BILL 2011-65 AND BILL 2011-66

****** First Reading ******

Agenda Item

To: Mayor and City Council

From: Mark Gaugh, Interim City Manager

Date: October 13, 2011

Re: Ordinance change for collection fee

ISSUE
Staff has looked into changing the agency that is used to collect past due accounts for Utility Billing, Miscellaneous Billing and Personal Property Tax Billing. The current agency does not assess a collection fee to the customer, therefore the money that is being spent to send each account to the collection agency is not being recovered. Staff would like to utilize a company for the collection of the above mentioned accounts that would assess that collection charge to the customer. This practice would help the City recover some of the cost of sending the accounts to the collection agency.

EXAMPLE
NOW: Customer owes $150, we send them to collection for $10.50 and they pay us, we collect $150

PROPOSED: Customer owes $150, we send them to collection for $12 and they pay us, we collect $162, therefore covering the cost we pay to the collection agency.

RECOMMENDATION
Staff recommends changing the Ordinance to allow the City to collect a fee for collection of past due accounts.