



## Agenda Item Summary

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### Submitted By

Steven Drazner, CFO

### Reviewed By

CLP

### Agenda Item Title

**A Resolution Approving a Billing Services Agreement with Invoice Cloud, Inc. to Provide Electronic Utility Bill Presentment and Payment Services and Authorizing its Execution**

### Overview

When the Village went live with BS&A utility billing (water, sewer, refuse), the only available third party merchant processor which directly interacted in real time with BS&A for online payments was through the company Point & Pay (P&P). Unfortunately, staff has received several complaints from customers related to the P&P portal about the difficulty setting up recurring payments, especially for multi-account customers as well as general overall dissatisfaction with the P&P product. Staff agrees with those customers that the P&P system is rather inefficient and could use a great deal of improvement.

In effort to make the online bill paying system more user friendly, finance staff discussed the issue with BS&A and it was communicated that they now also use a competitor called Invoice Cloud which directly interacts with the BS&A utility billing database. Similar to P&P, Invoice Cloud, as denoted by its name, is a cloud based system and no sensitive credit card or other payment information would be directly stored on the Village's servers.

### Staff Recommendation

Approve attached agreement.

### Fiscal Impact

The costs under both vendors is variable and based on the number or amounts of transactions paid online. A comparison follows:

	Point & Pay	Invoice Cloud	Notes
Credit/Debit Card Fee	0.4% of amount	.75 per transaction	Breakeven transaction approx \$190
Electronic Check	\$0.65	\$0.50	I-Cloud non-recurring \$.75

Point & Pay credit/debit card transaction fees are based on the dollar amount of payment while Invoice Cloud charges a fixed \$.75 per transaction, regardless of the amount. Therefore, the breakeven point is \$190 where transactions below this threshold would cost less under P&P and those over would cost less under Invoice

Cloud.

Currently, the Village averages approximately 1,400 monthly transactions totaling in the \$350,000 to \$400,000 range, or about \$285 per transaction. Therefore, based on these historical averages, the Village would realize savings with the new vendor.

Since the cost to the Village will be variable based on number of transactions, a general estimate using 1,400 transactions per month would result in an annual cost of approximately \$12,600 excluding interchange fees (transaction costs charged by VISA, MC, Discover).

### **Background**

The Village began utilizing P&P in March 2017 when the new BS&A utility billing system went live. Since that time, there have been numerous customer complaints about the P&P system through no fault of the Village.

In effort to create a much better experience for customers, staff learned that Invoice Cloud can provide the same type of service for online bill payments as well as offer additional services such as mailing out electronic bills. The company provides its services to over 850 billers in 44 States and focuses on the municipal utility market. Staff received a demo from the Company, was quite impressed with its portal, and believes that residents will be much more satisfied with their online payment experience using Invoice Cloud. With added ease of use, it is anticipated that in addition to using the system to make online payments, many would also register for paperless billing which would further save the Village time and money. In addition, customers would be able to enroll in paperless billing online rather than calling water billing and there would also be additional payment options.

The implementation/transition time is expected to take anywhere from three to four months and while this is occurring there would be no disruption to the P&P system. Pursuant to the Village's contract with P&P, notice to terminate the contract with them would be given within 60 days of the automatic renewal date of March 27, 2018 and it is anticipated that Invoice Cloud would then go live April 1, 2018.

Finally, please note that Invoice Cloud would handle all the setup/implementation at no additional cost.

### **Alternatives**

Remain with Point & Pay

### **Previous Board Action**

N/A

### **Citizen Advisory Commission Action**

N/A

### **Anticipated Future Actions/Commitments**

N/A

### **Intergovernmental Cooperation Opportunities**

N/A

**Performance Management (MAP) Alignment**

N/A