

City Council Presentation Credit & Collections Ordinance Revisions

Tiffany Thomson- Customer Service

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Background:

- ▶ November 16, 2010 approval of Ordinance 2010-292. Prior to implementation, uncollectible debts exceeded \$1.4 million for fiscal year 08/09 and \$1.1 million for fiscal year 09/10. In both cases, these amounts represented more than 0.6% of the City's total utility receivables.
- ▶ For fiscal year 2015-2016, uncollectible utility debts equaled \$536,481. This was equal to 0.22% of the total receivables billed during that period and represented a 13% reduction over the preceding fiscal year.
- ▶ The Public Utilities Board and City Council requested review of progress and ways to modify in October 2017.
- ▶ In November 2017, staff presented follow-up information to PUB and City Council. Direction was given to execute a homelessness deposit waiver, update criteria and funding to the P.L.U.S One Program.
- ▶ In December 2017, staff presented additional information regarding initial deposits for new customers and how existing customers are charged deposits. City Council provided direction to remove points associated with overdue interest and update the scale of customer ratings.

Updated: P.L.U.S One Program

- ▶ **Increase in Funding from \$100,000 to \$125,000**
- ▶ **Allow funds to be allocated towards deposits**

Updating and defining specific guidelines within the contract

- A requirement that the vendor establish written program guidelines that the City reviews and approves annually and that must be provided to clients.
- The monthly reporting should capture more data to help better understand the barriers to assistance.
- The addition of training on limitations of the funding that will help the agency better understand its authority in qualifying clients for assistance.
- Assisting families regardless of tenure at address
- Assist families more than once per 12 month period (Up to 3 times a year)

New: Homelessness Deposit Waiver

Addresses a specific community need through a deposit waiver process for any individual or family experiencing homelessness that are participating in a City of Denton verified permanent or rapid rehousing program.

- Qualified agencies will be provided a form letter for clients to present to the City when requesting utility service in order to have the deposit waived.



Updated: Credit & Collection Parameters

Modified Overdue Interest Points

Current

| Credit Event | Points |
|-------------------------|------------|
| Late Fee | 50 |
| Overdue Interest | 100 |
| Disconnect Notice | 200 |
| Disconnect Non-Pay | 500 |
| Returned Check | 200 |
| NSF Check | 200 |
| Collection Letter | 1000 |
| Collection Agency | 1000 |
| Write Off | 2000 |
| Bankruptcy | 2000 |

Proposed

| Credit Event | Points |
|-------------------------|----------|
| Late Fee | 50 |
| Overdue Interest | 0 |
| Disconnect Notice | 200 |
| Disconnect Non-Pay | 500 |
| Returned Check | 200 |
| NSF Check | 200 |
| Collection Letter | 1000 |
| Collection Agency | 1000 |
| Write Off | 2000 |
| Bankruptcy | 2000 |

Modified rating scale, points accrued and deposit required

Current

| Customer Rating | Points Accrued | Current Deposit Required |
|-----------------|----------------|--------------------------|
| "A" Rating | <150 points | NA |
| "B" Rating | 150-300 | NA |
| "C" Rating | 301-600 | NA |
| "D" Rating | 601-900 | Two Month Avg |
| "E" Rating | 901-2,000 | Two Month Avg |
| "F" Rating | >2,000 | Two Month Avg |

Proposed

| New Customer Rating | New Points Accrued | New Current Deposit Required |
|---------------------|--------------------|------------------------------|
| "A" Rating | <150 points | NA |
| "B" Rating | 150-300 | NA |
| "C" Rating | 301-750 | NA |
| "D" Rating | 751-2,000 | One Month Avg |
| "E" Rating | >2,000 | Two Month Avg |
| "F" Rating | Eliminated | Eliminated |

Disconnection Procedures

Customer Service has followed an internal policy in regards to disconnection of service during holidays, weekends and at time of extreme weather. In effort to memorialize these procedures, staff has added the parameters into ordinance.

- **Holidays or Weekends:** Service shall not be disconnected on holidays or weekends, or the day immediately preceding a holiday or weekend. Services shall also not be disconnected during the weeks of Thanksgiving, Christmas or New Year's
- **Extreme Weather:** Utility services will not be disconnected for nonpayment when on the day of disconnection:
 - The National Weather Service (NWS) has forecasted the day's temperatures to fall below 32 degrees Fahrenheit
 - The NWS has forecasted the day's high temperatures to be at or above 100 degrees Fahrenheit or a heat advisory has been issued for Denton County.

Implementation Timeline

P.L.U.S One Changes

- New Contract July 2018
- Staff is currently working on solicitation process

Homelessness Deposit Waiver

- Staff has created the applicable application and form letter for the program. Implementation will be immediate after City Council approval.

Credit & Collection Policy Changes

- Staff will implement changes effective February 2018, to allow updates in Customer Information System to take place.



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