



REQUEST FOR CITY COUNCIL ACTION

MEETING DATE: September 6, 2017

DEPARTMENT: Finance

DIVISION: Administration

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

TITLE:

Code Text Amendment: Water and Sewer Security Deposits

SUMMARY RECOMMENDATION:

Amend the Yuma City Code as it pertains to the collection of utility customer social security numbers (SSN). (Finance/Administration) (Pat Wicks)

REPORT:

Section 7 of the Privacy Act of 1974, P.L. 93-579 (Privacy Act), restricts governmental collection of SSN's. The Privacy Act provides that federal, state or local government agencies cannot deny an individual any right, benefit, or privilege provided by law because of that individual's refusal to disclose his/her SSN. The Privacy Act further requires that any federal, state, or local government agency that requests an individual to disclose his/her SSN, must inform that individual whether that disclosure is mandatory or voluntary, by what statutory or other authority the SSN is requested, and what uses will be made of the SSN.

The City collects utility customer SSN's to help the City to identify individual utility customers and to help the City in its collection efforts on those utility accounts that have gone into default and collections.

The Yuma City Code provides for the establishment of Utility Service Applications (Utility Application) along with security deposits for utility accounts. The purpose of the proposed Code text amendment is to ensure that the City's Utility Application follows the Privacy Act guidelines, while also protecting the City from delinquent or defaulted accounts. The proposed ordinance adds language to the Code that acknowledges that customers' disclosure of their SSN's is voluntary and not mandatory and further identifies the limited circumstances in which the City may use a customer's SSN. The proposed ordinance further modifies the City's utility deposit requirement, providing the Finance Director with the authority to waive or reduce deposits in certain circumstances based solely on a customer's credit history and/or payment history with the City. In all other circumstances, a mandatory deposit is required. The business rationale behind requiring a mandatory deposit for customers who do not provide their SSN's is that without a customer's SSN, the City runs a higher risk of not recovering outstanding balances on defaulted accounts. Because the City's utilities are operated under self-funded enterprise funds that are not tax base supported, the City needs to ensure that those enterprise

funds collect the amounts due for services provided.

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: 1. 2. 3. 4. 5.			
	IF CITY COUNCIL ACTION INCLUDES A CONTRACT, LEASE OR AGREEMENT, WHO WILL BE RESPONSIBLE FOR ROUTING THE DOCUMENT FOR SIGNATURE AFTER CITY COUNCIL APPROVAL? <input type="radio"/> Department <input type="radio"/> City Clerk's Office <input type="checkbox"/> Document to be recorded			
SIGNATURES	CITY ADMINISTRATOR:		DATE:	
	Gregory K. Wilkinson		8/8/2017	
	REVIEWED BY CITY ATTORNEY:		DATE:	
	Richard W. Files		8/7/2017	
SIGNATURES	RECOMMENDED BY (DEPT/DIV HEAD):		DATE:	
	Teresa Laurent for Pat Wicks		8/3/2017	
SIGNATURES	WRITTEN/SUBMITTED BY:		DATE:	