BILL 2011-66

****** Third and Final 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.

Bill 2011-66

AN ORDINANCE AMENDING CHAPTER 12, WATER, SEWAGE AND ELECTRICITY OF THE CITY OF CAMERON CODE OF THE CITY OF CAMERON, CLINTON AND DEKALB COUNTIES, MISSOURI, BY REPEALING AND REPLACING SECTION 12-137, SERVICE CHARGE FOR DELINQUENT ACCOUNTS, IN ARTICLE 22, WATER; CREATING A NEW SECTION 12-289(a), SERVICE CHARGE FOR DELINQUENT ACCOUNTS, IN ARTICLE III, SEWER; AND, CREATING A NEW SECTION 12-307, SERVICE CHARGE FOR DELINQUENT ACCOUNTS, OF ARTICLE IV, ELECTRICITY

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WHEREAS, the Code of the City of Cameron currently allows for a ten percent (10%) penalty to be collected on any utility bills not paid on or before fifteen (15) days after the date of the bill; and

WHEREAS, the City of Cameron utilizes a Collection agency to collect unpaid utility accounts and will collect a fee from the customer not to exceed the actual cost incurred for collection of the account.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CAMERON, CLINTON AND DeKALB COUNTIES, MISSOURI AS FOLLOWS:

Section 1. Repeal the existing Sec. 12-137, Service charge for delinquent accounts, of Article II., Water, of Chapter 12, Water, Sewage and Electricity of the Cameron City Code and replace it with a new Sec. 12-137 as follows:

Sec. 12-137. Service charge for delinquent accounts

The rates and minimums established in section 12-136 shall apply only if a bill is paid on or before fifteen (15) days after the date of the bill. If not so paid, the gross rate, which is the net rate or minimum plus ten (10) percent, then applies. All terminated account balances that remain unpaid ninety (90) days after termination will be turned over to a collection agency with a fee not to exceed the actual cost incurred for collection of the account.

Section 2. Adopt a new Sec. 12-289(a)., Service charge for delinquent accounts, of Article III., Sewer, of Chapter 12, Water, Sewage and Electricity of the Cameron City Code as follows:

Sec. 12-289(a). Service charge for delinquent accounts

The rates and minimums established in section 12-289 shall apply only if a bill is paid on or before fifteen (15) days after the date of the bill. If not so paid, the gross rate, which is the net rate or minimum plus ten (10) percent, then

applies. All terminated account balances that remain unpaid ninety (90) days after termination will be turned over to a collection agency with a fee not to exceed the actual cost incurred for collection of the account.

Section 3. Adopt a new Sec. 12-307., Service charge for delinquent accounts, of Article IV., Electricity, of Chapter 12, Water, Sewage and Electricity of the Cameron City Code as follows:

Sec. 12-307. Service charge for delinquent accounts

The rates and minimums established in section 12-321, 321a, 322, 322a, 324, 324a, 325, and 325a, shall apply only if a bill is paid on or before fifteen (15) days after the date of the bill. If not so paid, the gross rate, which is the net rate or minimum plus ten (10) percent, then applies. All terminated account balances that remain unpaid ninety (90) days after termination will be turned over to a collection agency with a fee not to exceed the actual cost incurred for collection of the account.

Section 4. The Mayor is authorized to sign this ordinance approving it on behalf of the City.

Section 5. The City Clerk is directed to attest to the Mayor's signature.

Section 6. This ordinance shall be in full force and effect from and after its passage and approval.

Passed and approved on first reading this 17th day of October 2011.
Passed and approved on second reading this 7th day of November 2011.
Passed and approved on third and final reading this 21st day of November 2011.

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Mayor Frank A. Buck

ATTEST:

_____
City Clerk

third and final reading