



CITY OF IOWA CITY COUNCIL ACTION REPORT

May 21, 2024

Resolution setting a public hearing for June 4, 2024 on an ordinance amending Title 3, entitled "Finance, Taxation and Fees," Chapter 4, entitled "Schedule of Fees, Rates, Charges, Bonds, Fines and Penalties" of the City Code to increase or change charges and fees.

Prepared By:	Nicole Davies, Finance Director
Reviewed By:	Geoff Fruin, City Manager
Fiscal Impact:	Adjustments to the low income discount will decrease revenues annually by approximately \$6,500 for both the Water and Wastewater Funds and \$4,100 for the Stormwater Fund. The \$17,100 in lost annual revenue will be reimbursed by the General Fund.
Staff Recommendation:	Approval
Commission Recommendations:	N/A
Attachments:	Notice of Public Hearing Utility Fee Draft Ordinance Utility Fee Resolution

Executive Summary:

The Finance Department requests the City Council set a public hearing for June 4, 2024 to consider amending Title 3, Chapter 4 of the City Code.

Title 3, Chapter 4 amendments includes changing the low income discount for water and wastewater user charges from 60 percent to 75 percent of the minimum monthly charge and for stormwater utility fee from 60 percent to 75 percent of the monthly charge and updating Section 5 "Solid Waste Disposal" to match the language in Section 3 "Potable Water Use and Service" on the 10 percent delinquency charge that was approved in October 2020. It was inadvertently changed back to 5 percent with the utility rate changes set to be approved May 21, 2024.

Background / Analysis:

Title 3, Chapter 4 of the City Code is the "Schedule of Fees, Rates, Charges, Bonds, Fines and Penalties"

Low Income Discount

On May 7, 2024 during the City Council Work Session, the City Council directed staff to increase the low income discount for water and wastewater user charges from 60 percent to 75 percent of the minimum monthly charge and the stormwater utility fee from 60 percent to 75 percent of the monthly charge. This will be a decrease in annual revenue for the Water

and Wastewater Funds of approximately \$6,500 and approximately \$4,100 for the Stormwater Fund. This annual decrease will be reimbursed by the General Fund for a total amount of \$17,100.

Delinquency Charge on Past Due Bills

In October 2020, the Iowa City City Council approved increasing the delinquency charge on past due bills from 5% to 10%. Identical language for this charge is located in Sections 3, 4 & 5. In October of 2020, it was only updated in Section 3. In October of 2023, Sections 4 & 5 were updated. Set to be approved on May 21, 2024, it was inadvertently changed back to 5% in Section 5. This will update Section 5 back to 10%.