accounting Systems and Standards.** The City's accounting and reporting system shall demonstrate the following characteristics: reliability, accuracy, consistency, understandability, timeliness, responsiveness, and conformity with all legal requirements.

The accounting system shall be maintained to conform with the Generally Accepted Accounting Principles (GAAP) established by the Governmental Accounting Standards Board (GASB) and should result in an unqualified opinion by the City's independent auditor.

**Fund Structure.** The City of Rockaway Beach shall establish only funds that are necessary by law or for sound financial administration. The funds shall be structured in a manner consistent with GAAP to maximize the ability to audit, measure, and evaluate financial performance. The fund structure will be reviewed annually. Recommendations to improve compliance with council policies, financial planning, resource allocation, and service delivery by the Office Manager will be made at the beginning of the annual budget process.

## **BUDGET**

**Purpose.** The City of Rockaway Beach has the responsibility to develop a budget according to Oregon Revised Statutes that provides for services, which will meet the needs of its constituents. The extent of those services will be determined by the available resources. Oregon's local budget law is found in chapter 294 of the Oregon Revised Statutes.

**Budget Preparation.** Each year the Budget Officer shall prepare a proposed budget for Budget Committee review. It will include detailed budget and performance information. This information will be compiled by the Office Manager for inclusion in the budget document.

Unless otherwise directed, the annual budget process will consist of the following phases.

- (1) Issue budget schedule.
- (2) Present department requests in a manner consistent with budget directives.
- (3) Provide for the full participation of the budget committee and ensure opportunities for public testimony and participation.
- (4) Receive public testimony and reach final decisions necessary to adopt the City's budget.

**Budget Monitoring.** The Office Manager will maintain a system for monitoring the City's budget during the fiscal year. Amending the budget during the year in order to address unanticipated needs, emergencies, or compliance with budgetary statutes will be coordinated by the Office Manager.

**Supplemental Budget Process.** A supplemental budget is required to spend unanticipated revenues. For the purpose of preparing a supplemental budget and planning the notification requirement, fund expenditures in the current budget do not include interfund transfers, contingency amounts, or unappropriated ending fund balance. When the supplemental budget will adjust a current budget fund by less than 10 percent of that fund's expenditures, notice of the regular meeting at which the supplemental budget will be adopted shall be published not less than seven days before the meeting.

When the supplemental budget will adjust a current budget fund by 10 percent or more of the expenditures, a special hearing must be held, and a notice of hearing and the proposed supplemental budget shall be published 14 to 20 days before the hearing. A supplemental budget shall be required to transfer contingency funds greater than 15% of total appropriation in the fund.

## **CASH RECEIPTS, DISBURSEMENTS, AND RECONCILIATION**

**Cash Receipts.** Balance daily receipts to deposit slip. Bank deposits shall be made daily if daily receipt activity is in excess of \$500. All funds shall be locked in a secure location when unattended. Utility payments should be batched by another employee other than the utility billing clerk. As is feasible with limited staffing, duties are assigned in such a manner to segregate batching, processing, and reconciling to detect errors or omissions. Receipt books shall contain consecutively numbered receipts.

- \* Two adding machine tapes shall be run listing checks individually, subtotal, coin, currency, and total.
- \* One tape shall be run for bank deposit and one tape for summation of receipts.
- \* Verify that the amounts are in balance.
- \* Prepare bank deposit slips and make deposit.
- \* When the bank receipt is obtained, verify the correct amount was keyed in by the bank.
- \* Submit bank deposit receipt along with the detailed documentation (receipts or cash receipt listing) to finance for general ledger posting.

**Returned Checks.** The City's bank shall attempt collection of the funds twice before returning any item. Returned items shall be directed to finance. Finance shall identify the department and reverse the appropriate revenue. The bank charge shall be charged directly to the depositing revenue account. A copy of the check and bank debit advice shall be forwarded to appropriate department. The depositing department shall be responsible to attempt collection and recapture any costs associated directly with the returned check.

**Cash Disbursements.** An original invoice for each purchase shall be provided clearly showing the goods or services were provided to the City and contain the accurate and total amount to be paid. Department heads may approve invoices by noting the general ledger account number with a signature and date for approval. Documents without proper authorization shall be returned to the originating department. Checks require two signatures. Vendor checks shall be mailed directly to the payee.

**Cash Reconciliation.** A cash reconciliation shall be performed on a monthly basis providing detail of any deposits in transit and all outstanding checks for the City of Rockaway Beach.

## **CREDIT CARD or CHARGE ACCOUNTS**

**Authorization.** The City must provide verbal authorization prior to the use of a City credit card or charge account by an employee.

**Employee Agreement.** The employee must sign an agreement acknowledging that he/she has read and understands the policies and procedures governing the use of a City credit card or charge account.

**Restricted Use.** The use of a City credit card or charge account is subject to the following restrictions:

- No personal or private expenditures,
- No regular operating expense shall be charged to a credit card (monthly telephone bills, internet agreement, etc.),
- Each expense charged must be accompanied by the actual itemized receipt and brief explanation,
- Capital purchases should rarely be charged to a credit card,
- Documentation of each expense shall be submitted as soon as possible and no later than 10 days from the date of purchase,
- No cash advances will be permitted on a company credit card,

**Credit Card Payments.** Payments, late fees and interest related to unauthorized or undocumented charges shall be the responsibility of the employee. Violations of the City of Rockaway Beach's credit card policy shall result in disciplinary action, including termination of employment or prosecution.

## **DEBT**

**Purpose.** Provide staff direction on objectives to be achieved before bonds are sold and for the ongoing management of the debt program. Provide direction to staff on selection of underwriter and type of bond sale (competitive, negotiated). Enhance the quality of decisions and rationalize the decision-making process.

**Policy.** Long-term borrowing shall be confined to capital improvements too large to be financed by current revenues. Capital projects financed through bond proceeds shall be financed for a period not to exceed the useful life of the project. Bond anticipation notes shall be used as needed to finance construction of local improvements. Issuance of assessment bonds shall be pursued to finance Local Improvement Districts (LIDs) approved by the City council, which are too large to finance from current available balances. Please note the LID policy of this document.

**Use of Debt Financing.** The City shall use long-term debt for capital projects that cannot be financed by current revenues. Long-term debt may also be issued when the specific situation dictates that it is in the best interests of the City. Generally, debt financing shall be limited to one-time capital improvement projects when the project's useful life will exceed the term of financing, the project revenue or specific resources will

be sufficient to service the debt, and the project will benefit the citizens at large. Debt financing shall not be considered appropriate for current operating and maintenance expenses (except for short term instruments).

**Statutory Limitations on Debt.** Outstanding general obligation indebtedness shall not exceed the limitation as specified in Oregon Revised Statutes and the City of Rockaway Beach Charter. The issuance of general obligation bonds shall comply with all existing laws and regulations with respect to publication and notification, voter approvals, and any other requirements as specified in Oregon Revised Statutes.

**Internal Limitations on Issuance of Debt.** Refunding bonds may be authorized by the City council provided such refunding results in a decrease in the interest rates and a net savings over the life of the bonds. All general obligation bonds shall be sold at public sale; however, the City reserves the right to reject any and all bids, and or sell general obligation bonds at private negotiated sale if it is deemed in the best interest of the City. Such a decision may be based on advice of bond counsel and financial advisors as well as current market conditions and the specific financing in question. For revenue bonds, please reference ORS 288 and 454.

To maintain the City's credit rating and expenditure flexibility, the annual debt service payments on direct long-term debt shall not exceed 10% of total operating revenues.

**Leasing.** Lease purchases shall be considered only when the useful life of the item is equal to or greater than the length of the lease.

**Debt Management Plan.** A comprehensive debt management report shall be presented annually detailing the sources of funding and terms for all debt. The Office Manager shall annually review the percentage of debt to operating revenues and make any recommendations to the City Manager, Budget Committee or City Council.

### **Capital Asset**

**Policy.** Capital assets which include property, plant and equipment are reported in the applicable governmental and business-type activity columns in the government-side financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000.00 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical costs where no historical records exist. Donated capital assets are recorded at estimated fair market value at the date of donation. The cost of normal maintenance or repairs that do not add to the value of an asset or materially extend its life are charged to expenditures as incurred and are not capitalized. Major capital outlays for capital assets and improvements are capitalized as projects are constructed. At the time of a capital asset purchase all paperwork including invoices needs to be given to the Office Manager.

**Inventory.** Each department is responsible for maintaining control over the fixed assets

in their area of responsibility. The department head shall verify that the inventory is correct, indicate any adjustments required and the reason for the adjustment, and return a signed copy to finance no later than August 30<sup>th</sup> of each year.

***Transfers.*** Transfers of assets shall be reported to finance on a fixed asset transfer form. This form is to be signed by both receiving and sending department heads.

***Disposition.*** Disposition of assets shall be recorded on asset disposition form noting whether sold, destroyed, or traded. Periodically a list of surplus property shall be submitted for council approval and sale.



## GRANTS

**Purpose.** The purpose of a grant is to provide federal, state or other financing to fund in part or in total local government programs consistent with the City's overall goals, objectives, and operation. The grant policy is intended to facilitate the use of this dedicated funding and ensure the necessary monitoring and proper accounting of these resources.

**Policy.** The City shall assess cost benefit factors of grant programs prior to acceptance considering long range implications to the City in the form of dollars spent and or staff time commitments. Utilize grant monies when practicable to fund City projects and programs leveraging local monies to receive the greatest benefit possible. The City shall abide by all legal and contractual requirements relating to grant programs.

**Preapplication Approval.** Prior to application all grant or loan programs shall be Approved by the City Manager. Approval shall be based on current City goals, City Council directives, and resources available.

**Process Review.** All grant applications and submissions including progress and final report shall be subject to review by the following appropriate government personnel prior to submission to the granting agency. The Office Manager shall review all financial data; all contracts and covenants shall be reviewed by the City attorney; and all program related issues shall be reviewed by the head of the department managing the grant program.

**Records Retention.** For monitoring, administration, and auditing purposes, the Office Manager shall maintain all original and supporting grant documentation. All records shall be retained for the statutory period or as required in the terms of the specific grant whichever is longer.

**Purchase of Fixed Assets.** The purchase of fixed assets shall conform to all federal, state, and local procedures. Procedures for purchases include the use of free and open competition, rights and remedies between contracting parties, and the use of small minority owned, and women owned businesses. Adequate records shall be retained including the rationale for method for procurement, selection of contract, contractor selection or rejection, and the basis for the contract price. Unless otherwise stated in the grant agreement, proceeds from the sale of a fixed asset purchased with federal funds are to be turned over to the federal granting agency.

**Budgeting and Accounting.** Budgets are to be developed pursuant to the guidelines provided on the grant submission document, and grant expenses are to be tracked in a manor consistent with the grant submission document budget. A full and separate accounting shall be maintained for all grant programs consistent with requirements of the federal single audit act and specific requirements of the grants themselves.

## INTERNAL CONTROLS

**Purpose.** For the City of Rockaway Beach to assure accountability and manage risk, it has built a framework of internal controls. Management has the responsibility to identify risks, prioritize them, and to design internal controls to manage them.

**Policy.** The City understands that the basic principles of a good internal control framework include segregated duties, design that is simple and practical, design that allows for monitoring and testing, controls that address high priority risks, controls that are written into policies and procedures, consistency, and endorsement from top management. Internal control is the means by which risk can be managed and includes the following controls:

- \* Establish sound personnel policies that include well designed job descriptions, background checks, and reference checks.
- \* Establish criteria for requiring authorizations and approvals.
- \* Supervisory review of subordinates' work may be the only internal control available over some functions.
- \* Retain qualified independent auditors.
- \* Monitor internal control processes on a regular basis, add or remove controls as necessary, and update written policies and procedures regularly.
- \* Assure that the cost of controls does not outweigh the benefits they provide.
- \* Review financial policies on a yearly basis.

## INVESTMENTS

**Policy.** All City funds shall be invested to provide safety of principle, a sufficient level of liquidity to meet cash flow needs, and to provide the maximum yield possible. One hundred percent of all idle cash shall be continuously invested. The receipt of a market rate of return shall be secondary to safety and liquidity requirements. It is the intent of the City to be in complete compliance with local and state law. (ORS 294.035 through 294.048, 294.125 through 294.155, and ORS 294.810). The earnings from investments shall be used in a manner that best serves the public trust and interest of the local government.

Effective cash management is recognized as essential to good fiscal management. Cash management is defined as the process of managing monies in order to ensure maximum cash availability. The City shall maintain a cash management program that includes collection of accounts receivable, prudent investment of its available cash, disbursement of payments in accordance with invoice terms, and the management of banking services.

**Scope.** The investment policy applies to excess cash related to all activities and funds under the direction of the City Council. Deferred compensation funds are placed with a third party for investment and are therefore excluded from this policy. Surplus funds resulting from debt issuance shall be considered as a separate portfolio; such maturities shall coincide with the project cash flow needs resulting from the projected construction schedule.

**Accounting Method.** Investments shall be carried at the lower of cost or market value. Gains or losses from investments shall be credited or charged to investment income at the time of write down, sale, or maturity. Interest on nonmatured investments shall be accrued as earned. Premiums or discounts on securities shall be amortized over the life of the securities. The City shall comply with Governmental Accounting Standards Board (GASB) requirements.

## LOCAL IMPROVEMENT DISTRICTS (LIDs)

**Purpose.** The policy prescribes a process to evaluate the financial feasibility of local improvement projects, measure financial risk of project default, and identify sources of financial security for long term assessment financing. Through this process the City shall be able to make policy decisions about the purpose of the local improvement, the responsibilities of property owners, the contributions if any of City resources, and the means of responding to financial risk.

**Policy.** All proposed LIDs shall be initially evaluated for feasibility by City staff based

on the following criteria for property values. The City shall strive to minimize its risk of needing to access general fund or additional tax levy monies to cover defaults or delinquencies on LIDs and their financing. The City shall pursue foreclosure proceedings when necessary in the collections of amounts owed relating to LID projects and related assessments. The City shall calculate and recover all costs associated with LIDs including capital and administrative costs related to the project. Accurate and complete project records shall be maintained relating to all LID projects.

**Assessment Contract Interest Rates.** The interest rate to be used for deferral of assessments over a ten-year period shall be the current prime rate plus 1.5%. However, if long-term tax-exempt bonds are issued to finance the project, the deferred assessments will bear interest at 1.5% above the bond yield, beginning with the date of issuance of the bonds. Of the 1.5%, .5% relates to coverage of administrative costs. The remaining 1% is a risk premium designed to protect against nonperforming assessment contracts and defray risks associated with LID financing. This type of interest rate adjustment is often required in the issuance of assessment bonds to obtain an acceptable bond rating. The prime rate shall be determined at the time the council adopts a resolution declaring their intent to proceed with the LIDs after remonstrances have been considered.

**LID Financing.** The City shall either use available cash reserves or borrowings to fund the LIDs. In determining the best alternative to finance a LID, the City shall consider all applicable statutes and policies and pursue the alternative, which minimizes risk to the City and results in a reasonable cost for financing the project.

**Procedure for LID Formation.** See Ordinance No. 56 as amended.

## **PURCHASING PROCEDURE**

**Purchase orders are not required for** routine purchases, memberships, and established contract services, such as City Attorney and debt service contracts. Where there are a limited number of providers of specialty materials and services, submit a purchase order with the notation that “no other providers were found”.

City Manager and/or department head will evaluate routine purchases periodically.

**Purchases of \$5,000 or more** may be subject to capital outlay budget classification and capitalization, depending upon whether purchasing a fixed asset, extending the life of a fixed asset, or purchasing a component for repair and maintenance.

**Purchases of \$5000 or more** may be subject to public contracting requirements, the

competitive bidding process, and advertisement.

Once goods are received, department head shall approve invoice and designate line item expenditure(s) for payment processing.

The City Manager and Office Manager shall review accounts payable invoices and supporting documentation.

## REVENUE AND RESERVES

**Purpose.** The City of Rockaway Beach shall be sensitive to the balance between the need for services and its ability to raise fees, charges, and taxes to support services. City services that provide private benefits should be paid by fees and charges to users of those benefits. This allows maximum flexibility in use of tax revenues to meet the cost of services for broader public benefit.

Reserves establish minimum cash for working capital requirements to minimize the risk of interrupted business operations due to financial instability, both internal and external, or to fulfill legal requirements of bond covenants and statutes. These necessary reserves may include future year reserves for a specific purpose, operating “not available for appropriation” reserves, counter-cyclical reserves or rate stabilization funds, and debt service reserves.

**Policy.** A diversified and stable revenue system shall be maintained to shelter the government from short run fluctuations in any one revenue source. One-time revenues shall be used only for one-time expenditures. The City shall avoid using temporary revenues to fund usual and customary services. Revenue forecasts shall be conservative though reflective of the latest, best information available. Regular reports comparing actual to budgeted revenues shall be prepared by the Finance Officer and presented to the City Manager. Funds shall be safely invested according to an adopted policy. One hundred percent of idle cash shall be continuously invested.

**Fund Balance, Contingency.** To maintain resources, the budget shall provide for an anticipated unappropriated fund balance for the general government and enterprise fund types. The fund balance shall be exclusive of all reserves not anticipated to be readily available for use in emergencies and contingencies. The adequacy of the fund balance shall be evaluated annually to consider minimum cash requirements prior to receipt of current year property tax collections.

Generally the fund balance levels are dictated by cash flow requirements to support operating expenses, relative rate stability from year to year for enterprise funds, susceptibility to emergency or unanticipated expenditure, credit worthiness and capacity to support debt service requirements, legal or regulatory requirements affecting revenues, disbursements, and fund balances, and reliability of outside revenues.

**Sources of Revenue.** The City shall strive to maintain a diversified and stable revenue system to shelter the government from short run fluctuations in any one revenue source and assure its ability to provide ongoing service.

Each time a new revenue source or a change in the rate of an existing source is considered, the effect of this change on revenue shall be thoroughly examined by the Office Manager prior to inclusion in the proposed budget.

Intergovernmental assistance shall be used to finance only those capital improvements

that are consistent with capital improvement plans and local government priorities and whose operation and maintenance costs have been included in operating budget forecasts. Restricted revenue shall be used only for legally permissible purposes and in a fiscally responsible manner. Programs and services funded by restricted revenue shall be clearly designated as such.

**Revenue Collection.** In collection of revenues, the City shall pursue whatever means deemed appropriate to collect on all debts owed considering the relevant costs of collection.

**Fees Licenses Permits.** All fees for licenses, permits, fines and other miscellaneous charges shall be set to recover the City's expense in providing the attendant service unless specifically identified and exempted by the council. These fees should be reviewed annually in February prior to preparation of the upcoming fiscal year budget.

A revenue listing such fees and charges of the City shall be maintained by the Office Manager and updated concurrent with the annual adjustment.

**Utility Fees.** Utility user charges shall be based on cost of service, which includes capital replacement needs. User charges shall be established so that the operating revenues are at least equal to its operation expenditures and annual debt service obligations. The user rates of a utility shall be designed so that a portion covers replacement of the utility's facilities (depreciation).

**Federal Funds.** Block grants and other federal funds shall be actively sought. The City shall use these funds to further the applicable stated program goals. Because block grant funds are not a guaranteed revenue source and are intended for a specific purpose, generally they shall not be relied upon as an alternative source of capital improvement funds. In the pursuit of and application for federal funding, the City shall follow the grant administration policies as provided with the grant. Staff and council shall evaluate all grant opportunities on a cost versus benefit basis and long-term impacts to the City.

**Interfund Transfers.** To the maximum extent feasible and appropriate, interfund fund transfers shall be defined as payments intended for the support of programs or services.

Where it is necessary to make a one-time advance of general fund monies to another operating fund, all applicable federal, state, and local laws shall govern the transaction. Should the fund accumulate an unexpected balance, this excess shall be used first to repay the advance. At the time of closing out the fund, all assets of the fund revert to the general fund. For short term cash deficits in operating funds during the course of the year, short term loans are preferred to advances, except in cases where the receiving fund is legally precluded from paying interest on loans or where loan transactions would be too numerous and costly to be cost effective.

## REVENUE LISTING OF FEES AND CHARGES

<b>Revenue Sources</b>	<b>References</b>	<b>Computation/Methodology</b>
<b>Emergency Service Fee</b>	Ordinance No. 19-438	\$5.00/month/development
<b>Liquor Tax</b>	ORS 221.770 and ORS 221.730	Per Capita
<b>Cigarette Tax</b>	ORS 323.455	Per Capita
<b>911 Emergency Tax</b>	ORS 401.790	Per Capita
<b>Highway User (Gas) Tax</b>	ORS 366.785 and ORS 366.820	Per Capita
<b>Business Licenses Short Term Rental Licenses</b>	Ordinance No. 01-366B Resolution No. 19-680	Base fee is \$65 per year. Base fee is \$250 per year.
<b>Planning Fees</b>	Resolution No. 03-475	Varies.
<b>Franchise Fees</b>	Charter Cable Franchise Agreement  Tillamook County PUD Service Agreement  Sprint Telephone Franchise Agreement	5% of gross revenues collected in City  4% of gross revenues collected in City  4% of gross revenues collected in City
<b>Municipal and District Court</b>	ORS 801.145, 801.450, and ORS 153.500, 830.010	Fine revenues are per adopted schedule in code.
<b>Transient Room Tax</b>	Ordinance No. 428, as amended	10% of taxable rent
<b>Water Fees</b>	Ordinance No. 292 Resolution No. 17-660	\$44.87 monthly base rate plus add'l \$2.40 per each 100 cubic foot of overage;
<b>Sewer Fees</b>	Ordinance No. 117, as amended Resolution No. 00-444	\$50.80 monthly base rate plus add'l \$2.60 per each 100 cubic foot of water overage;
<b>System Development Charges</b>	Ordinance No. 94-317 Resolution No. 97-403	Water Improvement \$5,925 Sewer Improvement \$2,645 for standard meter size
<b>Water and Sewer Connection Fees</b>	Ordinance No. 292 & 117 Resolution No. 00-445B	Fee schedule ranges with type of installation.



## UTILITY BILLING AND COLLECTION

**Purpose.** Utility services shall strive to protect the waters within and adjacent to the City of Rockaway Beach from pollution and promote the health, safety, and welfare of the residents. The policy is intended to administer utility billings uniformly and fairly. Utility user charges shall be based on cost of service and capital replacement needs. User charges shall be established so that the operating revenues are at least equal to its operation expenditures and annual debt service obligations. The user rates of a utility shall be designed so that a portion covers replacement of the utility's facilities (depreciation).

**Policy.** Utility billings shall be sent out as close to the 30<sup>th</sup> of the month in each of the even months. An interest amount of five percent (5%) shall be imposed on the 18th of the month following the bill due date.

**Delinquent Notices.** A delinquent notice shall be mailed to each delinquent account on the day after the bill is due. The notice shall contain information specified in Ordinance No. 292.

**Satisfaction of Delinquency.** Discontinuance of service may be avoided by a payment sufficient enough to cover all outstanding delinquent charges.

Hardship is hereby defined as a medical need for water service, a leak that has been repaired, or a divorce, death of spouse, or loss of employment within the delinquent service period. Failure to meet hardship status may be appealed to the City Council prior to the scheduled shut off date.

A payment agreement needs to be signed by the customer, may be for a period of no longer than one year, must be accompanied by at least 1/12 of the amount owed, and must be received at City Hall prior to the shut off date. Failure to abide by the terms of the payment agreement shall constitute a breach of contract and service will be discontinued after a seven-day notice. In addition, the customer will lose eligibility to apply for any future payment agreements.

**Discontinuance of Service.** In all instances where water has been turned off because of delinquent account, the total amount owing, including disconnection and re-establishment fees, shall be collected before service is restored.

If a customer moves from one service address to another, prior service must be paid in full prior to receiving new service. Customer refers to both property owners and renters. In the event of a move in the middle of the month, all charges incurred must be paid prior to establishment of new service; in such an event, the final bill would show a zero balance forward and reflect service charges for a portion of the final month.

Meters shall ordinarily be read at regular intervals for the preparation of bills and as required for the opening and closing of accounts. When actual meter readings are not available, consumption shall be estimated and adjusted when actual readings are obtained.

The utility billing clerk shall check for any outstanding balances owed to the City, as well as SDCs, which shall be paid in full prior to establishing new service.

**Liens.** The City shall maintain a record of all City liens in a lien docket. Liens for assessments shall be filed with the Tillamook County Clerk.

**Collection Agencies.** If an account is deemed uncollectible, due to the passage of time or change in property ownership, a hard copy of the account history will be printed and retained in the utility files, and the account will be turned over to a collection agency. Revenues received from the collection agency will be posted to the uncollectable account directly, any interest accrued from the collection company will be added to that particular customers account.

**References.** Reference Ordinance No. 292 for water policy and Ordinance No. 117 for sewer policy.

## **UTILITY BILLING ADJUSTMENTS**

**Policy.** The City of Rockaway Beach recognizes that there are certain circumstances under which adjustments need to be made to user charges, due to leaks, meter malfunction, misreadings, data entry or program errors, natural occurrences, and similar situations. Adjustments made to an account will appear on the next regularly scheduled billing.

**Water Leak Adjustment.** The current policy of the City of Rockaway Beach is that excessive water charges due to a leak will be adjusted as provided for in Ordinance No. 292.

**Sewer Leak Adjustment.** In circumstances where there is a waterline break during which no water enters the sanitary sewer system, an adjustment can be made to the sewer bill upon provision of proof that a repair has been made, or following a subsequent reading which shows the excessive consumption has abated.