



Council Report

Date: April 17, 2014
To: City Council
Through: Alex Deshuk, Manager of Technology and Innovation
From: Ed Quedens, Business Services Department Director
Tim Meyer, Business License and Revenue Collections Administrator
Subject: Revenue Collections Operations Fees and Charges for the Business Services Department (Citywide)

Purpose and Recommendation

The purpose of this report is to propose a new fee for Credit Check Services provided by Revenue Collections Operations in the Business Services Department. A \$2.00 Credit Check fee is proposed to verify a customer's credit when a utility deposit waiver is requested by a customer.

The Business Services Department requests Council approval of this additional fee for FY2015.

Background

Business Services strives to provide the best service for our customers while maintaining financial safeguards for Mesa. This fee would be assessed in order to cover the costs of performing the credit check. Currently most new residential accounts are required to pay a refundable deposit. This option of waiving a residential deposit based on a credit score is not currently available but is being proposed in the Terms and Conditions for the Sale of Utilities.

Discussion

The Department is proposing assessing a \$2.00 credit check fee when a credit check is requested by a customer establishing a new residential account. If the credit check shows that the customer's credit history meets the minimum standards set, the City will waive the initial deposit fee for this customer. If the customer does not request a credit check, no fee will be assessed and the customer will be required to pay an initial deposit fee. If the customer requests a credit check and their credit history doesn't meet the standards set, the customer will have to pay the credit check fee and the initial deposit. The fee covers the cost of performing the credit check.

Alternatives

Take no action. If the Terms and Conditions are changed to allow waiving deposits based on credit checks but the fee is not implemented, the cost will be absorbed in the existing funding.

Fiscal Impact

The total revenues estimated for FY2015 resulting from approval of the proposed fee is approximately \$36,000. The revenues will be directly offset by the costs of performing the credit checks.

Coordinated With

Energy Resources, Solid Waste Management, and Water Resources