

**PUBLIC UTILITIES COMMITTEE OF THE WHOLE**

**City Council of the City of Calumet City  
Cook County, Illinois**

**OCTOBER 6, 2015**

**CALL TO ORDER**

The Public Utilities Committee of the Whole meeting was called to order at 6:02 p.m.

**ROLL CALL**

PRESENT: 6 ALDERMEN: Schneider, Wosczynski, Jones, Williams, Munda (6:24),  
Manousopoulos

ABSENT: 1 ALDERMAN: Collins

Also present were Mayor Michelle Markiewicz Qualkinbush, City Clerk Nyota Figs, City Treasurer Gerry Tarka, Finance Director Kasperek and Public Works/Water/Sewer Commissioner Manousopoulos.

Public Comment

There was no public comment.

Mayor Michelle Markiewicz Qualkinbush: "The next few items on the agenda require committee approval. Anything over \$5,000.00 requires committee approval.

#2: Discussion/possible  
action on Calumet City  
Plumbing invoice/water  
main valve

Discussion and possible action on Calumet City Plumbing invoice for hydro excavated water main valve.

At this time in the meeting, Public Works/Water/Sewer Commissioner Manousopoulos addressed the council regarding Calumet City Plumbing invoice for hydro excavated water main valve.

Approve item #2/  
Calumet City Plumbing

Alderman Wosczyński moved, seconded by Alderman Manousopoulos, to approve item #2, payment to Calumet City Plumbing in the amount of \$7,489.00, invoice#17893 and submit to the City Clerk for approval at the next agenda with the correct account number; direct the City Treasurer to remit payment.

ROLL CALL

YEAS: 5  
NAYS: 0  
ABSENT: 2

ALDERMEN: Wosczyński, Jones, Williams, Manousopoulos, Schneider  
ALDERMEN: None  
ALDERMEN: Munda, Collins

MOTION CARRIED

#3: Discussion/possible  
action on Calumet City  
Plumbing invoice/street  
pavement work

At this time in the meeting, Public Works/Water/Sewer Commissioner addressed the council regarding Calumet City Plumbing invoice for street pavement work.

There was discussion regarding street pavement work.

Approve item #3/  
Calumet City Plumbing

Alderman Wosczyński moved, seconded by Alderman Manousopoulos, to approve item #3, payment to Calumet City Plumbing in the amount of \$10,288.00 invoice #17907 and submit to the City Clerk for approval at the next regular council meeting with the correct account number; direct the City Treasurer to remit payment.

ROLL CALL

YEAS: 5  
NAYS: 0  
ABSENT: 2

ALDERMEN: Jones, Williams, Manousopoulos, Schneider, Wosczyński  
ALDERMEN: None  
ALDERMEN: Munda, Collins

MOTION CARRIED

#4: Discussion/possible  
action on Calumet City  
Plumbing proposal/water  
main valve repair

Discussion and possible action on Calumet City Plumbing proposal in the amount of \$5,900.00 for water main repair.

#5: Discussion/possible  
action on Calumet City  
Plumbing proposal/water  
main valve repair

Discussion and possible action on Calumet City Plumbing proposal in the amount \$5,900.00 for water main/valve repair.

At this time in the meeting, Public Works/Water/Sewer Commissioner Manousopoulos addressed the council regarding Calumet City Plumbing proposals item #4 & #5 in the amount of \$5,900 for water main/valve repair at the northwest and northeast corner of Muskegon Avenue and Memorial Drive.

There was discussion regarding water main/valve repairs at the northwest and northeast corners of Muskegon Avenue and Memorial Drive.

Mayor Michelle Markiewicz Qualkinbush: "I just want to make sure the record is clear on the locations, northwest and northeast corner of Muskegon and Memorial Drive.

Approve items #4 & 5/  
Calumet City Plumbing

Alderman Wosczyński moved, seconded by Alderman Manousopoulos, to approve items #4 & #5 Calumet City Plumbing proposals in the amount of \$5,900.00 for water main repair/valve repair and submit to the City Clerk to be placed on the next agenda with the correct account number and direct the City Treasurer to remit payment.

ROLL CALL

YEAS: 5  
NAYS: 0  
ABSENT: 2

ALDERMEN: Williams, Manousopoulos, Schneider, Wosczyński, Jones  
ALDERMEN: None  
ALDERMEN: Munda, Collins

MOTION CARRIED

#6 Discussion/possible  
action/J & J Newell invoice  
\$13,632.50

Discussion and possible action on J & J Newell invoice #4974 in the amount of \$13,632.50.

At this time in the meeting, Public Works/Water/Sewer Commissioner Manousopoulos addressed the council regarding J & J Newell invoice #4974 in the amount of \$13,632.50 for replacement of concrete and asphalt at 438 Wilson Avenue.

Mayor Michelle Markiewicz Qualkinbush: "I want the record to reflect that these matters have to come for approval before the work before the city council."

Approve item #6/invoice  
J & J Newell/\$13,632.50

Alderman Manousopoulos moved, seconded by Alderman Wosczyński, to approve item #6 invoice from J & J Newell in the amount of \$13,632.50, invoice #4974; submit to the City Clerk to be placed on the next agenda with the correct account number and direct the City Treasurer to remit payment.

ROLL CALL

YEAS: 5  
NAYS: 0  
ABSENT: 2

ALDERMEN: Schneider, Wosczyński, Jones, Williams, Manousopoulos,  
ALDERMEN: None  
ALDERMEN: Munda, Collins

MOTION CARRIED

#7:Discussion/possible  
action on water meters

Discussion and possible action on Water Meters (IEPA review and possible funding review).

Finance Director Kasperek  
update on water meters

At this time in the meeting, Finance Director Kasperek gave a brief update on water meters (IEPA review and possible funding review)

There was a lengthy discussion regarding water meters; IEPA review and possible funding.

Direct Finance Director  
prepare report of benefits

Alderman Manousopoulos moved, seconded by Alderman Wosczynski, to direct Finance Director Kasperek to prepare a report of benefits of using bond monies versus IEPA the cost involved; provide to the city council upon receipt of report from Johnson Control.

MOTION CARRIED

Ald Munda entered meeting

Alderman Munda entered meeting at 6:24 p.m.

Discussion/possible action  
amending Water Rate  
Ordinance (late fees)

Discussion and possible action on amending Water Rate Ordinance (late fees)

Alderman Jones: "This is a result of many of the residents coming not only before this council asking about late fees. The only reason I placed this item on the agenda is to ask the aldermen to consider if you want to eliminate late fees or amend the late fee ordinance; since this item was rushed.

We know that many of the residents that came up, kind of placed the blame at the City Clerk's Office which is not. But they are complaining about the late fees. I think it is incumbent that at least we have a discussion about the late fees.

Alderman Manousopoulos: "Just a suggestion, instead of \$35.00 on the late fees, it would make sense to drop it to \$20.00.

Because their late fees on more than their actual water bills. Instead of 14 days, I recommend we give them 5 days.

I don't think we should remove it completely because the majority will be paying late. I think \$20.00 late and give them 5 days; because if you give them 14 days it overlaps the following bill which the late fee will show on their 3<sup>rd</sup> month bill."

Alderman Williams; "Are we talking 5 business days or 5 days?"

Alderman Manousopoulos: "Are all bills due on Friday?"

City Clerk Figgs: "The bills are due on the second Friday of the month."

Alderman Williams: " So it is 7 days, instead of 5 days."

Mayor Michelle Markiewicz Qualkinbush: "If you did 5 business days."

City Clerk Figgs; "5 business days will be the following Friday."

Alderman Manousopoulos: "They can drop off their bills in the night drop or pay at home online. I think if we give them 5 days, including the weekends."

Mayor Michelle Markiewicz Qualkinbush: "Will this work with our current monthly billing, the 5 days that you are recommending? Finance Director perhaps you know the answer."

Finance Director Kasperek: "Alderman, I understand how the ordinance was drafted, there was a lot of thought process put into the new monthly billing, versus quarterly billing."

We have to get the next bill out, in the middle of the current month. So we look at all these time frames of when we can get the work done.

The day after was selected because, 14 days to pay the bill, which is the second Friday, so we get those bills out typically the month before and the next day because within a week we are already into the next billing cycle.

We didn't want to run into these problems where late fees are being already on the bill to go out when they come in and pay. It was thought through.

The next day being optimal, suffering from all of the public pressure. Nyota and I sat down and pushed the schedule that 5 is the actual drop dead which it really going to make it difficult on the billing process not on the reading process.

3 days would be more optimal, we are basically saying Friday to Monday and that is really only giving them 1 business, however, we hope to have our online hopefully growing by sometime before Christmas, which will be much more user friendly and will integrate with the system.

I am not recommending 5 days, 5 would work but understand it is going to put a lot of pressure in getting our billing system going through because with everything pushes back on that calendar.

The red tags, the turn offs and everything is going out an extra 5 more days. That is why I said, we planned this. We looked at a 1 month versus a 3 months. Now we only have 30 days basically.

The schedule is accelerated in a 30 day schedule. Again, can we do it. It can be done. I do want to say it was a well, thought out process when we put this together.

By the way, for what it is worth, it works. Everything is working. Water Department is getting everything out and now we are talking about accelerating schedules."

Alderman Jones: "John, I would disagree and saying it was well thought out. Because the Mayor, the day before we voted on it, ordered that we start the monthly billing and we should have not piece meal this process.

This was done over Christmas. I disagree it was well thought out. We are, where we are right now. But residents, if it was well thought out, we wouldn't have the residents complain about the late fees and the billing system.

That is my opinion and we are where we are right now. We have the 14 days and everyone is recommending 5 days."

Alderman Manousopoulos: "I want to take that back. I was not figuring for the red tags. So 5 days would put us right back where we at."

Mayor Michelle Markiewicz Qualkinbush: "As a point of order Alderman Jones. Maybe not well thought out on the part of accelerating it the month that you spoke of. Yes that part, perhaps I was just trying again.

Everyone has to understand. My input into the process was to try and make a 243 percent raise by the City of Chicago and Hammond more affordable for our residents.

I, of course thought it would be easier to pay a 1 month bill versus a 3 month bill. That with said I December, then we moved to January, February until now, 9 months.

The City Clerk's input into the system wasn't her opinion, it was how the billing system operates. She was the mouth piece for the billing department to the Finance Director, so he can think out the process and put things into place.

The late fee John perhaps you can explain to the council. The late fee is it helping people pay on time. Is it not helping people pay on time.

I know people don't like the late fee. I don't know if the amount should change. I too have met with many, many residents about they don't like the fact that the bill is due on that day and the next day is a \$35.00 late fee.

Again, they are always wondering other places give you a grace period.. I looked at my ComEd this morning. I couldn't see where the grace period was. It just says when you get a late fee and here is the late fee amount.

I guess if you do the math it is added up. It wasn't even clear on my ComEd bill that I looked at this morning.

Understand that he said well thought out, he was given the direction back in December to understand the billing procedures and to think how to make this work.

It really was given our best efforts. Maybe residents, let's face it. We got the increases three years ago and no one wanted to implement them before the election. We kind of waited, it probably wasn't our best decision we made as a group here either.

Then they get hit 243 percent increase because we can't shoulder that cost anymore. None of this was done maliciously against the residents.

It was really done to try and help residents to understand we are getting killed with a water rate increase by Hammond and Chicago.

John was given the task of trying to figure out the best way to proceed. Nyota's only input into it, although she has been the forefront of the beating on this.

I had a group of 30 Hispanic women say to me, we do not want to pay this increase.

I don't think the city council is suggesting that we lower the amount due. They don't want to pay the increase, they don't like the late fee, they don't like that there is a grace period.

Everybody is just angry. It starts with they don't want to pay the more money for water. They don't want to pay it. That is what they said to me.

Those women through a translator, Mayor you absorbed it for 3 years, so you should continue to absorb, take that back. How can that be. Residents don't want to pay more for their water."

Alderman Jones: "When I say not well thought out, because one of the things that we didn't do is not educate the residents because it was so fast pace because it was done in December over the Christmas holiday and then implemented in January and when residents start paying attention they were all pissed off about the late fees."

Mayor Michelle Markiewicz Qualkinbush: "We can keep going back and beating that dead horse.

Tonight I think the question is number 1 do you want to allow a grace period before the late fee is imposed.

I think what Finance Director Kasperek is saying that his recommendation is 3 days, I think at this point we just have to move forward. John, perhaps you can just fill us in.

Having this money flow in monthly, helps us pay our Hammond bill on time for one. What has the impact of that been to the city."

Finance Director Kasperek: "The true impact was the increase in water rates. That is because now we are actually collecting money that allows us to pay those bills on time even we were monthly before.

With the rate increase, we are still operating in the red. Just for your information working on this late fee project and as we discussed the late fees as a whole.

We have put together a report which I have been working on with the knowledge of the Mayor and City Clerk. I took the lead on it to make sure we did this part correct.

In 8 ½ months, we have billed out over \$400,000.00 in late fees. I just say as Finance Director this is at the cost of our residents.

It is a part of running our water operation. We are using that money to run our water operation. To put it in perspective, there has been over 15,700 late fees billed in 8 ½ months.

I might also point out, that we are going to be refunding over half of that money. Even with a 14 day window, about 45 percent are paying past the 14 day window.

Is 5 days in my opinion going to make a difference, I would say maybe 15 to 20 percent of those late fees are within the first 5 days. The rest of the late fees are after 5 days.

We will shrink that list a little bit, especially the few that come in on the same. That would make them happier. There are few.

There is at least 1,000 accounts, if not more, of habitual late payments."

Mayor Michelle Markiewicz Qualkinbush: "How many days from the day the bill hits the mail until they have to pay. They have over 2 weeks, is that correct?"

Finance Director Kasperek: "The goal was to give them about 2 weeks."

Mayor Michelle Markiewicz Qualkinbush: "So they have 2 weeks from the day. We put it in the mail until the due date, and then if you are saying another 5 days if that is the council's wishes.

Then technically they will have 20 days in the month to pay their bill."

Finance Director Kasperek: "Then the late fees go on there after."

City Treasurer Tarka: "Madam Mayor and Mr. Chairman, I am going to play devil's advocate. We are talking about 5 business days. If the bill is due on Friday. You are talking about 5 business days. You have Monday, a holiday goes into the 3<sup>rd</sup> week."



Mayor Michelle Markiewicz Qualkinbush: "I don't suggest it says business days."

City Treasurer Tarka: "It just came to mind, if you had Monday as a holiday, that that would kick into the 3<sup>rd</sup> week of the month."

Mayor Michelle Markiewicz Qualkinbush: "I believe it should be 5 days."

Finance Director Kasperek: "I am telling you it will cause residents concern when getting their late fees two months later."

Mayor Michelle Markiewicz Qualkinbush: "Does the council think it is better to leave the due date the day after the bill, but reduce the amount of the late fee. Or is it better to allow a few days grace period before the late fee is imposed?"

Of the aldermen present, when you get complaints about the late fee, is it about the amount or the date?"

Alderman Manousopoulos: "They are upset, because the amount of the late fee, because \$35.00 is more than their water bill."

Alderman Munda: "My complaints is because it is an extra \$35.00. That complaint is actually coming from the people who are late. People complaining about the \$35.00 was the residents that are actually late and have problems paying the existing bills of \$150.00 or \$230.00.

They are complaining about the extra amount of money, but in our defense these are people who are late.

There is a separate argument about people who have paid their bills on a quarterly system on time for 30 years. Not I have a late fee for the first time in 30 years, it is more important to them that they pay their bills on time.

Usually those turn into their own fault, oh my son came over and found behind the mailbox. There whole thing is there is just a late fee at all. They feel insulted that they are given a late fee.

Then there is Mr. White, who came up here at a council meeting. When he comes to city hall to pay this bill and here comes the meter reader reading the meter."

Mayor Michelle Markiewicz Qualkinbush: "That could very well be. You are paying the bill for the past month."

Alderman Munda: "There are multiple complaints. Is it making us money. John, I thought you told me at one point it made us \$400,00.00 for collection of late items."

Mayor Michelle Markiewicz Qualkinbush: "I don't know if we want to make money. The ultimate suggestion was to put it there so people would pay their bill on time, so we wouldn't have to go out and put red tags.

Then we wouldn't have to go out and turn off the water and then turn on. Are we doing less red tags, or less turning on and turning off? Is anyone tracking that?"

Commissioner Manousopoulos: "We are not, the red tags are pretty average between 500 and 900."

Mayor Michelle Markiewicz Qualkinbush: "When it was on a quarterly basis, it was that amount?"

Commissioner Manousopoulos: "On quarterly, I want to say it was more. It was a lot more, because they knew the schedule. They have 3 month before the billing and then 2 weeks."

Mayor Michelle Markiewicz Qualkinbush: "Before you had a really long time to pay your bill, before we turned off your water."

Alderman Jones: "So the recommendation is 5 calendar days and lower the fee to \$20.00, correct. From \$35.00 to \$20.00?" The council can think about this and we can re-group.

Is there a time table to make these changes. Do we have to do it?"

Mayor Michelle Markiewicz Qualkinbush: "John, tell him the time table. Because what we don't want to do is take it to 14 days, which would be on the next billing. We have to do this before our next billing cycle.

It has to be determined by the city council quick, if you are going to change the days."

Finance Director Kasperek: "I believe in my discussions with Nyota, and correct me if I am misquoting. If we can get by the next council meeting on the agenda what the late fees are going to be, we can get it integrated into the October billing, that would be due in November.

It is going to make it tough, Nyota said they can make half of month just for that particular billing cycle and maybe weekend there, to have them come in on Saturday. Because normally we would be processing the bills.

It sounds like we wave a wand and all 10,000 accounts are posted in one minute. It takes time for everyone to download the guns and all the different routes view the route and make sure everything coming out properly.

You got about a week lag time before we put all that billing information in there so that it properly goes out. If we give the residents 14 days, we have to start processing those bills not when we are mailing them on the 28<sup>th</sup>, then they have already processed on the 23<sup>rd</sup>.

I just want to make sure everyone gets the gravity of this work. We post 10,000 accounts. You have to make sure they are accurate. If they are correct, then you run the bills. After you run the bills, you get them into the envelope.

10,000 accounts is not happening in 5 minutes. This is a time consuming process not to mention we have to take to the post office and hope they are delivered on time. If we get that resolved this month, otherwise what is going to happen, we have to follow the ordinance.”

City Clerk Figgs: “We will add the late fees on the 23<sup>rd</sup>. It says 14 days after, the next council meeting is on October 22.

Mayor Michelle Markiewicz Qualkinbush: “Maybe it would require a special meeting. The only thing I am worried about is whatever we do, I think we can’t be changing it repeatedly.

I think Nyota reported to me that people seem to be paying online and paying their bills. I think we are running a risk if we give them a grace period to pay and leave the late fee the same.

I know you are saying it is almost what they pay in their bill. My bills used to be \$77.00 a month. I think the whole purchase of the late fee is to get them to pay on time.

If we had no late fee, then the day after the due date, I think we should change the ordinance to say we are red tagging everyone. It is labor intensive and 1,000 people are paying late anyway, turn the water off and back on.

The whole idea was to make it a little painful on the front end, so that we didn’t have to do all those steps, although we have had to a great degree. Nyota, do you feel that it is working, what are your thoughts as it relates to water billing?”

City Clerk Figgs: “(Her comments were not audible)

Mayor Michelle Markiewicz Qualkinbush: “ I say we leave it at the 14 days and we push the envelope.”

Alderman Jones: "The 14 day is correct has been the issue. If that is the issue with 14 days."

Mayor Michelle Markiewicz Qualkinbush: "The issue is that we have been imposing the late fee the day after the due date and the ordinance says it should be 14 days after the due date."

Alderman Manousopoulos: (His comments were not audible)

Alderman Jones: "I was not prepared to do it tonight. I agree we can't keep changing the ordinance, even though I wasn't I wasn't in favor of this ordinance. We can't keep changing the ordinance because it is going to look like the city council is wishy washy and the decision making with the public."

Mayor Michelle Markiewicz Qualkinbush: "What is the council's wishes. We have to do something."

Alderman Manousopoulos: "The Attorney's had told us that we need to actually put red tags out. Now they are saying that you only have red tag where there is an apartment unit with 3 units or more. Single family or duplexes do not have to be red tagged. They can be sent by mail notice."

Mayor Michelle Markiewicz Qualkinbush: "Now you are adding the work load to the staff in water billing to have to mail out 1,000 red tags. At the same time we are reading and posting. Now it is coming on the other end of it."

I talked to Billy about red tags in general and thoughts perhaps he should give it a little bit of thought and have a conversation among the financial team in water billing. Perhaps we don't red tag or put those out or turn off water until the next month.

I don't believe ComEd does that. I think they go a month where they read. The second month they do something else. We don't have to re-create the wheel. Obviously ComEd does monthly billing and it works.

Let's mirror some of what they do to make it less labor intensive on our side and Billy was going to look into that.

Going back to the main issue though, I think it is important that we get some direction from the city council as to the late fee and the time if there is going to be a grace period. If we can get a straw poll.

We need to get this, in my opinion, if it takes a special meeting. We need to get this done so that it will be done correctly on the October billing, so that it doesn't impact this process going forward, we can't keep changing it.

What is the thought of the council and we will put it together with the attorneys and have it present for a meeting coming up as quick as we can. We have to do something.

Alderman Jones: "The attorneys have to be here. Because they had the language. I don't have the ordinance in front of me. They have the language. And so we are doing it right."

Mayor Michelle Markiewicz Qualkinbush: "There was a misinterpretation of the language is what caused by the problem from before. John was going to come to the meeting and explain that to the council at the next council meeting, so that the public is aware.

I wanted to be sure that we were ready to execute and get anyone who is charged a late fee incorrectly that they would get a credit in an appropriate fashion. He has been working on this situation and will report at the council meeting.

Alderman Jones: "A misinterpretation by the attorneys of language that they wrote."

Mayor Michelle Markiewicz Qualkinbush: "No a misinterpretation by the Finance Director of the proposed ordinance that he sent to the attorneys. He was counting the 14 days from the beginning of the cycle instead of from the due date.

The language wasn't changed that was sent to the attorneys. That is the conversation we all had at this city council level and we all voted on it and nobody caught it."

Alderman Munda: "I just want to ask a quick question to Finance Director Kasperk. Is there a way, because we are always constantly discussing this, three days, five days, seven days. Not the five days, the five days lands no a Friday.

There is a holiday on Monday, it runs into the next billing cycle and the week. They are not going to see the late fee until the third payment. What about a different structure.

Not necessarily changing the amount of the late fees or the actual days that we charge the late fees on. What about changing the structure all together.

Like a merit system in college, on your syllabus, but when you start a class the professor comes in and says welcome to Philosophy 101.

On the syllabus you will find what I expect out of my students. You have 7 changes to miss my class. So you can miss this class 7 times without any penalty. But on the 8<sup>th</sup> time you fail.

So can we do a merit system, where we only charge the residents like bi-annually by putting in a merit system. It is a little out of the box. Is there a capabilities of the clerk with the SunGard system in keeping track on a merit system.

Like you have been late once, you have been late twice. Now the 3<sup>rd</sup> time this is the 5<sup>th</sup> month that we have been dealing with you and you have been late twice. One more time it is a \$100.00 dollars.

But if they were actually late 3 times, it would be \$105.00. If we give them a 3 change system, like it is the 6<sup>th</sup> month of the billing cycle, you have been late twice, once more time and you out late and it is \$100.00.

Now if they exceed the 3 times and move into a 4 time, 5 time, 6 time late fee, now it is \$350.00. That is twice a year that you do that, instead of having all these billing late fees running into the bill payment days.”

Alderman Jones: “Alderman, I would just suggest, if that is what you want to propose that you would work it out. Because the attorneys will probably tell you that it will create a system either unfair to some residents.”

Mayor Markiewicz Qualkinbush: “I will say this Roger. Thank you for thinking out of the box. The only thing I am going to say who is going to see there and review 9,000 accounts.”

Alderman Munda: “I am just saying, if you come in and your one day late on your bill. You walk up to the windows and they say here I am. How do you do it now. When I come up to the window and I am one day late. Does the woman at the window say, oh look at your date you are one day over and you owe us \$35.00.

How do they do it now physically as it is happening.”

City Clerk Figgs: “We run water billing according to the ordinance.”

Mayor Michelle Markiewicz Qualkinbush: “The bill is printed that says you owe this amount and the day after you owe this amount. No thinking on anybody’s part.”

Alderman Munda; “So they show up and it is already on there. When they come and they have \$100.00 check it is \$135.00 it states after that date the late fee. The only reason

I said that is because now Mrs. Johnson comes in. She is not happy and she is yelling at the cop and the clerk and where is the City Clerk at I want to talk to her.

I am late and I have never been late before. So look we are on a 3 merit system this is your first time. There is no way to say in the system to say ok this is her first time she has not been late before.

So give me \$100.00 only. Then the second time it is the system, I am sorry Mrs. Johnson this is the second time you are not going to get a late fee but next time you are coming in it will be a \$100.00 late fee.

That way it keeps us out of these rotating late fees into the bill payment, into the next one. It gives the resident a little cushion. I know I was late, I screwed up. Thanks for the warning and the second warning, but the third time no more there is your late fee.

That is what we would have collected anyway if they were late 3 times.”

Alderman Jones: “At the special meeting, if you can talk to the city attorney and have them review. It sounds like a voluntary payment system.”

Mayor Michelle Markiewicz Qualkinbush: “A voluntary payment system Alderman Jones, what do you think is going to happen.”

Alderman Jones: “People are going to say I am going to pay the second time or the third time. Your idea has merit so you have to ask the city attorney.”

Alderman Munda; “The only problem with it is keeping track of it and who is going to do it, rewriting the ordinance, the attorneys wording it.

And I don’t know how this effects the city clerk in her daily operations.”

Mayor Michelle Markiewicz Qualkinbush: “The biggest think I can tell you we don’t have enough staff to do and implement what you just said. My quick answer kudos for thinking out of the box.

I don’t see how it is going to work and people will complain about that also. All I am asking for tonight guys is what do you think.

The biggest complaint I hear is there is no grace period. That is the biggest complaint that I am hearing. Nobody likes to pay the \$35.00 because if you have \$70.00 water bill, \$35.00 makes it \$105.00.

However the biggest complaint, again, there is no grace period. If the council says 5 days then at least there is a grace period. Again \$20.00 on \$70.00 is \$90.00.

If you have a \$200.00 water bill, \$20.00 is nothing. I would say I don’t know if they would encourage them to pay. All I am saying is give me an idea so that we can make sure that we get the correct draft.

If we are going to change the grace period we have to do that quickly.”

Alderman Munda: “Could I ask a question. What are the ramifications of getting rid of the late fee all together. We never had a late fee before.

Alderman Manousopoulos: "Yes we did, we always had a late fee."

Mayor Michelle Markiewicz Qualkinbush: "John have you ever done a comparison over what late fees were charged. I think they were 10 percent. But what they equated in a fiscal year.

One of the things that the Finance Director said for anyone who was listening. It is generating some revenue for the water system. Of course when you have to do a \$100,000 water main break.

There may be some opportunity for that to happen here. Again, I think whether it is \$20.00 or \$35.00 people are still going to be mad.

I just think whatever the city council wants to do, we just have to do it. That is how it is.

Alderman Jones; "I don't think the council is prepared tonight. It doesn't seem like everyone is on the same page. We do a special meeting, one of the things is though we can't tell the residents is all about us just collecting money.

If we are throwing out numbers about how much money we collected then we are not showing compassion. That is why I voted against the ordinance in this original form, because it didn't show compassion.

We took out the payment plan and we did other things."

Mayor Michelle Markiewicz Qualkinbush: "No alderman, there was never a payment plan in the ordinance."

Alderman Jones; "It was a case by case basis with some residents."

Mayor Michelle Markiewicz Qualkinbush: "It was implement probably outside of the ramification of the ordinance. I would say the person who did that, didn't really have authority to do that.

This clerk has straightened all that out. Let's face it, we have to pay Hammond for the water that we purchased. If you don't want to do a late fee. Then what happens the day after your bill is due, we are going to be issuing red tags.

People may come in that following week. So you are going to get a red tag. But if you really want to get rid of the late fee that is something the city council can do."

Alderman Manousopoulos: "If we waive the late fee, I think we open a can of worms, where we are going to have to probably red tag the entire city.

What is the incentive to pay."



Mayor Michelle Markiewicz Qualkinbush: "It is not being insensitive Alderman Jones. We had a late fee before."

Alderman Jones: "What I am saying is insensitive is saying that we have collected this and it is an economic benefit. We know it is an economic benefit to the city. It always has been.

If it worked in the past where we were charging a percentage of that late fee."

Mayor Michelle Markiewicz Qualkinbush: "It didn't work and I think what they number offsets to go to John's number is when we have to go out. How many red tags, 500 red tags go out.

So how many days does it take us to put out 500 red tags with the staff. Then when the red tags go out then it gives residents so much time to come in and pay their bill.

It is to make the system run more efficiently. I am in favor if you all want to levitate the late fees. But, I think we are hurting ourselves. I think it would be more work on the service department.

Alderman Jones: "Alderman Munda, then we will just close the meeting."

Alderman Munda: "Now I heard you don't want to consider the out of the box thinking that it is just undoable, which is ok I understand.

I was just trying to throw ideas around to see if I could get a brain storm going and maybe it would click something in someone else's head.

Now we realize that \$35.00 was exuberant and hurtful, let's lower to \$20.00; then we found the problems in the billing, that the 7 days, they are going get it 3 bill payments later.

Then the 5 day might land on a holiday and push into the next week. Let me ask one more question. \$35.00 was too much down to \$20.00, 3 days was too soon and 5 days might fall with a holiday pushing it into the next week.

7 is just outright, because they are going to get it on the 3<sup>rd</sup> bill payment anyway. What are the ramifications of us raising the late so exuberantly that it puts the fear of God in them not to be late at all."

Mayor Michelle Markiewicz Qualkinbush: "The \$100.00 late fee in the vehicle sticker ordinance puts the fear of God in no one. People don't have the money to pay they are just not going to pay."

Alderman Munda: "Obviously \$400,000 worth of revenue, they were paying for a \$35.00 late fee, so how much more motivated would they be."

Mayor Michelle Markiewicz Qualkinbush: "The motivation is red tag, turn off. That is the motivation on paying the late fee."

Alderman Munda: "Isn't the goal to reduce the red tags?"

Mayor Michelle Markiewicz Qualkinbush: "That is what I am saying. So you pay the late fee so you don't get a red tag and we don't turn off your water. That is the motivation."

Alderman Munda: "My point where I am going Alderman is, maybe the \$35.00 is more of an annoyance to them. Oh I got a late fee, maybe \$35.00 is more of an arguable number."

Where if you just ding them once with \$75.00 or \$100.00 and they say this I crazy. I am never going to be late again and they are lined up waiting to get in to pay at the clerk's office.

Then we get rid of the red tags. There is no incentive to pay on time as Alderman Manousopoulos stated. Isn't that the goal then?"

Alderman Jones; "The original proposal had \$100.00 late fee if I am not mistaken."

City Clerk Figgs: "No, that was \$100.00 turn on fee."

Alderman Jones: "Turn on fees, but we lowered it to \$50.00, right."

City Clerk Figgs; "It was \$50.00 originally, it was going to be changed to \$100.00 then Alderman Williams suggested that it be changed back to \$50.00 and it was changed back."

Mayor Michelle Markiewicz Qualkinbush: "It wasn't really changed, it was just never adopted."

Alderman Jones: "From \$50.00 to \$35.00 where we are now."

Mayor Michelle Markiewicz Qualkinbush: "You are talking about two different things, turn on fees, not late fees."

City Clerk Figgs; "We need some kind of direction on what to do if you wait until the special meeting then you have to prepare an ordinance and then vote on it."

Because it is difficult to run the billing process, without some kind of direction. So last month, late fees were not added at all, because I could not do billing and add late fees at the same time.

If we don't do anything now or you don't have any suggestion or ordinance for the attorney to prepare, then we will be in the same situation."

Alderman Jones: "The attorney didn't prepare one for tonight."

Mayor Michelle Markiewicz Qualkinbush: "I don't think you can him any direction what to put out there Alderman Jones."

City Clerk Figgs; "I thought that is what we were here to talk about."

Alderman Jones: "Looking at the calendar, if that is the case, then we have to by October 20 decide as a council, if you want to eliminate the late fees, reduce the late fees to \$20.00 and do 3 days or 5 days. So that is the option."

City Clerk Figgs; "What I am saying is that some steps will be missed in the billing process, if I am able to do one step, another step will be missed.

If I add late fees on the 15 day, we have late fees on the 15 days, but then I can't really run red tags or if I run red tags for billing, we won't be able to do turn offs.

A step will be missed somewhere. It will run into each other. It is like a conveyor belt, we will get backed up. It can't function the way it is at this time.

If you want a grace period, then you say 3 days or 5 days, you can say business days or calendar days."

Mayor Michelle Markiewicz Qualkinbush: "Could I just make a suggestion. Could everyone look at their calendar.

I don't now if we can have a meeting on Columbus Day. I was going to suggest Tuesday, which is 13<sup>th</sup>. My suggestion is that I would have the attorneys prepare an ordinance that would address the late fee and put in 5 calendar days, with a \$20.00 late fee, if that is what I am hearing with the recommendations tonight.

Have that come to a meeting. If we can have one on Monday, October 12. I know everybody is off, maybe we can. Then that would be what is prepared to present to the city council and certainly it can be changed at that meeting, should we desire to do so, in an effort to keep this matter moving.

Alderman Jones: "I say Tuesday, I would suggest 3 days of a grace period.

Mayor Michelle Markiewicz Qualkinbush: "Let's take a straw poll, 3 days, could everyone weigh in here. Alderman Schneider, yes, Alderman Wosczynski, yes, Alderman Jones, yes."

City Clerk Figgs; "Are you saying 3 business days or 3 calendar days."

Mayor Michelle Markiewicz Qualkinbush: "If you say 3 calendar days, you realize that makes it Saturday, Sunday or Monday. I am saying if the bill is due on Friday, that gives them Saturday, Sunday and Monday.

If you do 5 days, which is what Finance Director Kasperek said is the most it can be done then you are talking, Saturday, Sunday, Monday, Tuesday and Wednesday. That would work with the current billing.

If we do 5 calendar days it takes you to Wednesday, with the \$20.00. That is what I am suggesting we at least bring to the council to have a conversation. That you are wanting it to be 3 days now?"

Alderman Jones: "I mean, I can go with 5 days."

City Clerk Figgs: "If you do 3 days you also have to remember that when you say we have 3 days, if the bill is due on Friday, you are saying you have Saturday, Sunday and Monday which means you would have to put the late fee on Tuesday.

We have to make sure all the payments are in on Monday to add the late fee on Tuesday. We have to make sure the drop box, mail and online are processed, then we add the late fees on Tuesday.

If you say 5 days, then we are not able to add the late fee until the 6<sup>th</sup> day."

Mayor Michelle Markiewicz Qualkinbush: "So if we say 5 days after the due date, that will still give you billing department enough time?"

City Clerk Figgs: "Then you have to address the red tags. When do you want red tags. You also need to say when those red tags go out too.

Mayor Michelle Markiewicz Qualkinbush: "As far as the billing, is it 3 days that is better or 5 days, that is what I am trying to get a grasp from you and the council. What is the optimal thing still allowing residents some grace period.

Alderman Jones: "Some people will say 1 day, you might as well not even have late fees."

Mayor Michelle Markiewicz Qualkinbush: "The other option is leave it the day after and just make it \$20.00, does anyone have an opinion about that."

Alderman Manousopoulos: (His comments were not audible)

Mayor Michelle Markiewicz Qualkinbush: "You do realize from the minute you get in the bill in your mailbox, provided the post office delivers it. You have 14 days. I get that but you can't control that and there still will be complaints about that.

Alderman Manousopoulos: (His comments were not audible)

Mayor Markiewicz Qualkinbush: "Based on my conversations, it will make nobody happy, everyone is going to be mad. I think whatever we do, they don't want to pay the higher bills.

They don't want to pay the higher water rates.

Finance Director Kasperek: "(His comments were not audible)

Mayor Michelle Markiewicz Qualkinbush: "It is working, as he stated it is working. It is just the squeezed wheels is who we all hearing. They are in our face."

Alderman Jones: "I understand that, I have no qualms with that, people are paying but they are not paying because they are happy to pay.

You are correct in that. You can people as Alderman Munda stated that have been paying their bill on time for 30 years that are coming up complaining. Even if they are in the 75 percent that are complying they are still upset about the late fee and switching the water system.

We have had this system with 20 years."

City Clerk Figgs: "People who pay on time, have more of an issue with monthly billing because they just like quarterly. But they pay on time. Seniors pay on time."

Mayor Michelle Markiewicz Qualkinbush: "I think they are getting used to it."

City Clerk Figgs; "Whatever you guys decide, I don't have a problem with. But you have to address all the issues. You have to address the grace period, how much, the red tags and whatever else."

Alderman Jones: "Mayor, at the special meeting red tags."

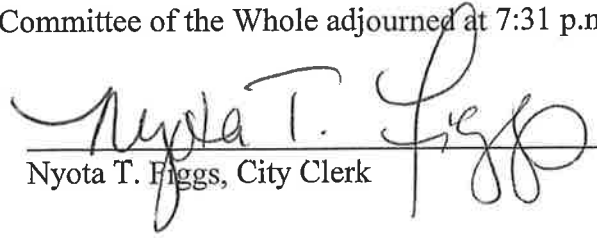
Mayor Michelle Markiewicz Qualkinbush: "I will have the ordinance pulled with the correct sections. I will say what I am going to do then is I am going to have it prepared for 3 days and \$20.00 and everyone will have time to mull it over and think about.

Then we will have the discussion then and will continue discussion at the special meeting on Tuesday."

Finance Director Kasperek: (His comments were not audible)

**ADJOURNMENT**

The Public Utilities Committee of the Whole adjourned at 7:31 p.m.

  
Nyota T. Figg, City Clerk

/rb