



Legislation Details (With Text)

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Title: Review of Delinquency Charges for Utility Accounts

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Date	Ver.	Action By	Action	Result
2/5/2019	1	Town Commission	adopted	Pass

Summary

To: Town Commission

From: Stefan Massol, Director of Support Services

Date: 2/5/2019

Subject:

Review of Delinquency Charges for Utility Accounts

Summary:

The Town of Belleair currently does not have a ceiling for monthly late charges billed for past-due utility accounts, unlike neighboring jurisdictions. Staff would like to hear thoughts of the Town Commission on adding a maximum monthly late fee charge.

Background/Problem Discussion: For many years the Town charged a late fee equal to 3% of the past-due balance each month. Beginning in 2017, the Town raised the late fee rate from 3% to 8% monthly when the water utility rates were last updated. Since that time, there was a rare, but notable, instance where a vacant property that had no consumption incurred significant late fee charges which were ultimately impossible to collect through the foreclosure process.

The City of Clearwater has a monthly late charge of 3%, not to exceed \$250 and Pinellas County has a bimonthly late charge of 10% not to exceed \$500. In the interest of not overstating revenues beyond what is reasonably collectible, staff would like the Town Commission to consider establishing a ceiling for monthly late fees. The Finance Board recommended ceiling of \$300 per month and that the ceiling be only for Single Family Residential customers.

Financial Implications: If the town were to implement the ceiling recommended by Finance Board and staff it is not expected to have any financial impact, except that there will be a more accurate reporting of accounts receivable for town utilities.

Below is a table showing some basic statistics on late fees for calendar year 2018:

Late Fees during Calendar Year 2018 by amount range			
Fee Amt Range	# of Late Penalties	Total \$ Amt.	# of accts
All	1774	\$ 65,264.24	675
Minimum \$10	1002	\$ 10,020.00	
\$10.01-\$100	745	\$ 14,675.50	
\$100.01-\$200	6	\$ 931.20	
\$200.01-\$300	7	\$ 1,857.98	
\$300.01-\$400	3	\$ 1,043.33	
\$400.01-\$500	2	\$ 910.89	
\$500.01-\$600	1	\$ 591.30	
\$600.01-\$700	2	\$ 1,310.18	
>\$700	6	\$ 33,923.86	1

Proposed Motion: N/A. Should the Town Commission agree to the ceiling there would be an ordinance change included in the next update of fees for the town.