

SULTAN CITY COUNCIL MEETING AGENDA COVER SHEET

ITEM NO: D - 2

DATE: January 22, 2009

SUBJECT: Water Disconnection Fee

CONTACT PERSON: Connie Dunn, Public Works Director

ISSUE:

The issue before the Council is changing the amount of the water turn on/off fee for non-payment in the 2009 City of Sultan Fee Schedule.

RECOMMENDED ACTION:

Hold a discussion that gives City Staff clear direction if the Council would like to change the adopted fees. Returning to Council at the February 12, 2009 Council meeting with the changes or leave the fee as adopted in Resolution 08-33 on December 11, 2008

BACKGROUND:

Annually the City Council reviews the Staff proposed fee schedule as part of the budget process to ensure the fees charged cover the expenditures for City services to the public.

At the December 11, 2008 Council Meeting, Action item number five (5), Resolution 08-33, the Council discussed a concern regarding the water disconnection fee being raised from \$50.00 per occurrence to \$100.00, in the 2009 Fee Schedule. Resolution 08-33, including the fee increase, was approved by Council at the December 11, 2008 meeting.

In the 2009 Fee Schedule it is:

- \$100.00 Water On/Off for Non-payment (Two months late)
- No payment arrangements – once the account is off, payment required in full
- \$5.00 late fee for each water and sewer utility, if payment is not made within 10 days of the second months utility billing.

SUMMARY:

The City Staff reviewed the 2008 fees in October and November 2008 discussing revenues verses expenditures to determine if collected revenues are covering the public services expenditures.

The 2009 Fee Schedule approved by Council changed the water turn off fee for non-payment from \$50.00 to \$100.00. This increased amount would fully cover staff time, utility clerks, public works staff, equipment usage and supplies.

- Cost of Turn On/Off:
 - Letters are sent to delinquent residents/businesses month average is 150 to 200 letters @ \$.42 per stamp plus stationary costs
 - Average actually turn offs per month are 35 meters
 - Office Staff time is approximately 20 hours @ \$436.00 per month
 - Public Works time is approximately 28 hours @ \$854.00 per month
 - Also, cost of equipment operation

Increasing the turn on/off fee for non-payment is a way to encourage customers to pay their City of Sultan utility bill in a timely manner.

ALTERNATIVES:

The staff is asking the Council for direction on the amount of the turn on/off for non-payment and how the Council would like the staff to collect the fee.

1. Does the Council want to leave it at \$100.00 per occurrence?
2. Change the fee to be \$50.00 for the first annual turn on/off per occurrence per account then \$100.00 per occurrence thereafter. With each account starting fresh on January 1 of following year.
3. Change back to \$50.00 per occurrence, which does not always cover city expenditures.
4. Change to one of the choices in Attachment A from nearby Communities

ATTACHMENTS:

- A Shut off for Non-payment Fees Survey of local cities

SHUT OFF FOR NON-PAYMENT FEES

CITY OF DUVALL

Notification Fee: \$20.00

This is a fee put on their account when they are sent a shut off for non-payment letter.

Shut Off Fee: \$35.00

Past Due Fee: 10% of total bill

CITY OF SNOHOMISH

Shut Off Fee: \$30.00

The City of Snohomish bills every other month. They have a flat \$5.00 late fee. They only allow two (2) payment arrangements in a 12 month period. They are also looking into raising their fees.

CITY OF MONROE

Shut Off Fee: (During work hours) \$50.00

Shut Off Fee: (After work hours) \$100.00

Turn On Return Trip: \$25.00

CITY OF GOLD BAR

Shut Off Fee: \$50.00

Discussion -2
Attachment A - 1