



FRUITA
COLORADO

AGENDA ITEM COVER SHEET

TO: FRUITA CITY COUNCIL AND MAYOR

FROM: SHANNON VASSEN, ASSISTANT CITY MANAGER

DATE: JUNE 17, 2024

AGENDA TEXT: RESOLUTION 2024-18 – Approving A Three-Year Agreement with Xpress Bill Pay for Processing Online Utility Payments and Paperless Utility Billing and Authorizing the City Manager to Execute the Agreement.

BACKGROUND

Staff has been evaluating how to improve utility billing for customers, specifically through offering residents the ability to enroll in paperless utility billing statements and providing them with an online account that can be accessed at any time and where payments can be made. The ability to offer paperless utility billing statements is a goal of the City Council and administrative staff. After evaluating several options for these features, staff is recommending that the City of Fruita utilize Xpress Solutions, commonly known as Xpress Bill Pay, to improve utility billing for residents. The purpose of this agenda item and resolution is to approve the attached three-year agreement with Xpress Solutions for the software, and to authorize the City Manager to execute the agreement.

Currently, all households and businesses in Fruita that are served by municipal utilities receive a paper statement each month. To pay that bill, these customers have a number of options that include authorizing direct bill pay (through monthly charges to a bank account), paying online with the Credit/Debit Card or eCheck through a third-party processor, cash or check in person at the Fruita Civic Center, or through mail and payment drop boxes. The balance of each account (if not current) usually has to be provided through a staff member either in-person or over the phone. There is also no way for residents to opt of receiving a paper utility billing statement as there are no online accounts for each residence or business.

Earlier this year, the Administration Department updated the City's Finance and Accounting System to a cloud-based system which provides a wide array of new functionality including improvements specifically for customers. One of those improvements is the ability to partner with Xpress Bill Pay for utility billing. This is the same system that is used by Ute Water and other agencies throughout Mesa County, so residents are likely already familiar with it. Through partnering with Xpress Bill Pay, residents and businesses will receive the following benefits:

- The ability to create an online account, see balances in real time, and make payments through that account.
- Enroll in paperless statements.
- Pay by text and also check balances via text.

- Access to a website can be accessed on mobile devices and users may also be able to download an app.
- Set up automatic monthly payments without having to fill out a form at the Civic Center.
- Other benefits.

With these benefits in mind, and because Xpress Bill Pay integrates with the City's Finance and Accounting software, staff is recommending approval of the attached agreement to transition the City's utility billing system. It should be noted that a few pages of the agreement have been removed because they have been marked as confidential by the vendor and deal with terms of use and customer bank account information. If approved, there is a two to three-month lead time on making the transition. This lead time will allow staff to communicate the change and publish an article on it to all residents in the Fall City Link.

FISCAL IMPACT

There is a fiscal impact to approving this agreement. It is estimated that implementation costs for the change will be between \$4,000 - \$5,000 in one-time costs this year. Additionally, there will be around \$300 - \$400 per month in ongoing costs for the service, or around \$4,800 per year. However, with the number of the residents that may opt for paperless utility billing statements, this could actually decrease the costs spent on utility bills, along with staff time. For example, administrative staff currently spends \$2,000 per month on postage for utility billing, and \$2,500 per year for printing of cards. Providing paperless options will decrease these numbers in addition to the time spent preparing and mailing the statements. Funds will have to be appropriated for the one-time costs at the time of implementation and Council will have full authority to approve or deny that request. There will also be a slight increase in costs of transaction fees to residents compared to the current system.

APPLICABILITY TO CITY GOALS AND OBJECTIVES

Both the City Council and staff are interested in making this change as it is believed it will be a benefit to residents and businesses through making it easier when dealing with utility billing. This helps the economic health of the City while continuing to provide essential core services such as utilities.

OPTIONS AVAILABLE TO THE COUNCIL

- Approve Resolution 2024-18, Approving A Three-Year Agreement with Xpress Bill Pay for Processing Online Utility Payments and Paperless Utility Billing, and Authorizing the City Manager to Execute the Agreement.
- Advise staff to revise the agreement/vendor selection and bring back at a different date.

RECOMMENDATION

It is the recommendation of staff that the Council by motion:

APPROVE RESOLUTION 2024-18, APPROVING A THREE-YEAR AGREEMENT WITH XPRESS BILL PAY FOR PROCESSING ONLINE UTILITY PAYMENTS AND PAPERLESS UTILITY BILLING AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT.