

MEMORANDUM

To: Honorable Mayor & City Council

From: Cassie McGuire Utilities Clerk, Toni Kunz City Administrator

Date: September 1, 2026

Agenda Item: 5A Delinquent Utility for Collections

Action Requested: Discussion and action

Overview and Background:

In 2022, City of Bandera began working with Ivy J. Arroyo of MVBA, LLC to assist with Municipal Court collections and continued when Ivy J. Arroyo transferred to Perdue Brandon Fielder Colins & Mott LLP. This has been a successful venture with no out-front costs to the City. The City provides details of accounts in collections via read-only access to our system. PBFCM adds a flat 30% to the amounts to be collected. This rate is set by statute. Total amounts owed are paid to the City of Bandera, some directly to the City and some directly to PBFCM. In cases where the amounts are paid to PBFCM, PBFCM pays the full amount paid to the City of Bandera. Monthly, PBFCM submits payment to the City for all monies collected, a detailed report to the City showing original overdue amount collected, 30% collection fee, and total amount collected for the month. PBFCM invoices the City for the flat 30% fee collected on the amounts paid to the City and to PBFCM. This makes for a very clean account of all monies owed and paid. There is very little administrative duties by the City's personnel other than monthly reconciliation to make sure our records reflect overdue amounts paid directly to PBFCM, and monthly payment of fees owed for collections. In 2025, we had 549 cases that were turned over for collections that totaled \$261,316.00: \$201,822.81 toward the amount due and \$59,493.24 in fees to be collected paid to PBFCM. In 2026, we had 48 cases turned over for collections that totaled \$20,007.80: \$15,401.00 toward the amount due and \$4,606.80 in fees collected and paid to PBFCM.

For FY 2025/2026, we have 31 overdue utility accounts totaling \$6275.00 owed to the City. We have archived other accounts that date back further where there would be potential for more revenue generated.

Staff recommendations: Recommend entering into a contract with Ivy Arroyo of Perdue Brandon Fielder Colins & Mott LLP to collect on our past due utility accounts with the same rates and process as we currently have with the municipal court.