

ORDINANCE NO. 19-36

AN ORDINANCE TO AMEND TITLE 18, CHAPTER 1, SECTION 18-107 “DEPOSIT”, SECTION 18-127 “PROCEDURE FOR SERVICE TERMINATION AND REINSTATEMENT” AND SECTION 18-512, SUBSECTION C “BILLING PROCEDURES AND PENALTIES FOR LATE PAYMENT” AND TO AMEND TITLE 17, CHAPTER 1, SECTION 212, “COLLECTION FEE IMPOSED” WITHIN THE SPRING HILL CODE OF ORDINANCES

WHEREAS, the Board of Mayor and Aldermen adopted and subsequently amended Title 18 of the Municipal Code to administer the City of Spring Hill Water and Sewer Systems; and

WHEREAS, the Board of Mayor and Aldermen adopted Ordinance 09-39 to establish a stormwater fee and the related structure for assessment and collection of those fees; and

WHEREAS, the Board of Mayor and Aldermen adopted and subsequently amended Title 17 of the Municipal Code to address and establish fees for and administration of Refuse and Trash;

WHEREAS, Title 18, Chapter 1, Section 18-107, Deposit, provides for customer deposits to be made to establish utility service; and

WHEREAS, the City transitioned from a deposit system to a non-refundable application fee for new customers upon adoption of Ordinance 88-12, but did not amend the Code of Ordinances to reflect this practice; and

WHEREAS, the language in Title 18, Chapter 1, Section 107, Deposit, should be amended to reflect current practices relative to the requirement for new customers to pay a non-refundable application fee; and

WHEREAS; the provisions in Title 18, Chapter 1, Section 127, Procedure for Service Termination and Reinstatement need to be amended to remove references to a customer deposit and to provide that the City shall be entitled to recover collection fees and attorney’s fees incurred in collecting delinquent water and sewer fees; and

WHEREAS; the language in Title 18, Chapter 5, Section 512, Subsection C, Billing Procedures and Penalties for Late Payment, Service Termination and Reinstatement needs to be amended to provide that the City shall be entitled to recover collection fees (in addition to attorney’s fees) incurred in collecting delinquent stormwater fees; and

WHEREAS; the language in Title 17, Chapter 2, Section 212, Collection Fee Imposed needs to be amended to provide that the City shall be entitled to recover collection fees and attorney’s fees incurred in collecting delinquent garbage collection fees.

BE IT THEREFORE ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF SPRING HILL, TENNESSEE, that the following is hereby adopted.

1. Delete in its entirety Title 18, Chapter 1, Section 18-107 Deposit, (A) through (E) and replace same with the following

§ 18-107 CONNECTION FEE.

Every new applicant for service must pay a non-refundable new customer connection fee to establish an account. Existing customers or those who have had service in the past and are moving back to the area may qualify to have the fee waived. Balances on previous accounts must be paid before a new account may be activated.

2. Amend Title 18 Chapter 1, Section 127 as follows:

§ 18-127 PROCEDURE FOR SERVICE TERMINATION AND REINSTATEMENT.

If a portion of the bill remains outstanding, the city may proceed to collect the balance in the usual way provided by law for the collection of debts. The City shall be entitled to recover collection fees and attorney's fees incurred in collecting delinquent water and sewer accounts.

(A) Before service will be reinstated, the customer shall be required to make full payment of any charges still outstanding on his or her account.

(B) Re-instatement of service after business hours will cost the customer \$50. Water distribution employees are prohibited from collecting delinquent utility bills after business hours.

3. Amend Title 18 Chapter 5, Section 512, Subsection C as follows:

§ 18-512 BILLING PROCEDURES AND PENALTIES FOR LATE PAYMENT.

(C) *Penalties for late payment; failure to pay.* Storm water user fees shall be subject to a late fee established by ordinance as indicated in the storm water user fee schedule. The city shall be entitled to recover collection fees and attorney's fees incurred in collecting delinquent storm water user fees. The city or other collecting utility provider may discontinue utility service to any storm water user who fails or refuses to pay the storm water user fees and may refuse to accept payment of the utility bill from any user without receiving at the same time, payment of the storm water user fee charges owed by such user and further may refuse to re-establish service until all such fees have been paid in full.

4. Amend Title 17 Chapter 1, Section 212 as follows:

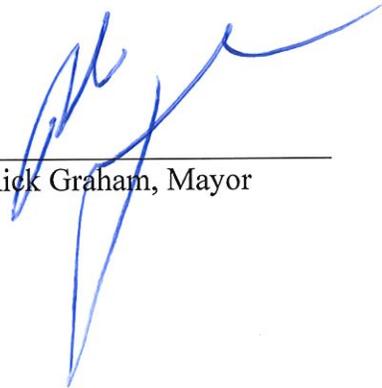
§ 17-212 COLLECTION FEE IMPOSED.

*Ordinance 19-36
11-18-19*

A fee is hereby imposed on each producer for the refuse collection service set forth herein. The fee for this service shall be billed monthly at the rate or rates to be established by resolution of the Board of Mayor and Aldermen. The fee thus established shall be billed on a monthly basis and collected in the same manner as the charge for water. Any default in payment may be enforced by the suspension of service to the delinquent producer and also by terminating water service following the procedure set forth in the municipal code. The city shall be entitled to recover collection fees and attorney's fees incurred in collecting delinquent refuse accounts.

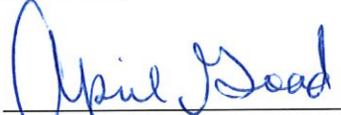
5. The Ordinance shall be effective immediately upon adoption.

Passed and adopted by the Board of Mayor and Aldermen of the City of Spring Hill, Tennessee on the 18th day of November, 2019.



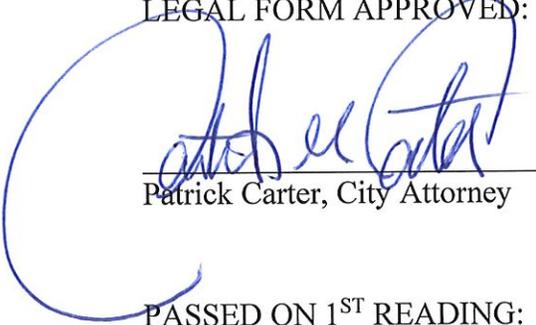
Rick Graham, Mayor

ATTEST:



April Goad, City Recorder

LEGAL FORM APPROVED:



Patrick Carter, City Attorney

PASSED ON 1ST READING: October 21, 2019

PASSED ON 2ND READING: November 18, 2019



**City of Spring Hill
Budget & Finance Advisory Committee
and
Board of Mayor and Aldermen**

Date: October 1, 2019
Memo to: Budget & Finance Advisory Committee and BOMA
From: Patti Amorello, Finance Associate
Re: Ordinance Numbers 19-35 and 19-36

ORDINANCE 19-35, AN ORDINANCE FOR THE CITY OF SPRING HILL, TENNESSEE, PROVIDING FOR THE USE OF A COLLECTION AGENCY TO COLLECT UNPAID FEES AND COSTS ASSESSED BY THE MUNICIPAL COURT.

ORDINANCE 19-36, AN ORDINANCE TO AMEND TITLE 18, CHAPTER 1, SECTION 18-107 "DEPOSIT", SECTION 18-127 "PROCEDURE FOR SERVICE TERMINATION AND REINSTATEMENT" AND SECTION 18-512, SUBSECTION C "BILLING PROCEDURES AND PENALTIES FOR LATE PAYMENT" AND TO AMEND TITLE 17, CHAPTER 1, SECTION 212, "COLLECTION FEE IMPOSED" WITHIN THE SPRING HILL CODE OF ORDINANCES

BACKGROUND INFORMATION: In conjunction with the Request for Proposals for debt collection services, TCA and our Municipal Code sections were reviewed. As a result, several modifications are required:

- 1) TCA 40-24-105(e) authorizes municipalities to use a collection agency to collect unpaid fines and costs assessed by the municipal court upon the adoption of an ordinance. Specific language is also required within TCA. Amendment to Title 3 (Municipal Court) is required and is being addressed with Ordinance 19-35.
- 2) Upon reviewing the various sections of the Municipal Code pertaining to Water and Sewer (including Stormwater) and Refuse and Trash, those sections will require modification to allow for the recovery of collection fees for accounts referred to collection by the City. The modifications will enable the City to include related collection fees in addition to the balances due when accounts are placed for collection. Based upon the proposed contract with ACSI, who is charging a 22% collection fee, the impact on an account is demonstrated as follows:

Example:

- Account balance due = \$100.00

- Amount referred for collection (1.2821 times the balance due) = \$128.21
 - If \$128.21 is collected, 22% of the total or \$28.21 would be paid to ACSI and \$100.00 would be paid to the City.
- 3) While reviewing the required changes to the Municipal Code, we observed that the Code still references the practice of collecting deposits for new customer accounts. The City changed practice upon the adoption of Ordinance 88-12 to convert customer deposits to non-refundable customer connection fees, but the changes were never formally codified. As a result, the Municipal Code needs to be amended to remove references to utility account deposits and, instead, reference a new customer connection fee.

ATTACHMENTS: Ordinance 19-35, Ordinance 19-36, Ordinance 88-12.

RECOMMENDATION: Approve Resolution 19-35 and Ordinance 19-36.

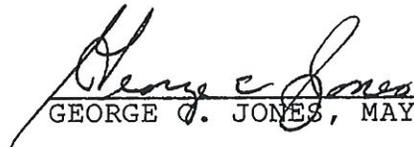
AN ORDINANCE PROVIDING THAT THE DEPOSITS REQUIRED FOR CONNECTION TO THE WATER AND SEWER LINES OF THE TOWN OF SPRING HILL SHALL HEREINAFTER BE NON-REFUNDABLE CHARGES.

BE ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE TOWN OF SPRING HILL:

1. That the service deposit specified in Ordinance No. 86-41 of the Town of Spring Hill shall hereinafter be deemed an additional connection fee and shall not be refundable.

2. Ordinance No. 86-41 and the Spring Hill Municipal Code are hereby accordingly amended.

PASSED AND ADOPTED BY THE BOARD OF MAYOR AND ALDERMEN OF THE TOWN OF SPRING HILL, TENNESSEE, on this 10th day of October, 1988.



GEORGE C. JONES, MAYOR

ATTEST:



JUNE QUIRK, RECORDER

LEGAL FORM APPROVED:



ROBIN COURTNEY, TOWN ATTORNEY

Passed on 1st reading: 8-25-1988

Passed on 2nd reading: 9-19-1988

Passed on 3rd reading: 10-18-88

ORDINANCE NO. 19-36

AN ORDINANCE TO AMEND TITLE 18, CHAPTER 1, SECTION 18-107 “DEPOSIT”, SECTION 18-127 “PROCEDURE FOR SERVICE TERMINATION AND REINSTATEMENT” AND SECTION 18-512, SUBSECTION C “BILLING PROCEDURES AND PENALTIES FOR LATE PAYMENT” AND TO AMEND TITLE 17, CHAPTER 1, SECTION 212, “COLLECTION FEE IMPOSED” WITHIN THE SPRING HILL CODE OF ORDINANCES

WHEREAS, the Board of Mayor and Aldermen adopted and subsequently amended Title 18 of the Municipal Code to administer the City of Spring Hill Water and Sewer Systems; and

WHEREAS, the Board of Mayor and Aldermen adopted Ordinance 09-39 to establish a stormwater fee and the related structure for assessment and collection of those fees; and

WHEREAS, the Board of Mayor and Aldermen adopted and subsequently amended Title 17 of the Municipal Code to address and establish fees for and administration of Refuse and Trash;

WHEREAS, Title 18, Chapter 1, Section 18-107, Deposit, provides for customer deposits to be made to establish utility service; and

WHEREAS, the City transitioned from a deposit system to a non-refundable application fee for new customers upon adoption of Ordinance 88-12, but did not amend the Code of Ordinances to reflect this practice; and

WHEREAS, the language in Title 18, Chapter 1, Section 107, Deposit, should be amended to reflect current practices relative to the requirement for new customers to pay a non-refundable application fee; and

WHEREAS; the provisions in Title 18, Chapter 1, Section 127, Procedure for Service Termination and Reinstatement need to be amended to remove references to a customer deposit and to provide that the City shall be entitled to recover collection fees and attorney’s fees incurred in collecting delinquent water and sewer fees; and

WHEREAS; the language in Title 18, Chapter 5, Section 512, Subsection C, Billing Procedures and Penalties for Late Payment, Service Termination and Reinstatement needs to be amended to provide that the City shall be entitled to recover collection fees (in addition to attorney’s fees) incurred in collecting delinquent stormwater fees; and

WHEREAS; the language in Title 17, Chapter 2, Section 212, Collection Fee Imposed needs to be amended to provide that the City shall be entitled to recover collection fees and attorney’s fees incurred in collecting delinquent garbage collection fees.

BE IT THEREFORE ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF SPRING HILL, TENNESSEE, that the following is hereby adopted.

1. Delete in its entirety Title 18, Chapter 1, Section 18-107 Deposit, (A) through (E) and replace same with the following

§ 18-107 DEPOSIT.

~~(A) Every applicant for service shall make a cash deposit with the city and service shall be refused until this deposit has been paid. The deposit for a residential customer subject to the standard minimum monthly charge shall be an amount equivalent to twice the monthly minimum. For other customers, the deposit shall be a sum equivalent to four times the applicable monthly minimum. The purpose of this deposit is to provide security for the payment of all charges by the customer. The city retains the right, upon 30 days' written notice, to require the customer to increase the deposit to a maximum of twice the amount of the highest monthly bill theretofore rendered.~~

~~(B) Initial deposits shall be made with the service application. Additional deposits, if required pursuant to subsection (A) above, shall be made within 30 days after receipt by the customer of the written notice specified in subsection (A) above.~~

~~(C) A separate deposit shall be paid on each installed water meter.~~

~~(D) No interest shall be paid on the deposit.~~

~~(E) Upon termination of service, the deposit shall either be applied to any outstanding bill or refunded to the customer, as provided in sections 18-125 and 18-126 of this chapter.~~

§ 18-107 CONNECTION FEE.

Every new applicant for service must pay a non-refundable new customer connection fee to establish an account. Existing customers or those who have had service in the past and are moving back to the area may qualify to have the fee waived. Balances on previous accounts must be paid before a new account may be activated.

2. Amend Title 18 Chapter 1, Section 127 as follows:

§ 18-127 PROCEDURE FOR SERVICE TERMINATION AND REINSTATEMENT.

~~(C) If there are deposit funds remaining after the deposit is applied to the outstanding bill, the excess shall be refunded to the customer. If a portion of the bill remains outstanding, the city may proceed to collect the balance in the usual way provided by law for the collection of debts. When service is terminated for non payment of bill, the service application deposit shall be applied to the outstanding bill. The City shall be entitled to recover collection fees and attorney's fees incurred in collecting delinquent water and sewer accounts.~~

(D) Before service will be reinstated, the customer shall be required to make full payment of any charges still outstanding on his or her account. In addition, the customer shall also redeposit with the city an amount equal to his or her application deposit or the amount of the bill outstanding at the time of termination, whichever is greater.

(E) Re-instatement of service after business hours will cost the customer \$50. Water distribution employees are prohibited from collecting delinquent utility bills after business hours.

3. Amend Title 18 Chapter 5, Section 512, Subsection C as follows:

§ 18-512 BILLING PROCEDURES AND PENALTIES FOR LATE PAYMENT.

(C) *Penalties for late payment; failure to pay.* Storm water user fees shall be subject to a late fee established by ordinance as indicated in the storm water user fee schedule. The city shall be entitled to recover collection fees and attorney's fees incurred in collecting delinquent storm water user fees. The city or other collecting utility provider may discontinue utility service to any storm water user who fails or refuses to pay the storm water user fees and may refuse to accept payment of the utility bill from any user without receiving at the same time, payment of the storm water user fee charges owed by such user and further may refuse to re-establish service until all such fees have been paid in full.

4. Amend Title 17 Chapter 1, Section 212 as follows:

§ 17-212 COLLECTION FEE IMPOSED.

A fee is hereby imposed on each producer for the refuse collection service set forth herein. The fee for this service shall be billed monthly at the rate or rates to be established by resolution of the Board of Mayor and Aldermen. The fee thus established shall be billed on a monthly basis and collected in the same manner as the charge for water. Any default in payment may be enforced by the suspension of service to the delinquent producer and also by terminating water service following the procedure set forth in the municipal code. The city shall be entitled to recover collection fees and attorney's fees incurred in collecting delinquent refuse accounts.

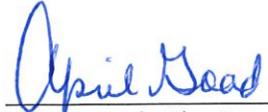
5. The Ordinance shall be effective immediately upon adoption.

Passed and adopted by the Board of Mayor and Aldermen of the City of Spring Hill, Tennessee on the 18th day of November, 2019.


Rick Graham, Mayor

Ordinance 19-36
11-18-19

ATTEST:



April Goad, City Recorder

LEGAL FORM APPROVED:



Patrick Carter, City Attorney

PASSED ON 1ST READING: October 21, 2019

PASSED ON 2ND READING: November 18, 2019