

STAFF REPORT

DATE: June 18, 2019

TO: City Council

FROM: Nitish Sharma, Finance Director
Pamela Day, Financial Services Manager

SUBJECT: Ordinance Amending the Municipal Code Related to Due Dates for Monthly Utility Billing

Recommendations

Introduce Ordinance (Attachment 1) amending the billing for the following utilities:

1. Chapter 30, Article 30.08.090 of the City of Davis Municipal Code related to storm drainage.
2. Chapter 32, Article 32.01.160 of the City of Davis Municipal Code related to garbage and recycling.
3. Chapter 33, Article 33.04.070 of the City of Davis Municipal Code related to sewers.
4. Chapter 39, Article 39.03.270 of the City of Davis Municipal Code related to water.

Fiscal Impact

There is no direct fiscal impact to this change. However, it will make the utility bill more transparent, providing improved clarity in charges and penalties to the utility customers, hopefully reducing questions, concerns and complaints to the City by citizens.

Council Goal(s)

- Foster excellence in city services
- Ensure fiscal resilience

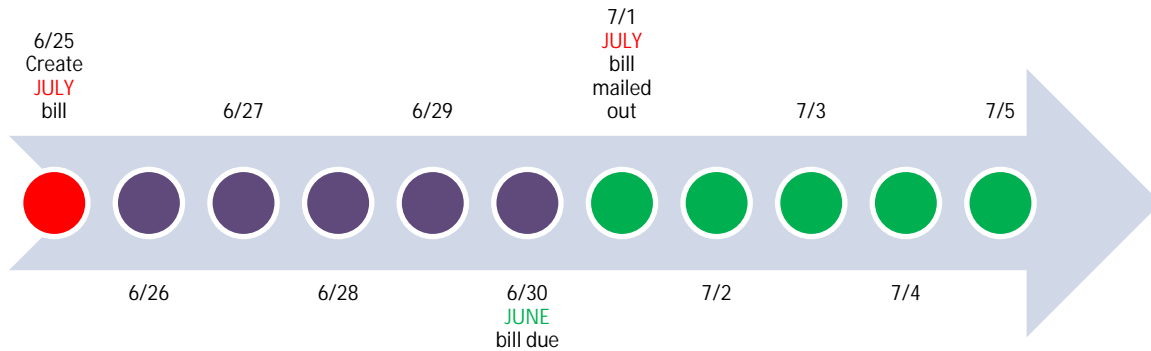
Background

When the City Council increased the water rates in 2013, staff was directed to implement a change from bimonthly to monthly water billing as a way for customers to manage the increase. On May 28, 2013 Council adopted Ordinance 2410, allowing the finance department to begin monthly billing in September 2013.

Currently, the municipal code includes language that states bills become delinquent thirty days after presentation if not paid. The process worked well when finance billed city services bimonthly, but does not work with monthly billing. A thirty-day timeframe does not allow sufficient time to produce and mail the city services bill and reflect all payments received. Bill creation begins on the 26th of the month to allow for printing and mailing by the 1st. This creates confusion for the customers who pay from the 25th to the 30th, as their payment is not reflected on the statement they receive after the first of the month.

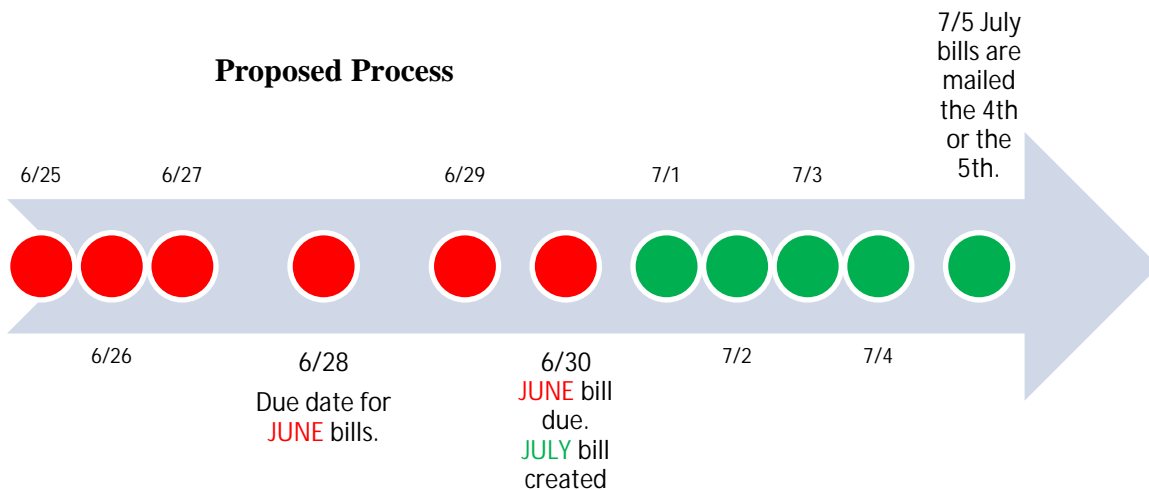
Payments that are not received by the due date are assessed a 10% penalty. Currently, penalties are assessed after the bill is created, so customers are further unaware of whether a penalty has been charged until the next billing cycle.

Current Process



Staff is recommending that the delinquent date for receiving city services payments be changed to the 28th day of the calendar month. This allows all payment activity and charges to be included in the customer service bill, is more transparent to the customer and allows for the finance staff to provide improved customer service to utility customers. It does shorten the timeframe for which customers have to pay their bills, from approximately 26 days to approximately 24 days. This is not an unreasonable time frame, based on due dates for other types of payments.

Proposed Process



Attachments

1. Ordinance

ORDINANCE NO. XXXX

ORDINANCE AMENDING ARTICLES 30.08.090, 32.01.160, 33.04.070, AND 39.03.270 OF THE DAVIS MUNICIPAL CODE RELATING TO SETTING THE DUE DATE FOR DELINQUENCY OF CITY SERVICES

WHEREAS, the City of Davis desires to foster excellence in city services and ensure fiscal resilience by providing services in a more efficient manner; and

WHEREAS, the city services bill becomes delinquent thirty (30) days after presentation if not paid which does not give ample time to reflect the previous payment , and

WHEREAS, the city services bill must be created prior to the delinquency date, causing confusion for customers who pay after bill creation but prior to the penalty date.

NOW, THEREFORE, THE CITY COUNCIL OF THE CIY OF DAVIS DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Article 30.08.090 of the Davis Municipal Code is hereby amended to read in full as follows: All bills shall become due and payable on the 28th day of each calendar month and shall become delinquent thereafter, if not paid.

SECTION 2. Article 32.01.160 of the Davis Municipal Code is hereby amended to read in full as follows: All bills shall become due and payable on the 28th day of each calendar month and shall become delinquent thereafter, if not paid.

SECTION 3. Article 33.04.070 of the Davis Municipal Code is hereby amended to read in full as follows: All bills shall become due and payable on the 28th day of each calendar month and shall become delinquent thereafter, if not paid.

SECTION 4. Article 39.03.270 of the Davis Municipal Code is hereby amended to read in full as follows: All bills shall become due and payable on the 28th day of each calendar month and shall become delinquent thereafter, if not paid.

INTRODUCED on the 18th day of June, 2019, and PASSED AND ADOPTED by the City Council of the City of Davis on this day of , 2019, by the following vote:

AYES:

NOES:

Brett Lee
Mayor

ATTEST:

Zoe S. Mirabile, CMC
City Clerk