

COUNCIL PRESIDENT-JENNIFER WASILK
COUNCIL AT LARGE-DAVID JANIK
COUNCIL AT LARGE-MARTIN HEBERLIN
COUNCIL AT LARGE- PHIL VAN TREUREN

COUNCIL WARD ONE-BRIAN DEMBINSKI
COUNCIL WARD TWO-ED COWGER
COUNCIL WARD THREE-JAKE WACHHOLZ
COUNCIL WARD FOUR-MATT NAHORN

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Minutes of the Utilities Committee Meeting held May 11, 2020 at 6:50 P.M.
Present were Chairman Mr. Janik, Mr. Van Treuren, Mr. Dembinski, Mr. Wachholz, Mr. Nahorn, Mr. Heberling, Mr. Cowger. Also present were Council President Wasilk, Mayor Costilow, Safety Service Director Jeffreys, Auditor Pittak, Law Director Pecora, Assistant Law Director Ward, Treasurer Ramsey, and Council Clerk Sivinski.

Due to the COVID-19 restrictions, this meeting was held remotely.

A-20-19 Due to COVID-19 pandemic; no utility bill fees such as late or non-payment will be assessed and no shut off of utilities for Amherst residents from the March 2020 utility bill through the July 2020 bill.

Mr. Heberling explained his reason for submitting this request. He said due to COVID 19 many residents may be or will be going through struggling times financially. He has promised residents who elected all of us to represent them that this is one way we can help those in need. This is a great opportunity for City Council to show the residents that we understand what they are going through. This is not anything any of us have foreseen and this is the least we can do for them to help them in their time of need.

Mayor Costilow suggested that the emergency clause be added to this, and rules are suspended, otherwise it's a moot point. He does feel this is good idea and with the start and end points being in the ordinance. He said typically every month 300 accounts are past 60 days behind and people receive shut off notices. About 90% submit payment by the deadline to avoid being shut off. This leaves about 30 accounts that we actually go out and visit and try to collect payments or we shut them off. Within a few days, typically, all accounts are brought up to current. Through the month, there are typically no homes or businesses that are shut off for any length of time. Right now there are 470 accounts at that point of 60 days or later. This is not as much as one might think. That's about \$35,000 in utilities uncollected. We have been following the guidelines, even tho we don't have an ordinance. We have not assessed late fees or shut anyone off in the last two months - that's \$28,000 in late fees that we have not collected. That is money that the city depends on. It's 4 days before payment date, but right now we are \$600,000 that has not been paid, but most will pay by the 15th. By the 15th he expect it to be about \$200,000. He projects it will be about \$40,000 a month that will be added if this continues through July. That's about \$75,000

in late fees that we will not collect by July and arrears payments could be upwards of \$750,000. Hopefully, the people that can pay, will pay, and it won't be that bad. These monies are what pays our employees and purchases new equipment. We can absorb this temporarily. When this is all over, the accounts who were on the first shut off list will be seven months behind. The City will work with those residents to help them. There will be tenants who will move out and the landlords will be left with bills, but we will work with them.

Mrs. Wasilk asked about bills that are overdue, when this period is over, will they then begin to accrue interest or penalties? Mayor Costilow said according to the ordinance we would waive penalties until the August bill. So that is yet to be seen. We will make arrangement and late fees would be on the new usage.

Mr. Wachholz asked why we chose July? Mr. Heberling said mainly we are targeting a date and then we will revisit down the road. None of us can predict how long this will take. We can then reintroduce or extend if needed.

Mr. Janik asked if the Utilities Department has been visited by residents with these concerns? Mayor Costilow said very few residents have reached out. He has heard from people who are upset about removing the late fees. They pay on time so they don't understand why there is no discount for paying on time. There's more public outcry on that, rather than the thankfulness for us doing this. He said regarding the July date, with the stimulus and unemployment checks that people will have received by that time, we felt that was a good target date.

Mr. Janik questioned if residents contacted the Utility office with concerns about paying on time, in them reaching out to us first, rather than assuming their late fees will be waived, could we put something like that into play? Mayor Costilow said that may be a good idea for the next step. He feels the legislation is good the way it's written now, but we can revisit this again in July. He feels the city can absorb some of these fees for a few months. Mr. Janik said he did not want residents taking advantage.

Mr. Van Treuren said the same people who are falling behind are the same people who were not paying on time before this health crisis, and we are being told to enact this legislation due to the health crisis, he feels like he is missing something. Mayor Costilow said it appears that about 150 accounts are doing this. Human nature, some people need to be reminded to pay their bills. Mr. Van Treuren asked why they can't be reminded? Mayor Costilow said the State said you can't shut them off so why waste money on

postage when you can't shut them off anyway. Mr. Van Treuren said we will also reward them by not charging late fees? Mayor Costilow said that was correct. Collateral damage, we are trying to help people who really need this and some will take advantage. Mr. Van Treuren felt the City should send letters out to see who really needs this. Resident should call the City and clarify that they need the assistance? That way we are helping the people who legitimately need the service. Mayor Costilow said that may be a good idea after July, but again, this is being mandated by the State, can't shut them off. Mr. Van Treuren said but we are also not assessing late fees. Mayor Costilow said that was part of the "band aid." Mr. Van Treuren said we are stewards of the city's money and he wants to make sure we are doing the right thing.

Mr. Cowger asked if we will enable these people to get down so far down the rabbit hole that they can't get out and most people who are having issues and are in arrears are renters. If the renters get so far in arrears and they move out, will the city go after the property owners? If they get so far behind, it will be well above their security deposits. What will we do to protect the property owners from these high bills? Mayor Costilow said the way the policy stand, the land owner would be responsible for the bill. We would work them and let them make small payments. Yes, we are enabling people to go further in the hole, but what are you going to do? Our utilities were doing so well and now there's that possibility of losing all the late fees, it's a tough decision. We will revisit in July and hopefully catch up.

Mr. Heberling said this was not a reward or a handout. This is something we are looking at and eventually will be collecting back the charges for the utilities. Yes, we are foregoing the late fees but the utility fees will be coming back hopefully sooner than later. We are not giving anything away, this is us, the council, helping our residents and show them that we are there for them. As far as the rabbit hole, no one planned for this. That rabbit hole is going to be a lot deeper than what we see it if we are still receiving paychecks. A lot of people are unemployed right now. Some of them may be Amherst residents and he wants to be there for them. This is a way to work with our residents to help them. Mr. Heberling spoke about the 50 accounts that were referenced that the pandemic had no effect on those accounts is what those gentlemen were referring to.

Mr. Dembinski said to clarify, from the state level, we are not allowed to turn off their water off due to the state of emergency? Mayor Costilow agreed. Mr. Dembinski said so this is more about the late fees as we have been handling the other even without this ordinance. He just wanted to verify that we can't turn off their water anyway.

Mr. Heberling said those with late fees, who have always been notorious for this, that will always be a factor in any form of government. Just because a small percentage is taking advantage of that, we should not be punishing the ones who are in need of this.

Mr. Van Treuren said the mention of residents receiving their stimulus checks which will aid in their payments for utilities, about 80% have already received their checks. How many people who are behind on their utilities have reached out to the city to explain that due to pandemic they have lost their jobs and are not able to pay? Mayor Costilow said he was not sure, he does not think there were very many, but we did go right into the mode that we were not going to shut people off. Mr. Van Treuren said this is basically about late fees. Does the state require that we waive late fees? He is confused. Then why do we need this legislation? Mayor Costilow said he is not sure about the late fees. Mr. Van Treuren said so this legislation is about late fees, 80% of stimulus checks have gone out, these are almost all people who are always late on their payments to begin with, and none have reached out to the city to explain that they are having issues due to COVID19. He is having a hard time seeing how this is not rewarding people who are usually late with their utility payments, who have not provided any proof at all that this pandemic has caused them to be later than usual. Mr. Heberling said if that's the case, then there is no reason not to go along with this, there should be no concerns. When the time comes, these residents pay their bills. We are not imposing late fees because of the COVID. Mr. Janik said so those will be the folks who had late fees before February/March before the pandemic, they will be waived since March, as the legislation reads. But any late fees accrued before March, are still existing. Mayor Costilow said that was correct. This is just for the last two months of usage - and once you have a late fee on usage, that is the only late fee you accrue. You do not get a late fee on top of a late fee.

Mr. Heberling motioned to take this to the floor of Council with the emergency clause as suggested by the Mayor. Seconded by Mr. Wachholz. Roll call vote 6-1 with Mr. Van Treuren voting no to take to the floor.

Mr. Dembinski motioned to adjourn. Second by Mr. Heberling. The meeting adjourned at 7:23 P.M.

David Janik, Chairman
Utilities Committee