

Agenda Report

November 18, 2013 City Council Meeting

November 18, 2013
Item No. 11

ISSUE: Resolution authorizing amending an agreement with Municipal Collections of American to allow for the collection of unpaid debt for code violations.

BACKGROUND:

Folks as a reminder, in October 2012, the City passed a resolution for Municipal Collections of America to provide collection services for the ATE program. All costs of collections are passed to the violator with unpaid fines. The City Council recently adopted Ordinance 13-12 allowing for the collection of unpaid code violations. Now that the City has the authority to use the collection process to collect unpaid violations, staff has been working with Municipal Collections of America to amend our original agreement to provide this service.

From a code enforcement perspective, this will be used in the event a violator chooses to not abate a nuisance and does not pay a municipal infraction(s). There are cases where the City cannot take action to abate a nuisance; one being property maintenance on repairing the exterior of a house while also not being able to contact the property owner. These types of cases are therefore just left as is without the City being able to do anything or collect fines and essentially over time it can lower property values. As in the case mentioned above, the City will turn over the fines to a Municipal Collections of America to collect back. Staff will work with the agency in the case a property owner would decide to abate the nuisance instead of paying the fines. Of course we would rather see compliance over having to fine any property owner. The Fire Department will utilize this process to collect money owed in excess of 30 days for their ambulance billing.

The intention of this agreement is to standardize the process for all delinquent items and create a clear path of what will occur in the event of non-payment and 2.) Place financial responsibility of costs on the person who did not comply. This will allow the City to pursue all collection efforts without incurring the associated costs.

Adoption of this resolution will officially amend the original Oct 2012 agreement to allow for the Municipal Collections of America to collect unpaid debts as they relate to code enforcement issues and ambulance billing.

RECOMMENDATION:

Staff recommends the City Council approve Resolution 13-1174

STAFF CONTACTS:

Sheena Danzer, City Inspector/Zoning Administrator

Christopher Cross, Fire Chief

Jeffrey A. Fiegenschuh, City Administrator

THE CITY OF WINDSOR HEIGHTS, IOWA

RESOLUTION 13-1174

**A RESOLUTION AUTHORIZING AN AMENDEMENT TO
THE ORIGINAL AGREEMENT WITH MUNICIPAL
COLLECTIONS OF AMERICAN, INC**

Whereas, the City of Winsor Heights continually strives to increase efficiencies in our daily operations; and

Whereas, the City of Windsor Heights has approved Ordinance 13-12 allowing for the collection of civil infractions through a private collections company; and

Whereas, Municipal Collections of American can collect unpaid fines through a collection process; and

Whereas, The City of Windsor Heights, Iowa and Municipal Collections of America (MCA) wish to amend Article III of the October 1, 2012 Collection Services Agreement; and

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Windsor Heights, Iowa that the City does hereby approve the attached contract amending the original agreement with Municipal Collections of America.

PASSED AND APPVOED THIS 18TH DAY OF NOVEMBER 2013

Diana Willits, Mayor

ATTEST:

Jeffrey A. Fiegenschuh, City Administrator/Clerk

COLLECTIONS SERVICES AGREEMENT AMENDMENT
Municipal Collections of America, Inc

The City of Windsor Heights, Iowa and Municipal Collections of America (MCA) will hereby amend Article III of the October 1, 2012 Collection Services Agreement to read as follows:

“No fees will be payable to MCA unless money is collected, at which time MCA will be paid as follows:

Upon listing any Parking/Compliance citations, Automated Traffic Enforcement citations, or any other delinquent municipal fine, a 25% cost of collections shall be added to any outstanding balance. Upon collection of the debt, a twenty percent (20%) collection fee is retained by MCA from the full balance recovered and the original balance submitted is paid to the municipality.

Upon listing for collection any delinquent ambulance bill, utility bill, or other consumer debt, no additional cost of collection will be added on to the outstanding balance. MCA shall retain 25% of the proceeds from the collection of any listed delinquent ambulance bill, utility bill, or other consumer debts as a commission for the services provided.”

This fee structure applies to all applicable fines or debts submitted under the MCA Collection Services Agreement.

IN WITNESS WHEREOF, the parties have signed and sealed this Agreement.

Municipal Collections of America, Inc.

BY: _____

(Print) President

(Signature) President

City of Windsor Heights, Iowa

BY: _____

Name

Title

Approval Date

