



City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Customer Service

CM/ DCM/ ACM: Frank Dixon, Assistant City Manager

DATE: August 8, 2022

SUBJECT

Receive a report, hold a discussion, and give staff direction regarding the City of Denton ordinance and guidelines in issuing utility bill payment agreements.

BACKGROUND

Pay agreement programs serve several purposes. The first is to provide customers flexibility on their bill due date. Bill due dates are set based on the physical location of the service in order to ensure monthly reads can be obtained efficiently and to ensure that daily billing workloads are sustainable to produce bills without delays. Next, pay agreements prevent late fees or service interruption when they have short-term financial needs. Finally, pay agreements help customers keep accounts current and prevent accumulation of large account balances which place much greater financial burden on the customer.

Current pay agreement guidelines have not been updated since November 2010. Guidelines provide for two types of pay agreements:

- 1) 5-Day arrangement defined as “Requesting a payment arrangement with the utility customer service department that will allow five (5) additional days beyond the scheduled disconnection date to make payment. A customer may apply for a payment arrangement no more than once every six (6) months.
- 2) Multi-month arrangement defined as “Arranging with the utility customer service department for a short-term payment agreement that would require a down payment of at least fifty (50) percent of the outstanding bill and payment of the remaining amount in no more than three (3) consecutive equal monthly payments. A customer may apply for a short-term payment agreement no more than once every six (6) months.

During a review to improve internal processes, several opportunities were identified in our current pay agreement process. Pay agreements serve to provide customers payment flexibility and reduce fee accumulation while preventing the burden of large debt accumulation.

The first process improvement identified was a set due date of 5 days from the date of scheduled service interruption. The issues are two-fold. First, the date of interruption is not listed in a customer’s account, so external resources must be referenced in order to set an agreement. This increases the time required to assist the customer and increases the likelihood of human error. The next issue is that the resulting due date does not correlate to any of the printed due dates customers see. They must keep a record of the date.

Altering the due date of an arrangement to correspond with the due date of a customer’s next charges due increases the time for payment by up to two days, aligns with the customer’s bill due dates, and creates greater internal efficiency and accuracy.

The second area of opportunity is the program limitation of one (1) pay agreement of either type only once per six (6) months. This focuses on restricting access to the program based on customer need rather than defaulted arrangements which increase work for office and field staff in addition to burdening customers with increased past due balances.

Instead of restricting access on the number of arrangements needed, Customer Service would like to broaden access for customers by placing customers on a temporary ineligibility to receive balance arrangements for 12 months if two (2) agreements are defaulted in a 12-month time. This would allow much greater access to all customers while ensuring staff workloads are sustainable over time.

Finally, the business guidelines for pay agreements requires City Council approval through the formal process. This creates delays in delivering process improvements and greater service to customers.

To improve response times to our customers when changes are needed, staff recommends updating City Ordinance to allow guidelines to be approved by the City Manager, but not implemented prior to City Council notification. This allows the opportunity to bring guidelines up for discussion but does not delay delivery of changes the Council finds agreeable. Once implemented, Ordinance would still require approved guidelines to be on file with the City and available on the City website.

RECOMMENDATION

Staff recommends a two-part enhancement of the current ordinance and program to improve the existing process and to ensure more timely updates to meet changing customer needs.

PRIOR ACTION

None.

FISCAL INFORMATION

None.

EXHIBITS

Exhibit 1 – Agenda Information Sheet

Exhibit 2 – Presentation

Respectfully submitted:
Tiffany Thomson
Director of Customer Service and Animal Services

Prepared by:
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Customer Service Manager