



REQUEST FOR CITY COUNCIL ACTION

MEETING DATE:

April 17, 2019

DEPARTMENT:

Finance

DIVISION:

Customer Services

- Motion
- Resolution
- Ordinance - Introduction
- Ordinance - Adoption
- Public Hearing

TITLE:

Amend Yuma City Code: Title 19, Chapter 193, Section 71 Delinquent Payments

SUMMARY RECOMMENDATION:

Amend the Yuma City Code Title 19, Chapter 193, Section 71 entitled Delinquent Payments, to increase the current rate of collection fee from 15% to 20% in order to cover the associated costs with the City's delinquent inactive water customer accounts that are being placed with a collection agency. (Finance/Customer Services) (Teresa Laurent)

REPORT:

The City has encountered a high number of delinquent accounts. The City has attempted to resolve this issue and on October 16, 2018 City Council heard a presentation from the Finance Department regarding the OnLine Utility Exchange program. The purpose of the program is to provide a rating of the customers as it relates to their background of payment history and then establish what deposit amount, if any, will apply. The OnLine Utility Exchange program will also serve as the City's collection agency.

A collection fee is applied to uncollectible outstanding balances referred to the collection agency. The current collection fee is 15% and was adopted through Ordinance No. 2047 in 1981. Since the associated costs related to bad debt should be paid by the account holders the rate will need to be increased to cover such costs. Without the increase, the additional costs of the delinquency is shifted to the rate-paying citizens and results in a subsidy to the delinquent account holder and absolves the delinquent account holder from responsibility and costs.

Staff is proposing an increase to 20% at this time, but this percentage will need to be assessed in future months to assure that it covers the necessary costs.

FISCAL REQUIREMENTS	CITY FUNDS:	\$0.00	BUDGETED:	\$0.00
	STATE FUNDS:	\$0.00	AVAILABLE TO TRANSFER:	\$0.00
	FEDERAL FUNDS:	\$0.00	IN CONTINGENCY:	\$0.00
	OTHER SOURCES:	\$0.00 \$0.00 \$0.00	FUNDING FOR THIS ITEM IS FOUND IN THE FOLLOWING ACCOUNT / FUND / CIP:	
	TOTAL:	\$0.00		
	FISCAL IMPACT STATEMENT:			

ADDITIONAL INFORMATION	SUPPORTING INFORMATION NOT ATTACHED TO THE CITY COUNCIL ACTION FORM THAT IS ON FILE IN THE OFFICE OF THE CITY CLERK:			
	<ol style="list-style-type: none"> 1. 2. 3. 4. 5. 			
<p>IF CITY COUNCIL ACTION INCLUDES A CONTRACT, LEASE OR AGREEMENT, WHO WILL BE RESPONSIBLE FOR ROUTING THE DOCUMENT FOR SIGNATURE AFTER CITY COUNCIL APPROVAL?</p> <p style="text-align: center;"> <input type="radio"/> Department <input type="radio"/> City Clerk's Office <input type="checkbox"/> Document to be recorded <input type="checkbox"/> Document to be codified </p>				

SIGNATURES	CITY ADMINISTRATOR:	DATE:
	Gregory K. Wilkinson	3/27/2019
	REVIEWED BY CITY ATTORNEY:	DATE:
	Richard W. Files	3/26/2019
	RECOMMENDED BY (DEPT/DIV HEAD):	DATE:
Lisa Marlin	3/20/2019	
WRITTEN/SUBMITTED BY:	DATE:	
Teresa Laurent	3/20/2019	