



MEMORANDUM

P.O. Box 4100 ♦ FRISCO, COLORADO 80443

TO: MAYOR AND TOWN COUNCIL

FROM: HILARY SUEOKA, ENVIRONMENTAL PROGRAMS COORDINATOR
LESLIE EDWARDS, FINANCE DIRECTOR

RE: ORD 22-07 AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE TOWN OF FRISCO, COLORADO, TO ESTABLISH FEES FOR WATER BILLS ISSUED ON PAPER, AND FOR THE FILING OF PAPER RETURNS OF SALES TAX, LODGING TAX AND DISPOSABLE BAG FEES, BY AMENDING SECTIONS 124-8, CONCERNING DISPOSABLE BAG FEES; 160-2.3, CONCERNING SALES TAX RETURNS; 160-35, CONCERNING LODGING TAXES; AND 171-11, CONCERNING WATER SERVICE CHARGES

DATE: JUNE 28, 2022

Summary and Background: During a May 24 work session, Council discussed the establishment of a fee for paper processes at the Town of Frisco. These processes include processing paper filings of tax (sales, lodging, and marijuana) or disposable bag fee remittance forms that are manually entered into the Town's accounting software. Additionally, the mailing of paper water bills to Town water customers will incur a fee. The Finance Department is recommending an initial \$5.00 fee per paper filing of tax or fee remittance forms, as well as the mailing of a paper water bill. While the Town has had electronic billing for close to 15 years, only about one quarter of customers have elected to go paperless. The goal of the paper bill fee is for more customers to switch to electronic billing, by attaching a fee for the cost of processing. Town Council approved the proposed Ordinance as written on first reading at their June 14, 2022 Council meeting. Since that reading, a section has been added in order to allow the fee to be waived in order to incentivize customers to sign up for the online system.

Analysis: In the work session memo, staff provided a summary of Colorado jurisdictions that charge a paper filing and/or paper utility statement fees, including local examples in Silverthorne and Breckenridge.

The online system provides for the electronic delivery of water bills, as well as remittance of taxes and disposable bag fees; the system is secure and prevents any credit card information from being stored on any Town servers. In order to inform customers of the fees, 2 mailings will be sent to those that currently submit paper returns or receive paper water bills. The Town will also inform the public of the filing fees and how to sign up for electronic billing/remittance on the Town's website and at community events.

Financial Impact: The paper fees will offset costs that the Town is incurring for the online tax

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FOR PAPER WATER BILLS AND PAPER TAX OR
FEE FILINGS**

and fee filings, as well as electronic water billing. **The intent of the fee is not to enhance revenues but to encourage the reduction of paper, as well as the use of the Town's online filing and payment resources.** The paper filing fee will offset the cost of staff processing and storing the documents. Additionally, reduction in paper bills sent will decrease the amount of paper and postage purchased.

Alignment with Strategic Plan: As a part of the Staff's dedication to supporting Council's strategic priority of Sustainable Environment, over the years we have made strides in reducing paper and implementing environmentally-friendly alternatives. In 2008, the Town partnered with Xpress BillPay for online utility payments. The Town went live with the online sales tax filing tax system on September 1, 2013. This coincided with the Town discontinuing the mailing of paper tax return booklets for 2014.

This progression has been a part of a big-picture plan for the Town moving towards all-electronic filing. While, we have seen a number of tax filers and water customers signing up for filing through Xpress BillPay, we believe that a point has been reached where an additional incentive must be offered in order for the remaining customers to begin to file through the online system.

Environmental Impacts: Reduction in paper use: Each paper water bill uses two envelopes and at least 2 sheets of paper. This paper is sent from a third party and does not contain recycled content of any kind. Any avoided paper bills will help reduce the Town's use of virgin paper. While businesses are typically printing and sending their own paper for paper filing, avoiding this will help reduce paper used by local businesses and decrease paper waste from Town Hall. If all tax filings and water bills were switched to paperless, an estimated 25,328 sheets of paper would be saved.

Staff Recommendation: Based on the information contained in this report, it is recommended the Town Council approve on second reading Ordinance 22-07 to amend the code of ordinances and establish a fee for the mailing of paper water bills and processing of paper tax/fee filings.

Approved By:

Leslie Edwards, Finance Director
Diane McBride, Interim Town Manager

Attachments:

Attachment 1 – Ordinance 22-07