



Independence for All STRATEGIC PLAN 2017-2021

Values

How we use resources:

Responsible – We practice fiscal responsibility. We carefully plan for and spend our resources in appropriate, cost-effective ways.

Sustainable – We manage our resources wisely, using only what we need to meet the current needs of our citizens while also keeping in mind the needs of future generations.

Services are:

Quality – We provide safe, sustainable, and well-maintained public facilities and municipal services to residents and visitors.

Reliable – We protect public health and the environment by providing consistent, reliable, and efficient city services.

Solutions are found through:

Collaboration – We get more work done when we work across departments and partner with the community.

Open communication – We are clear with our ideas and decisions. We aim to build respect and trust, resolve our differences, and create a positive environment.

Our attitude is:

Congenial – We maintain a positive attitude and atmosphere because we treat everyone with respect and fairness.

Empathetic – We are able to step into someone else's shoes, listen, and understand another point of view.

Engaging – We actively engage our citizens to ensure that community concerns and aspirations are consistently understood and considered.

Responsive – We always respond to citizen concerns in a timely and efficient manner.

Trustworthy – Our promises instill trust in our actions and decisions.

Decision making:

Accountable – We accept responsibility for our actions. Our decisions have a real impact on the community and we follow our words with actions.

Credible – We employ experienced and qualified staff. We use trusted sources and our decisions are based on balanced and objective information.

Innovative – We don't shy away from new ideas. We think of creative ways to work together. Our open thinking helps us accomplish our goals.

Ethical – We make equitable, fair and just decisions because that's the right thing to do.

Transparent – We are open and honest with our decisions and supporting data.

Visionary – We make smart, long-term decisions that consider future needs.

indep.us/indep4all #Indep4All



INDEPENDENCE

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A GREAT AMERICAN STORY

Public Utilities Advisory Board Executive Meeting Agenda

June 15, 2023

2:30 PM, Independence Utilities Center 17221 E. 23rd St. So.

I. ROLL CALL

- A. Roll Call
 - 1. Minutes of 5-18-23

II. REPORTS

- A. Finance & Administration
 - 1. Questions on Utility Financial Reports - April 2023
- B. Municipal Services
- C. Water
 - 1. Q&A regarding the New Payment Platform Website - Requested by Mr. McLuckie
- D. IPL
 - 1. End of Contract for Solar Farm - Requested by Mr. Talcott
 - 2. Municipal Electric Rate - Requested by Mr. Talcott
- E. Deputy City Manager

III. BOARD MEMBER COMMENTS

Board Member Comments

IV. ADJOURNMENT

- A. Next Meeting Date July 20, 2023

City of Independence

AGENDA ITEM COVER SHEET

Agenda Title:

Roll Call

1. Minutes of 5-18-23

Department: City Manager's Office **Contact Person:** Adam Norris

REVIEWERS:

Power and Light Department

Approved

Board Action:

Board Action:

ATTACHMENTS:

- ▣ Minutes of May 18, 2023



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Municipal Services - Water - Power & Light

CITY OF INDEPENDENCE, MO
PUBLIC UTILITY ADVISORY BOARD

Public Utilities Advisory Board Meeting Minutes
May 18, 2023

PUAB MEMBERS PRESENT

Anthony Giaramita, Chairperson
David McDowell
Sheri Tindle
Les Boatright
Michael Talcott, Vice-Chairperson
Steve McLuckie

PRESENT FROM WATER

Dan Montgomery, Director
Matt McLaughlin, Deputy Director

PRESENT FROM MUNICIPAL SERV.

Lisa Phelps, Director
Mike Jackson, Deputy Director

PRESENT FROM IPL

Jim Nail, Director
Joe Hegendeffe, Deputy Director
Khristina Irvine, Fiscal Administrator

OTHERS PRESENT

Adam Norris, Deputy City Manager
Stephanie Harris, Accounting Mgr. - F&A
Riley Newton, Asst. Comm. Mgr.
Steve Wagner, City 7
Jeremy Cover, City Counselor

Chairperson, Anthony Giaramita called the meeting to order at 2:30 p.m.

I. ROLL CALL

- A. Roll Call - The board was able to establish a quorum. All members were present.
1. Approval of Minutes 4/20/23 – A motion was made to approve the minutes by Ms. Tindle. Mr. Talcott seconded the motion. Mr. Giaramita made a motion to amend the minutes and change that all members were present to all members were present except Mr. McLuckie on page one. Mr. McLuckie seconded the motion. All voted in favor, amended minutes motion passed. Mr. Boatright called point of order that we originally had a motion on the floor and there was not vote called. Roll was called and all voted in favor, to approve the minutes, motion passed.

II. DISCUSSION

- A. Discussion
1. Lucy Young of 2320 Viking Drive, Independence, MO 64050 requests to speak to the PUAB regarding the 4/25/23 Council Agenda, Non-Ordinance Item #3, Council action is requested to direct and authorize the City Manager to initiate a process to evaluate all options relative to the future ownership model of Independence Power & Light.



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Municipal Services - Water - Power & Light

CITY OF INDEPENDENCE, MO
PUBLIC UTILITY ADVISORY BOARD

Mr. McDowell said this is a lot of information that Ms. Young has passed out and I haven't had time to review but if we've been sitting on this and not sharing to help make recommendations, I'm flabbergasted. Ms. Young did this printing out of her own pocket. Mr. Talcott said how about we put this on the next agenda to discuss so we can have everyone better prepared and a more in-depth discussion.

Mr. Boatright asked Jim Nail if this study was shared with City Council. Jim responded he is not sure, this study was not done for IPL, it was done by Finance and not sure who they shared it with. Mr. Boatright asked if IPL had done other studies like this and shared with Council? Jim responded no, not that I'm aware of. Mr. Boatright said so Finance has seen this, but we don't know if anyone above has.

Mr. Talcott made a motion to place discussion of the Goldman Sachs study on the agenda for the June 15th meeting. Ms. Tindle seconded the motion. If Finance was heading this up and no leadership in Finance from 2018 is here at this time, to whom do we ask questions? Adam Norris answered, you could submit your questions and we will see if we can get some answers the best we can.

Mr. Talcott withdrew his original motion. Jim said he could try to reach out to Goldman Sachs to get additional info. Mr. Boatright made a second motion to send in questions to Khristina by June 1st to see if we can get answers. Ms. Tindle seconded the motion. All voted in favor, motion passed.

Adam Norris added that we may not be able to answer all of your questions since current staff did not commission this report. Jim said he would like to have a better understanding of how they came about this information and what info. they used to prepare this so he will continue to reach out to them and try to get questions answered.

2. Continue discussion on Council's Non-Ordinance Action Item Number 3 from 4/25/23 Council Agenda - Requested by Mr. Talcott. Mr. Giaramita made a motion to move topic four and discuss both items together. Mr. Boatright seconded the motion. All voted in favor, motion passed.

Mr. Giaramita asked Jeremy Cover to try to answer their questions submitted. Jeremy responded for the first question, did non-ordinance action item violate the charter since the Council didn't send to PUAB first? My position on that is no, because they really haven't done anything. All they have asked is for more info. I would expect the council to engage you if they move forward with anything. You don't have to wait for them to engage you if you would like to discuss or get more info. you can do that at any time.

Mr. Talcott responded that my issue is 3.18 of the charter, this section was read. In my first or second meeting this came up because several had heard a rumor that the city was trying to sell IPL, we were told it's a charter violation to even discuss selling, so we were to ignore the rumors. So, after ignoring the rumors, here we are again. I understand they can do whatever they want, however, they still need to present to PUAB board first and then they can agree or disagree and do whatever they want from there. So, this is black and white to me, they went against the charter. Jeremy responded, I can see where you are coming from and that is reasonable. My point is, this talks about policy, they haven't adopted a policy, they are just trying to get more info. No action of any kind has been taken as far as what the



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CITY OF INDEPENDENCE, MO PUBLIC UTILITY ADVISORY BOARD

future of IPL looks like. They are just trying to gather more info. Historically, would that have come to you also, that might be, but I can't speak to that, even if it wasn't an action. I can see why that is frustrating to you, but again since they haven't actually taken action it's not a charter violation. Again, nothing prevents you from taking the info. from this item, regardless of rather the council asks, you can formulate your recommendation and forward that to them. Also, there are many opportunities along this process for you all to weigh in and present your recommendations. Mr. Talcott said along with that you have now intertwined a few of our other questions. They have actually set a date to present by November 2023 at the earliest and no later than November of 2025, a vote to the public weather or not to sell IPL. They have taken action and directed the City Manager to start working on this and to find someone to do these two comparable studies. So, to me that looks very much like they have taken action because they have put the dates within their action. Jeremy responded and that's reasonable, and like I said you are entitled to your option, and I'm entitled to mine. At this point to me they haven't taken any action on a decision one way or the other and I would expect them to include you in this process at some point but even if they didn't give you that option, nothing is stopping you from giving them your recommendation.

Mr. Giaramita asked what would constitute an action? Jeremy responded if they had passed an ordinance to put a vote forward to the public to sell IPL, to me that would be an action. The level of what they did is essentially more of a directive, it isn't an ordinance, and nothing can officially happen with what they did, they are just starting the process and is not against the charter. We can agree to disagree.

Mr. Talcott added, you are right. But this has nothing to do with them stepping on our toes, I don't care about that, but I do care that when we are trying to represent the city that we do this as a board. Mr. Talcott read the charter section again, the point Mr. Walker made regarding the Municipal Court and council doing a study, is that they can't do a study because is says in the charter, there shall be a Municipal Court. In 3.12 of the charter, it says there shall be an Electric Utility Department, so even Mr. Walker made the statement the word shall is a very powerful word. And that powerful word says that we can't do it, so I'm using the same thing, the word shall. They skipped the process and eliminated PUAB, but they also put definite dates to put a vote to the public to sell. They have set a date and that is an action. Jeremy said that non-ordinance can't put anything on the ballot, you can't do that. Those dates are really just for the City Manager to have some direction for this directive. This doesn't seem to be a violation. Mr. Talcott responded, from day one I'm told we can even discuss selling IPL since it's against the charter, let alone put something forward to make the ball roll. It the beginning of an action.

Mr. Boatright said I think we are assuming the council has read and understood the charter. Most people have not. The late Karen DeLuccie read and understood the charter and would bring things up to council that things were a violation, and no one even realized it. When they put a date on it, it really means nothing unless they take additional action with it, they can also amend and change the directive as well. Is it worrisome that it didn't come to the PUAB, yes, seems like they put the cart before the horse. But they are looking for someone



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Municipal Services - Water - Power & Light

CITY OF INDEPENDENCE, MO
PUBLIC UTILITY ADVISORY BOARD

to come in and study IPL to see what we do, how can we change things, what needs to be done to keep rates as low as possible but still maintain the reliability and integrity of the system. While they probably should not have put a date to take it to the voters, they don't even know what they are asking for yet. It would have been nice if they talked to PUAB first and see what our thoughts were, I think the charter just slipped by them and they didn't even realize what it says. The charter needs a lot of work. The dates do bother me, but I think they put dates on it to move the process along. It will take a lot more discussion at the end. We can still make our intentions know that they violated the charter and be careful how they proceed and include the PUAB in the process.

Mr. Talcott added it's black and white to me and I stick by what I've said, and it violates the charter. They can do whatever they want but technically should come to us first.

Ms. Tindle asked if in the charter where it says we will have an Electric Utility Department, what would that involve, billing only and everything else is handled by someone else, not sure to what extent. That could be a direction the council is going. Jeremy added that I think what Ms. Tindle eluded to is if you read farther into the charter, 3.14, it says that the council by order can provide other public utilities, enterprises and services, which the city may operate, and also by ordinance may change the title of the department and the director to the department of public utilities and director of public utilities respectively. While it does say in 3.12 & 3.13 there shall be an Electric Utility, the director is the director, it also then in 3.14 says the council can change that. A director of utilities could encompass any number of functions. Second, how can they sell if the charter says this, there was a desire to be overly cautious, what could be done is a question on the ballot, shall IPL be sold and should section 3.12 be updated accordingly, or something like that. There is no set way that the charter has to go through a charter review commission. The council could just put that on the ballot to the people to amend it. So, if there was a desire to clean up the charter in that respect to sell IPL you could put a ballot question to sell and make those changes. But there is more flexibility in the charter than how it might appear.

Mr. Giaramita asked what's the point of having a charter if you can just put it to a ballot and change it anytime. Jeremy responded, the point is the charter is what it says, like it or not, agree with me or not, in this case it gives both some flexibility in this particular situation in terms of changing the names of the department and the director and secondly, any of it can be changed if the voters vote to change it. That is for the entire charter, it can be changed. We are bound by it but it's also subject to interpretation and subject to amendment by the people. Mr. Giaramita added it doesn't seem like we are bound by it.

Mr. Talcott added that we have seemed to have already discussed #2 but seems to me they are putting the cart before the horse. Jeremy added, I will respectfully disagree, I don't think this is relying on any new charter language and that would be a long process. I am looking at how the charter is today, and they have flexibility to change some things and voters can approve the changes.

Mr. Talcott asked if the utility were to be sold, what would happen to the funds. It's my understanding that they can't just throw that into the general fund it would have to go back to the ratepayers. Jeremy responded it says it shall not be operated for the benefit of the



INDEPENDENCE
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Municipal Services - Water - Power & Light

CITY OF INDEPENDENCE, MO
PUBLIC UTILITY ADVISORY BOARD

other municipal functions. Once it's sold it's not being operated anymore. Operations means ongoing, once sold it ceases operation, so does this even apply at all. To the extent that the leftover should be applied to rate reductions, again if you don't have an electric utility anymore you can't reduce rates. I understand where you are coming from but again, I don't think it contemplates a sell and I don't think the current language, to the extent there was some surplus, keeps from putting that towards another function.

Ms. Tindle added I feel like the word profit going back to the ratepayers, the sale itself would be a profit. Jeremy added it doesn't say it will go back to the ratepayers, it says there shall be a rate reduction and again my point is if you don't have an electric utility, you don't have any rates to reduce.

3. Discussion about inviting representative from APPA to come speak to PUAB - Requested by Mr. Talcott.

Mr. Talcott asked if the utility could reach out to APPA as members, to have a representative weigh in on the pros, cons, etc., of our own utility. Jim responded we could certainly make a request of APPA but if I could make a suggestion, why don't we start with the Missouri Public Utility Alliance (MPUA). MPUA is an alliance of municipal utilities right here in Missouri, so they are familiar with Missouri utilities. The current president of MPUA is a former chair of the utilities in Springfield, he has lots of relevant experience that might be of a benefit to you all. Think we would have higher likelihood of him coming that someone from APPA. APPA is scattered all over the country, but MPUA is right here in Columbia. He is also a past chair of APPA. He has a lot of relevant experience.

Mr. Talcott made a motion to have Mr. Nail contact the APPA past president and see when he might be able to come speak to the PUAB. Mr. Giaramita seconded the motion. All voted in favor, motion passed.

4. PUAB Questions to Jeremy Cover, City Counselor - Requested by Mr. Talcott. Covered within #2 above.

III. REPORTS

A. Finance & Administration

1. Questions on Utility Financial Reports – March 2023 – Stephanie Harris reported that all previous variants still apply. Fund balance/cash reserves are looking good.
Mr. McDowell asked if Stephanie could try to find out how much the previous studies cost and share with PUAB.

B. Municipal Services

1. Questions on Sewage Sludge to Farmers and PFAS – Requested by Mr. McLuckie
Mr. McLuckie said he found an article that said Maine had banned selling PFAS to farmers since the fields got contaminated. So, do we test for PFAS? Mike Jackson responded that we do not, it is not required by the state or the feds. Maine, New Hampshire, Vermont, and a couple of others in the northeast do require it within their states. They set their own limits and the feds have not set limits yet. Missouri is waiting for those to be set or for us to set the limits with the feds. More than likely we might have to add that in next year but as of now we are not testing. Mr. McLuckie asked if we sell to farmers now? Mike answered,



INDEPENDENCE

★ UTILITIES ★

Municipal Services - Water - Power & Light

CITY OF INDEPENDENCE, MO PUBLIC UTILITY ADVISORY BOARD

we do not sell, we actually pay a third party to take out sludge and land apply it versus taking it to the landfill. Which is about 50% cheaper than the landfill. Synegrow picks it up and applies to farmers fields. We are supplying a class B product which can go to these fields that produce food for animals but not for human consumption. We are prepared to provide a class A product in the future when there is a demand. But at this point there is no demand in Missouri for that. We invite everyone to take a tour of the lime stabilization process. Lisa Reynolds added they are still tweaking our process and won't be quite ready, will take a little while.

2. Water – Dan Montgomery said you didn't ask if we tested for it, but we do test for it. We are at a minimum risk level. Also, Dan gave everyone a copy of a report that will be included in the next bill on testing of Independence water.
3. IPL – Jim Nail said I don't have anything extra.
Ms. Tindle asked about the battery operation, are they functioning, etc. Jim responded that is still at the proposal stage with SPP.
4. Deputy City Manager –Adam Norris said nothing today.

IV. UPCOMING ITEMS

A. Finance & Administration – Go over Details of Financials

Mr. Boatright said this has been on for quite some time. Let's take this off the upcoming items. Stephanie added we are going to change how we are doing some of the financials, we will take this off until we change things but feel free to ask any questions at any time.

Mr. Boatright made a motion to remove under the upcoming items, A - Finance and Administration, go over details of financials since it's redundant. Ms. Tindle seconded the motion. All voted in favor, motion passed.

V. BOARD MEMBER COMMENTS

A. Board Member Comments – None

VI. ADJOURNMENT – Meeting adjourned at 3:45 p.m.

A. The next meeting will be June 15, 2023.

City of Independence

AGENDA ITEM COVER SHEET

Agenda Title:

Finance & Administration

1. Questions on Utility Financial Reports - April 2023

Department: Finance &
Administration

Contact Person: Cindy Gray

REVIEWERS:

Power and Light Department

Approved

Board Action:

Board Action:

ATTACHMENTS:

- PUAB Utility Financials with CIP - April 2023

CITY OF INDEPENDENCE, MISSOURI
 Budgetary Comparison Schedule
 Power and Light
 For the period ended April 30, 2023

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance with Amended Budget	Percent Actual 83.33% of Year	Percent From Budget
	Original	Amended				
Operating Revenues:						
Charges for Services	\$ 131,606,000	131,606,000	119,108,157	(12,497,843)	90.50%	7.17%
Penalties	1,000,000	1,000,000	1,276,263	276,263	127.63%	44.30%
Connection Charges	33,000	33,000	5,581	(27,419)	16.91%	-66.42%
Miscellaneous	—	—	47,874	47,874	0.00%	-83.33%
Temporary Service	1,000	1,000	950	(50)	95.00%	11.67%
Rental Income	276,000	276,000	296,142	20,142	107.30%	23.97%
Transmission Wheeling	7,000,000	7,000,000	6,138,756	(861,244)	87.70%	4.37%
Total Operating Revenues	139,916,000	139,916,000	126,873,723	(13,042,277)	90.68%	7.35%
Operating Expenses:						
Personnel Services	28,729,037	28,729,037	22,607,235	6,121,802	78.69%	-4.64%
Retiree Benefits	1,460,000	1,460,000	1,236,681	223,319	84.70%	1.37%
Other Services	26,956,585	26,911,285	26,408,161	503,124	98.13%	14.80%
Supplies	55,603,355	55,603,905	52,516,230	3,087,675	94.45%	11.12%
Capital Projects	5,305,000	14,289,794	5,162,381	9,127,413	36.13%	-47.20%
Capital Operating	1,400,225	1,444,975	541,309	903,666	37.46%	-45.87%
Debt Service	7,896,466	7,896,466	2,842,595	5,053,871	36.00%	-47.33%
Other Expenses	100,000	100,000	—	100,000	0.00%	-83.33%
Total Operating Expenses	127,450,668	136,435,462	111,314,592	25,120,870	81.59%	-1.74%
Nonoperating Revenues (Expenses):						
Investment Income	118,000	118,000	1,282,888	1,164,888	1087.19%	1003.86%
Interfund Charges for Support Services	2,011,000	2,011,000	1,711,090	(299,910)	85.09%	1.76%
Miscellaneous Revenue (Expense)	15,700	15,700	687,787	672,087	4380.81%	4297.48%
Total Nonoperating Revenue (Expenses)	2,144,700	2,144,700	3,681,765	1,537,065	171.67%	88.34%
Income (Loss) Before Transfers	14,610,032	5,625,238	19,240,896	13,615,658	342.05%	258.72%
Capital Contributions	—	—	—	—	0.00%	-83.33%
Transfers Out – Utility Payments In Lieu of Taxes	(13,000,000)	(13,000,000)	(12,607,261)	(392,739)	96.98%	13.65%
Transfers In	—	—	—	—	0.00%	-83.33%
Transfers Out	—	—	—	—	0.00%	-83.33%
Total Transfers	(13,000,000)	(13,000,000)	(12,607,261)	(392,739)	96.98%	13.65%
Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses, Budget Basis	\$ 1,610,032	(7,374,762)	6,633,635	14,008,397		
Beginning Available Resources			49,405,589			
Prior Period Adjustment			—			
Year-End Investment Market Value Adjustment			—			
Ending Available Resources			<u>56,039,224</u>			
Revenue Risk			5,300,000			
Capital Reserve			3,000,000			
Expense Risk			18,700,000			
Working Capital			25,500,000			
Targeted Reserve Level			<u>52,500,000</u>			
Total Non-Restricted Resources Available			\$ 3,539,224			

**Power and Light - Open Capital Projects
As of April 30, 2023**

PROJECT	PROJECT TITLE	ORIGINAL BUDGET	NET BUDGET AMENDMENTS	REVISED BUDGET	ENCUMBRANCES	ACTUALS	AVAILABLE BUDGET
200815	T&D Sys IMPROVEMENTS	\$ -	833,939.48	833,939.48	549,755.34	63,315.00	220,869.14
200824	Prod Pit MISC PROJECTS	-	68,257.76	68,257.76	-	-	68,257.76
200828	FIBER OPTIC PROGRAM	-	198,999.72	198,999.72	108,689.23	114,949.12	(24,638.63)
201106	69 KV SUBSTATION FACILITIES	-	321,078.50	321,078.50	26,893.81	56,592.75	237,591.94
201405	SUBSTATION SECURITY PROJECT	-	235,149.64	235,149.64	68,141.72	-	167,007.92
201509	NEW BILLING Sys	-	22,047.36	22,047.36	-	-	22,047.36
201510	Sys OpS / DISPATCH	-	44,634.77	44,634.77	33,430.50	1,600.00	9,604.27
201603	69 KV Trans LINE REBUIL	-	1,356,365.47	1,356,365.47	513,273.37	147,914.19	695,177.91
201604	Sys OpS / UPS UPGRAD	-	45,493.59	45,493.59	-	-	45,493.59
201605	Sys OpS WORK AREA	-	619,842.18	619,842.18	-	-	619,842.18
201606	NEW FINANCIAL MANAGEMENT SYS	-	200,000.00	200,000.00	-	-	200,000.00
201702	Prod FACILITIES IMPROVE	-	475,477.00	475,477.00	131,945.00	171,416.00	172,116.00
201703	BV GROUND WATER	-	369,648.98	369,648.98	22,523.78	59,540.18	287,585.02
201706	SUBSTATION K SWITCHGEAR &	-	963,211.67	963,211.67	202,802.46	760,218.75	190.46
201707	MASTER PLAN-FUTURE GENERATIO	-	32,500.00	32,500.00	-	-	32,500.00
201710	Mo CITY DIVESTITURE	-	450,681.26	450,681.26	364,306.11	86,374.65	0.50
201804	SUBSTATION E SWITCHGEAR REPLACEMENT	-	5,159,198.91	5,159,198.91	1,738,296.21	1,436,349.20	1,984,553.50
202004	Above Ground Fuel Storage Tanks	-	41,800.00	41,800.00	-	-	41,800.00
202101	Substation Fiber Optic Network	-	913,263.62	913,263.62	17,925.00	80,344.39	814,994.23
202102	Traffic Controller Upgrades	-	66,000.00	66,000.00	19,686.00	9,658.00	36,656.00
202103	Traffic Camera System Upgrades	-	51,837.00	51,837.00	-	-	51,837.00
202107	Motorola APX Radio Purchase Phase 2	-	67,716.89	67,716.89	-	-	67,716.89
202108	Operations APC UPS Battery Replace	-	110,000.00	110,000.00	-	10,300.00	99,700.00
202110	20MVAR Capacitor Bank Sub A	-	520,726.57	520,726.57	36,488.32	330,037.46	154,200.79
202111	Transmission Pole Replacement Prog	-	888,487.14	888,487.14	71,367.65	322,319.96	494,799.53
202201	Substation A Transformer T-9 Mtce	-	180,000.00	180,000.00	70,425.00	-	109,575.00
202204	Relay Test Set	-	80,103.50	80,103.50	-	80,103.50	-
202205	Desert Storm Switchgear Cabinets	-	500,000.00	500,000.00	249,977.25	-	250,022.75
202206	T & D Road Improvement Projects	500,000.00	-	500,000.00	159,745.00	-	340,255.00
202208	Traffic Signal Detection Systems	-	26,235.00	26,235.00	4,600.00	-	21,635.00
202210	IPL Service Center PBX Upgrade to I	-	85,000.00	85,000.00	-	-	85,000.00
202211	H-5 Hot Gas Path Inspection	-	1,170,634.91	1,170,634.91	-	931,237.66	239,397.25
202304	Controls Software Upgrade	-	500,000.00	500,000.00	316,185.80	135,508.20	48,306.00
202305	PLSC Operations Area HVAC Upgrade	-	100,000.00	100,000.00	-	-	100,000.00
202306	Substation A Blockhouse Roof Repl	75,000.00	-	75,000.00	49,978.00	-	25,022.00
202307	Emergent Maintenance Production	500,000.00	-	500,000.00	-	-	500,000.00
202308	Substn & Trans Upgrade &Replacement	400,000.00	-	400,000.00	1,402.58	10,158.29	388,439.13
202316	Construct 6 New Dist Feeders Sub S	450,000.00	-	450,000.00	114,227.79	5,873.21	329,899.00
202317	H5 Combustion Turbine Repair	-	2,199,611.97	2,199,611.97	1,795,534.99	404,077.15	(0.17)
9669	SERVICE CTR FACILITY IMPROVE.	-	520,084.17	520,084.17	4,060.50	-	516,023.67
		\$ 1,925,000.00	19,418,027.06	21,343,027.06	6,671,661.41	5,217,887.66	9,453,477.99

	Current Year	Prior Year	
	Budget	Budget (Enc Roll)	Total
Budget	\$ 14,289,793.73	7,053,233.33	21,343,027.06
Less Expenditures	1,010,023.39	4,207,864.27	5,217,887.66
Less Encumbrances	4,152,357.98	2,519,303.43	6,671,661.41
Total Available	\$ 9,127,412.36	326,065.63	9,453,477.99

CITY OF INDEPENDENCE, MISSOURI
 Budgetary Comparison Schedule
 Water
 For the period ended April 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budget Basis)</u>	<u>Variance with Amended Budget</u>	<u>Percent Actual 83.33% of Year</u>	<u>Percent From Budget</u>
	<u>Original</u>	<u>Amended</u>				
Operating Revenues:						
Charges for Services	\$ 32,165,000	32,165,000	28,417,734	(3,747,266)	88.35%	5.02%
Penalties	100,000	100,000	392,776	292,776	392.78%	309.45%
Connection/Disconnection Charges	12,000	12,000	17,929	5,929	149.41%	66.08%
Miscellaneous	10,000	10,000	17,706	7,706	177.06%	93.73%
Returned Check Charges	23,000	23,000	24,885	1,885	108.20%	24.87%
Rental Income	85,000	85,000	112,391	27,391	132.22%	48.89%
Meter Repairs	—	—	—	—	0.00%	-83.33%
Merchandising Jobbing	—	—	7,746	7,746	0.00%	-83.33%
Total Operating Revenues	32,395,000	32,395,000	28,991,167	(3,403,833)	89.49%	6.16%
Operating expenses:						
Personnel Services	9,646,673	9,646,673	6,931,416	2,715,257	71.85%	-11.48%
Retiree Benefits	364,000	364,000	295,073	68,927	81.06%	-2.27%
Other Services	13,703,182	13,703,182	8,700,615	5,002,567	63.49%	-19.84%
Supplies	2,840,700	2,840,700	3,206,834	(366,134)	112.89%	29.56%
Capital Projects	7,800,000	22,584,919	8,474,946	14,109,973	37.52%	-45.81%
Capital Operating	1,134,500	1,134,500	598,939	535,561	52.79%	-30.54%
Debt Service	2,526,400	2,526,400	2,240,826	285,574	88.70%	5.37%
Other Expenses	50,000	50,000	—	50,000	0.00%	-83.33%
Total Operating Expenses	38,065,455	52,850,374	30,448,649	22,401,725	57.61%	-25.72%
Nonoperating Revenues (Expenses):						
Investment Income	657,138	657,138	1,131,032	473,894	172.11%	88.78%
Interfund Charges for Support Services	3,300,500	3,300,500	2,799,349	(501,151)	84.82%	1.49%
Miscellaneous Revenue (Expense)	16,700	16,700	38,257	21,557	229.08%	145.75%
Total Nonoperating Revenue (Expenses)	3,974,338	3,974,338	3,968,638	(5,700)	99.86%	16.53%
Income (Loss) Before Transfers	(1,696,117)	(16,481,036)	2,511,156	18,992,192	-15.24%	-98.57%
Transfers Out – Utility Payments In Lieu of Taxes	(2,941,000)	(2,941,000)	(2,761,064)	(179,936)	93.88%	10.55%
Transfers In	—	—	—	—	0.00%	-83.33%
Transfers Out	—	—	—	—	0.00%	-83.33%
Total Transfers	(2,941,000)	(2,941,000)	(2,761,064)	(179,936)	93.88%	10.55%
Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses, Budget Basis						
	\$ (4,637,117)	(19,422,036)	(249,908)	19,172,128		
Beginning Available Resources			48,655,139			
Year-End Investment Market Value Adjustment			—			
Ending Available Resources			48,405,231			
Revenue Risk			2,000,000			
Capital Reserve			6,100,000			
Expense Risk			700,000			
Working Capital			5,600,000			
Targeted Reserve Level			14,400,000			
Total Non-Restricted Resources Available			\$ 34,005,231			

**Water - Open Capital Projects
As of April 30, 2023**

PROJECT	PROJECT TITLE	ORIGINAL BUDGET	NET BUDGET AMENDMENTS	REVISED BUDGET	ENCUMBRANCES	ACTUALS	AVAILABLE BUDGET
400708	TREATMENT PIT DISCHARGE	\$ -	300,000.00	300,000.00	82,458.39	15,541.61	202,000.00
400904	EAST INDEPENDENCE INDUSTRY PARK	-	674,000.00	674,000.00	-	-	674,000.00
401003	FUTURE Prod WELLS	500,000.00	962,596.00	1,462,596.00	1,231,908.00	270.00	230,418.00
401301	23RD ST MAIN REPLACEMENT	-	311,672.57	311,672.57	2,811.00	-	308,861.57
401402	LAGOON CLEANOUT	-	24,559.00	24,559.00	-	49,059.00	(24,500.00)
401505	Dist Sys IMPROVE	-	244,781.00	244,781.00	-	-	244,781.00
401506	TRUMAN ROAD BOOSTER STATION	-	106,569.52	106,569.52	-	-	106,569.52
401601	FILTER BACKWASH OUTFALL	-	190,325.00	190,325.00	-	-	190,325.00
401602	Pit DISCHARGE OUTFALL	-	459,824.48	459,824.48	-	-	459,824.48
401605	COURTNEY BEND BASIN CATWALK	-	10,020.00	10,020.00	-	-	10,020.00
401608	LIME SILO	-	4,249,256.24	4,249,256.24	3,550,349.72	320,384.12	378,522.40
401703	Maint BUILDING AT CBP	-	200,000.00	200,000.00	-	-	200,000.00
401704	VAN HORN RESERVOIR IMPROVE	-	(49,699.58)	(49,699.58)	-	-	(49,699.58)
401802	6" Main Replacement James Downey Rd	-	250,087.60	250,087.60	-	-	250,087.60
401804	Filter Valve House Roof Improvement	-	97,292.00	97,292.00	-	-	97,292.00
401808	VFD Drive Replacements HSP 2 & 4	-	230,967.00	230,967.00	-	-	230,967.00
401818	30" Steel Transmission Main Assess	-	156,300.00	156,300.00	-	-	156,300.00
401821	Main Replacement-32nd/Hunter/Bird	-	91,000.00	91,000.00	-	-	91,000.00
401822	Main Replacement-24Hwy/Northern/RR	-	240,166.00	240,166.00	-	-	240,166.00
402002	39th Street Reservoir	-	2,170,212.30	2,170,212.30	815,358.30	1,396,304.90	(41,450.90)
402004	Main Replace Walnut/Leslie/LeesSumm	-	81,218.73	81,218.73	-	-	81,218.73
402007	Courtney Bend Emergency Generator	-	1,150,000.00	1,150,000.00	-	-	1,150,000.00
402008	Wellfield Overhead Electrical Imp	-	1,000,000.00	1,000,000.00	-	-	1,000,000.00
402009	Main Replace Sheley/Claremont/Norw	-	188,790.00	188,790.00	-	-	188,790.00
402010	Main Replace Gudgell/Dodgion/KingsH	-	697,170.77	697,170.77	58,945.88	535,092.39	103,132.50
402011	Main Replace Salisbury/Peck/Geospac	-	1,179,100.00	1,179,100.00	223,075.00	833,175.00	122,850.00
402012	College Avenue Improvements	-	250,000.00	250,000.00	-	-	250,000.00
402101	Main Replacement Ralston 31st/29th	-	364,255.00	364,255.00	329,948.30	2,398.20	31,908.50
402102	Main Replacement 3rd St & Jennings	-	440,798.00	440,798.00	771.25	4,013.75	436,013.00
402103	Main Replacement Truman Road	-	540,502.00	540,502.00	112,497.65	385,842.35	42,162.00
402104	Lime Slaker No 5	-	350,000.00	350,000.00	-	-	350,000.00
402105	Main Replacement Sheley	-	98,565.00	98,565.00	-	9,335.50	89,229.50
402106	Main Replacement Sheley & Northern	-	1,017,766.50	1,017,766.50	526,167.70	32,460.30	459,138.50
402107	Facility Improvements/Const/Maint	1,500,000.00	250,000.00	1,750,000.00	85,122.50	14,877.50	1,650,000.00
402108	Basin Drive Improvements	-	340,523.00	340,523.00	-	-	340,523.00
402201	Roof Improvements	-	250,000.00	250,000.00	-	269,500.00	(19,500.00)
402203	Lime Slaker No 1	-	350,000.00	350,000.00	-	-	350,000.00
402207	CB Electrical Switchgear Improvemen	-	200,000.00	200,000.00	-	-	200,000.00
402301	IT Infrastructure Upgrade	150,000.00	-	150,000.00	-	135,927.70	14,072.30
402302	HSPS HVAC Improvements	250,000.00	-	250,000.00	106,520.00	-	143,480.00
402303	Lime Silo Recoating	400,000.00	-	400,000.00	-	-	400,000.00
9749	MAIN REPLACEMENT PROGRAM	-	3,794,153.67	3,794,153.67	1,126,854.70	344,320.70	2,322,978.27
9952	SECURITY UPGRADES	-	517,590.82	517,590.82	6,202.03	62,884.43	448,504.36
		\$ 2,800,000.00	23,980,362.62	26,780,362.62	8,258,990.42	4,411,387.45	14,109,984.75

	Current Year	Prior Year	Total
	Budget	Budget (Enc Roll)	
Budget	\$ 22,584,918.85	4,195,443.77	26,780,362.62
Less Expenditures	1,252,553.08	3,158,834.37	4,411,387.45
Less Encumbrances	7,222,393.32	1,036,597.10	8,258,990.42
Total Available	\$ 14,109,972.45	12.30	14,109,984.75

CITY OF INDEPENDENCE, MISSOURI
 Budgetary Comparison Schedule
 Sanitary Sewer
 For the period ended April 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budget Basis)</u>	<u>Variance with Amended Budget</u>	<u>Percent Actual 83.33% of Year</u>	<u>Percent From Budget</u>
	<u>Original</u>	<u>Amended</u>				
Operating revenues:						
Charges for Services	\$ 35,821,585	35,821,585	29,798,820	(6,022,765)	83.19%	-0.14%
Penalties	200,000	200,000	133,172	(66,828)	66.59%	-16.74%
Total operating revenues	<u>36,021,585</u>	<u>36,021,585</u>	<u>29,931,992</u>	<u>(6,089,593)</u>	<u>83.09%</u>	<u>-0.24%</u>
Operating expenses:						
Personnel Services	6,796,986	6,796,986	4,682,880	2,114,106	68.90%	-14.43%
Retiree Benefits	348,000	348,000	300,635	47,365	86.39%	3.06%
Other Services	15,594,591	15,594,591	11,206,440	4,388,151	71.86%	-11.47%
Supplies	1,285,100	1,279,600	763,326	516,274	59.65%	-23.68%
Capital Projects	1,750,000	14,137,113	1,128,330	13,008,783	7.98%	-75.35%
Capital Operating	593,000	598,500	523,057	75,443	87.39%	4.06%
Debt Service	6,239,100	6,239,100	5,134,792	1,104,308	82.30%	-1.03%
Other Expenses	—	—	—	—	0.00%	-83.33%
Total Operating Expenses	<u>32,606,777</u>	<u>44,993,890</u>	<u>23,739,460</u>	<u>21,254,430</u>	<u>52.76%</u>	<u>-30.57%</u>
Nonoperating Revenues (Expenses):						
Investment Income	326,000	326,000	723,075	397,075	221.80%	138.47%
Miscellaneous Revenue (Expense)	7,900	7,900	134,085	126,185	1697.28%	1613.95%
Total Nonoperating Revenue (Expenses)	<u>333,900</u>	<u>333,900</u>	<u>857,160</u>	<u>523,260</u>	<u>256.71%</u>	<u>173.38%</u>
Income (Loss) Before Transfers	<u>3,748,708</u>	<u>(8,638,405)</u>	<u>7,049,692</u>	<u>15,688,097</u>	<u>-81.61%</u>	<u>-164.94%</u>
Transfers Out – Utility Payments In Lieu of Taxes	(3,596,612)	(3,596,612)	(2,998,659)	(597,953)	83.37%	0.04%
Transfers In	10,000	10,000	10,000	—	100.00%	16.67%
Transfers Out	—	—	(1,724)	1,724	0.00%	-83.33%
Total Transfers	<u>(3,586,612)</u>	<u>(3,586,612)</u>	<u>(2,990,383)</u>	<u>(596,229)</u>	<u>83.38%</u>	<u>0.05%</u>
Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses, Budget Basis	<u>\$ 162,096</u>	<u>(12,225,017)</u>	<u>4,059,309</u>	<u>16,284,326</u>		
Beginning Available Resources			31,326,433			
Year-End Investment Market Value Adjustment			—			
Ending Available Resources			<u>35,385,742</u>			
Revenue Risk			1,200,000			
Capital Reserve			4,000,000			
Expense Risk			700,000			
Working Capital			6,800,000			
Targeted Reserve Level			<u>12,700,000</u>			
Total Non-Restricted Resources Available			<u>\$ 22,685,742</u>			

Sanitary Sewer - Open Capital Projects
As of April 30, 2023

PROJECT	PROJECT TITLE	ORIGINAL BUDGET	NET BUDGET AMENDMENTS	REVISED BUDGET	ENCUMBRANCES	ACTUALS	AVAILABLE BUDGET
301201	BURR OAK EAST	-	1,035,327.15	1,035,327.15	-	-	1,035,327.15
301202	CRACKERNECK-VAN HOOK SEWER	-	529,163.59	529,163.59	-	-	529,163.59
301603	RCTP FACILITIES ROOF, CEILING	-	170,925.00	170,925.00	-	-	170,925.00
301701	SCADA UPGRADE	-	139,743.08	139,743.08	7,330.16	54,856.46	77,556.46
301705	16TH/SCOTT	-	357,362.29	357,362.29	-	1,622.92	355,739.37
301706	TREATMENT FACILITY IMPROVEMENT	-	369,539.84	369,539.84	4,682.20	60,171.64	304,686.00
301804	ROCK CREEK EFFLUENT STRUCTURE	-	332,776.94	332,776.94	-	11,327.01	321,449.93
302002	Arlington Improvements	-	100,000.00	100,000.00	-	-	100,000.00
302003	Bison Park	-	107,079.84	107,079.84	37,201.34	34,400.41	35,478.09
302004	Neighborhood Projects 2019-20	-	1,910,076.49	1,910,076.49	30,392.50	6,372.26	1,873,311.73
302005	Biosolids Handling	-	2,397,533.81	2,397,533.81	15,301.02	1,390,546.14	991,686.65
302006	Raw Pumps & Screening	-	900,000.00	900,000.00	15,723.30	304,997.29	579,279.41
302007	Electrical Substation Rehab	-	158,690.00	158,690.00	29,351.00	-	129,339.00
302008	RCTP Fence	-	143,950.24	143,950.24	-	107,934.68	36,015.56
302009	Truman & Harris	-	50,000.00	50,000.00	-	-	50,000.00
302101	Sanitation Sewer Evaluation Survey	-	106,982.83	106,982.83	21,301.63	-	85,681.20
302102	Raymond Harkless Mills San Imp	-	200,000.00	200,000.00	-	-	200,000.00
302103	Pump Station Imp & Maintenance	-	568,240.98	568,240.98	-	-	568,240.98
302104	Polymer System Relocation	-	100,000.00	100,000.00	-	-	100,000.00
302105	Piping Rehabilitation	-	585,933.69	585,933.69	14,332.50	-	571,601.19
302201	Upper Adair Interceptor	-	800,000.00	800,000.00	293,200.00	-	506,800.00
302202	Crackerneck Creek Slope Rehab	-	1,877,276.90	1,877,276.90	60,574.07	17,521.08	1,799,181.75
302203	Sanitary Sewer Main Reloc from Stre	-	400,000.00	400,000.00	-	-	400,000.00
302204	RCTP - Septic Pumper	-	300,000.00	300,000.00	-	-	300,000.00
302205	Clarifier Rehabilitation	-	1,405,823.97	1,405,823.97	46,265.45	189,436.74	1,170,121.78
302206	Railing Safety RCPS & SCPS	-	215,000.00	215,000.00	191,950.00	-	23,050.00
302301	Sludge Thickening Process Improve	400,000.00	-	400,000.00	-	-	400,000.00
9757	TRENCHLESS TECHNOLOGY	100,000.00	995,405.40	1,095,405.40	297,674.47	349,278.56	448,452.37
		\$ 500,000.00	16,256,832.04	16,756,832.04	1,065,279.64	2,528,465.19	13,163,087.21

	Current Year	Prior Year	Total
	Budget	Budget (Enc Roll)	
Budget	\$ 14,137,112.86	2,619,719.18	16,756,832.04
Less Expenditures	333,071.71	2,195,393.48	2,528,465.19
Less Encumbrances	795,258.18	270,021.46	1,065,279.64
Total Available	\$ 13,008,782.97	154,304.24	13,163,087.21

City of Independence

AGENDA ITEM COVER SHEET

Agenda Title:

Water

1. Q&A regarding the New Payment Platform Website - Requested by Mr. McLuckie

Department: Water Department **Contact Person:** Dan Montgomery

REVIEWERS:

Power and Light Department

Approved

Board Action:

Board Action:

ATTACHMENTS:

- ▣ Q&A Regarding the New Payment Platform Website
- ▣ Service Fee Training Info.

June 6, 2023 – E-mail to PUAB Members

Good morning, Board Members. Recently Mr. McLuckie sent in some questions regarding the city's new payment platform website for making online payments. Below is the response from Dan Montgomery, Water Department Director. Also, attached is a document from the Water Dept. training files for the Account Information Representatives. We wanted to share this information with the entire board to clear up any confusion.

Steve,

Thank you for reaching out with your questions as it relates to the new payment platform the city implemented on May 23, 2023. This gives me the opportunity to clear up some inaccurate information that was shared in the recent "Indy Energy" newsletter. I just want to be sure you understand the existing billing software system, Advanced Utility Systems CIS Infinity V4, which was implemented in May of 2018, has not changed. There are no plans to change the billing software the city uses to bill customers for applicable water, sewer, or electric charges.

The payment platform, website used to make online payments, IVR payments and see bills, was changed. This change took place due to our existing contract with Paymentus (previous vendor) expiring. The website payment platform is used by more than just the utilities. Building permit fees, business licenses and other applicable fees are also processed through the payment platform. The Finance Department, Tech Services Department and Utilities worked jointly on this to meet all city departmental needs. A process review proposal was done specifically looking at convenience fee that would be charged to customers for credit/debit cards and e-checks. Invoice Cloud submitted a proposal with lower fees for customers and was awarded the contract to become our payment platform vendor. The convenience fee review process was done by the Finance Director.

Below are answers to the questions you had listed in your email:

1. How would you describe the success of the rollover to the new system?
 - The success of any new implementation varies depending on the amount of testing completed prior to the implementation. There is no true way to find all issues that may come up until the software is fully implemented and being used by customers. Speaking just for the utilities portion of the implementation, not the non-utility portion, our success can be termed around 80%. Customers and people in general do not like change. This was a change, however, once the initial transition is completed for customers, the improved benefits, and options available to them should help with the adjustment and changes. Again, change in itself is hard and there were unforeseen complications with portions of the implementation that would not have been found in testing. This was anticipated and the staff for both the billing software and payment platform were ready and prepared to assist city staff to find solutions and resolved those issues. This was a team effort for all parties working behind the scenes to make the transition as smooth as possible.
2. How many calls and walk ins asking for assistance have been received?
 - Currently the city does not track KPI (Key Performance Indicators) for each specific question. There have been calls and walk ins as it relates to the change. Staff was trained in the new payment platform and customer service has been very effective in providing information via phones, emails and to walk-in customers through the change.
 - There are two very frequent questions being asked. Is the city moving away from accepting payments at IUC or City Hall. The other is helping the customer understand the difference between "autobank drafting," "recurring payments" and "autopay."

3. What are the most frequent problems and issues that are arising?
 - The problem that is currently being worked thru is getting the historical data loaded into the system. The data has to be done in a specific order and the bill numbers linked to the accounts and then to the customers for the invoices for 2023 to appear in the portal. Until the historical files are completely loaded on the website, the current billing statements that are generated to be displayed will have some issues. All parties are currently working on this and hope to have it resolved for customers within the next few days.
 - The other frequent issue is customers do not understand their billing statement or where to find the customer and account number. Customers do not realize where the information is, and that the city uses two separate unique numbers to identify customers and accounts. The first part of the number is the customer number followed by a dash and then an account number. The payment platform is built to look for accounts that are billed and then attach them to the appropriate customer. Customer Service is working to educate our customers base on what part of the customer account number needs to be entered in what field. We are slowly working to explain this to customers and provide information on the website to help customers find this information.
4. Was there an increase in the number of unpaid and delinquent bills this month compared to the same time period last year (which we should know by the next meeting)?
 - The number of delinquent accounts would not be impacted by the payment platform implementation. Understanding the demographics of the population using a website/IVR payment platform will make this easier to understand. There is an entire demographic of customers who pay their bill before the due date. There is another demographic of customers who will always pay their bill late, due to the paydays or economic circumstances, and those payments may be made in person, by mail, or on the website. The last demographic portion of the customers base are un-bankable (banks won't allow them to have an account) and consist of people who pay only when they receive the disconnection alert or only when their service has been interrupted for non-payment. The implementation of a new payment platform will have little to no impact on them as it was not a means for them to utilize prior to the change. Do customers who have service interrupted pay on the website, some do, but most people who have service interrupted come into the office as they are only able to pay a portion of the bill and then need to make a payment arrangement to have service restored. Another item to keep in mind is customers who have had service interrupted are paying bills that are 60+ days past due.
5. Why was the explanation that customers received by email so incomplete, failing to state that paying by e-check will now cost \$2.95 and also failing to state the options available to avoid paying a monthly "convenience" fee.
 - Anyone who used the previous payment platform as well as new payment platform have always paid a fee. Whether the customer paid by "e-check" or debit/credit card there has always been a fee. The city has always promoted using "autobank drafting" and encourage customers to utilize this payment method. Again, though not all customers are able to do "autobank drafting." The new payment platform makes you check the box to agree to the convenience fee before it will process the payment. Customers are not able to process a payment without agreeing to the fee and it shows the fee they will be paying at the time they process a payment.
6. Is it possible for a customer to view their invoice online without registering?

- Customers can look for a balance without registering. They can make a one-time payment and not be a registered customer or signed in to do it. The system should be able to find the information, if the customer has the correct information entered in the system to search. This was also available with our previous payment platform.
7. Why does it now cost \$2.95 to pay by e-check when it was previously free?
 - E-check payments were never free when paying on the IVR (Interactive Voice Response over the phone) or website. Both the previous vendor charged a fee (\$3.95) and the current vendor charges (\$2.95) fee for this. If a customer paid by check via the mail or by bringing the check into the office, there is no fee. Any customer paying on the phone IVR, or website pay the fee. The amount of the fee's customer is paying decrease from the previous payment platform.
 8. All other online or on the phone payment methods now cost \$3.50. The email states this is a decrease in cost. What did it cost previously?
 - The previous fees for payments using a debit/credit card using the website or IVR were \$3.95 per transaction up to \$750. Any amount over \$750 would have to be broken into two payment transactions with a \$3.95 fee being charged on both transactions. Both the previous payment platform and the current payment platform allow payments up to \$750 before another transaction and a fee will be applied to each transaction. The new fee is \$3.50 per transaction.
 9. Am I correct that the only way for a citizen to pay without incurring a fee of either \$2.95 or \$3.50 per month is to pay in person at the Utility Center, pay via the drop box or mail the payment?
 - No fees are charged to customers for paying in person, using the night drop box, "autobank drafting" or by mailing a payment. These have always been payment options for all customers in the city. These options are still available for customers to use and will continue to be options regardless of any changes with a website payment platform.
 10. The difference between "autobank drafting," "recurring payments" and "autopay" is confusing. Adding "e-check" to the mix doesn't help! That is what caused my confusion. Would this statement be correct for all customers, "If you haven't paid a fee when paying your bill in the past, you won't be charged a fee for continuing to pay with the same method under the new system?"
 - As I mentioned, we have been explaining to customers the difference between "autobank drafting," "recurring payments" and "autopay." Once we explain these things (that have not changed) they realize that they have not been paying a fee for the method they are using (autobank drafting) or realize that the fees went down ("recurring payments" and "autopay" with a credit/debit card or e-check). Therefore, your statement is correct if you leave off the end of the sentence "under the new system." Adding "under the new system" leads customers to believe there is a new billing system. In summary: If you haven't paid a fee in the past, you won't be charged a fee for continuing to pay with the same method. Those paying in the past will pay less in the future.

Please note that convenience fees are charged to customers who chose to have the convenience of making their payment online or by IVR. There are many customers who do not use these payment methods to pay their bill. So, it is a customer's choice if they want to pay by these options incurring the fee, the customer is making the choice as it relates to the fee. The city has not forced any customer to pay their bill this way, it is the customer's choice. The city has provided the convenience to customer to have these payment options, and if the customer wants to pay that way, then they will pay the fee for having the convenience.



UTILITIES CUSTOMER SERVICE

17221 E. 23RD ST. S. • P.O. BOX 410 • INDEPENDENCE, MISSOURI 64051-0380 • (816) 325-7930
www.ci.independence.mo.us FAX • (816) 325-7684



How to Avoid Payment Service Fees

- Mail in a paper check to **PO Box 219362 Kansas City, MO 64121-9362**
(please be sure to include your pay stub or list your customer-account number clearly)
- Come to the Utility office located at 17221 E 23rd St S Independence, MO 64057 Monday-Friday between 8am-5pm, excluding holidays and utilize any of the following:
 - Pay with cash or personal check conveniently with our drive thru service (Mon-Fri 7:30am-5pm),
 - Place your payment in the drop box (large black box located near drive thru). **Do not leave cash in the night drop.**
 - Come into the lobby and pay with cash, credit/debit, or personal check
- Sign up for Automatic Bank Draft (monthly withdraw from a checking account). *Please provide a voided check.* This must be done by email, mail or completed in person.
- Pay through your banking institution using their online bill pay (where available). Make sure the remit to address is: **PO Box 219362 Kansas City, MO 64121-9362**
- Place your payment in the drop box located at City Hall

You will be charged a small convenience fee using the following payment methods:

- Over the phone or online via electronic check (e-check): There is a \$2.95 convenience fee charged, with a maximum amount per transaction of \$125,000.
- Online payment with credit/debit cards: There is a \$3.50 convenience fee charge, with a maximum amount per transaction amount of \$750.00
 - Visa, MasterCard, Discover accepted
- Secure online payment is also offered via Apple Pay, Google Pay, PayPal and Venmo

Service Fee FAQ:

How are convenience fees determined?

The fees are regulated by merchant contracts with the major credit card brands (VISA, MasterCard, Discover). There are hundreds of types of debit/credit cards with different fees based on company policies and rewards program. It would be impractical to devise a convenience fee structure for each card, so fees are based on average transactions. The difference in rates (\$3.50 vs \$2.95) is based on the average value of credit card transactions.

The rules set by the credit card companies are different for utility payment and other transactions. The reason is because the volume of credit/debit payments is significantly higher for utility payments than other city services. The rules dictate that when collecting convenience fees for utility payments, preference cannot be given to an electronic payment method such as e-checks. If non-conformance is discovered, the credit card companies can and will require the City to charge the same service fee, otherwise fines could result.

Credit card brands do not enforce the same rules for non-utility transactions due to the lower volume. They will allow a merchant to charge a lesser convenience fee for non-utility e-check transactions. Therefore, the City set a lower rate of 50 cents per transaction for e-check payments for non-utility transactions.

Is the fee higher than other cities or similar online services?

Although the convenience fees might seem high, it is factored on an average credit card payment amount for utility bills of \$250. Most utility customers have three services (electric, water, sewer); therefore, they are paying for three services with one payment. Other Missouri cities have similar fees. For example, Columbia charges \$3.55 - \$4.60, depending on the transaction. Raytown charges \$4.25. Springfield charges \$4.

Where do these fees go?

Per merchant agreements with the major credit card brands, the City is not permitted to make a profit off these fees. The fees collected are used exclusively to offset costs associated with processing credit/debit/e-check transactions. In fact, the City never receives the money. The fees are remitted directly to the credit card companies by the City's third party vendor in order to ensure security and protect customer data.