Staff Report
City of Manhattan Beach

TO:　　　　Honorable Mayor Cohen and Members of the City Council

THROUGH: Geoff Dolan, City Manager

FROM:　　　Bruce Moe, Finance Director
　　　　　　　Sharon Koike, Assistant Finance Director
　　　　　　　Steve Charelian, Revenue Services Manager

DATE:　　　May 5, 2009

SUBJECT:　Consideration of Status Report on the Upgrade of the City Utility Billing System and Appropriation of Additional Funds Necessary to Complete the Project

RECOMMENDATION:

Staff recommends that the City Council: a) receive and file this report, b) approve the request for additional funds in the amount of $19,000 necessary to complete the utility billing project, and c) appropriate $6,334 from the Water Fund, $6,333 from the Waste Water Fund; and $6,333 from the Refuse Fund to complete the project.

FISCAL IMPLICATION:

Funds totaling $48,100 were originally budgeted in FY 2003 for the initial upgrade and implementation of the utility billing system. While those funds remain available, additional funds in the amount of $19,000 are needed to complete the project which includes providing the ability for customers to continue to pay online using their credit cards with the upgraded billing system, as well as providing enhancements such as electronic bill presentment (e.g., emailing the utility bills). These funds would be appropriated as follows: a) $6,334 from the Water Fund; b) $6,333 from the Waste Water Fund; and c) $6,333 from the Refuse Fund.

BACKGROUND:

In 1997, the City implemented a new Financial Management System (Eden). Phase I of the implementation was completed in 1996-1997 and the core modules installed provided a foundation for future growth. In 2001-2002, Finance completed most of Phase II and upgraded the core financial systems, with the exception of utility billing, to Eden's "Inforum Gold" product. Since Eden's "Gold" version of the utility billing module was still in the "beta test" phase, we delayed implementation until we believed the system was stable and tested. We are now in the process of implementing the new Utility Billing module.

DISCUSSION:

With the new Utility Billing module as the new standard, Eden has discontinued support for our current billing platform. In preparation for this change, we commenced conversion to the new

utility billing system in October 2008. Along with continuation of technical support, the upgraded system will provide enhanced reporting capabilities giving us the ability to extract water consumption and usage data customized to fit our reporting needs. This is especially important since we will be implementing tiered water rates and changing our water rate structure. It is vital to have the ability to extract data that can be used to analyze the direct impact of rate structure changes to our local businesses and residents.

In addition to support and enhanced reporting, the upgrade of the online payment web interface will enable us to complete electronic bill presentment. This will allow us to issue electronic water/refuse bills, which will improve customer service and ultimately reduce our overall cost of printing, postage and credit card processing fees (since we will now be able to collect our convenience fee on line which was previously not possible).

While funds totaling $48,100 were originally budgeted for this project, and are still available, additional funds in the amount of $19,000 are needed to complete this project. Those funds will be used to accommodate two additional vendor onsite trips for training, reporting, data conversion of an additional three years of historical data (which will be useful for our conservation efforts) and onsite support during the "go-live" phase (these costs total approximately $14,000). Additionally, in order to continue to provide online credit card payment services, and introduce electronic bill presentment capabilities, an additional $5,000 is required, bringing the total amount requested to $19,000. Funds are available in the Water, Waste Water and the Refuse Funds.

The schedule to complete this project includes having the vendor on site the last week of May for training and conversion assistance. We are anticipating going live in the new billing system the week of June 22nd. It is our goal to make a seamless transition for our customers. Going forward, the electronic bill presentment portion of the project is expected to be completed by September 2009. Staff will keep City Council apprised of the progress and final completion of this project.