



Legislation Text

File #: 21-0845, **Version:** 2

Resolution to Assess Certain Delinquent Municipal Utility Charges as a Tax and Ordering Collection Thereof

This Resolution requests assessment of certain unpaid charges for municipal utility services to be due as a tax as identified in the attached Schedule A.

Chapter 29, Section 2:72 of the City's Code of Ordinances provides a mechanism for the City to collect unpaid charges that have remained unpaid for a period of six months as an assessment on the tax roll. Pursuant to this chapter, owners of affected properties identified in Schedule A will be notified by the City Clerk of the assessment by first class mail on October 5, 2021, and that the unpaid charges, plus a 10% penalty, will be placed on the December 2021 tax roll unless paid within 30 days.

This is the first-time unpaid charges are being levied since the State of Michigan's moratorium on water shut offs expired on March 31, 2021, resulting in a greater levies than is typical. The City is currently not performing water shut-offs for non-payment, we do not intend to implement any shut-offs in the immediate future, and we are exploring the creation of a no-shut-off policy for delinquent water collections.

For those customers who express difficulty in paying for service, Customer Service Staff provide appropriate resources to assist. These resources include referrals to the Barrier Buster Program; as well as, various payment plan options. In addition to individual referrals, payment assistance information is available on the city web-site and is included in past-due notifications. Barrier Busters receives donations from local foundations and municipalities, including the City of Ann Arbor. Based on current funding available and historical assistance usage, it is anticipated that there is funding available for those who qualify for assistance.

The total amount to be assessed for the December 2021 tax roll is \$252,976.51 (unless paid within the time set forth in the notice to owners); \$278,274.55 with the 10% penalty fee.

Prepared by: Michael J. Pettigrew, City Treasurer

Reviewed by: Marti Praschan, Financial Services Area Administrator and CFO

Approved by: John Fournier, Acting City Administrator

Whereas, There were unpaid charges for municipal utility fees ("Unpaid Fees") within the City as of October 1, 2021;

Whereas, All unpaid fees are chargeable against the properties identified in the attached Schedule A pursuant to ordinance, charter, or state law;

Whereas, Staff is in the process of revising the utility non-payment policy to end or seriously limit water shut-offs and is currently not performing shut-offs for non-payment;

Whereas, Payment assistance programs, including Barrier Buster and payment plans, are available

and offered by staff when needed;

Whereas, The City's Chief Financial Officer has verified that the unpaid fees were incurred by the City and that they are properly chargeable to the property listed on the attached Schedule A;

Whereas, The owners identified on the attached Schedule A have been billed in accordance with applicable law but, as of October 1, 2021, all such bills have remained unpaid for a period of 6 months or more; and

Whereas, The Chief Financial Officer hereby notifies the City Council of these facts and asks that the City Council assess the amounts against the properties identified in the attached schedule;

RESOLVED, That the City Council determine that each unpaid charge identified in the attached Schedule A shall be charged in full and levied against the associated property (and owner thereof) identified on such Schedule A as an assessment in accordance with Chapter 29, Section 2:72;

RESOLVED, That the City Clerk or her designee is directed to give notice to the owners of the properties identified in Schedule A of this fact no later than October 5th, 2021, in accordance with Chapter 29, Section 2:72; and

RESOLVED, If such assessments remain unpaid after the thirty days identified in the notice, a ten percent penalty shall be charged in accordance with Chapter 29, Section 2:72, and the Assessor and Treasurer are hereby directed to levy such assessment amount plus penalty on Winter 2021 tax roll, and shall collect such amounts in the same manner as general City taxes.