



CITY OF PLANO COUNCIL AGENDA ITEM

CITY SECRETARY'S USE ONLY				
<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory				
Council Meeting Date:		October 22, 2012		
Department:		Customer & Utility Services Department		
Department Head		Mark Israelson		
Agenda Coordinator (include phone #): Tony Han 972-941-5128 Andrea Park 972-941-5113				
CAPTION				
An Ordinance of the City of Plano, Texas, amending Section 21-152(b)(1), of Article IV, Service Charges Generally, of Chapter 21, Utilities, of the Code of Ordinances of the City of Plano to waive the required cash deposit of \$100 for customers who sign up for bank draft services with the City when establishing a new or transfer account on or after November 1, 2012; providing a repealer clause, a severability clause, a savings clause, and an effective date.				
FINANCIAL SUMMARY				
<input checked="" type="checkbox"/> NOT APPLICABLE OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP				
FISCAL YEAR: 2012-13	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget	0	0	0	0
Encumbered/Expended Amount	0	0	0	0
This Item	0	0	0	0
BALANCE	0	0	0	0
FUND(S): N/A				
COMMENTS: This item has no financial impact to the current water and sewer revenue projections. Deposits are secured funds that are returned to customers after 12 months of good payment history, and are not considered part of the Water & Sewer Revenues. STRATEGIC PLAN GOAL: Periodic review and changes to the City Utility Ordinances relate to the City's Goal of Financially Strong City with Service Excellence.				
SUMMARY OF ITEM				
The Customer & Utility Services Dept. recommends that all new residential customers (Including but not limited to single family homes, and separately metered multi-family units, patio homes, town homes, condominiums and all other residential dwellings) with commencement of services on or after November 1, 2012, qualify to have the required cash deposit waived when they sign up for a minimum of 12 consecutive months of bank draft services with the City of Plano.				
List of Supporting Documents: Memorandum, Ordinance			Other Departments, Boards, Commissions or Agencies	



Date: 10/11/2012
To: Mark Israelson, Director of Office of Policy and Government Relations
From: Tony Han, Customer & Utility Services Manager
Subject: Waiver of \$100 deposit for new customers signing up with bank draft services

Background:

A cash deposit of \$100 is required of each residential customer at the commencement of an account receiving water, sewer, storm drainage, or solid waste service in accordance with *Section 21-152, Deposits generally, of Article IV, Service Charges Generally, of Chapter 21, Utilities, of the Code of Ordinances of the City of Plano*. The \$100 deposit may be waived for those new residential customers that sign up for bank draft with the City of Plano.

Data:

The Customer & Utility Services Department currently processes approximately 5,983 water/utility accounts using bank draft. On a monthly average, we process approximately 142 new water/utility accounts. Out of this total, a monthly average of 25 water/utility accounts sign up for bank draft. We expect that once we initiate the deposit waiver program, more customers will be willing to sign up for bank draft, which translates to increasing electronic payments to the City of Plano on a timely basis and reducing delinquent accounts.

Recommendation:

The Customer & Utility Services Dept. recommends that all new **residential** customers (Including but not limited to single family homes, and separately metered multi-family units, patio homes, town homes, condominiums and all other residential dwellings) with commencement of services on or after November 1, 2012, may qualify to have the required cash deposit waived when they sign up for a minimum of 12 consecutive months of bank draft with the City of Plano.

The bank draft authorizes the City of Plano to automatically draft their designated bank accounts to pay for their monthly water, sewer, storm drainage, and solid waste service bills. In the event a customer requests to discontinue bank draft before the end of the twelve months or if they have a returned bank draft due to insufficient funds or related reasons, they will be required to pay the \$100 deposit.

An Ordinance of the City of Plano, Texas, amending Section 21-152(b)(1), of Article IV, Service Charges Generally, of Chapter 21, Utilities, of the Code of Ordinances of the City of Plano to waive the required cash deposit of \$100 for customers who sign up for bank draft services with the City when establishing a new or transfer account on or after November 1, 2012; providing a repealer clause, a severability clause, a savings clause, and an effective date.

WHEREAS, the City of Plano wants to encourage customers to use bank draft services to pay their utility bills as it reduces overall operating and administrative costs; and

WHEREAS, staff recommends amending the ordinance to allow the waiver of a required \$100 deposit fee for customers who establishes a new or transfer account on or after November 1, 2012 and elects to sign up for bank draft services with the City for twelve (12) consecutive months; and

WHEREAS, the City Council of the City of Plano, after review and consideration of these matters, has determined it is in the best interest of the City of Plano, Texas, to approve and adopt the proposed amendment.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, THAT:

Section I. *Section 21-152(b)(1), Deposits generally, of Article IV, Service Charges Generally, of Chapter 21, Utilities, of the Code of Ordinances of the City of Plano, is hereby amended to read as follows:*

“Sec. 21-152(b)(1). Deposits generally.

(1) Residential Customer. The deposit required for a residential customer, including single-family dwellings and multi-family dwellings when metered separately, shall be one hundred dollars (\$100) per unit pursuant to Section 21-131 above.

The above deposit requirement is waived for new residential customers who sign up for bank draft services for a minimum of twelve (12) consecutive months with the City. In the event a customer cancels bank draft services at any time during the twelve (12) month period, or if a bank draft is returned because of insufficient funds or related reasons, the deposit is reinstated on the customer’s account.”

Section II. Any provision of any Ordinance of the City of Plano, codified or uncodified, in conflict with the provisions of this Ordinance is hereby repealed, and all other provisions of the ordinances of the City of Plano, codified or uncodified, not in conflict with the provisions of this Ordinance shall remain in full force and effect.

Section III. It is the intention of the City Council that this Ordinance, and every provision hereof, shall be considered severable, and the invalidity or unconstitutionality of any section, clause, provision or portion of this Ordinance shall not affect the validity or constitutionality of any other portion of this Ordinance.

Section IV. The repeal of any Ordinance or part of Ordinances effectuated by the enactment of this Ordinance shall not be construed as abandoning any action now pending under or by virtue of such Ordinance or as discontinuing, abating, modifying, or altering any penalty accruing or to accrue, or as affecting any rights of the municipality under any section or provisions of any Ordinances at the time of passage of this Ordinance.

Section V. This Ordinance shall become effective November 1, 2012 upon its passage.

DULY PASSED AND APPROVED this the 22nd day of October, 2012.

Phil Dyer, MAYOR

ATTEST:

Diane Zucco, City Secretary

APPROVED AS TO FORM:

Diane C. Wetherbee, City Attorney