



## Legislation Text

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**File #:** 2017-4835, **Version:** 2

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Consider an ordinance amending Chapter 44, Sections 44-30 and 44-35, Code of Ordinances (2010 Edition), regarding connection and transfer fees. (Second Reading)

This proposed ordinance change provides various language clarifications to the Utility Billing Policy section and one substantive change. Staff is requesting the addition of a \$25 Past Due Administrative Fee for accounts that have become delinquent and are subject to disconnection for non-payment. This fee would be in addition to the \$50 reconnect fee should the account ultimately require disconnection. This type of fee is relatively common among the cities and utilities surveyed.

The City Utility Billing division has been reviewing and evaluating processes and procedures in preparation for the new Munis Customer Information System that will go live in January 2018. One of the more time consuming processes is reviewing and evaluating accounts subject to disconnect for nonpayment. Approximately 75% of those accounts are not disconnected due to arrangements or payments made. In those cases, no additional fee is charged although additional costs have been incurred working the accounts. Staff recommends the additional fee to better reflect the cost of service for these delinquent accounts and to encourage late payers to pay before they are subject to disconnect.

Utility customers currently have 16 days to pay their bill in full. After the due date, a 10% or \$2.50 late penalty is assessed, whichever is higher. After the due date, customers that have not paid receive a past due notice in the mail and an automated call. The customers are reminded that they have 14 days after the due date before they are subject to disconnect for nonpayment. Once subject to disconnect, staff carefully review those accounts before taking any final action.

The City maintains a 99% collection rate for its utility accounts. Keeping bills current and paid is an important part of maintaining lower costs for the utility.