



Agenda Item:

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## **COUNCIL COMMUNICATION**

### **City Manager's Office**

#### **GENERAL INFORMATION**

Agenda Date: 10/10/05  
Agenda Item Type: Ordinance

Communication No.: 05-556  
Roll Call No.:

Submitted by: William G. Stowe, Assistant City Manager/Public Works/Engineering

#### **SUBJECT—**

Amendments to Municipal Code Section 118-158: Billing Procedures, and Past Due and Delinquent Accounts

#### **SYNOPSIS—**

An ordinance to amend Municipal Code Section 118-158 by revising the descriptive heading to code section to include “late payment fee” and by adding new informational subset (c) to the code, and changing current information subset identification from (c) to (d).

#### **FISCAL IMPACT—**

Des Moines Water Works currently collects a five percent delayed payment fee on water charges, and will implement and collect late payment fees on current sewer volume, current solid waste/recycling, and current stormwater management charges at no additional cost to the City of Des Moines. It is anticipated that combined annual revenues to the respective enterprise funds will increase by approximately \$100,000, in total.

#### **RECOMMENDATION—**

Approval of first consideration; waiver of second and third considerations.

#### **BACKGROUND—**

The Municipal Code was amended with passage of Ordinance No. 13,166 on March 27, 1995. As part of this action, Section 21-47 and Section-21-47.01 were enacted relating to the billing and collection of charges for sewer service, solid waste collection service, and stormwater management service by the

Des Moines Water Works, along with charges for water service, as combined service accounts pursuant to Section 384.84 of the Iowa Code.

The presented amendment to the Code will add provisions authorizing the Des Moines Water Works to implement and collect a five percent late payment fee on behalf of the City of Des Moines for all City services provided and billed on monthly service billings.

The five percent fee would be assessed based on the currently billed balance of City services if payment is not received on or prior to the due date (30 days). The collected late payment fees would then be allocated accordingly to the appropriate service revenue source.

The amendment to the Municipal Code will provide the following benefits:

- 1) Will realign billing policy/procedures with those approved and in practice by the Des Moines Water Works. This action would then be commensurate with the “spirit” and intent of the established ordinance and 28E Agreement.
- 2) Good business practice. Late fee imposition is a standard practice. Similar fees are currently charged by all other utility service providers.
- 3) The implementation of a late fee is hoped to have a positive effect on the “age” of accounts receivables, encouraging a more timely remittance of payment.
- 4) Increase combined revenues for provided services by an estimated \$100,000 annually.

The desire to have the second and third considerations waived is to provide the time needed by the City of Des Moines and Des Moines Water Works staff to implement the program changes in accordance with the recommended Code revisions.

Late payment fees would be applicable to all billings generated on or after January 1, 2006.