



City of Eustis

P.O. Drawer 68 • Eustis, Florida 32727-0068 • (352) 483-5430

TO: EUSTIS CITY COMMISSION
FROM: TOM CARRINO, CITY MANAGER
DATE: OCTOBER 5, 2023
RE: RESOLUTION NUMBER 23-90: APPROVAL OF PURCHASE IN EXCESS OF \$50,000 FOR CUSTOMER SERVICE POSTAGE COSTS

Introduction

Resolution Number 23-90 approves a purchase in excess of \$50,000 for postage needed for the year to send out monthly utility bills and correspondence to the City's approximate 12,500 utility customers.

Recommended Action

Staff recommends approval of the Resolution Number 23-90.

Background

The approved FY 2023-2024 Budget includes \$81,280 in funding for the procurement of the postage necessary to mail the 12,275 plus monthly customer utility bills. Including other correspondence, this equates to over 147,300 bills sent during the course of the year. The request at this time is for the replenishment of the annual postage. Money, will be requested monthly as needed in approximately \$6,000 increments. This request can be accommodated by funding in the Customer Service operating account 040-3120-536-30-42.

Out of the 12,275 we currently have 969 bills which are e-mailed to customers. We also encourage customers to sign up for automatic bank drafting, avoiding the possibility of late charges. While postage continues to increase, we are trying to mitigate this cost by having customers sign up for electronic receipt of their monthly bills.

Alternatives

1. Approve Resolution Number 23-90 and authorize the purchase of postage.
2. Reject Resolution Number 23-90 and reject the purchase of postage.

Discussion of Alternatives

1. Alternative 1 approves the purchase.
 - a. Advantages
 - i. The City can continue its monthly billing cycles without interruption.
 - ii. There will be no loss in utility revenue as a result of billing interruption.
 - iii. Customers will have knowledge of their utility usage, amounts due, and amounts paid.

- b. Disadvantages
 - i. None.
2. Alternative 2 rejects the purchase.
- a. Advantages
 - i. None.
 - b. Disadvantages
 - i. Monthly billing cycles will not take place or will be significantly interrupted.
 - ii. The City will lose significant amounts of revenue.
 - iii. Customers will no longer have knowledge of their account status.

Budget and Staff Impact

The approved FY 23-24 Customer Service Budget includes the funding necessary for this purchase.

Prepared By:

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Reviewed By:

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