Consolidation Inquiry – Revenue Collection
BDS Meeting Notes
12/8/14

- BDS staff asked when OMF would become PCI compliant. Staff noted that BDS plans to decouple with the current system and recouple with the system once OMF has become compliant.
- BDS staff indicated that there is no plan to handle revenue outside of ITAP.

Payments and new system – BDS currently collects for the following via TRACS:

  - Parks
  - BES
  - PBOT
  - Fire
  - Water
  - BDS
  - State of Oregon
  - Metro
  - School Districts

- ONI uses TRACS
- Fire uses TRACS for permits that do not go through BDS

- Year to date: BDS has collected $111 million from all bureaus (up from $89 million total last fiscal year). Large number of transactions (roughly 400/day) means revaluating the current method of doing business. The current permit tracking software (TRACS) is unsustainable given the development the City is experiencing.

Process:

- Entries are exported to Excel from TRACS, reconciled, and then uploaded into SAP manually. The process needs to be manual at this point because the number of transactions and high degree of customer interface. A portion of transactions are handled through SAP as a push from TRACS into SAP for AR invoices, then checks are sent to Central Accounting.
- Staff will continue making manual entries as the transition is made into ITAP.
- BDS is working with OMF on streamlining AR process for the new system. BDS staff is proposing to consolidate all payments under IPS (the primary payment system within ITAP) so that they do not have to continue a hybrid approach between TRACS and SAP.

- All new requests coming in that are not already in TRACS are being placed into the new system, but they are a lower priority than processes currently in TRACS. They will be handled are change requests after the system "goes live."

New Method of Revenue Collection:

- Some bureaus require different levels of detail when their revenues are being uploaded to SAP.
- BDS will preserve current business process when revenue uploaded into SAP is grouped into Cost Centers, Internal Orders, and WBS Elements. If bureaus require more specific collection and tracking efforts, they will have to collect and process the payment themselves.

Primary BDS Role: provide development services for development community.
Secondary BDS Role: collect revenues for development permitting for bureaus.

Comments and Recommendations:

- All platforms BDS purchased have full functionality right out of the box.
- BDS is half-way done looking into requirements with handling money.
- BDS would like the City to move to a more open mode of accepting money from the customer perspective (such as allowing citizens to pay a bill at any location).
- Create more streamlined internet payment portal access – make things look more consistent to the customer.
- Strengthen parameters around phone payments.
- Accept Discover card at City payment stations.

Consolidation Inquiry – Revenue Collection
Parks Customer Service Meeting Notes

Meeting: November 14, 2014 at 9:00AM in St. John's Conference Room, The Portland Building 12th Floor

Participants:
Shawn Rogers, Portland Parks & Recreation
Elyse Rosenberg, OMF Business Operations

- Services offered
    - Primarily recreation services for Parks:
        - Booking/issuing permits for use of Facilities
        - Class registrations
        - Supporting community centers with facility/class scheduling
        - Revenue/accounting/refund issues and support for all of Parks

        - Translation services for Parks staff in the customer service center or in the field
            - Any employee needs translation – they call the customer service center who:
                - Connects them to a specialist in the service area that speaks the customer's language
                - Connects them to a parks employee who speaks the customer's language and can act as a translator
                - Connects them to the City contracted translation service
        - Try to act as a concierge for the customer – answer questions and set them up with everything they need before they leave
    - PBOT Collection
        - Started partnership in approximately 2009
        - Began with Parking payments but quickly expanded
    - Water Bureau
        - Booking Dodge Park facilities for Water
    - View themselves as a service for the City
        - Willing to promote or provide information about events or offering throughout the City
- Use ActiveNet recreation software as their facility and registration management software and as their point of sale system
    - Software was recently upgraded to the newer version, which has lots of changes
    - Software can be partitioned so other bureaus could use to manage facility or class bookings
    - Looking at rolling out online services to the public
        - First simple bookings at places like Dodge Park, then picnics, then weddings
        - Also looking at big benefit from rolling out ability to book sports fields – both Parks facilities and Portland Public School facilities
    - ActiveNet can work as a point of sale system
        - Each service or product is associated with a center code
        - A report can be generated from the software to the customer bureau to reconcile with deposits in the bank and so they can make the appropriate entries into their systems and SAP
- Partnership Opportunities
    - Have discussed potential partnerships with Police and with Facilities around booking space and classes using ActiveNet
        - Both have just been discussions but no further action taken at present
    - Open to discussion with other bureaus
    - Opportunities around booking classes or facilities make sense because that is the primary design of ActiveNet, but can provide other services and use system as point-of-sale
    - Challenges:

        - Data tracking – ActiveNet creates a unique customer account number in its system
            - Need to figure out the "key" to translate data downloaded from ActiveNet and provided to another bureau so they can continue tracking in their own databases
        - "Branding" – ActiveNet will still say Parks on it even if a customer is launched there form another Bureau's website
        - Parks was initially concerned about the idea of moving from collecting for "desired" services (like picnics and weddings) to collecting for required services like parking – would it impact the customers' view of Parks
            - They have found it to be an advantage – they get new customers to Parks services and get to represent the City
- Other recommendations:
    - Look at the customer service center in the City of Toronto – a true customer service center with representatives from every City function with which a citizen might interact
        - Something to consider when re-conceptualizing the Portland Building

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Consolidation Inquiry – Revenue Collection
Treasury Meeting Notes

Meeting: November 14, 2014 at 3:00PM in Jennifer's Office, The Portland Building 12th Floor

Participants:
Jennifer Cooperman, City Treasurer
Elyse Rosenberg, OMF Business Operations

- Services provided by Treasury:
    - Treasury manages the City's banking relationships and implements banking services for City bureaus
        - Everything from ordering deposit slips and check stock to configuring software for electronic deposit of scanned payments
    - Treasury also managers the City's merchant services (now a separate contract from banking services)
        - Everything from ordering merchant ID and scanners to training in payment processing and reconciliation
- Current payment types the City accepts:
    - Cash
    - Check
    - Money order
    - Credit Card (Visa, MasterCard, American Express, Discover)

    - Wire
    - ACH
    - No additional payment types currently contemplated – just expanded to include Discover cards
- Options for deposit (of non-card payments)
    - Bureau collects daily receipts and takes it to the bank using pre-printed deposit slips and deposit bags ordered by Treasury
    - Bureau collects daily receipts and takes it to Treasury to deposit using pre-printed deposit slips and deposit bags ordered by Treasury
    - Bureau collects daily receipts and uses an armed courier service to take deposits to the bank
    - Bureau collects daily receipts and use a scanner to scan checks and deposit them electronically
        - Could be a small desktop scanner or a large volume scanner
    - Jennifer feels these options allow Treasury to be responsive to customer needs
- Concerns in our current revenue collection processes
    - Lack of internal controls
    - Lack of segregation of duties
    - Timeliness of deposit
- Recommendations for improvement
    - Stop sending checks through inter-office mail
    - The City has a decentralized payment system
        - Jennifer would like to see a lockbox function employed with a bank where a PO Box is set up for each function, payments are mailed to the bank and processed directly there
        - Challenge is the separation of “payment” with “data” about the payment
        - No RFP is required for this service as our current banking services vendor provides it
            - They estimate needing 6 weeks to set it up
    - Centralize the procure to pay process under one bureau
        - Accounts Receivable is the last step in this process
        - The process remains bifurcated with a single owner
        - Make as much of the process electronic as possible
            - Electronic invoices, remittances, payment receipt, etc.
    - Track and manage the following metric: Days outstanding of accounts receivable
    - Manager the “cash conversion cycle”
        - The longer we keep cash the more interest we could earn and the less we may need to rely on debt to fund things
        - Expedite our invoicing and pay our invoices based on contract terms
    - Convert more AR vendors to ACH to get the cash in faster
    - On the Accounts Payable side, consider using ePayables

        - Like a credit card
        - The City could earn a rebate that would be revenue – could help fund the AP function
    - Bureaus can reach out to Treasury at any time with questions or partnership ideas

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Consolidation Inquiry – Revenue Collection
Water Bureau Customer Service Meeting Notes

December 4, 2014

<u>Services offered:</u>

- Service center staff rotate, and each person must know all aspects of each role of the customer service department
- Collect payments for water and sewer bills
- Handle Returned payments – checks and credit cards
- People in customer service handle more than money:
    - Turning on/off water services
    - Help with move in/move out
    - Take Leaf payments for PBOT
    - Revenue collects payments for Leaf Fee; if a check comes in, it is walked down to Water by Revenue Bureau security. If it is cash, customer walks in to Water Bureau to pay. This only occurs with the Leaf Fee.
- Setting up payment arrangements
- Collection of final bill, including working with a collection agency if delinquent
- Handle "charge-backs" – disputed CC charges, checks the bank can't read, etc.
- Pre-shutoff calls
- Dispatch with field crews to turn on water lines previously shut off
- Backup to the customer call center
- Determining customer eligibility for low income discount or a crisis voucher – part of a larger program administered by Multnomah County with Water and other area utilities
- Address questions customers have (one of the biggest components of the cust. service team)

<u>Challenges of Combined Charges:</u>

Staff indicates that compiling other bills onto the water bill is a challenging arrangement because:

- A customer might be negligent on their Leaf Fee (for instance), but water is an essential element to survival, whereas being delinquent on Leaf Fee is not. Therefore, placing the two items on the same bill means that a customer could essentially get their water shut off for not having paid their full bill (i.e. the Leaf Fee portion of the bill), but there is no way to extrapolate the single water charge. If someone pays a partial amount on their bill, to which fee should it go?

- Bills are collected at different periods (monthly vs. quarterly), so that adds to the challenge of having multiple charges on a single bill.
- Current challenges exist with sharing the administration of Cayenta with BES and PBOT. They are competing for the same programming resources and have needs that are not being fulfilled because of resource sharing and prioritization.
- Concern over data security with another bureau's employees accessing their customers' data.
- Concern over perception of the size of the "water" bill with consolidated billing. People already think their "water" bill is too high, but the sewer component is actually more expensive. How would adding other charges impact this perception?

Current Consolidations worth Highlighting:

- Walk-in cash payments are entered into system, and the payment is then delivered to Treasury. In the past, Water Bureau had their own contract with a security company for the delivery of their charges received to the bank. Since Treasury has their own contract with a security company, Water Bureau decided to drop their contract and 'piggyback' onto the Treasury contract. This process has worked more smoothly than the previous configuration, and it has saved Water Bureau funds.

- There are already 3 utilities (Water, Sewer, Stormwater) billed together on the existing bill.

- Staff indicated that they utilize Revenue Bureau's delinquent payment notices and the same City Attorney.

Partnership:

Water Bureau is working with Multnomah County to aide citizenry with low-income applications for county services and water bill assistance. Partnership in development.

Note:

- Staff indicated that they have capacity to accept another drop box for another bureau.
- Partnering with other bureaus may be beneficial if parameters could be set around customer information.
- Question: Whose priority comes first in a partnered relationship?
- *Issue: Treasury handles returned checks – but when a cleared check finally comes in, Treasury takes minimum of two weeks to get payment confirmation from Treasury, which means that a customer might be without water for that time purely because of slow operations on a vital service. – OMF Opportunity to assist*
- Many utility companies around the country have begun shutting down their walk-in centers because so much business is done over the phone or online.
- Staff noted that they are always looking for further opportunities to increase efficiency and customer service.

Electronic Payments:

- Staff wishes to do advancements in payment methods, such as app on phone. Customers expect such services. – OMF Opportunity to help
- CC payments get entered into Payment Gateway manually – if the card has no funds, the system is not equipped to catch that on the spot because each credit card number is entered into the system by hand. They have no credit card swipe machine and could use one. – OMF Opportunity to help
- Staff noted that they were not consulted when BTS did RFP for Payment Gateway, and Water Bureau is the biggest customer (in dollar amount) using Gateway.
- Staff indicated that they wish to do no more manual entry, noting that it not only loses staff time and bureau funds, but that it also does not reflect a modern method of payment with the available technology other utility service organizations use.