



CITY OF SACRAMENTO

DEPARTMENT OF FINANCE

REVENUE DIVISION

September 19, 1986
RD:861333-ADM:MLM:ldm

Budget and Finance Committee
Sacramento, California

Honorable Members in Session:

SUBJECT: WEED ABATEMENT BILLING POLICY

SUMMARY

This report recommends a new weed abatement billing policy which will reduce the billing cycle from two years to six months.

BACKGROUND

The City's present weed abatement billing policy evolved from the abatement process (rather than from a financial process) in which billing is initiated after the abatement work for all parcels is completed. The present billing cycle includes the following:

Year One

January	-Notice to abate
March	-Notice City will abate
April - July	-First discing
August - October	-Second discing
November or December	-Final payments to contractors and customers billed

Year Two

February or March	-90-day period expires
April	-Lien notice
May	-Liens approved by Council

Year Two (cont.)

August	-Liens forwarded to County Auditor
November	-County mails tax bill
December	-City begins to receive payments from County

DISCUSSION

The two year cycle causes a cash flow problem, confuses the customers, and is a source of irritation for the customers. Changing two of the steps and establishing a two-tier administrative fee would reduce the process to a six month cycle. The first change would be to bill the customers for the abatement work after each discing is completed. The present policy of waiting until all the abatement work is completed is the main cause of the two year cycle. The second change would be to present customers a bill that is due and payable within 30 days. The bill would also be a notice of intent to lien the property in the event the bill remains unpaid after 30 days. Establishment of a two-tier administrative fee is necessary to implement the dual billing. Presently, the same administrative fee is charged to customers regardless of the number of discings required. However, properties that require a second discing result in additional administrative costs for inspections and contract supervision.

The advantages of the reduced billing cycle are: improved collectibility of accounts; improved cash flow; and improved customer relations. The disadvantage of the reduced billing cycle is the necessity of an additional lien hearing by the City Council. Initially, two lien hearings are envisioned in August and December. The advantage of the two-tier administrative fee is that the additional costs are recovered from those customers that cause the expense.

It is too late in the current process to change the billing cycle for 1986 weed abatement work. Logistically, to effect the change for the 1987 process, the policy change must be approved at the earliest date.

RECOMMENDATION

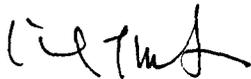
It is recommended that the Budget and Finance Committee recommend that the City Council adopt the attached resolution which:

1. Directs City staff to bill for weed abatement work after each discing;
2. Reduces the weed abatement work billing payment period to 30 days; and

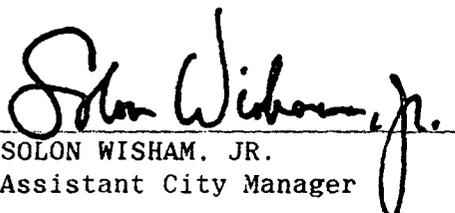
RECOMMENDATION (cont.):

3. Establishes a two-tier administrative cost recovery policy.

Respectfully submitted,


Michael L. Medema
Revenue Officer

RECOMMENDATION APPROVED:



SOLON WISHAM, JR.
Assistant City Manager

Attachment

All Districts
September 30, 1986

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

A RESOLUTION ESTABLISHING THE CITY OF SACRAMENTO'S
BILLING POLICY FOR WEED ABATEMENT WORK

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

1. The City of Sacramento will bill parcel owners for weed abatement work after each discing is completed.
2. The City of Sacramento will initiate special assessment lien proceedings for each billing that remains unpaid 30 days after the bill is mailed to the parcel owner.
3. The City of Sacramento will impose an administrative fee to recover the costs of each discing for weed abatement work performed.

MAYOR

ATTEST:

CITY CLERK