



CITY OF FORT BRAGG

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COUNCIL COMMITTEE ITEM SUMMARY REPORT

MEETING DATE: December 6, 2017
TO: Finance and Administration Committee
FROM: Isaac Whippy, Government Accountant II
AGENDA ITEM TITLE: **Receive Report on Interactive Voice Response (IVR) System
“Pay by Phone” Program**

ISSUE:

Even though IVR (interactive voice response) is one of the oldest automation technologies in the payment industry, use of IVR has experienced double digit growth in recent years. This resurgence proves that having a modern, intuitive, and integrated IVR solution is critical to a successful bill-pay program and maximum customer adoption.

Accela (Springbrook) in conjunction with Selectron offers the “Pay over the Phone” Option similar to the Utility billing payment portal currently offered to the public on the City’s website. With the IVR system, customers will be able to make payments and check their account balances (24/7) without speaking to a live person similar to IVR systems employed by PG&E and other utility companies.

ANALYSIS:

Some of the positive features of the IVR system are:

- **Offers an alternative Payment Option for customers** who do not have access to a computer/internet or can’t make it down to City hall to pay their bills.
- IVR Menu options are available in **English & Spanish language**.
- **Waives the \$5 convenience fee** that we currently charge for a live person to take payments over the phone. The City would absorb the cost similar to the current payment portable costs on the City’s website.
- **Reduces Finance Department call volumes**. We usually receive our highest call volumes during the weeks when past due notices are sent out together with the 48 hour call notices. With the IVR, Customers would be able to get their account balance and also make a payment (24/7) without having to speak to finance personnel. This would free up Finance staff time to focus on more complex customer service issues that require a personal touch which in turn would lead to increased efficiency within the department.

- **Accepts all major credit card and electronic checks.** We currently do not accept American Express & Discover cards.
- **Will enable Finance Department to set up a workstation/kiosk for payments in the Finance lobby:** Having a computer (Quick Pay option-City's website) and a phone-IVR will allow staff to direct customers with credit cards to use this workstation and to help educate them on the simplicity of the process so they may take care of future transactions in the comfort of their homes.
- **Customer accounts are updated in real time.** Batches are automatically generated into Springbrook similar to the CC/ACH Batch.
- **Utility Notifications.** If configured, when a customer targeted for shut-off makes a payment via IVR, an email will be automatically sent to a designated Finance staff informing them, that payment has been made and the water service needs to be resumed. Further, Customers who are on the Shut-off List would be able to get a phone call informing them that their water has been Shut-off.
- **Proactive engagement with Customers.** An engaged and informed consumer has a higher propensity to pay bills in full and on time. The system includes broadcast messaging and outbound campaign capabilities using text, IVR and email vehicles to efficiently communicate important updates (e.g. Water Disruptions) or delinquency updates to Customers through SMS cell phone/phone calls. We are currently using *Database Management Phone System* for 48 hour notices; however we may want to review this option if we decide to implement the IVR with Accela.
- **Reduction in late payments.** Using outbound IVR for payment reminders in conjunction with inbound IVR to collect payments reduces late payments by at least 30% according to Accela.

Some of the drawbacks of the IVR system are:

- Similar to paying online, Customers need their account number to use the system. There are no other verification methods to access account using IVR.
- There will always be some customers who want to speak to a live person & are resistant to change and/or are unable or unwilling to use the technology.

Reviews:

Staff reached out to other agencies using the IVR System and nearly all of them had a positive experience, here are some of their responses:

- City of Rohnert Park - implemented the IVR System in July this year and has worked well for them. They have massively reduced call volume.
"The majority are adapting. The senior population still wants to talk to a live person."
- City of Washington – Have referred all customers paying with a CC to a Workstation set up in their lobby using the IVR & Quick Pay Option Portal-Website in their lobby.
- City of Auburn – Has deferred all CC counter processing to the IVR and a workstation in their lobby for customers to pay either with their CC or Over the Phone.
"Our customer service answered calls has been greatly reduced since implementing the inbound IVR. We had four customer service representatives when originally starting the program & now we have three. We had to transition it from suggesting they use the IVR to requiring them to use it. There will always be some customers who want to speak to a

person & is more resistant to change &/or technology. We processed a large volume of calls making credit card payments”

FISCAL IMPACT:

- Fees for the system are \$0.30 /per # of Active Water/Sewer accounts and an additional \$1,500 annually for a more sophisticated menu option for customers.

Total annual costs: \$2,310 or \$193/month.

Accela is willing to assist with costs to educate customers such as billing inserts.

- (Optional) \$4,500/annually access to 10,000 SMS messages.

IMPLEMENTATION/TIMEFRAMES:

If approved we would likely implement the system early in FY 2018-19. 3-5 months is the implementation period.

RECOMMENDATION:

Staff recommends implementing the Standalone IVR (\$810) & Blind Transfer first (\$1,500) and continue to monitor how customers react to the system. Subsequently, we can implement the IV Outbound of \$4,500 (annually). The costs for this would be budgeted either through a mid-year budget adjustment or in the FY 2018/19 Budget.

ATTACHMENTS:

1. Accela - IVR Quote.
2. IVR Call Flow Diagrams.
3. Pay By Phone Survey December 2016.