



**CITY OF URBANA, ILLINOIS
FINANCE DEPARTMENT**

M E M O R A N D U M

TO: Mayor Diane Wolfe Marlin and City Council Members

FROM: Kris Francisco, Financial Services Manager
Elizabeth Hannan, Finance Director

DATE: June 6, 2019

SUBJECT: Ordinance Amending the Urbana City Code, Chapter 22 - Recycling Tax and Resolution Approving an Intergovernmental Agreement with the Urbana & Champaign Sanitary District for Billing Services

Introduction: Attached is an Ordinance amending the City Code relating to the recycling tax and a Resolution approving an Intergovernmental Agreement for Billing Services between the Urbana-Champaign Sanitary District (UCSD) and the City of Urbana. The changes are to:

- Allow UCSD to bill the recycling tax on behalf of the City
- Bill recycling tax on a bi-monthly cycle instead of annually or quarterly
- Define recycling tax billing account adjustments
- Make minor changes promoting language consistency

Discussion: The recycling tax is deposited in the recycling fund and is used to pay for recycling and related services. The residential recycling tax is currently billed annually for dwellings up to four units at a rate of \$3.25 per unit per month. The multi-family recycling tax is billed quarterly for dwellings with five or more units at of rate of \$3.25 per unit per month for apartment buildings and condominiums and at a rate of \$2.51 per month per residential capacity for dormitories, fraternities or sororities, and rooming houses.

As we move away from the AS400 computer system, which will no longer be supported in the fall of 2020, staff has been systematically moving programs to other operating systems. The City's financial system and payroll systems have both moved from the AS400 to our current financial software, Munis. There are still a few programs housed in the AS400 that require attention. One of the biggest programs remaining is the recycling tax billing system.

As staff considered possible options for billing the recycling tax, we evaluated the cost of software, implementation timeframe, staff availability, implementation cost, and annual licensing fees. In order to continue to bill recycling ourselves, the City would have to invest in a software system that could handle utility billing or parcel based billing. Our current Munis billing software does not have the capability to handle utility billing without the purchase of another module. Staff also considered using CitizenServe, a

software package currently used by Community Development for permits and the Rental Property Registration program. In evaluating CitizenServe, it was determined that the software did not provide adequate internal controls for the recycling program billing needs. In addition, with several other software implementations (timekeeping & business licensing) scheduled in the upcoming year, staff felt implementation of a utility billing system would be challenging given the time constraints.

Instead of buying new software modules, staff proposes that the City bill the recycling tax through UCSD. The City currently has an intergovernmental agreement with UCSD to bill the City's sewer benefit tax and stormwater utility fee. UCSD has agreed to bill both residential recycling tax and multi-family recycling tax. Property owners would receive a combined bill from UCSD with the district's charges and the City's charges. The billing statement would clearly identify the City's taxes and fees.

UCSD already has collection processes in place for the other taxes and fees it bills on our behalf. In addition, UCSD offers an online payment option as well as automatic withdrawal from property owner's bank accounts, a feature the City does not currently offer.

Overall, it would be more efficient to bill this together with other items billed by UCSD and some property owners may appreciate receiving one less bill in the mail.

Changes to the Recycling Tax Billing Cycle: Currently, the residential recycling tax is billed annually for buildings with one to four dwelling units and the multi-family recycling tax is billed quarterly for buildings with five or more dwelling units. To coordinate with the UCSD billing cycle, bills would be bi-monthly instead of annually or quarterly. In order to create a smooth transition, the City would send property owners a final bill in November for amounts due for services through the end of 2019. Included with that bill would be information regarding changes in the billing process. UCSD would begin billing for services effective January 1, 2020.

Recycling Tax Billing Adjustments: All dwellings would be presumed occupied unless one of the following criteria exist:

- Dwellings that initially received their certificate of occupancy, but have no tenants
- Dwellings with suspended/revoked certificate of occupancy
- Dwellings registered as vacant structures
- Residential dwellings unfit for human occupancy as defined by City Code

Considering the administrative costs relative to the low monthly recycling tax amount, staff is recommending eliminating adjustments for properties that are uninhabited, unless they meet the criteria listed above. Each adjustment requires approximately 20 to 30 minutes of staff time, which has an average cost of approximately \$13.00-\$19.50 per adjustment. The cost to make the adjustments far outweighs the benefit and the City pays a contractor to provide the service, regardless, since bills are adjusted retroactively.

Fiscal Impact: The fee the City would pay is 3% of billed revenues, for an expected amount of \$21,480 annually. The following are considerations in evaluating the fee:

- Software licenses would be an ongoing cost of \$28,861 annually in addition to a one-time implementation cost of \$54,570 if the City were to implement its own billing system.
- Staff anticipates that UCSD will achieve a higher collection rate than if the City continues to bill recycling in house.

- Financial Services staff can better use the many hours they spend now generating and collecting the recycling bills. Instead, Financial Services staff could perform routine tasks currently done by management, collect other outstanding revenues, update procedures to reflect software changes, and cross train job duties.

Alternatives:

1. Forward the Ordinance approving amendments to the City Code and the resolution approving an intergovernmental agreement with the Urbana-Champaign Sanitary District effective January 1, 2020 to City Council for approval on June 17, 2019.
2. Amend one or both items, or choose not to forward them to City Council. If the ordinance is not forwarded, additional budget expenditures will be required to implement an in-house billing system.

Recommendation: Forward the Ordinance approving amendments to the City Code and the resolution approving an intergovernmental agreement with the Urbana-Champaign Sanitary District effective January 1, 2020 to City Council for approval on June 17, 2019.

ORDINANCE NO. 2019-06-033

AN ORDINANCE AMENDING URBANA CITY CODE CHAPTER 22, ARTICLE VIII

(Recycling Tax/2019)

WHEREAS, the City of Urbana (“City”) is a home rule unit of local government pursuant to Article VII, Section 6, of the Illinois Constitution, 1970, and may exercise any power and perform any function pertaining to its government and affairs, including the power to tax; and

WHEREAS, the City Council heretofore has enacted Urbana City Code Chapter 22, Article VIII, to levy and impose a recycling tax within the City; and

WHEREAS, the City Council, after due consideration, finds that amending said article as herein provided is in the best interests of the residents of the City and is desirable for the welfare of the City’s government and affairs.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Urbana, Illinois, as follows:

Section 1.

The following provisions of Urbana City Code Chapter 22, “Taxation,” Article VIII, “Recycling Tax,” are hereby amended with the underlined text indicating new language and the strikethrough text indicating deletions as set forth in Exhibit “A,” which is attached hereto and incorporated herein by reference:

- A. Section 22-102, “Residential recycling tax imposed”
- B. Section 22-103, “Collection of tax”
- C. Section 22-104, “Enforcement”
- D. Section 22-105, “Proceeds of taxes, penalties, and fines”
- E. Section 22-112, “Fee imposed”
- F. Section 22-113, “Collection of tax”
- G. Section 22-114, “Enforcement”
- H. Section 22-115, “Proceeds of taxes”
- I. Section 22-122, “Fee imposed”
- J. Section 22-123, “Collection of tax”
- K. Section 22-124, “Enforcement”
- L. Section 22-125, “Proceeds of taxes.”

Section 2.

Those sections, paragraphs, and provisions of the Urbana City Code that are not expressly amended or repealed by this Ordinance are hereby re-enacted, and it is expressly declared to be the intention of this Ordinance not to repeal or amend any portions of the Urbana City Code other than those expressly set forth as amended or repealed in this Ordinance. The invalidity of any section or provision of this Ordinance hereby passed and approved shall not invalidate other sections or provisions thereof.

Section 3.

This Ordinance shall not be construed to affect any suit or proceeding pending in any court, or any rights acquired, or a liability incurred, or any cause or causes of action acquired or existing prior to the effective date of this Ordinance; nor shall any right or remedy of any character be lost, impaired, or affected by this Ordinance.

Section 4.

The City Clerk is directed to publish this Ordinance in pamphlet form by authority of the corporate authorities, and this Ordinance shall be in full force and effect from and after its passage and publication in accordance with Section 1-2-4 of the Illinois Municipal Code or on January 1, 2020, whichever occurs later.

This Ordinance is hereby passed by the affirmative vote, the “ayes” and “nays” being called, of a majority of the members of the Council of the City of Urbana, Illinois, at a meeting of said Council.

PASSED BY THE CITY COUNCIL this date day of Month, Year.

AYES:

NAYS:

ABSTENTIONS:

Charles A. Smyth, City Clerk

APPROVED BY THE MAYOR this date day of Month, Year.

Diane Wolfe Marlin, Mayor

EXHIBIT A

Urbana City Code Chapter 22 Article VIII

DIVISION 1. – RESIDENTIAL

Sec. 22-102. - Residential recycling tax imposed.

- (a) A residential recycling tax is hereby imposed upon the use and privilege of occupying a dwelling unit in a residential dwelling in the City of Urbana. The amount of the tax shall be as prescribed in section 14-7 of this Code.
- (b) The ultimate legal incidence of and liability for payment of said tax shall be borne jointly and severally by the taxpayer(s). The tax shall be paid in addition to any and all other taxes, rents, or charges.
- (c) Every dwelling unit in a residential dwelling in the city is presumed to be occupied unless: (1) the certificate of occupancy for the dwelling unit has been revoked or suspended; (2) the dwelling is registered with the city as a vacant structure; or (3) the code official has declared the dwelling unfit for human occupancy.

~~If the dwelling unit is not inhabited during the entire calendar month, then no tax shall be due for that calendar month. Every dwelling unit in a residential dwelling in the city shall be presumed to be inhabited. The owner of the dwelling may rebut this presumption by presentation of factual evidence to the comptroller or designee. Responsibility for initiating this review and the presentation of this factual evidence rests entirely with the owner of the dwelling. This evidence must be presented to the comptroller at the same time that the owner files the annual tax return.~~

Sec. 22-103. - Collection of tax.

- (a) It shall be the duty of the owner of every residential dwelling to act as trustee for and on account of the city, and to secure said tax from the occupants of all dwelling units in the residential dwelling, and to pay over to the ~~comptroller~~finance director said tax under the procedures prescribed by the ~~comptroller~~finance director or as otherwise provided in this division.
- (b) Billing. Such residential recycling tax shall be billed and collected in accordance with an agreement then in existence between the city and the Urbana-Champaign Sanitary District; and the city hereby adopts by reference, all of the procedures and details set forth in the Urbana-Champaign Sanitary District Ordinance pertaining to the Urbana-Champaign Sanitary District user charges as amended from time to time so far as such are applicable to the calculation and collection of the residential recycling tax set forth herein.~~The owner shall file tax returns showing tax receipts received with respect to each dwelling unit on~~

~~forms prescribed by the comptroller. A separate return shall be filed for each residential dwelling.~~

~~(c) The owner shall remit the tax and file the returns on an annual basis. The tax and returns for the twelve-month period ending February 28 shall be due on or before April 1 of each year.~~

~~(d) If, for any reason any tax is not remitted to the city when due, a penalty at the rate of two (2) percent per month or part thereof, from the day of delinquency shall be added and shall be paid by the owner.~~

Sec. 22-104. - Enforcement.

(a) Whenever the residential recycling tax for a parcel becomes delinquent as set forth in the collection process implemented by the Urbana-Champaign Sanitary District or the finance director in accordance with this article, If the taxpayer(s) fails to pay the amount due, the city may in its discretion, file suit to collect such amounts as are delinquent and due against the taxpayer in a civil action, and shall collect, as well, all attorney's fees and costs incurred by the city. The amount of the attorney's fees shall be determined by order of the court.

(b) In addition to the other provisions of this division, and taxpayer found guilty of violating, disobeying, omitting, neglecting, or refusing to comply with, or resisting or opposing the enforcement of any of the provisions of this section, except when otherwise specifically provided, shall upon conviction thereof be fined not less than fifty dollars (\$50.00) ~~nor~~ more than five hundred dollars (\$500.00) for each violation.

(c) In addition to the other provisions of this division, any owner of a residential dwelling found guilty of violating, disobeying, omitting, neglecting, or refusing to comply with, or resisting or opposing the enforcement of any of the provisions of this section, except when otherwise specifically provided, shall upon conviction thereof be fined not less than one hundred dollars (\$100.00) ~~nor~~ more than five hundred dollars (\$500.00) for each violation.

Sec. 22-105. - Proceeds of taxes, ~~penalties, and fines.~~

The ~~comptroller~~finance director of the city shall receive all revenues ~~from taxes, penalties, and fines, as~~ set forth in this division and shall deposit such revenues in the proper fund of the city. The revenues shall be used solely for the costs associated with the city's collection and processing of recyclable materials from residential dwellings located within the city, and the costs to administer this division.

DIVISION 2. – DORMITORIES

Sec. 22-112. - ~~Fee~~Tax imposed.

A dormitory recycling feetax is hereby imposed on the owner of a dormitory in the city. The feetax shall be based on the residential capacity of the dormitory and shall be calculated by

multiplying the residential capacity of the dormitory by the amount as prescribed in section 14-7 of this Code.

Sec. 22-113. - Collection of tax.

~~(a) The owner shall file a tax return and remit the tax due on a quarterly basis. The initial quarter shall end on the thirty-first day of October, 1999. The tax return and payment of taxes due shall be made on or before the last day of the month following the end of the quarter.~~

~~(b)(a) Billing. Such dormitory recycling tax shall be billed and collected in accordance with an agreement then in existence between the city and the Urbana-Champaign Sanitary District, and the city hereby adopts by reference, all of the procedures and details set forth in the Urbana-Champaign Sanitary District Ordinance pertaining to the Urbana-Champaign Sanitary District user charges as amended from time to time so far as such are applicable to the calculation and collection of the dormitory recycling tax set forth herein. If for any reason any tax is not remitted to the city when due, a penalty at the rate of two (2) percent per month or part thereof, from the day of delinquency shall be added and shall be paid by the owner.~~

~~(b) Every dwelling unit in a dormitory shall be presumed to be occupied unless: (1) a certificate of occupancy has been issued, but no dwelling unit in the dormitory has been occupied by any tenants at any time; (2) a certificate of occupancy has been revoked or suspended and no new certificate of occupancy has been issued; or (3) the dwelling is registered with the city as a vacant structure. With respect to any entire calendar month that a dormitory is unoccupied, no recycling tax shall be due.~~

Sec. 22-114. - Enforcement.

~~(a) Whenever the dormitory recycling tax for a parcel becomes delinquent as set forth in the collection process implemented by the Urbana-Champaign Sanitary District or the finance director in accordance with this article, the city may in its discretion, file suit to collect such amounts as are delinquent and due against the taxpayer in a civil action, and shall collect, as well, all attorney's fees and costs incurred by the city. The amount of the attorney's fees shall be determined by order of the court.~~

~~(a)(b) Any taxpayer found guilty of violating, disobeying, omitting, neglecting or refusing to comply with any of the provisions of this division shall, upon conviction thereof, be fined not less than one hundred dollars (\$100.00) nor more than five hundred dollars (\$500.00) for each violation.~~

Sec. 22-115. - Proceeds of taxes.

The ~~comptroller~~finance director of the city shall receive all revenues set forth in this division and shall deposit such revenues in the proper fund of the city. The revenues shall be used solely for the cost associated with the city's collection and processing of recyclable materials from dormitories located within the city, and the cost to administer this division.

DIVISION 3. - MULTIFAMILY DWELLINGS

Sec. 22-122. - ~~Fee~~Tax imposed.

A multifamily dwelling recycling ~~fee~~tax is hereby imposed on the owner of each multifamily dwelling or the owner of each multifamily dwelling unit in a multifamily dwelling in the city. The ~~fee~~tax shall be the amount as prescribed in section 14-7 of this Code.

Sec. 22-123. - Collection of tax.

(a) ~~Billing. Such multifamily recycling tax shall be billed and collected in accordance with an agreement then in existence between the city and the Urbana-Champaign Sanitary District, and the city hereby adopts by reference, all of the procedures and details set forth in the Urbana-Champaign Sanitary District Ordinance pertaining to the Urbana-Champaign Sanitary District user charges as amended from time to time so far as such are applicable to the calculation and collection of the multifamily recycling tax set forth herein. The owner shall file a tax return and remit the tax due on a quarterly basis. The initial quarter shall end on the thirty-first day of October, 1999. The tax return and payment of taxes due shall be made on or before the last day of the month following the end of the quarter.~~

~~(b) If for any reason any tax is not remitted to the city when due, a penalty at the rate of two (2) percent per month or part thereof, from the day of delinquency shall be added and shall be paid by the owner.~~

~~(c)~~(b) Every dwelling unit in a multifamily dwelling shall be presumed to be occupied ~~except unless: (1) a certificate of occupancy has been issued, but no dwelling unit in the multifamily dwelling has been occupied by any tenants at any time; (2) a certificate of occupancy has been revoked or suspended and no new certificate of occupancy has been issued; or (3) the dwelling is registered with the city as a vacant structure.;~~

~~(1) Where a certificate of occupancy has been issued, but no dwelling unit in the multifamily dwelling has been occupied by any tenants;~~

~~(2) Where a certificate of occupancy has been issued, but revoked, and no new certificate of occupancy has been issued.~~

~~The owner of the multifamily dwelling may rebut this presumption by filing with the tax return required under subsection (a) above, a written statement signed by the owner stating that during the period covered by the tax return that no dwelling units were occupied under the conditions described in [subsections] (c)(1) and (c)(2) above. No tax is due respecting multifamily dwellings that are totally unoccupied during the reporting period.~~

~~(d) The comptroller is directed to issue regulations implementing the provisions of this section.~~

Sec. 22-124. - Enforcement.

(a) Whenever the multifamily dwelling recycling tax for a parcel becomes delinquent as set forth in the collection process implemented by the Urbana-Champaign Sanitary District or the finance director in accordance with this article, the city may in its discretion, file suit to collect such amounts as are delinquent and due against the taxpayer in a civil action, and shall collect, as well, all attorney's fees and costs incurred by the city. The amount of the attorney's fees shall be determined by order of the court.

~~(a)~~(b) Any taxpayer found guilty of violating, disobeying, omitting, neglecting or refusing to comply with any of the provisions of this division shall, upon conviction thereof, be fined not less than one hundred dollars (\$100.00) nor more than five hundred dollars (\$500.00) for each violation.

Sec. 22-125. - Proceeds of taxes.

The ~~comptroller~~finance director of the city shall receive all revenues set forth in this division and shall deposit such revenues in the proper fund of the city. The revenues shall be used solely for the cost associated with the city's collection and processing of recyclable materials from multifamily dwellings located within the city, and the cost to administer this division.

RESOLUTION NO. 2019-06-022R

**A RESOLUTION APPROVING AN INTERGOVERNMENTAL AGREEMENT WITH
THE URBANA & CHAMPAIGN SANITARY DISTRICT FOR BILLING SERVICES**

(Sanitary Sewer Fee, Stormwater Utility Fee, and Recycling Tax)

WHEREAS, Article VII, Section 10(a), of the Illinois Constitution, 1970, and the Illinois Intergovernmental Cooperation Act, 5 ILCS 220/1 *et seq.*, authorize intergovernmental cooperation in any manner not prohibited by law or ordinance; and

WHEREAS, the Urbana & Champaign Sanitary District (“UCSD”) and the City of Urbana (“City”) desire to execute an intergovernmental agreement to allow the UCSD to provide billing services to the City for its sanitary sewer fee, stormwater utility fee, and recycling tax as herein provided; and

WHEREAS, the City Council, after due consideration, finds that approval of an intergovernmental agreement to allow the UCSD to provide such billing services to the City is in the best interests of the residents of the City and is desirable for the welfare of the City’s government and affairs.

NOW, THEREFORE, BE IT RESOLVED by the City Council, of the City of Urbana, Illinois, as follows:

Section 1.

An Intergovernmental Agreement for Billing Services between the Urbana & Champaign Sanitary District and the City of Urbana, Illinois, in substantially the form of the copy of said Agreement attached hereto and hereby incorporated by reference, be and the same is hereby authorized and approved.

Section 2.

The Mayor of the City of Urbana, Illinois, be and the same is hereby authorized to execute and deliver and the City Clerk of the City of Urbana, Illinois, be and the same is hereby authorized to attest to said execution of said Agreement as so authorized and approved for and on behalf of the City of Urbana, Illinois.

PASSED BY THE CITY COUNCIL this Date day of Month, Year.

AYES:

NAYS:

ABSTENTIONS:

Charles A. Smyth, City Clerk

APPROVED BY THE MAYOR this Date day of Month, Year.

Diane Wolfe Marlin, Mayor

INTERGOVERNMENTAL AGREEMENT
FOR BILLING SERVICES

URBANA & CHAMPAIGN SANITARY DISTRICT/CITY OF URBANA

THIS AGREEMENT is made this ___ day of _____ 2019, by and between the URBANA & CHAMPAIGN SANITARY DISTRICT, a municipal corporation (hereinafter referred to as "District") and the CITY OF URBANA, a municipal corporation (hereinafter referred to as "City").

WHEREAS, the City has established a sanitary sewer fee for use of the City's sanitary sewer system in accordance with Urbana City Code Sections 24-16 and 24-17; and

WHEREAS, the City and the District did on the 5th of January 2006, pursuant to City of Urbana Ordinance No. 2005-11-168, enter into an intergovernmental agreement, to allow the District to provide billing services to the City for its Sanitary Sewer Fee; and

WHEREAS, the City has established a stormwater utility fee for the use of the City's stormwater sewer system in accordance with Urbana City Code Chapter 24, Article VIII and

WHEREAS, the City and the District did on the 7th day of June 2012, pursuant to City of Urbana Resolution No. 2012-04-022R, enter into an intergovernmental agreement, to allow the District to provide billing services to the City for its Stormwater Utility Fee; and

WHEREAS, the City has established a recycling tax for the privilege of occupying a dwelling unit in a residential dwelling in the City of Urbana in accordance with Urbana City Code Chapter 22, Article VIII and

WHEREAS, the City and the District seek to enter into an intergovernmental agreement whereby the District will provide Recycling Tax billing services for the City; and

WHEREAS, the City and District agree that provision of billing services by the District to the City is in the best interests of the parties and the parties' customers.

NOW, therefore, for good, valuable and mutual consideration, which each party hereto acknowledges as having in hand received and in exchange for the terms, covenants and conditions contained herein, it is agreed by and between the parties as follows:

I. Billing Services, Billing Rate, and Calculation of Charges

A. Charges for services provided beginning January 1, 2020 and thereafter.

1. The District shall include charges for the City's Sanitary Sewer Fee, Stormwater Utility Fee, and Recycling Tax on bills that the District sends to its service recipients. Each

City fee will be listed as a separate line item on the District's sanitary sewer bill. The fees will be identified on the bill as the "sewer use fee", "stormwater fee", and "recycling tax", respectively.

2. The City shall establish billing formulas for each service for each entire calendar year. The District shall calculate bills using the formulas established by the City. The City will notify the District of any change to the City's billing formulas not later than December 15 of the year before the effective date. The District will implement any change in the City's formulas with the first billing of the new calendar year. The new rate(s) shall apply to all bills generated on or after the effective date of the rate or rate change.
3. The District shall accurately calculate and use its best efforts to collect the City's fees. The District's calculation methods shall include the following:
 - a. The District will calculate the City's sewer use fee based upon the rate provided to the District by the City as applied to the billable flow for each parcel billed by the District.
 - b. The District will calculate the City's stormwater utility fee using the monthly rate, equivalent residential units (ERU), and credits applicable to each parcel as provided by the City.
 - c. The District shall calculate bills using the rates and number of units as provided by the City for each parcel.
 - d. The District will assess delinquency fees on unpaid balances that are thirty (30) days overdue in accordance with the District's standard procedures utilized for its own delinquent accounts.
 - e. City sewer use fees billed by the District that become delinquent will be collected in accordance with the District's standard procedures that it utilizes for collecting its own delinquent accounts. The District will communicate material changes to these procedures to the City thirty (30) days prior to implementation.
 - f. City stormwater utility fees billed by the District that become delinquent will be collected in accordance with the District's standard procedures that it utilizes for collecting its own delinquent accounts until the charges are two (2) years delinquent or the balance is \$200, whichever occurs first. At that point, the District will reverse all outstanding stormwater utility fees from the District's account, create a detail of the fees due and owing, and forward that information to the City. Collection efforts for stormwater utility fees reversed for non-payment will become the responsibility of the City. The District will communicate material changes to these procedures to the City thirty (30) days prior to implementation.
 - g. City recycling taxes billed by the District that become delinquent will be collected in accordance with the District standard procedures that it utilizes for collecting its own delinquent accounts until the charges are two (2) years delinquent or the balance is \$200, whichever occurs first. At that point, the

District will reverse all outstanding recycling taxes from the District's account, create a detail of the fees due and owing, and forward that information to the City. Collection efforts for recycling taxes reversed for non-payment will become the responsibility of the City. The District will communicate material changes to these procedures to the City thirty (30) days prior to implementation.

- h. The City may determine that adjustments are to be applied to stormwater utility fees in accordance with its ordinance or policy. Additions of or changes to existing criteria will be forwarded to the District no more frequently than once a week. Change information shall include the parcel number, property address, ERU, and /or credit percentage. Changes will be incorporated into the stormwater calculation for the specified parcel and will apply to the next regularly generated bill.
- i. The City may determine that adjustments are to be applied to recycling taxes in accordance with its ordinance or policy. Additions of or changes to existing criteria will be forwarded to the District no more frequently than once a week. Change information shall include the parcel number, property address, number of units, and monthly rate factor. Changes will be incorporated into the recycling tax calculation for the specified parcel and will apply to the next regularly generated bill.

- B. Response to Customer Questions: The District will make good faith efforts to respond to questions from customers concerning the City's charges, including past-due amounts. The District will direct customers who request additional information to the City at a phone number provided to the District by the City.
- C. Processing Payments. The District will process all payments of the fees as it processes payments of District charges. Payments shall be applied to the oldest outstanding bill first in the following order: delinquency or collection fees, District charges, sewer use fee, recycling taxes, and stormwater utility fees. The District will distribute to the City all receipts actually collected on behalf of the City each month via wire transfer or ACH before the end of the fifth business day of the following month. The District shall not pay to the City interest earned on funds held on behalf of the City during the month in which it is collected.

II. Responsibilities of City Prior to Initiation of District Billing

- A. Prior to November 1, 2019, the City will notify all owners of property in the City that the recycling tax will be included on the District's regular bill as of January 1, 2020. The City will collect any unpaid balances as of December 31, 2019.

III. Fees for Services Provided by the District.

- A. Fees. The City shall pay to the District 3.0% of billed revenues for services rendered. Changes in fee structure for subsequent years shall be set by mutual written agreement between the Executive Director of the Urbana & Sanitary District and the Mayor of the City of Urbana.
- B. Bill Redesign Fee. The City shall pay to the District a one time bill redesign fee of no more

than \$3,250.00 of the bill redesign cost incurred by the District to include recycling tax on the billing statement. The City shall pay to the District the one time cost associated with integrating data from the City database into the District database.

IV. District Information Sharing Responsibilities.

- A. No later than the date specified in I.(C)., the District shall provide the following information to the City regarding billing information for the City's fees:
 - 1. The amount billed, paid, outstanding, and the amount that the District deems uncollectible by reason of bankruptcy or similar reason. Those City fees that the District deems uncollectible shall receive no further attention by the District. The District will identify such accounts by address and Permanent Parcel Index Number, type of fee, billing period, and amount due and provide said list to the City

V. Amendment and Termination.

- A. This Agreement may be amended by written agreement of both parties.
- B. This Agreement may be terminated by either party for any reason by notifying the other party in writing at least 365 days in advance of the effective date of such termination.
- C. In the event that this Agreement is terminated for any reason, within thirty (30) calendar days following the date of notification, the District shall provide to the City the following information for each property subject to the City's fees, in an industry-standard format using industry-standard electronic media:
 - 1. Parcel tax identification number assigned by County
 - 2. Premise number assigned by IAWC
 - 3. Property address
 - 4. Billing address
 - 5. Property owner name
 - 6. Billing and payment history, including the following for each billing period up to two (2) years prior to the notification:
 - a. Water reading
 - b. Billed sewer units (daily base or actual water use, as applicable)
 - c. Billed recycling units
 - d. Dollar amount billed for sewer use fee
 - e. Dollar amount billed for stormwater utility fee
 - f. Dollar amount billed for recycling tax
 - g. Amount paid toward each fee type
 - h. Amount outstanding for each fee type
- D. Within thirty (30) calendar days of termination, the District shall also provide to the City the following information for each property that is not subject to the City sewer use fee, stormwater utility fee, and recycling tax in an industry-standard format using industry-standard electronic media:
 - 1. Parcel tax identification number assigned by County
 - 2. Premise number assigned by IAWC
 - 3. Property address
 - 4. Billing address

5. Property owner name

The District shall also provide the above data to the City upon the City's request prior to termination of this Agreement, and provide other information that the City might reasonably request, so that the City may test conversion of the data to the City's billing system.

VI. Notices

Any notices required or made pursuant to this Agreement shall be delivered personally or sent by first class mail with return receipt requested as follows:

To the District

Executive Director
Urbana & Champaign
Sanitary District
P.O. Box 669
Urbana, IL 61803-0669

To the City

City Administrator
City of Urbana
400 South Vine Street
Urbana, IL 61801

If sent by first class mail, such notice shall be deemed effective on the fourth day following placement of such notice with the U.S. Postal Service if the envelope in which such notice is placed bears the intended recipient's proper address and with postage fully paid.

If delivered personally, such notice shall be deemed effective on the date actually received by the intended recipient.

IN WITNESS WHEREOF, the parties hereto have set their hand and seal the day and year first written above.

URBANA & CHAMPAIGN
SANITARY DISTRICT

By:

Its President

APPROVED AS TO FORM:

City Attorney

ATTEST:

By:

Its Clerk

SEAL:

CITY OF URBANA

By:

Mayor

By:

City Clerk

SEAL: