



NIBLEY CITY
CITY COUNCIL MEETING AGENDA
Thursday, March 17, 2016
6:30 p.m.

Nibley City Hall
455 West 3200 South
Nibley, Utah 84321

1. Selection of Mayor Pro-tem to Chair Meeting
2. Opening Ceremonies (Councilmember Bernhardt)
3. Call to Order and Roll Call (Chair)
4. Approval of Minutes and Agenda (Chair)
5. Public Comment Period¹ (Chair)
6. Discussion and Consideration of Ordinance 16-02: An Ordinance Establishing Regulations for Home Occupations in Nibley City (First Reading)
7. Report on Traffic Control Related to Clear Creek Soccer Field Use
8. Report on Utility Bill Administrative Policy
9. Council and Staff Reports

Adjourn Meeting

IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, REASONABLE ACCOMMODATIONS FOR INDIVIDUALS WITH DISABILITIES WILL BE PROVIDED UPON REQUEST. FOR ASSISTANCE, PLEASE CALL 752-0431 A MINIMUM OF 24 HOURS BEFORE THE MEETING.

¹ Public input is welcomed at all City Council Meetings. 15 minutes have been allotted to receive verbal public comment. Verbal comments shall be limited to 3 minutes per person. A sign-up sheet is available at the entrance to the Council Chambers starting 15 minutes prior to each council meeting and at the rostrum for the duration of the public comment period. Commenters shall identify themselves by name and address on the comment form and verbally for inclusion in the record. Comment will be taken in the order shown on the sign-up sheet. Written comment will also be accepted and entered into the record for the meeting if received prior to the conclusion of the meeting. Comments determined by the presiding officer to be in violation of Council meeting rules shall be ruled out of order.



Nibley City Council Agenda Report for March 17, 2016

Agenda Item #6

Description	Discussion and consideration of Ordinance 16-02: An Ordinance Establishing Regulations for Home Occupations in Nibley City (First Reading)
Department	Planning & Zoning
Presenter	Shari Phippen, City Planner
Sponsor	n/a
Applicant	n/a
Background	<p>As the Planning Commission reviews applications for home occupations, there have been several items that have become standard to implement as conditions. A couple of examples of these are: pick up and drop off location for preschool and daycares and parking regulations for business vehicles and equipment.</p> <p>The Commission expressed a desire to codify those conditions that have become standard, and also to have an ordinance that clearly explains the regulations the City has on home occupations.</p> <p>A few things should be highlighted, as they are changes from what is currently in ordinance regarding home occupations:</p> <ol style="list-style-type: none"> a. Up to this point, the City has prohibited home occupations from the use of accessory buildings beyond equipment storage. This ordinance, if passed as it is written, would allow for the use of accessory buildings in conducting a home occupation. That use, however, is subject to the review and approval of the Nibley City building inspector, in order to ensure that the accessory building is meeting all adopted fire codes which would govern the intended use of the building. b. It will now be a requirement that, if a person is renting a home, they must submit a letter of acknowledgement and consent from the homeowner as part of the home occupation application. c. Home occupations involving pedestrian and vehicle traffic will be limited to hours of operation from 7:00 a.m. to 10:00 p.m., which is in line with limitations for other activities set forth in the City's ordinance on public peace and safety. d. A procedure for review and possible revocation of a home occupation license is set forth.

	<p>This ordinance comes to the Council with a favorable recommendation from the Planning Commission. It has been reviewed by the City Attorney for compliance with federal, state and local laws, and he is comfortable with the ordinance as it is written.</p> <p>You will note that, in the draft, there are a few clarifying statements or suggestions. These have been included at the request of the Mayor and staff supports the recommended suggestions.</p>
Recommendation	Advance to second reading and schedule a public hearing to be held at that meeting.
Financial Impact	None
Reviewed By	Mayor, City Planner, City Attorney, City Manager

Agenda Item #7

Description	Report on Traffic Control Related to Clear Creek Soccer Field Use
Department	Parks, Recreation, Streets
Presenter	David Zook, City Manager
Sponsor	N/A
Applicant	N/A
Background	<p>At a previous City Council meeting, Councilmember Tom Bernhardt raised concerns about traffic problems on 2200 South next to Clear Creek Park during soccer games. Staff members have been working to address the issue and will provide a report to Council on the status of the issue.</p> <p>The Sheriff's office, public works director, streets superintendent, parks superintendent, recreation director, city engineer, city planner, Allan Haycock from South Cache Soccer, and the principals of local schools have all been consulted related to this issue.</p> <p>The City Recreation Director has been working with South Cache Soccer to discuss scheduling to make sure games are spaced out enough that they don't overlap. Staff believes the parking lot, with its 29 spaces, should be enough to handle one game at a time, if there is not overlap with a game occurring before or afterward.</p> <p>Some key points related to scheduling are:</p> <ul style="list-style-type: none">- Saturday Game Schedule: 2 hour window between game start times (game 1 hour)- Weeknight Game Schedule: 1.5 hour window between game start times (game 1 hour)- Cut back to 1 game/weeknight as much as possible- These changes are a compromise that may force some Nibley teams to play more games out of town <p>These scheduling improvements alone are expected to significantly decrease or even eliminate the traffic issue.</p> <p>The Streets Department is planning to install no-parking signs on the north side of 2200 S before soccer season starts. Those signs should be installed soon.</p> <p>In addition, the recreation director and South Cache Soccer have been investigating other locations where games might be able to be played to relieve pressure on this location.</p> <p>Some key points related to the field use are:</p>

	<ul style="list-style-type: none"> - The soccer field at Clear Creek is a regulation size for players 10 and under (10U) and is primarily used for U10 and U9 teams - Allan and the City's recreation and parks directors have explored other spaces throughout the city to see if they had sufficient space and level ground for a U10 Field - Thomas Edison School: very tight for U10 may be possible Allan is pursuing approval from the school, this would significantly decrease usage of Clear Creek for games - Heritage Elementary: principal gave approval to use but it does not appear to be large enough and has too much change in elevation - Nibley Gardens: Space inadequate, typically too wet during soccer, no parking - Meadow View Park: too small, and far too wet during soccer season, only street-side parking - Other current park space: either too small or need the larger space to support older youth soccer fields <p>Additional Info Regarding Parking:</p> <ul style="list-style-type: none"> - Allan will suggest that coaches, & parents park at the North end of Virgil Gibbons Heritage Park as overflow for Clear Creek - South Cache Soccer is willing to educate coaches and parents about overflow parking - Nibley city could post signage directing people to Virgil Gibbons Heritage Park for overflow parking <p>Staff members are hopeful that, with these adjustments, the parking and traffic situation should be improved this year.</p>
Recommendation	Provide direction to staff on any additional suggestions for improvement
Financial Impact	The installation of new signage in the area will cost approximately \$200.
Reviewed By	Mayor, City Manager, Sheriff's office, public works director, streets superintendent, parks superintendent, recreation director, city engineer, city planner, Allan Haycock from South Cache Soccer, and the principals of local schools.

Agenda Item #8

Description	Nibley City Utility Bill Administrative Policy
Department	Administration
Presenter	Stephen Nelson, City Treasurer/Utility Manager
Sponsor	N/A
Applicant	N/A
Background	<p>At the City Council meeting held on February 18, 2016, Councilmember Kathryn Beus raised concerns related to the City's policies for handling water leaks and how the City provides credits on utility users' bills when leaks are repaired. Staff members were already in the process of revising the administrative policy related to utility bills and have now completed those updates. Staff will provide an overview to the Council of the current policy, as recently updated.</p> <p>The purpose of this policy is to provide guidelines to ensure that Nibley City follows Federal, State and local laws related to utility billing; and also to provide Nibley residents with effective and reasonable services. The first four sections of the policy outline Nibley City's obligation to follow the law and the role of Nibley City Council to set rates and penalties for Nibley's Utility Billing.</p> <p>Section 5 outlines the policies staff will follow when considering any adjustments that might need to be made to a resident's utility bill. Staff's goal with these policies is to treat residents fairly, provide good customer service, and encourage residents to pay online or with autopay, which saves Nibley City time and money.</p> <p>Section 6 is based on Nibley City Code Section 8-1-4-D. Ordinance 14-06 was passed by the Nibley City Council in 2014 with the goal of providing support for military service members and their families.</p> <p>Section 7 refers to accounts that have been final-billed, most likely because the resident moved out of the city. This policy provides Nibley City the ability to absorb balances of plus or minus \$25. Most collection agencies, including the agency the City uses, will not take on an account owing less than \$25, and there is risk of losing time and money filing small claims on our own. In addition, Nibley has had problems with customers not cashing refund checks that are worth less than \$25. If a check is not cashed, Nibley City must file a report with the state detailing the unclaimed property. Therefore, the City would send the customer a letter stating the balance and have them request a check if desired. In consulting with Nibley's accountant and auditor, they recommended this course of action to resolve the problem.</p>

Recommendation	Provide direction to staff on any additional suggestions for improvement
Financial Impact	Waiving late fees results in the loss of some potential revenue.
Reviewed By	Mayor, City Manager, City Treasurer/Utility Manager, Auditor, Accountant

ORDINANCE 16-02

AN ORDINANCE ESTABLISHING REGULATIONS FOR HOME OCCUPATIONS IN NIBLEY CITY

WHEREAS, Nibley City allows and encourages residents to own and operate home-based businesses; and

WHEREAS, Nibley City wishes to establish standards under which such businesses are conducted in order to ensure that such businesses are conducted in a manner appropriate for residential neighborhoods; and

NOW THEREFORE, BE IT ORDAINED BY THE NIBLEY CITY COUNCIL LOCATED AT NIBLEY, UTAH, THAT:

The attached ordinance, entitled "An Ordinance Establishing Regulations For Home Occupations in Nibley City" is hereby adopted, by fact and by reference, as Title 3, Chapter 8, "Home Occupation Businesses" of the Nibley City Code.

1. The definition of "Home Occupation" currently found in Title 10, Chapter 2 of the Nibley City Code is hereby repealed. Said definition shall be replaced with the definition of Home Occupation contained in the attached ordinance.
2. All ordinances, resolutions and policies of the City, or parts thereof, inconsistent herewith, are hereby repealed, but only to the extent of such inconsistency. This repealer shall not be construed as reviving any law, order, resolution or ordinance or part thereof.
3. Should any provision, clause or paragraph of this ordinance or the application thereof to any person or circumstance be declared by a court of competent jurisdiction to be invalid, in whole or in part, such invalidity shall not affect the other provisions or applications of this ordinance or the Nibley City Municipal Code to which these amendments apply, The valid part of any provision, clause or paragraph of this ordinance shall be given independence from the invalid provisions or applications and to this end the parts, sections and subsections of this ordinance, together with the regulations contained therein, are hereby declared to be severable.
4. This ordinance shall become effective upon posting as required by law.

Passed by the Nibley City Council this _____ day of _____, 2016.

Shaun Dustin, Mayor

ATTEST: _____
David Zook, City Recorder

An Ordinance Regulating Home Occupation Businesses Within Nibley City

A. Definition

1. A home occupation is defined as “The use of a portion of a dwelling as an office, studio, or workroom for occupations which are conducted in the home and are incidental to the primary use as a home or residence; provided additionally that:
 - a. individuals who perform occupation related activities at the home occupation residence must also live at that residence
 - b. individuals who do not live at the home occupation residence must not report to that residence for occupation-related activities
2. Accessory buildings may be used to conduct all or a portion of the home occupation, so long as the use is contained within the accessory building.
3. Applications meeting these criteria may (as determined by the appropriate land use authority) be classified as a home occupation rather than being classified by the actual activity associated with the business, exceptions as outlined in this ordinance.

Comment [U1]: The Mayor has suggested that we provide clarity on this wording. I would recommend striking this through and replacing it with “except for those businesses specifically prohibited by this ordinance.”

B. Home Occupation License Required.

1. No person may conduct a business within a residence, the lot upon which it sits or within any of its accessory structures except as a home occupation in compliance with this Chapter. Except as specifically provided by Nibley City Ordinance, it shall be unlawful for any person to engage in or conduct a Home Occupation without having first procured a Home Occupation license from Nibley City, sometimes hereinafter to be called a "license". The license shall be renewed each year.
2. Persons who fail to renew their license for each calendar year and pay any associated fees, shall be deemed to no longer have a valid home occupation license and shall make a new application to the Nibley City Planning Commission for review and approval of a home occupation license, and shall be subject to all federal, state and local laws in effect at the time the new application is made.

Comment [U2]: On further review, this seems to say that there are some circumstances where people can have home occupations without a license and some where people cannot. I believe striking this wording so that the sentence reads simply “It shall be unlawful...” would make clear the intent that no home occupations are allowed without a license.

C. Planning Commission Approval Required

1. Subject to the provisions of this ordinance, the Nibley City Planning Commission shall review and approve, deny, or approve with conditions, all applications for a home occupation, except for those uses which meet the definition of “Home Office”, as defined in Title 10 of the Nibley City Code. Uses meeting that definition may be reviewed and approved by City staff.
2. City staff may refer to the Planning Commission applications which meet the definition of “Home Office” if, in the determination of staff, there are circumstances which require the Planning Commission’s review and approval.

D. Purpose. The purposes of this section are to:

1. Provide an opportunity for home occupations as an accessory use when they are compatible with the neighborhoods in which they are located. A home occupation shall not be construed to mean an employee working in his home in the service of an employer whose principal place of business is licensed at another location.
 2. Provide an opportunity for a home occupation to engage in the business of child care and other group child activities and encourage this type of home occupation to draw clients/customers from their immediate neighborhood.
 3. Guide business activities which are not compatible with neighborhoods to appropriate commercial zones.
 4. Safeguard peace, quiet, and domestic tranquility within all residential neighborhoods. Protect residents from the adverse effects of business uses being conducted in residential areas including, but not limited to, noise, nuisance, traffic, fire hazards and other possible business uses that create significant impacts on a residential neighborhood.
- E. **Neighborhood Disturbance.** The home occupation shall not interfere with or disrupt the peace and quiet of the neighborhood, and is subject to Nibley City ordinances regarding nuisances and noise disturbances. The home occupation shall not create or be associated with or produce odor, smoke, dust, heat, fumes, light, glare, noises or vibrations, excessive traffic, or any other adverse effects within the neighborhood, and shall not compromise the residential character of the neighborhood where such business is permitted to exist.
- F. **Renter/Owner Responsibility.** If the applicant for a home occupation license rents or leases the property wherein the home occupation is intended to be conducted, the applicant must provide a letter of acknowledgment and consent from the property owner at the time the application is submitted to the Business License Office.
- G. **Interior Alterations/Remodeling.** Alterations of the principal dwelling for the purpose of accommodating the home occupation are prohibited if such alteration eliminates the kitchen, and/or all of the dining areas, bathrooms, living areas, or all of the bedrooms. A building permit shall be obtained for remodeling, and the primary use of the dwelling as a home or residence shall, at all times, be preserved.
- H. **Use of Accessory Buildings.** Any accessory building, regardless of use, which houses all or a portion of a home occupation, shall be subject to any adopted international, federal, state or local building and fire codes, and shall be subject to inspection by Nibley City prior to issuance of a home occupation license.
- I. **Restrictions.** The following restrictions shall apply to any home occupation:
1. All home occupations are required to obtain and maintain a current city business license and meet all requirements of this code.
 2. All home occupations shall comply with federal, state and local laws and ordinances.
 3. Home occupations shall not involve the unauthorized use of hazardous or annoying substances or processes nor shall they create any hazardous or offensive odors, noises,

fumes, gases, dust, radiation, glare, electrical interference, vibrations, heat, wastes, pathogens or any other harmful substances or effects.

4. Except as provided herein, home occupations shall not store goods, materials, equipment, or conduct any activity on any portion of the lot on which the home occupation is conducted. Accessory buildings may be used to conduct all or a portion of the home occupation, so long as the use is contained within the accessory building. Training activities such as swimming, tennis and horseback riding lessons, or daycare or preschool activities may be conducted outdoors, provided that no nuisance is created.
5. All vehicles and other equipment requiring parking accommodations, or which may not be reasonably stored in a business related vehicle, shall be parked out of the right-of-way and out of the setback areas on the property where the home occupation is conducted, with the exception of a car or light-duty truck which is used as part of the business.
6. Home occupations shall not cause excessive demands on city services.
7. **Employees** of home occupations shall consist only of members of the family residing in the dwelling or other individuals whose activities are conducted away from the residence and the real property on which it is located.
8. The exteriors of dwellings may not be altered from a residential character as a result of or to enhance a home occupation.
9. Home occupations involving pedestrian or vehicle traffic shall be conducted only between the hours of seven o'clock (7:00) A.M. and ten o'clock (10:00) P.M.
10. More than one home occupation may be conducted in a dwelling; provided, that these regulations are followed as though there were only one occupation in the dwelling.
11. The City may place additional restrictions on a home occupation relating to hours of operation, parking, traffic or other matters as it deems necessary to mitigate impacts on the neighborhood and the city in general. The additional restrictions may be imposed both before and after the issuance of a home occupation license to address anticipated impacts and those impacts found necessary to address once the business has begun operation.

Comment [U3]: Mayor Dustin had a question regarding existing daycares. The Planning Commission does not approve day care or preschool licenses if they have outside employees. If the business has them, then they are in violation of their license and could be subject to review and revocation.

J. **Preschool/Daycare**

1. Preschools for a maximum of eight (8) students may be conducted as home occupations with approval of a conditional use permit/concept plan with the following and other conditions as determined by the Planning Commission:
 - a. Maximum two (2) sessions per day and maximum four (4) sessions per week. Sessions shall be a maximum three (3) hours in length.
 - b. Days and hours of operation shall be provided for review.
 - c. All safety and building codes shall be met and a building permit, if necessary, shall be obtained for remodeling.
 - d. All state licensing requirements will be met.
 - e. All other requirements of this chapter and other local, state and federal laws shall be met.
2. **Child** daycare/preschool for more than eight (8) children shall be classified as daycare, commercial rather than a home occupation.

Comment [U4]: Mayor Dustin has suggested adding the language "...and regulated under Ordinance ___ of the Nibley City Code" at the end of this sentence. We do not have a separate ordinance regulating commercial daycare and preschool businesses, however, if the Council would like to include the Mayor's suggested language, we could refer to the land use chart and/or ordinance that looks at conditional uses, which a commercial daycare or preschool would be in a commercial zone.

K. Prohibited Home Occupations.

1. The following uses, by nature of the occupation, substantially impair the use and value of residentially zoned areas for residential purposes and are, therefore, prohibited:
 - a. Mortuary, crematorium, columbarium, mausoleum
 - b. Animal hospitals or veterinary services.
 - c. Clinic, dental office, medical office, chiropractic office, or hospital.
 - d. Junk yard, auto wrecking yard, or salvage yard.
 - e. Stables, kennels, pet stores, or any other commercial animal breeding business, or similar activities are prohibited.
 - f. Storage, service, repair, sales or rental of ambulance, tow truck, recreational vehicle, water craft, automobiles, ATV, or other motorized vehicles.
 - g. Fitness or health spa facility.
 - h. Boutiques, sample sale, or craft shows.
 - i. Auto body repair, motor vehicle repair.
 - j. Use of chemicals, pesticides and flammable/combustible materials, and including any other process or business where current, adopted federal, state or local building and fire codes would require an Operational Permit.
 - k. Client visits in excess of ten (10) per day.

Comment [U5]: I recognize that F and I are similar items. However, P&Z wanted auto sales and service separated out so there would be no question that they are prohibited.

- L. Application.** The following items shall be submitted to the city business licensing office in applying for a home occupation business license:
1. Application forms as provided by the City and the associated fee as approved by the City Council.
 2. Description of the nature of the home occupation and information as requested in the application.
 3. Hours of operation and the number of customer visits to be made each day.
 4. Other government approvals required for conducting the home occupation.
 5. Signed affidavit by the applicant that all requirements and conditions of the city will be followed.

M. Application Appeal Procedure. If the Planning Commission finds that certain conditions cannot be met, that the proposed home occupation is not appropriate or is inconsistent with the definition and purpose of this chapter or if reasonable and legitimate objections are filed, the application shall be denied. Applicants wishing to appeal the denial of a home occupation license may appeal the decision of the Planning Commission by following the appeal provisions outlined in Title 10-3 of the Nibley City Code.

N. Suspension/Revocation

1. A home occupation may be commenced only upon completion of all plan improvements as stipulated in the accompanying approval. The home occupation will be conducted in conformance with approved plans and conditions.

2. Application to amend a home occupation license may be requested by following the application procedures in this chapter. A home occupation license may be suspended or revoked by the Planning Commission, after a public hearing, if it is shown that one or more of the following conditions exist:
 - a. The use is conducted prior to completion of all required improvements and conditions.
 - b. The use is established or conducted contrary to any of the approved plans or conditions.
 - c. The use is conducted contrary to local, state, or federal laws.
 - d. The use is creating a nuisance or hazard, whether it be through the condition of the property, the conduct of the business or the behavior of the occupants of the residence where the home occupation is conducted or for any other reasonable and legitimate basis as determined by the Planning Commission.
 - e. The applicant supplied false or misleading information when applying for a home occupation license; or withheld relevant information on the application or allowed such to happen.
3. Prior to holding a public hearing to consider the suspension or revocation of a home occupation license, the City shall give at least fourteen (14) days prior written notice, mailed or otherwise delivered to the address listed on the application as the address where the Home Occupation is being conducted, of the alleged violation or the manner in which the property no longer complies with the requirements for the Home Occupation, with the opportunity to correct the problem during said time. Any substantiated, unresolved complaint, regarding the violation of standards, qualifications or application requirements or any of the above violations, which is received and verified by the City, against any Home Occupation licensed under this section, will require that any licenses be revoked and the business cease to operate. As part of the public hearing or after it is completed, the holder of the home occupation license shall be given an opportunity to present evidence and/or witnesses in support of the license-holder retaining the license.
4. Any person/persons whose license has been suspended or revoked by the Nibley City Planning Commission, and who wishes to appeal said revocation may appeal the decision of the Planning Commission by following the appeal provisions outlined in Title 10-3 of the Nibley City Code.
5. Any action related to the business license of the home occupation license holder shall be taken in accordance with the provisions of Title 3, Chapter 1 of this Code.



Nibley City Utility Bill Administrative Policy

- 1) Nibley City shall establish a billing system and policies that conform to Federal and State law.
- 2) The Nibley City Council will set rates and establish utility fees for utility services that the City provides.
- 3) The Nibley City Council will set rates and charges for late fees for bills that are not paid on time.
- 4) The Nibley City Utility Manager will follow all Federal and State Laws, City ordinances and resolutions passed by the City Council, and administrative policies when collecting on past-due utility accounts.
- 5) The Nibley City Utility Manager, with the consent of the City Manager, may waive fees in the following circumstances:
 - a) The City shall make corrections on any bills which are issued with a billing error.
 - b) Water Leak
 - i) If a water leak occurs up to and including the meter setter connection, the city will repair the leak and waive all leak-related water fees. The Utility Manager shall establish how much was leaked based on the previous year's billing for that month or the property's average monthly water usage.
 - ii) If the leak is on the customer's side of the water meter, the City shall waive half of the leaked water fees for one month, or for one reading period of the time frame of when there was a leak. The Utility Manager shall establish how much was leaked based on the previous year's billing for that month or the property's average monthly water usage. The resident is responsible for fixing the leak and reporting the leak to the City to have fees waived.
 - iii) The Utility Manager may set up a deferred payment plan for customers who have had a water leak.
 - c) Late Fees
 - i) The City may, if requested, waive one late fee per year, if in the past 12 months there are no other late fees on that account.
 - ii) The City may waive late fees that accrue during a time frame when a bill is being disputed.
 - iii) The City may waive late fees if a customer is on a deferred payment plan for a water leak.
 - iv) The City may waive late fees or a disconnect fee for customers who experience trouble with online bill pay, or if on automatic payment and their payment information expires and/or a payment does not go through.

- v) Upon the customer's request, the City may waive one late fee or disconnect fee for a customer who signs up for automatic payment through the City or their bank. If the customer signs up through their bank, the customer must provide documentation showing that they have signed up for automatic payment.
- d) The Utility Manager may adjust bills under unique circumstances, which under the Utility Manager's judgment, and with the approval of the City Manager, qualifies for billing adjustment.
- 6) In accordance with Nibley City code 8-1-4-D, the City will waive half of the utility bill, excluding late fees, for an active member of the military, who is currently deployed. Before the discount may be given, the customer must show proof of deployment and dates during which they will be deployed. The utility account must not have any past due amount more than 30 days old. If there is a past due amount of more than 30 days, the discount will be suspended and regular billing will resume.
- 7) If a customer's utility final bill is less than \$25.00, or if there is a credit of less than \$25.00 on the account, Nibley City will issue two bills or statements to inform the customer of the balance. If, after sending the two bills, the customer does not pay or contact the city regarding the balance within twelve months, the city will absorb the balance.