

April 6, 2023

MEMO TO: Honorable Mayor and City Council

THROUGH: Charles P. Potucek, City Manager  
Victoria Yarbrough, Assistant City Manager  
David J. Felix, CFO

FROM: Sherry Kratchmer, Collections Administrator

SUBJECT: REQUEST FOR AGENDA ITEM PLACEMENT  
ORDINANCE 2023-002  
Adoption of Ordinance will allow third parties to collect collection cost/fees that may not be addressed in a contract.  
Title 34. Revenue Collection  
Section 34.00 Definitions  
Section 34.01 Collection

REQUESTED ACTION:

Approval of Ordinance 2023-002, adding Chapter 34, Revenue Collection to Title III – Administration to the City of Sierra Vista Code of Ordinances as shown on Exhibit A.

RECOMMENDATION:

The City Manager recommends approval.  
The CFO recommends approval.

APPLICANT:

City of Sierra Vista

BACKGROUND:

The City has delinquent accounts that staff have exhausted our resources to collect, and then send to a third party for collection, typically a collection agency. When the collection agency pursues these delinquent accounts, the City must pay a fee for the collection agency to perform this action.

Currently, the City must pay these fees because there is no mechanism to assess the delinquent customer. This proposed amendment establishes a new Chapter 34, Revenue Collection, in the Code of Ordinances under Title III: Administration, which will allow the City to collect fees charged by a third party, rather than having the City absorb such fees/cost associated with the third party's collection efforts on our behalf.

The new Chapter 34, Revenue Collection, under Title III: Administration and attached in Exhibit A, would establish the following sections:

**Section 34.00, Definitions**

This section would add the new definitions Customer, Account, Delinquent, and Collection Fees.

**Section 34.01, Collection**

This section establishes that a customer's delinquent fees may be sent to a third party for collection, and that any fees associated with that collection will be assessed to the delinquent customer.

A public hearing was held on February 9, 2023 to allow a 30-day public comment period to which there have been no pro or con comments for consideration.

Attachments:

Exhibit A

## EXHIBIT A

### CHAPTER 34: REVENUE COLLECTION

#### § 34.00 DEFINITIONS

Customer: A person, recipient or entity the City provides goods and/or services to.

Account: Any City service that generates a receivable and is collected from a customer.

Delinquent: An account that is past due.

Collection Fees: City and collection agency fees, which may include but not limited to, penalty, interest, postage and filing fees.

#### § 34.01 COLLECTION

The City shall make reasonable attempts to collect all money owed in compliance with City policy and procedure. If such attempts fail, the receivable may be sent for further collection efforts, such as being assigned to a third party, typically a collection agency. If an assignment occurs the customer will be responsible for any additional collection fees associated with such assignment.

The City reserves the right to assess collection fees for the receivable if payment is not received by the due date.

ORDINANCE 2023-002

AN ORDINANCE OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SIERRA VISTA, COCHISE COUNTY, ARIZONA; ADOPTING CHAPTER 34: REVENUE COLLECTION, TO TITLE III: ADMINISTRATION, TO THE CITY CODE OF ORDINANCES, AUTHORIZING AND DIRECTING THE CITY MANAGER, CITY CLERK, CITY ATTORNEY OR THEIR DULY AUTHORIZED OFFICERS AND AGENTS TO TAKE ALL STEPS NECESSARY TO CARRY OUT THE PURPOSES AND INTENT OF THIS ORDINANCE; REPEALING ALL ORDINANCES IN CONFLICT HERewith; AND PROVIDING FOR SEVERABILITY

WHEREAS, the City of Sierra Vista is adding Chapter 34 to Title III: Administration, Sections 34.01 Definitions and 34.02 Collection Actions, and

WHEREAS, the City Manager, and CFO recommend that Chapter 34 – Revenue Collection, be adopted; and

WHEREAS, the amendments have gone through the 30-day public comment period and no comments have been received.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF SIERRA VISTA, COCHISE COUNTY, ARIZONA, AS FOLLOWS:

SECTION 1

That Resolution 2023-004 is hereby reaffirmed and hereby adopted.

SECTION 2

All other ordinances and parts of ordinances in conflict with the provisions of this provision are hereby repealed.

SECTION 3

Should any section, clause or provision of this Ordinance be declared by the courts to be invalid, such invalidity shall not affect other provisions which can be given effect without the invalid provision, and to this end, the provisions of this Ordinance are declared to be severable.

PASSED AND ADOPTED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF SIERRA VISTA, ARIZONA, THIS 6th DAY OF APRIL 2023.

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CLEA McCAA, II  
Mayor

APPROVED AS TO FORM:

ATTEST:

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NATHAN WILLIAMS  
City Attorney

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JILL ADAMS  
City Clerk

PREPARED BY:  
Sherry Kratchmer  
Collections Administrator