



City of Oelwein Collections Policy

Overview

The City of Oelwein Collections Policy is hereby created to:

- Standardize the procedures that Oelwein takes to pay off debts that are owned to the city through municipal bills or other fee and charges.
- Ensure that residents of Oelwein are treated fairly and made fully aware of the process in which the city will collect on outstanding debt.
- Create a process approved by City Council that will be implemented by staff.



Utility Collection Policy
Adopted by Resolution #5361-2022 August 22, 2022
Amended by Resolution #5493-2023 December 11, 2023

Utility Billing

Billing

The City will work through the following procedures with each customer who fails to pay their bill.

- The City each month mails a bill to the customer with a due date
- If the customer fails to pay their bill, a reminder letter is sent the day after the bill is due
- If no payment is made the second month, a second notice is mailed asking for payment or to contact City Hall to make a Payment Arrangement.
- After 10 days a door tag is hung on the residence requiring payment by 1:00 PM the next business day.
 - It is not the responsibility of the city to ensure the residence receives their door tag. The city will in most cases hang door tags on any door facing the street where the address is posted.
- If the customer continues to not make a payment; services are disconnected, and all accounts must be brought to a zero-balance including additional shut off/turn on fees.

Errors in billing

- The City reserves the right to invoice customers and businesses for charges that may have been underbilled or omitted in error.

Payment Arrangement

The City of Oelwein will work with residents on arrangements to ensure that they are provided adequate time to pay outstanding bills.

- Customer can make a Payment Agreement no later than the disconnection due date. Failure to make a Payment Agreement before a door tag is received will result in required payment of the door tag.
- One payment agreement is allowed per calendar year.
 - The City reserves the right to require a payment when signing an agreement.
 - Failure to sign a payment agreement before a door tag is received will result in requiring payment of the door tag fee in full at the time of signing the agreement.
- Should the customer fail to make payments on their Payment Agreement, the city will proceed with an immediate shut-off without prior notice.
- Extension to a Payment Agreement will be reviewed on individual basis.
- Payment Agreements must be made for the past due balance in full. Exceptions may be made on individual basis. No Payment Agreement shall go past four weeks.
- Should a customer fail to comply with a Payment Agreement more than once in two years, that customer will no longer be eligible for a Payment Agreement.



Transferring Services

- Accounts must be in current balance status to transfer services to another location.
- Any account that has received a disconnection notice will not be allowed to transfer services to a new location until the account is paid.
- Any final bill that has not been paid in a timely manner will receive a written notice, the balance will be transferred to their current account.

Security Deposit

City Code Section 7-46 requires that a deposit set by City Council in the city's fee schedule. Any customer not in good standing will pay double the original deposit.

A customer who is not in good standing is a result of the following

- Failure to pay a utility bill on time
- Failure to pay off an existing utility account
- Having any unpaid utility bill with the City of Oelwein

Insufficient Funds (NSF Checks)

- Return checks are charged back to the account they were posted to originally.
- An NSF fee is charged to the account owner and the account is coded as "cash only" status.
- A certified letter is mailed to the address requiring the addressee to bring cash to city hall for amount of the NSF check plus the fee within 10 days to avoid disconnection of services.
- Customers failure to sign for receipt of a certified letter does not prevent, stop, or cancel a disconnection of your services.
- Customers with 3 returned insufficient funds (NSF) ACH payments will have their ACH payment stopped and future privileges canceled.

Online Payments

- The City reserves the right to block a customer's ability to make online payments if there are 3 returned payments due to insufficient funds (NSF), negligence, or abuse.
- One or more on-line payment types may be blocked by our third-party processor, Payment Service Networks, Inc.'s (PSN) discretion for nonsufficient funds, account abuse, or an invalid account.

Delinquent Accounts – Disconnected Services

- Customers with a delinquent or disconnected services account must bring the delinquent account to zero balance including reconnection fees and may be required to provide an additional deposit to have services reconnected.
- Customers with a disconnected balance will not be allowed to activate services at another location until the balance and deposit is collected.
- The customer is sent notifications for three continuous months that they are shutoff and of the amount needed to bring the delinquent account to a zero-balance status.

Debt Collection Procedures – Final Bills

- The customer is sent notifications for three continuous months of their final billed balance.
- Customers returning to a delinquent account may make a Payment Agreement in the current calendar year provided they have not had one in the original calendar year.



- Services will not be activated in their name until the final bill is paid in full.
- If bills come back undeliverable, city staff will work to locate the customer or account holder.
- After three months, staff forwards documentation to the Iowa Income Setoff Program to start collection procedures.
 - All debts sent to the Iowa Income Setoff Program shall have an administration fee included as set by resolution by the city council.
- Notice of the overdue bill is then sent to the tenants, property owners, and landlords
- If no response from the customer or account holder, staff sends the information to the county requesting the bill be placed on the taxes. This notification requires signature from the City Administrator.
- A monthly and a consolidated annual listing of uncollectable accounts is created and tracked as collection efforts return funds to the city bringing the uncollectable accounts to zero balance.
- Debt can be removed sooner from an account under the following conditions
 - Death
 - Bankruptcy

Waiving of Fees

- The City will not wave fees unless approved by City Council.