



City of Brighton

REPORT FROM THE CITY MANAGER TO CITY COUNCIL

April 16, 2020

SUBJECT: CONSIDER APPROVAL OF A TEMPORARY UTILITY BILL DEFERMENT PROGRAM

BACKGROUND

The COVID-19 pandemic has had economic impacts on many residents and business owners. City staff has received numerous calls from utility customers inquiring about any payment plans or late fee waivers.

ADMINISTRATIVE SUMMARY

Staff has come up with a temporary relief program that would waive late fees for 6 months. No late fees will be charged for late payments on the April 20th, June 20th, or August 20th 2020 due dates. Late fees are never cumulative and are only charged once on the current bill due. Late fees will be incurred for late payments first becoming due after August 2020. Annually any past due bills as of May 20, 2020 are transferred to the summer tax bill. As a part of this plan we are proposing that anything that is past due as of March 31, 2020 will be transferred to the Summer 2020 tax bills which will be due on August 17, 2020. This will result in past due amounts that were incurred after the onset of the COVID-19 pandemic to be deferred until the MAY 2021 transfer to taxes which will be due in August of 2021.

RECOMMENDED MOTION

Staff recommends that City Council approve the attached resolution #20-06 to adopt the Temporary Utility Bill Deferment Program.

Prepared by: Gretchen Gomolka, Finance Director

Approved by: Nate Geinzer, City Manager

RESOLUTION #20-06

A RESOLUTION OF THE CITY OF BRIGHTON CITY COUNCIL TO APPROVE A TEMPORARY UTILITY BILL DEFERMENT PROGRAM

WHEREAS, the City of Brighton City Council wishes to provide economic relief to utility customers in the wake of the COVID-19 pandemic;

WHEREAS, the City of Brighton City Council wishes to waive late fees for late utility bill payments for a period of six months, covering the due dates of April 20th, June 20th, and August 20th 2020;

WHEREAS, the City of Brighton City Council, wishes to hold off on transferring delinquent outstanding utility bills to the 2020 summer tax bills for amounts that first became delinquent after March 31, 2020;

WHEREAS, the City of Brighton City Council wishes to resume transferring all remaining delinquent outstanding utility bills beginning with the 2021 summer tax bills; and

NOW THEREFORE BE IT RESOLVED that the City Council hereby resolves to approve the Temporary Utility Bill Deferment Program as outlined above.

IT IS HEREBY CERTIFIED that the City Council of the City of Brighton adopted the foregoing resolution at a regular meeting on the 16th day of April, 2020 by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

RESOLUTION DECLARED ADOPTED

Dated: _____

CERTIFICATION

I, Tara Brown, City Clerk of the City of Brighton, do hereby certify that the foregoing is true and correct copy of a Resolution adopted by the City Council of the City of Brighton at a regular meeting held on April 16, 2020.

Tara Brown, City Clerk
200 N. First Street
Brighton, Michigan 48116

RESOLUTION NO. 2020-07

CITY OF BRIGHTON RESOLUTION TO SAVE SMALL BUSINESSES

WHEREAS, the outbreak of the novel coronavirus (COVID-19) has caused a global pandemic; and

WHEREAS, the President of United States declared a national emergency on March 13, 2020 due to the health and economic implications of the COVID-19 virus; and

WHEREAS, the Governor of the State of Michigan declared a state of emergency and issued several executive Orders temporarily closing all non-essential businesses; and

WHEREAS, the Michigan Governor's state of emergency and executive Orders will result in direct economic consequences for businesses in the City of Brighton, Livingston County, and across the State of Michigan that provide employment for many Michigan citizens; and

WHEREAS, while the State works to mitigate the health effects of COVID-19, it is necessary for the City of Brighton to take all reasonable steps to preserve and protect the existence of local businesses and their ability to endure this state of emergency and continue to employ local workers; and

WHEREAS, many commercial landlords have proactively taken actions to preserve commercial tenants by ensuring that no legal action will be taken against them for the next sixty to ninety days if the commercial tenant is unable to pay rent due to the effects of COVID-19 and the related State Orders; and

WHEREAS, although such landlords have provided reassurances to a number of local businesses, there are still commercial landlords that have signaled action will be taken to evict non-paying commercial tenants impacted by the COVID-19 crisis, and

WHEREAS, the Federal Coronavirus Aid, Relief and Economic Security (CARES) Act and prior Federal directives, many residential properties have had a temporary suspension of evictions and foreclosures enacted; and

WHEREAS, commercial foreclosures and evictions during and due to the COVID-19 public health emergency threatens the existence of local businesses and to destabilize the local economy; and

WHEREAS, a period of suspended, but not forgiven, rent payments for commercial tenants would provide temporary financial relief to endure the pandemic and preserve business operations; and

WHEREAS, without action, the economic impact of commercial evictions and foreclosures due to COVID-19 and the related State Orders will have a greater local negative economic impact for a longer period of time.

NOW THEREFORE BE IT RESOLVED, the City of Brighton City Council resolves as follows:

1. Commercial landlords within the City of Brighton shall consider deferring or adjusting rent payments for commercial tenants that are unable to pay rent due to financial hardship caused by the COVID-19 pandemic or related State Orders.

2. Commercial landlords are encouraged to work with tenants to waive late fees, penalties, and interest associated with late rent payments and develop rent repayment plans for those tenants unable to pay rent due to financial hardship caused by the COVID-19 pandemic or related State Orders.
3. A commercial tenant that is unable to pay rent due to financial hardship caused by the COVID-19 pandemic or related State Orders shall notify its landlord in writing as soon as practicable with any available supporting documentation of its inability to pay rent.
4. Any commercial tenant that receives Federal or State financial assistance from public programs designed assist businesses suffering hardships due to COVID-19 shall apply a portion of eligible assistance to any past or currently due rents. Landlords should not require that the commercial tenant apply specific percentages or amounts of financial assistance to commercial rent.
5. A commercial tenant is defined as any business type that is eligible for the Federal Paycheck Protection Program. This generally includes businesses with fewer than 500 employees in the following categories:
 - a. Sole proprietorship
 - b. Partnership
 - c. C-Corporation
 - d. S-Corporation
 - e. Limited liability company
 - f. Independent contractor
 - g. Self-employed individual
 - h. 501(c)(3) organization
 - i. 501(c)(19) organization
 - j. Tribal businesses
6. Lenders that have provided commercial real estate borrowers with a commercial mortgage loan for a property within the City of Brighton shall consider providing an opportunity for a forbearance for any commercial real estate borrower that has suspended any action under the provisions described in this Resolution.
7. No provision of this Resolution shall be construed as relieving any individual or business of the obligation to pay rent, its mortgage, or comply with any other obligation that a business may have under a lease, rental agreement, or mortgage.
8. This Resolution shall expire upon the State of Michigan lifting the state of emergency due to COVID-19.

IT IS HEREBY CERTIFIED that the City Council of the City of Brighton adopted the foregoing resolution at a regular meeting on the 16th day of April, 2020 by the following vote:

PRESENT:

NAYS:

ABSENT:

RESOLUTION DECLARED ADOPTED.

Dated: _____

CERTIFICATION

I, Tara Brown, City Clerk for the City of Brighton, do hereby certify that the foregoing is a true and complete copy of a Resolution adopted by the City Council at the Regular Meeting held on April 16, 2020.

Tara Brown, City Clerk
City of Brighton
200 N. 1st Street
Brighton, MI 48116