



September 8, 2017

Mr. T.C. Broadnax  
Dallas City Manager  
Dallas City Hall  
1500 Marilla St.  
Room 4EN  
Dallas, Texas 75201

Re: City of Dallas Water Utility Payment Cycle / Dallas Building Owners and Managers Association ("BOMA Dallas")

Dear Mr. Broadnax,

Thank you for taking the time to meet with BOMA Dallas during our May, 2017 monthly lunch meeting. We appreciate your attention and concern for BOMA Dallas' business interests and community-service priorities.

We also greatly appreciate and recognize your long-standing, significant contributions to community and economic development. During your twenty-three (23) year career in local government management, you have constantly strived for financial sustainability, transparency, and solution-development throughout government and the community. You have great vision, and recognize the need for customer service in government.

BOMA Dallas shares your values. Our nonprofit company's mission is to represent the commercial real estate business by establishing industry-wide standards of excellence. To accomplish our mission, we focus on community service, education, networking and advocacy. BOMA Dallas has more 600 members, each of whom help support 22,000 jobs in the Dallas area. We also contribute to over \$7.8 billion in new personal earnings statewide. We have learned over the years that fostering relationships with numerous government leaders at all levels is a great way to advance our mission. This allows BOMA Dallas to serve as a knowledgeable, competent resource for governing agencies, our members, and the community at large.

I am writing you today to address an issue that plagues tens of thousands of commercial property owners in Dallas every single month: the Dallas Water Utility department requires commercial property owners to pay their monthly utility invoices within fifteen (15) days after the invoices are generated, regardless of when the owner receives the invoice. If not timely paid, a late fee is automatically applied to each outstanding invoice. Commercial property owners process thousands of invoices annually. The Dallas Water Utility department is the only major service provider in the vicinity with such a short payment cycle. A general survey of building owners and managers will attest to the urgency afforded a water bill, above all other services.

To alleviate this issue, BOMA Dallas proposes a ten (10)-day extension of time, thus allowing all property owners up to twenty five (25) days to process monthly payments. For the following reasons, we feel this ten

(10)-day extension is necessary because the current fifteen (15)-day deadline creates an undue burden on commercial property owners, and results in excessive late fees:

1. Unlike individual homeowners, commercial-property owners must comply with strict accounting and internal control-processing requirements, which lengthens the time necessary to process all invoices. Some of these requirements are imposed by the Sarbanes-Oxley Act of 2002. Since the task of processing invoices is time consuming, the fifteen (15)-day processing cycle imposed by the City of Dallas is extremely restrictive, and frequently too difficult to overcome.
2. Since many commercial-property owners cannot timely pay their monthly water-utility invoices, they are often saddled with extensive late fees. Most commercial leases restrict property owners from passing these late fees through to their respective tenants, therefore, the property owner must absorb the penalty entirely. This creates an unfriendly business environment here in Dallas, especially since many other service providers – and many other cities – have payment cycles greater than fifteen (15) days.
3. To address this issue, the City of Dallas previously suggested alternative methods to pay the water bills, i.e.: delivering payment in person; calling the Dallas Water Utility department “in advance” to notify them that the check has been mailed; sending payment via certified mail; using a credit card; or paying via ACH payment. However, these methods are largely ineffective and extremely inefficient. Further, most property owners cannot avail themselves to these time-consuming alternatives because they impose requirements that are not permitted by corporate control-processing requirements.

For the reasons stated above, BOMA Dallas believes that a ten (10) day extension is a reasonable request. Please also take into consideration that a significant number of nearby cities such as Allen, Irving, Plano, Richardson, Fort Worth and Grand Prairie grant businesses between 20 to 30 days to pay utility invoices.

Our members do not wish to shirk their duty to pay their utility bills – they merely want a reasonable opportunity to pay the bills without risk of penalty. We simply ask, “Would the City of Dallas be able to pay their bills in under fifteen (15) days?”

Mr. Broadnax, if we all work together on this issue, we feel strongly that we can come to a reasonable solution that works for the City of Dallas and its vast constituency of commercial property owners. To that end, we are requesting an opportunity to meet with you face-to-face to explore a solution to this issue. Please let us know when you are available. You can reach me at 214.306.5559, or via email at [mike.pugh@cbre.com](mailto:mike.pugh@cbre.com). Please also note that, in furtherance of our ongoing advocacy efforts, we are in the process of reaching out to Dallas City Council Members to confer on various topics facing our members, including the matter discussed above.

Thank you in advance for your assistance and cooperation

Respectfully Yours,



Mike Pugh, RPA  
BOMA Dallas President