



City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

1000 Rochester Hills Dr.
Rochester Hills, MI 48309
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www.rochesterhills.org

Legislative File No: 2018-0204

TO: Mayor and City Council Members
FROM: Joe Snyder, Chief Financial Officer, Ext. 2534
DATE: May 8, 2018
SUBJECT: Water & Sewer Late Payment Ordinance Changes, First Reading

REQUEST:

We are requesting that City Council accept, for first reading, an Ordinance to amend Sections 102-91 of the Code of Ordinances of the City of Rochester Hills, to increase water & sewer late payment charges, repeal conflicting or inconsistent ordinances, and prescribe a penalty for violations as recommended by the Water & Sewer Technical Review Committee.

REASON FOR CHANGE:

The Water & Sewer Technical Review Committee met and discussed potential changes to the Late Payment amount that the City assigns to delinquent water & sewer bills.

Earlier this year, the City of Rochester Hills performed a survey of 10 different neighboring communities to see how the other communities address late payments. The survey found that late fees charged by the various communities range from a 5% to 10% late penalty. The City of Rochester Hills currently charges a 2% late fee. It is recommended by the Water & Sewer Technical Review Committee to increase the City's Late Payment Charge from 2% currently to 5% to be more in line with the lower range of communities surveyed.

The Water & Sewer Technical Review Committee also discussed the potential of authorizing the Chief Financial Officer the ability to waive the most recent Late Penalty charge if the customer were to sign up for automatic direct deposit payment of their Water & Sewer bill. Automatic direct deposit payments help ensure the timely payment of water & sewer billings and eliminate the potential of late payments in the future as the process will be handled automatically on the date the balance is due. Currently there is no ability or authority for any City staff member to waive water & sewer Late Payment charges. It is recommended by the Water & Sewer Technical Review Committee to authorize the Chief Financial Officer the ability to waive the most recent Late Penalty charge upon successful enrollment in the automatic direct deposit payment plan.

BUDGET:

The approval of the water and sewer rates Late Payment Ordinance charges effective on or about July 1, 2018 will assist with the objective of funding the operating expenditures of the Water & Sewer Fund, as required by Section 102-62 of the City of Rochester Hills Ordinance,

RECOMMENDATION:

We are requesting that City Council accept, for first reading, an Ordinance to amend Sections 102-91 of the Code of Ordinances of the City of Rochester Hills, to increase late payment charges, repeal conflicting

or inconsistent ordinances, a prescribe a penalty for violations as recommended by the Water & Sewer Technical Review Committee.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Chief Financial Officer		
Purchasing Process: Supervisor of Procurement		
Mayor		
Deputy Clerk		

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