



REPORT TO CITY COUNCIL

Approved by:

Roger Sanchez, Director of Finance

Arnoldo Rodriguez, City Manager

Council Meeting of: August 19, 2020

Agenda Number: B-8

SUBJECT:

Adoption of an Ordinance amending Madera Municipal Code Relating to Deposits for Utility Services

RECOMMENDATION:

Waive full reading and Adopt Ordinance of the City of Madera, California amending Title VIII: Finance, Revenue, and Taxation, Chapter 7: Municipal Utilities, Section 8-7.06 (C) and (D) of the Madera Municipal Code Relating to Deposits for Utility Services

SUMMARY:

This is the second reading for this ordinance which was introduced on August 5, 2020. The proposed ordinance update to Section 8-7.06 (C) and (D) of Chapter 7: Municipal Utilities of the Madera Municipal Code will allow for the City to automatically apply deposits collected at the beginning of service to a Utility service account following the required one-year period, so long as the account holder meets all other criteria.

DISCUSSION:

The Utility Billing division is currently in process of converting software systems from A-MAIS Technologies to Tyler Technologies and is using this time to revisit the City's current policies and procedures.

The current ordinance under consideration reads in part:

- (C) "In the event of non-payment of all or a portion of the utilities bill, the deposit shall be applied against the outstanding charges upon termination of service, as deemed necessary by the Finance Director or his or her designee."

- (D) “Upon request, deposits shall be applied to a customer’s account after a one-year period: however, if the customer has been delinquent more than once during the one-year period, the deposit will be applied to the account six months after the last delinquent payment, but not sooner than one year from the start date.”

The proposed revision of the ordinance reads as follows:

- (C) “In the event of non-payment of all or a portion of the utilities bill, after notice is given the deposit may be applied against delinquent charges or against outstanding charges upon termination of service, as deemed necessary by the Finance Director or his or her designee”
- (D) “Deposits shall be automatically applied to a customer’s account after a one-year period.”

By changing the ordinance, the City hopes to decrease the deposits on hand, reduce delinquencies and, therefore, reduce the number of deposit refunds issued to customers when their services are terminated.

FINANCIAL IMPACT:

There is anticipated savings to the City in interest expense paid to customers on deposits, as well as reducing utility account delinquencies. Additionally, staff time spent on processing refunds will be reduced, allowing for staff time to be redirected to other utility tasks.

CONSISTENCY WITH THE VISION MADERA 2025 PLAN:

The ordinance amendment will further apply to core vision statements of A Well-Planned City by providing services in a fair and systematic manner.

ALTERNATIVES:

The Council may elect to leave the ordinance as it currently exists.

ATTACHMENT:

1. Ordinance

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MADERA,
CALIFORNIA AMENDING TITLE VIII: FINANCE, REVENUE, AND TAXATION,
CHAPTER 7: MUNICIPAL UTILITIES, SECTIONS 8-7.06 (C) AND (D) OF THE
MADERA MUNICIPAL CODE RELATING TO DEPOSITS FOR UTILITY SERVICES**

THE CITY COUNCIL OF THE CITY OF MADERA DOES ORDAIN AS FOLLOWS:

SECTION 1. Section 8-7.06 (C) of the Madera Municipal Code is amended to read as follows:

§ 8-7.06 DEPOSITS FOR UTILITY SERVICES

(C) In the event of non-payment of all or a portion of the utilities bill, after notice is given the deposit may be applied against delinquent charges or against outstanding charges upon termination of service, as deemed necessary by the Finance Director or his or her designee.

SECTION 2. Section 8-7.06 (D) of the Madera Municipal Code is amended to read as follows:

(D) Deposits shall be automatically applied to a customer's account after a one-year period.

SECTION 3. SEVERANCE. If any section, subsection, phrase, or clause of this ordinance is for any reason held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portions of this ordinance

SECTION 4. CEQA. The City Council finds this ordinance is not a project under the California Environmental Quality Act because it can be seen with certainty that it will not have a significant effect or physical change to the environment. See Title 14, California Code of Regulations, Section 15061 (b) (3).

SECTION 4. PUBLICATION. This ordinance shall be published in accordance with the provisions of Government Code Section 36933.

SECTION 5. EFFECTIVE DATE. This ordinance shall take effect thirty (30) days after its passage.

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