

TO: James L. App, City Manager
FROM: Jim Throop, Administrative Services Director
SUBJECT: Utility Billing Remittance Automation
DATE: May 20, 2008

NEEDS: For the City Council to consider a contract to purchase both software and hardware in order to further automate the remittance process for utility billing.

FACTS:

1. The City processes over 10,000 utility bill remittances each month and this number will increase as the number of residents and businesses continue to grow.
2. The remittance process presently requires duplicative effort for applying the payment to the customer's utility billing account and the preparation for the electronic transmission to the City's bank account.
3. Currently, it is estimated staff spend 40 hours a month applying customer payments to their accounts. Another 28 hours of staff time are spent preparing and electronically transmitting the remittances to the City's bank account.
4. Due to time constraints with the actual processing and remittance of customer payments, staff does not presently have time available to utilize various features of the utility billing software program to better serve our customers.
5. This system will upload all scanned payment stubs and checks for electronic submission to our bank, with immediate posting to the customer's utility billing account.
6. The City contacted three potential vendors who provide the remittance processing software and received positive feedback from Audio Tel and Open Solutions. City staff participated in software demonstrations, received proposals from those vendors and based on price, functionality, client references, and partnership with our NorthStar utility billing system, staff has selected Audio Tel as the preferred provider.
7. This remittance processing system eliminates all the storage of payment stubs in the Administrative Services Office due to the image archive and retrieval technique.
8. Consistent with the City's adopted Information Systems Strategic Plan, the software would eliminate duplication of effort, electronically store utility payment stubs, and enhance research capabilities for customer payment inquiries.
9. The City's Information Technology Department has reviewed the software for compatibility with existing IT systems.

ANALYSIS &

CONCLUSION: The proposal before the Council is for the purchase of software and hardware that will streamline the utility billing remittance process by eliminating the duplicative work.

As stated above, the remittance process of utility billing is time-consuming and due to the current hardware, prone to scanning errors that require multiple corrections. With the time dedicated for remittance processing, other modules of our billing system are not used or not used to the degree that they were designed. These features include levelized budget billing, providing summary statements to customers with multiple accounts,

transmit delinquent accounts to collections monthly, and implementation of the on-line bill pay feature "eCARE". Having the time for staff to enter information and analyze the results, will be a benefit in terms of cost-savings or potential planning issues with the growth of utility billing.

Use of this new system also allows the City to search for better banking rates, which would be a cost-savings to the City.

Audio Tel's Remit Plus solution is an affordable, turnkey, automated check-posting system that provides agencies with the ability to capture images of checks that have been submitted for payment and credit the payment to the customers' accounts without manual key entry. Audio Tel's "CAR/LAR" technology actually "reads" the handwritten amounts of checks, and creates a posting file to export into the billing system.

POLICY

REFERENCE: Council has requested staff to consider all cost-saving and automation available to the City.

FISCAL

IMPACT: The cost for the new remittance system, which includes software, hardware, programming interface, office equipment, and training will cost approximately \$26,600 with on-going annual support and replacement costs of \$6,100. This project is not currently in the FY 2008 budget, but there are sufficient funds within the Water/Sewer Funds to cover this cost.

This project's initial upfront cost will be offset by savings in staff time to perform duties not currently undertaken, potential savings in banking costs and the ability to review and trend the data will offset this small investment.

- Options:
- a. Adopt the attached Resolution awarding a contract to Audio-Tel for the software and associated training costs. Allocate funds to purchase the necessary hardware and office equipment, including a desktop computer, Canon scanner, and mail opener/extractor, with a not to exceed a total price tag of \$26,600 for start up costs and \$6,100 for on-going expenses and allow for the appropriation of funds from the Water/Sewer Funds.
 - b. Amend, modify, or reject the above option.

RESOLUTION NO. 08-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
AUTHORIZING A ONE TIME BUDGET APPROPRIATION FOR REMITTANCE
PROCESSING SOFTWARE ACQUISITION AND AN ON-GOING APPROPRIATION
FOR ANNUAL SOFTWARE SUPPORT AND REPLACEMENT

WHEREAS, the City's currently processes over 10,000 utility remittances each month and this number will increase as the number of residents and businesses continue to grow; and

WHEREAS, the remittance process presently requires duplicative effort for applying the payment to the customer's utility billing account and the preparation for the electronic transmission to the City's bank account; and

WHEREAS, due to time constraints with the actual processing and remittance of customer payments, staff does not presently have time available to utilize various features of the utility billing software program to better serve our customers; and

WHEREAS, City staff received proposals from vendors and based on price, functionality, client references, and partnership with our NorthStar utility billing system, staff has selected Audio Tel Software; and

WHEREAS, consistent with the City's adopted Information Systems Strategic Plan, the software would eliminate duplication of effort, electronically store utility payment stubs, and enhance research capabilities for customer payment inquires; and

THEREFORE, BE IT HEREBY RESOLVED that the City Council of the City of El Paso de Robles authorize a one time budget appropriation in the amount of \$23,400 from the Water/Sewer Utility Billing Account to budget account 600-140-5454-127, and \$3,200 to budget account 600-140-5224-127, and an ongoing appropriation in the amount of \$1,900 from the Water/Sewer Utility Billing Account to budget account 600-140-5229-127 and \$4,200 to budget account 600-140-5224-127; and

BE IT FURTHER RESOLVED that the City Council of the City of El Paso de Robles authorizes the Director of Administrative Services to contract with Audio Tel for the acquisition of remittance processing software and ongoing software maintenance support.

PASSED AND ADOPTED by the City Council of the City of El Paso de Robles at a regular meeting of said Council held on the 20th day of May 2008 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Frank R. Mecham, Mayor

ATTEST:

Deborah Robinson, Deputy City Clerk