City of Biggs

Agenda Item Staff Report
for the Regular City Council Meeting:
February 28, 2011 6:00PM

DATE: February 25, 2011

TO: Honorable Mayor and Members of the City Council

FROM: Pete Carr, City Administrator

SUBJECT: Ordinance to Implement Application of Utility Charges to All Property (Discussion/Action)

First reading of an ordinance to implement application of basic city utility charges to all property – currently or previously improved – regardless of current occupancy.

Background
The City's code clearly provides for utility base charges to be applied to "domestic" properties whether or not occupied. The same provision is not spelled out for commercial property, nor is any prohibition stated otherwise. City practice has for many years been to excuse the owners of unoccupied commercial properties from incurring utility charges where utilities are not being actively utilized.

The city council and a citizen's committee have both recently recommended the city correct this discrepancy and close the gap. To this end, the city attorney prepared a draft modification to chapter 10 of the Biggs Municipal Code.

The public and specifically affected property owners have been notified. Two property owners have verbally expressed negative sentiments to city staff about the proposed change.

Adoption could be accomplished in March with implementation in or anytime after April.

Attachment: Draft BMC modification
Implementing ordinance
Letter sent to affected property owners
Written response from J.Newcomb

Recommendation
Adopt first reading of ordinance to amend BMC 10.30

Fiscal Impact
Increased revenue to utility funds from approximately 12 properties being charged approximately $93 ea/mo = $13,392 annually.

10.30.040 Procedures generally.

(1) Except as provided elsewhere in this chapter, the city administrator/city clerk shall ascertain the amount of each utility service and use charges applicable to each property in the city. All utility services are billed through the fifteenth of each month or as indicated on the bill. Utility service billings are mailed at the end of each month.

(2) Utility service bills shall be mailed to the property owner or persons listed as the owners on the last equalized assessment roll of the county, at the address shown on such assessment roll, or to an address designated, in writing, by the owner, or to the successor in interest of such owner, if the name and address of such successor in interest is known and proof of such is provided to the city's administrator.

(3) Failure of the city administrator/city clerk to mail any utility service bill shall not excuse the owner of any property from the obligation of paying any utility services and use charges for any property owned and/or occupied and any other serviced area.

(4) Utility service and usage charges are required for and imposed upon all property, regardless of occupancy, to the same extent as occupied property, and are billed directly to the owner of said property. Electrical service bills and responsibility for such bills can be transferred to the tenant of a property if approved by the owner(s) of said property and by the city. [Ord. 318 § 4, 1998]

ORDINANCE NO. 390

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BIGGS AMENDING CHAPTER 10.30 OF THE BIGGS MUNICIPAL CODE

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THE CITY COUNCIL OF THE CITY OF BIGGS does ordain as follows:

SECTION 1: Biggs Municipal Code section 10.30.040, entitled Procedures generally, is amended as set forth in attachment A.

I HEREBY CERTIFY that the above and foregoing Ordinance was duly and regularly introduced and read at a regular meeting held on the 28th day of February, 2011, and was passed and adopted by the City Council of the City of Biggs at a regular meeting thereof duly held on the 15th day of March, 2010, by the following vote, to wit:

AYES: COUNCILMEMBER: _____

NOES: COUNCILMEMBER: _____

ABSENT: COUNCILMEMBER: _____

ABSTAIN: COUNCILMEMBER: _____

ATTEST:

_____
Roben Dewsnup
CITY CLERK

APPROVED:

_____
Roger L. Frith
MAYOR

CITY OF BIGGS

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www.biggs-ca.gov

February 8, 2011

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Dear Property Owner:

The City Council recently directed staff to prepare a draft change to city code for consideration of adoption, and to notify affected property owners in advance. The change affects the application of city-provided utility services in cases where properties are not currently being charged utility fees.

Currently, most properties which have improvements but are not subscribing to utilities (water, sewer, electrical and/or garbage service) are not charged utility fees. Some commercial properties have reduced rates for certain utilities. Both the city council and a citizen's water rate advisory committee identified the current practice as a policy needing correction. All residential properties are charged water, sewer and garbage utility services if there is or was an improvement on the property and that improvement is or was served by city services, regardless of whether the property is currently occupied.

The change being considered is to likewise extend responsibility for basic utility services to owners of all commercial and industrial property where utilities were once served, even if those services are not currently requested. The basis is that the cost of installing infrastructure and maintaining services ready for connection must be shared by all property owners in order to be affordable for all property owners, and that part of the value of the improved property is the existence of nearby ready-to-connect city services – whether or not those services are requested at this time.

Utility rates are adjusted from time to time as needed to balance city expenses with revenues. Following are sample monthly rates that might apply to your property. Complete rate and fee schedules applicable for your property are available at city hall and at the city website: www.biggs-ca.gov

Water – ¾" pipe metered:	$35.57 + usage + $4.25 capital improvement fee
Water – Business, non-metered:	$71.85 + $4.25 capital improvement fee

Sewer – Commercial:	$30.50 + $7.60 capital improvement fee
Electrical – Commercial:	$5.80 + usage @ $0.1701 to 0.1856 per kWh

In the case of vacant land which never had improvements or city services, and thus does not have stubbed pipes or meters, there would be no new imposition of utility charges. However, these properties would continue to be subject to impact fees if and when utility connections are established.

We hope you will agree that utility infrastructure and maintenance is of value to your property, and that the burden of costs for these services must be shared equitably.

The city welcomes your input on this and other matters before and during the meeting at which this topic is scheduled to be heard:

February 28, 6:00pm, City Hall 3016 Sixth Street

City council member contact information is available at city hall and on the city website: www.biggs-ca.gov.

City staff is also available at city hall to answer your questions.

Sincerely,

Pete R. Carr
City Administrator

Enclosed: Draft code change to apply utility charges to all property.

Biggs City Administrator

From: FLYN321@aol.com
Sent: Thursday, February 24, 2011 9:51 PM
To: biggs1@biggs-ca.gov
Subject: (no subject)

PETE CARR

BIGGS CITY ADMINISTRATOR

REGARDING PROPOSED INCREASE IN UTILITY FEES:

I FEEL THAT PROPOSED INCREASES IN UTILITY FEES WITHOUT BUILDINGS BEING USED OR OCCUPIED IS FOOLISH AND SHORT SIGHTED. THE HOTEL HAS BEEN OUT OF OPERATION FOR OVER 30 YEARS. IF THE CITY OF BIGGS WANTS TO ATTRACT NEW BUSINESSES, CHARGING POTENTIAL OWNER OPERATORS A 1000% INCREASE FOR WATER AND 400% FOR SEWER IS UNFAIR AND UNREASONABLE.

HOW CAN POLICIES LIKE THIS ATTRACT NEW BUSINESS TO DOWN TOWN BIGGS?

JON NEWCOMB