



City of Biggs

Agenda Item Staff Report For the Regular City Council Meeting: May 13, 2014

TO: Honorable Mayor and Members of the City Council
FROM: City Administrator
SUBJECT: Review of Municipal Code sections 10.30.050 and 10.30.060

At a previous Council meeting Council indicated the desire to review Municipal Code sections 10.30.050 and 10.30.060.

Background:

Please find attached the section of Muni-Code sections 10.30.050 and 10.30.060 which sets forth the late fee policy. In brief, the muni code sets forth the following:

- 1) The Payment due date is the 10th of the month.
- 2) In effect there is a 10-day grace period, as Late Fees are assessed on balances over \$20 not paid by the 20th of the month.
- 3) In practice, late fees are assessed on un-paid accounts on the morning of the 21st.
- 4) Staff may waive the late fee if the customer has had no late payments in the previous 12-calendar months.

In general, frustration with the late fee policy ensues when rather than make an effort to pay by the 10th (when the 10-day grace period would resolve the vast majority of late delivery issues) some customers delay payment until later, up to the 20th.

One recent situation illustrates the conflict, whereby the customer indicates that they delivered payment to the lockbox on the 20th, but the records indicate that no payments were received on the account in payments collected from the lock box on the mornings of the 20th or the 21st, therefore late fees were assessed. The customer had numerous late payments within the past 12-months and was therefore not eligible to receive a waiver of the late fee under the current ordinance.

Recommendation:

Review the City's Utility Late Fee policy, including staff's ability to waive late fees, and direct staff regarding any desired changes to the Municipal Code.

Mark Sorensen, City Administrator

10.30.050

of a property if approved by the owner(s) of said property and by the city. [Ord. 390 § 1 (Att. A), 2011; Ord. 318 § 4, 1998]

10.30.050 Payment – Due date and where made.

(1) Except as otherwise provided elsewhere in this chapter, all utility service and use charges are due and payable upon presentation.

(2) Except as otherwise provided elsewhere in this chapter, all utility services and use charges shall be payable at City Hall or as noted on the billing. [Ord. 318 § 5, 1998]

10.30.060 Payment – Delinquent when/charges assessed.

(1) All utility service and use charges are due on the tenth day of each month and become delinquent after midnight on the twentieth day of each month, and a penalty, in accordance with the current city fee schedule, shall be assessed against the current amount due. If the twentieth day is on a Saturday, Sunday or holiday, payment is due on the next business day following the twentieth. Any balance more than \$20.00 shall be charged a penalty, in accordance with the current city fee schedule, for the preparation and delivery of a final notice. Interest, in accordance with the current city fee schedule, shall be charged on all accounts reaching 60-day delinquent status on the last working day of each month.

(2) If 12 consecutive months have resulted in timely payments with no late charges or waivers, a courtesy to waive late penalties and/or interest will be extended to all such utility customers who are faced with extenuating circumstances. This courtesy shall require a formal request on public document to be completed by the utility customer and approved by the city administrator/city clerk or designee.

(3) If a utility customer's account has reached 90-day delinquent status, and if such utility customer has made no attempt to remedy the delinquency, city staff shall begin collection proceedings against the utility customer. A \$200.00 administrative fee shall be added to all accounts that are filed by the city of Biggs in small claims court or with collection agencies.

(4) The city administrator/city clerk or designee by the city council may enter into repayment agreements for delinquent utility service charges with

utility customers who no longer receive utility services from the city. Upon entering into a repayment agreement, the city administrator/city clerk, at their sole discretion, may waive any penalties, charges, and interest. Agreements may not exceed 36 months. If at any time payments are not received on a monthly basis, the agreement is void. In the event the utility customer does not meet the requirements of the repayment agreement, a \$200.00 administrative fee will be added to the amount due and filed for collection with small claims or other collection agencies.

(5) In conjunction with a utility service repayment agreement entered into by and between the utility customer and the city, the city administrator/city clerk or designee may also require a stipulated utility service repayment lien and notice of intent for satisfaction of lien through sale of proceeds to be entered into by and between the utility customer and the city. The city shall file the stipulated utility service repayment lien and notice of intent for satisfaction of lien through sale of proceeds directly with the Butte County recorder.

(6) Utility meters must be accessible at all times. If a meter is found to be inaccessible a fee in accordance with the current city fee schedule may be charged to the utility customer's account for each occurrence. Inaccessible includes, but is not limited to, locked gates, fences and buildings, animals, and overgrown landscape. [Ord. 318 § 6, 1998]

10.30.070 Municipal service liens.

(1) Delinquent charges and all penalties thereon for municipal sewer, water, garbage and electrical services provided by the city of Biggs, when recorded in accordance with Government Code Section 54355, shall constitute a municipal service lien upon the real property served. A municipal service lien shall continue until the charges and all penalties thereon are paid in full or the property is sold. However, no municipal service lien shall be created against any publicly owned property.

(2) The municipal service lien for delinquent charges and penalties thereon shall attach when the city administrator, or other officer whose duty it is to collect the charge records, lists such delinquent unpaid charges and penalties thereon with the county recorder. The lists must state:

(a) Such amount of each charge and the penalties thereon;