



Water Utilities Convenience Fee Discussion

December 11, 2019



**WATER UTILITIES
LEE'S SUMMIT**

Safe and Reliable, Now and for Future Generations

Payment Options

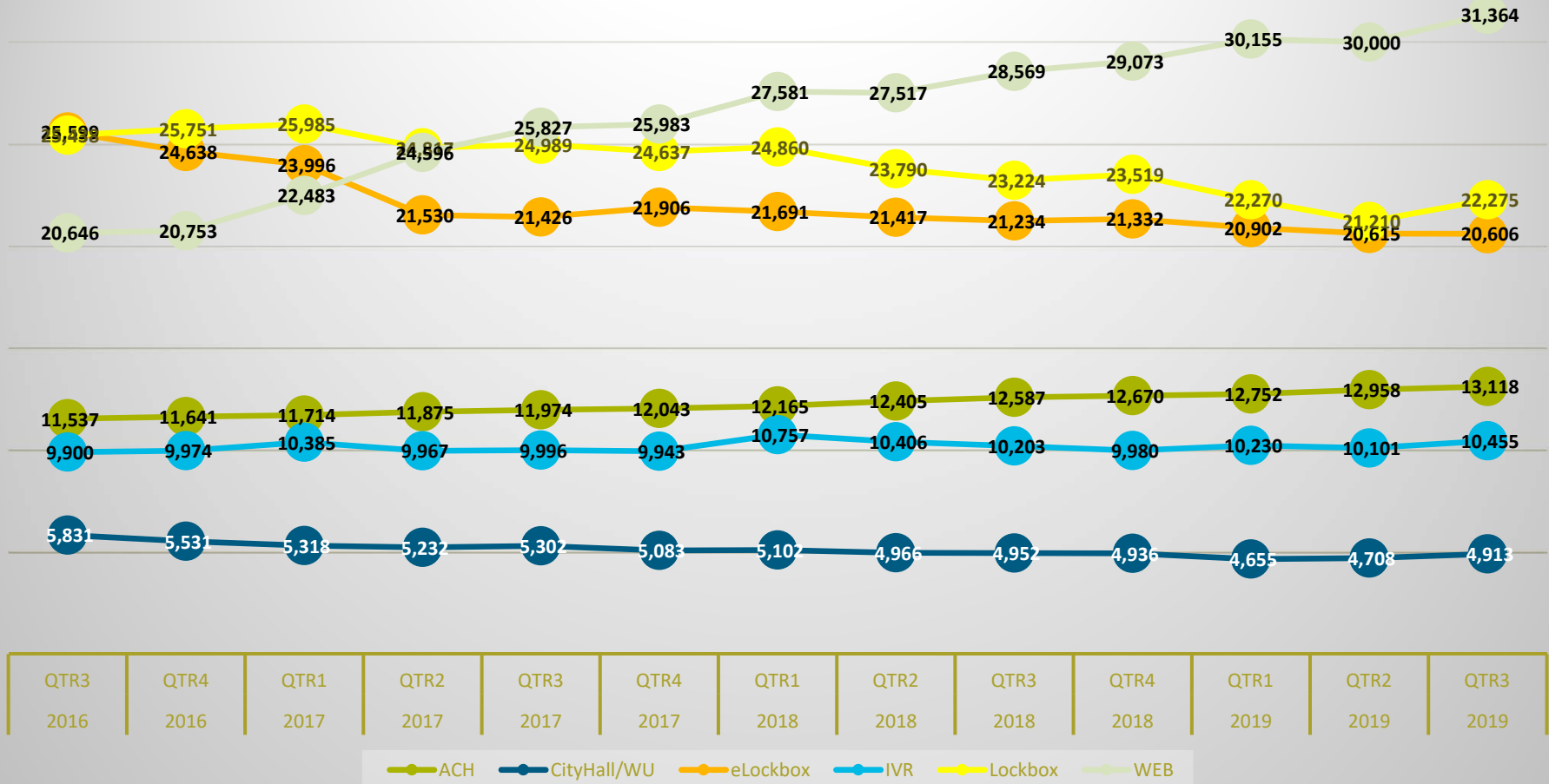


- Water Utilities offers multiple payment options
 - Mail to bank (Lockbox)
 - Customer's online banking (eLockbox)
 - Bank Draft (ACH)
 - UtilityLink web portal (WEB) via credit card
 - Telephone (IVR – Interactive Voice Response) via cc
 - Counter/Dropboxes at City Hall and Water Utilities

Trends



Payment Options



Credit Card Fees



- In FY19, combined cost for WEB & IVR transactions exceeded \$368,000
 - Included payment gateway and processing fees
- Staff issued an RFP and selected a new vendor for payment processing to enhance services.
 - IVR system was hosted locally that had aged and needed to be phased out.
 - Challenges with coordination with gateway provider and processor.
 - Limitations in telephone line availability of hosted IVR.
 - Security / PCI Compliance requirements.

Credit Card Fees



- In March of 2019, the RFP was awarded to Paymentus.
- Expected to “go live” by the end of January 2020.
- Features of new web portal and telephone payment system:
 - Additional bank card options
 - eCheck option
 - Schedule payments & recurring payments
 - Continued ebill option
 - Lower costs to Utility (est \$131,000 based on FY19)

Convenience Fees



- Customer Satisfaction Survey

As a customer, would you prefer the fee associated with paying your utility bill electronically be shared by all or charged individually?

— Customers responded

59% Individual Charged

30% Shared Cost

11% No response

Convenience Fees



- City while switching banking services contract determined that a 2.5% convenience fee was necessary to offset processing costs.
 - Implemented as of December 1st.
- Multiple other utilities, schools, counties charge convenience fees due to the processing costs.

Convenience Fees



- Question:
 - Should processing charges continue to be absorbed or should a convenience fee be applied to capture the costs of this payment option?
 - Current configuration of Paymentus system assumes an absorption of all processing charges but can be changed prior to “go live”

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Discussion

