

Utility Tax Roll Billing Discussion

CITY COUNCIL

APRIL 25, 2023

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Utility Tax Roll

Current Methods of Billing

RESIDENTIAL

Monthly

- Water

Semi Annually through property taxes

- Refuse (Trash)
- Sewer
- Delinquent Water, Refuse & Sewer

COMMERCIAL

Monthly

- Water
- Sewer
- Refuse (Mid Valley Disposal)

Semi Annually through property taxes

- Delinquent Water, Refuse & Sewer

Basis for Tax Roll Billing / Goals

- 1. Ensure a reliable revenue source to fund essential services and replace aging infrastructure**
 - At the time, the City had \$250,000 in unpaid utility bills
 - Water Funds are not at a sustainable level at the current revenue level
- 2. Improve / Maintain Quality of Life**
 - Increasing collections keeps rates lower over time
 - No water “shut offs”
- 3. Improve Government Efficiency**
 - Less money paid to collection agency
 - No water “shut offs”

Issues to Consider

-Popularity

- Recent Survey Results
 - Go back to monthly billing 52%
 - Continue/Doesn't matter 42%
 - Don't know 6%

-Franchise Agreement with Mid Valley

-Utilities fund street projects

- \$1M generated for street projects annually

Has it worked?

Sewer Collections

FY18-19 -- \$1,405,000

FY 19-20 -- \$1,593,000

FY 20-21 -- \$1,383,000

FY 21-22 -- \$1,806,000



First Year of tax roll billing

An increase of \$300K or 20% without increasing rates

Options...

Option A: Keep all tax roll billing

Option B: Split Refuse & Sewer tax roll billing

- Keep Refuse
- Monthly bill for Sewer

Option C: Go back to monthly billing

- Could impact future utility rates and street maintenance funding

All options include keeping delinquent charges on tax rolls