



## CITY COUNCIL MEETING STAFF REPORT

<b>Meeting Date:</b> December 20, 2021	<b>Subject: Resolution No. 2943</b> Vendor section for an online utility billing payment solution  <b>Staff Member:</b> Keith Katko, Finance Director  <b>Department:</b> Finance Department	
<b>Action Required</b>	<b>Advisory Board/Commission Recommendation</b>	
<input checked="" type="checkbox"/> Motion <input type="checkbox"/> Public Hearing Date: <input type="checkbox"/> Ordinance 1 <sup>st</sup> Reading Date: <input type="checkbox"/> Ordinance 2 <sup>nd</sup> Reading Date: <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Information or Direction <input type="checkbox"/> Information Only <input type="checkbox"/> Council Direction <input checked="" type="checkbox"/> Consent Agenda	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Denial <input type="checkbox"/> None Forwarded <input type="checkbox"/> Not Applicable  <b>Comments:</b> N/A	
<b>Staff Recommendation:</b> Staff recommends Council adopt the Consent Agenda.		
<b>Recommended Language for Motion:</b> I move to approve the Consent Agenda.		
<b>Project / Issue Relates To:</b>		
<input type="checkbox"/> Council Goals/Priorities:	<input type="checkbox"/> Adopted Master Plan(s):	<input checked="" type="checkbox"/> Not Applicable

### ISSUE BEFORE COUNCIL:

Request to approve sole source contract (as per WC 2.312) with Invoice Cloud, Inc to provide the City with secure, online, easy to use, customer self-service payment option software to increase paperless billing, improve customer engagement, and allow for real time integration with the City's Tyler-MUNIS ERP.

**EXECUTIVE SUMMARY:**

Online payment functionality is a vitally important part of the City's Utility Billing business model. The migration to new utility billing software, as part of the City's overall implementation of its new Enterprise Resource Planning (ERP) system, MUNIS, has required Utility Billing to re-examine its online functionality and customer service demands. Within this context, the department set out in search of a solution to increase the quality of the customer experience and maximize the efficiencies. An effective online payment system can offer the ability to streamline business operations.

Finance staff have explored three different companies providing utility billing online bill paying systems, including Munis, BMS Inc., and Invoice Cloud. The department has also reached out to other municipalities using the MUNIS ERP to compare and contrast what is working best for each. In addition to enhancing the customer experience and improving internal processing efficiency, the solutions examined were assessed on their ability to integrate seamlessly with Munis.

Finance has determined the best overall software solution is Invoice Cloud. Invoice Cloud offers the best cost to value solution. Their comprehensive solution will offer City utility customers a one-stop payment solution to manage and pay their utility bills with a breadth of integrated e-payment options, including, but not limited to: Integrated Voice Response functionality, Pay by Text, PayPal, ApplePay, etc., as well as traditional payment methods.

Invoice Cloud also integrates seamlessly with the City's ERP system, requiring no additional implementation costs. Electronic payment fees are based on a transactional assessment (fee based on interchange, dues, fees, and assessments + \$0.10 + 0.50% per credit card transaction, or \$0.60 per E-Check/ACH). Invoice Cloud partners with Chase Paymentech for merchant processing. Based on an analysis of current merchant servicing fees the City will realize an immediate cost savings based on reduced transactional fees and an overall simplified electronic payment fee schedule going forward.

**EXPECTED RESULTS:**

If approved by Council, staff will work with Invoice Cloud to implement a solution in tandem with Munis (ERP System) Utility Billing, which has a go live date scheduled for June 2022.

**TIMELINE:**

Upon approval of the contract, the City will work with Invoice Cloud to have installation complete by June 2022.

**CURRENT YEAR BUDGET IMPACTS:**

This is a transaction fee based contract. Overall it is expected that the cost of credit card processing will decrease, mitigated to a certain degree by increased volume.

**FINANCIAL REVIEW:**

Reviewed by: KAK Date: 12/08/2021

**LEGAL REVIEW:**

Reviewed by: JRA Date: 12/10/2021

**COMMUNITY INVOLVEMENT PROCESS:**

N/A

**POTENTIAL IMPACTS OR BENEFIT TO THE COMMUNITY:**

The contract will provide a faster, more convenient, online utility billing service to customers.

**ALTERNATIVES:**

N/A

**CITY MANAGER COMMENT:**

N/A

**ATTACHMENTS:**

1. Resolution No. 2943
  - A. Biller Agreement – Subject to negotiated changes advantageous to the City’s interests.