

**MEMORANDUM  
FINANCE DEPARTMENT**

**TO:** Mr. Thomas Thomas, City Manager  
**SUBJECT:** Utility Bill Pay options

**Number:** 049 – 12  
**Date:** 02/03/12

The City Council asked staff to determine feasibility of offering payment options to Water Customers, similar to how the County processes property taxes. The idea is that the customer would have the option to pay in one to three installments. The customer would be provided with payment stubs to automate this process so they would not have to physically come to City Hall and make payment arrangements. As outlined in the table below, staff reviewed the current processing schedule and has developed modifications to accommodate installment options.

Action	Days Before/After Bill Is Rendered	
	Current	Modified
begin preparing work order	-23	-23
work order	-16	-16
meter readings due	-9	-9
bill rendered		
bill or payment #1 due	19	19
penalty applied	21	
delinquent notice mailed/5% penalty applied		21
payment #2 due		36
payment #3 due		53
delinquent notice mailed	27	
shut-off notice posted	48	56
water service shut-off	55	63
<b>total cycle</b>	<b>78</b>	<b>86</b>

These slight changes would not require programming modifications to our current software. However, we would need to make modifications to Utility bills. A calculation of the three payment option is needed as well as changing the design of the bill. The new bill would need to provide three perforated stubs for payment remittances. The estimated cost of this redesign is \$2,000. Staff has reviewed related processing costs and banking fees. An increase of approximately \$26,000 per year is estimated. Though we anticipate increased traffic within Finance for those customers who do not mail in their payments, we are unsure of the impact this will have. Therefore, we are not suggesting adding any additional staff at this time.

**Recommendation:** Council approve payment options and authorize staff to process Utility bill modifications to allow payment options at an estimated annual cost of \$26,000 and initial cost of \$2,000.

**Submitted by:** Cynthia Parchert, Finance Director  
Bob Hawes, Public Works Director

**Approved:** Thomas Thomas, City Manager