



## CITY COUNCIL AGENDA ITEMS

**To:** Mayor and City Council  
**From:** Dean Rich, Director of Finance  
Walter Denton, City Administrator  
**Date:** October 2, 2006  
**Subject:** Ordinance on Bill Payment

**List of committees that have reviewed:** Finance and Administration

**Background:** This is the first change to water billing Ordinance 398 since it was signed 8/22/57. Lots of things have changed in the past 49 years including automated billing. With our current system we have a variety of options and this ordinance will allow a streamlining of the current billing process and allow the city to send out one bill rather than several. In addition it gives the city the ability to place all bills on the same level and be able to refuse water to someone who refuses to pay another council authorized city bill. Without this ability our only recourse is to place a lien on the property and proceed through the court system. The lien process is costly to the resident and the city and the city ultimately always wins. The city currently places liens on approximately 10 properties per year. We have never placed a lien on any property where the resident has been unable to pay and has tried to work with the city. As a matter of fact we never disconnected anyone for not paying their water bill, if they have a hardship and are willing to sign a payment plan for as little as \$1.00 per month. Liens will now only be placed after the resident refuses to pay and the water is disconnected.

**Legal Considerations, if any:** This type ordinance is used throughout the country and has been drafted by our city attorney.

**Budget Impact:** This ordinance should save time and money by reducing the requirement to place a lien against property for non-payment of authorized city bills.

**Staff recommendation:** This ordinance streamlines the city billing process and provides an additional avenue to collect on bad debts. Recommend approval.