



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Review Action Plan for Enhancing Utility Billing and Collection Services in the Financial Services Division

MEETING DATE: February 6, 2008

PREPARED BY: Deputy City Manager

RECOMMENDED ACTION: Receive and review action plan for strategies to enhance customer service and resolve customer concerns about utility billing and collection services.

BACKGROUND INFORMATION: In light of comments that have been made by the public regarding the need to improve the level of customer service in the Financial Services area, a draft action plan is being provided to City Council for review and for possible additional study at a future City Council meeting. The objective in this discussion is to apprise the public and the City Council of short and long term actions that are being taken to improve the level of customer service in the Financial Services area.

The issues to be resolved

Although there is a longer list of issues to be resolved than is being presented at this time, the short list will be addressed with the objective of dealing with the most glaring issues first and to address the longer term issues, that will require a longer term effort, over the course of the next three to six months. The immediate issues and the most common complaints that have been heard by staff from customers are as follows:

- **Long lines in Finance-** Customers are not receiving immediate attention when they physically enter the Finance building. Long lines form and are not dissipated rapidly. The cause has been attributed to having too few customer service representatives at the front counter to address the surge of customers that takes place at various times of each day and during the course of the month.
- **Too long of wait on telephone-** Customers are not able to reach a customer service representative over the telephone. This issue relates to the amount of time a customer waits in the "telephone cue" before reaching (if they are able to reach) a customer service representative. This problem has been attributed to having too few people available to answer the telephone calls received by the Finance Division.
- **Looking for non traditional ways to make payments-** Customers are interested in having more ways to pay their bills besides the traditional "in person" method or via U.S. mail. It has been voiced that customers would like to see "on line" payment options and other less traditional methods to make payments for the services they receive from the City of Lodi.
- **Billing errors-** An increased number of customers are finding mistakes on their utility bills. The mistakes vary in degree and type, but the most common relates to misreads of their electric meter.

APPROVED: _____
Blair King, City Manager

- **Rude customer service**-Some customers feel that they are not being treated courteously by customer service representatives. We are told that some customers believe they are treated in a brusque manner and that they are not being handled in a friendly manner on the telephone or while at the customer services counters.

Action Plan to resolve the issues

All of the issues that are enumerated above relate to the same basic issue i.e. the need to make immediate changes to improve the level of customer service satisfaction. The longer term goal should be to provide excellent customer service. Providing excellent customer service will be the long term goal for the Financial Services Division, but for now, the action plan is to make significant headway at addressing the five items listed above.

Staffing Changes- The immediate staffing changes that are being made are designed to deal with each of the five issues listed with the emphasis on the first and second issues. The immediate objective is to have more staff available for “in person” and telephone contact time. The following are the staffing changes that are being made to deal with the first two issues as listed above:

- Re-assignment of Administrative Clerk position from Budget Division to the Financial Services Division. This is a permanent re-assignment and the staff person involved had previously been in the City Clerk’s Office. She has voluntarily moved from that office to the Finance Division in order to meet the immediate need to have a person in the lobby area to greet customers as they enter the customer service area and to staff an “express window” for those customers who have uncomplicated transactions. This person is now supervised by staff in the Financial Services Division, which allows for flexibility in her assignment to various tasks as needed in the lobby area of Finance.
- Temporary re-assignment of one staff from the purchasing area of the Budget Division to the Financial Services Division. The Budget Division Manager and the Financial Services Manager are coordinating a complete analysis of their divisions to find ways to use all of their staff in the most efficient and effective manner. The objective is to make any intra-department staffing changes that will promote better customer service while remaining as efficient as possible. This change is considered to be temporary and meets both of these objectives. The immediate effect will be to improve the telephone contact time and counter time available to customers. The staff involved in this re-assignment has been previously trained in customer service practices and procedures with the City of Lodi and can make adjustments to her duties in purchasing in order to temporarily meet the customer service goals.
- Re-assignment of one staff person from the Information Systems Division to the Financial Services Division. The procedures and practices associated with the computer systems employed by the customer service staff to record and verify collections of cash payments, mailed in payments, credit card payments and other forms of payment are very human intensive and need to be reviewed to find more efficient means of accomplishing the objective of making sure that all payments are accurately recorded and that the customer’s monies are safeguarded. The objective of having this staff re-assignment is to review all customer service systems to ensure that they are as efficient as possible and to find ways to free up customer service staff time to provide them with more hours for contact with customers at the front counter and over the telephone. This person will also be tasked with focusing on providing systems solutions for non-traditional means for customers to make payments to the City of Lodi. It may require that additional staff from the Information Systems Division also be assigned to the Finance Division in order to provide assistance to this primary person in order to accomplish resolution of the billing errors and finding options for customer payments to be made to the City of Lodi.
- Hiring of part-time staff to fill some of the gaps left from attrition in the financial services division.

Other Changes- Other immediate changes that have been made or are in the process of being made to provide immediate resolutions to all five of the issues listed above are listed below in order of the simplest changes down to the more complex changes. In all cases these actions have already been taken or will be taken in the next three months to provide immediate solutions to each of the five issues as listed above. These other actions are as follows:

- Rearrange positioning of staff and audio/visual equipment to provide all customer service staff with a view and immediate access to customers entering the Finance Offices. This will involve the re-deployment of some staff and the utilization of cameras and viewing monitors to afford each staff member a view of the customer service area. Primarily, this will allow staff to respond more quickly to the first of the issues (long lines in Finance) listed above. Any required discussions with bargaining units related to the re-location of staff or equipment will take place before any actions are taken on this item.
- Name badges will be worn by all customer service employees. This is a standard practice in private retail establishments and is viewed as a customer friendly approach to providing customer service. It also allows customers to adequately identify employees when they need to explain in more detail any issues that they may be having in resolving service issues. This is one way to help resolve the last issue listed above (Rude Customer Service).
- Bring in outside experts in customer service operations, procedures and training. A key industry that approaches customer service operations very similarly to the Finance Division is the banking industry. We have made arrangements with Farmers and Merchants Bank (F&M) to collaborate with City staff to review the operations of the Finance Division. F&M will be working with city staff in the next month to review key elements of our cash handling procedures and ways in which we might be more efficient and more effective in providing customer service. F&M will provide an internal report to city staff that will be used to help staff as we implement other actions to improve all elements of customer service. In addition to this review by F&M, we will look at training opportunities for staff to either go to other locations or have in-service times to provide training in customer service
- Form a task force comprising staff from the Field Services Division of the Electric Utility and the Finance Division to be tasked with providing solutions to more accurate readings of meters and identifying obviously under-read or over-read meter readings before customers are billed erroneously. The task force will also collaborate on other issues of joint concern related to start up and shutting off of electric services.
- Explore providing incentives for payments to be made in other modes or at other locations besides monthly “over the counter” payments at the Finance Division. Options that might be considered would be discounting bills that are paid in advance via mail or via automatic bank drafting. Private utilities offer discounts for services that are paid in advance and we could offer customers a sliding discount scale based on the number of months that were paid in advance. Another option would be to offer a discount for customers who pay with a bank check or money order and use the drop box located inside the Finance office. Self serve envelopes are currently being provided for this type of payment mode. An enhancement to this service would be to add a self serve receipt similar to how the California State Parks System offers self serve receipts to those who pay for use of parks at self serve pay stations. A tear off stub would be provided that would be the customer’s receipt and they would receive a handling discount on their subsequent bill to act as an incentive to make their payments in this fashion the next month. The amount of the discount would be related to the cost savings associated with staffing and handling costs that would be saved by using this mode of payment. A task force has also been formed with staff from the Electric Utility department and from the Finance Division to explore pay station locations in Lodi that would afford customers other places to make their payments besides at the Finance office. Two locations have been informally discussed and will be explored further to determine if they are feasible and whether the costs associated with having these satellite payment stations justifies their use.

- Customer satisfaction forms- One of the tasks for the new receptionist position will be to hand out and collect customer satisfaction cards. Questions related to how customers feel about the services they have received from the Finance Division and suggestions for improvements will be included on the cards. These cards will go directly to the Financial Services Manager who will then complete a summary report of responses to the customer satisfaction cards that will go to the Deputy City Manager.

Strategic Plan for better Customer Service- The actions already listed are ones that can be taken in the next three months and do not require any separate City Council action at this time or at a later time either. However, there are longer term issues that will need to be addressed. Following are other more strategic issues that will be addressed in upcoming months:

- The billing and collection computer software is outdated and should be replaced. The cost for replacement will be discussed in the upcoming budget in light of the opportunities that the new software would have to allow for more efficient billing and collection business practices.
- There is much information available on strategies for how governments can provide better customer service. One of the main elements that is conveyed in this information is the need to establish goals and objectives for customer service and periodically reviewing performance against these objectives/goals. In collaboration with the line and supervisory staff of the Finance Division, management staff in the Finance, Information Systems, Budget and Human Resources Division will be evaluating ways in which to provide better customer service throughout the Department, but with a focus in the Finance Customer service area. The results of this analysis will be incorporated in a strategic plan that will include customer service targets and performance measures.

We are looking to make significant progress in the next month toward providing better customer service and will update the City Council as implementation of this action plan takes place.

FISCAL IMPACT: No immediate impact.

FUNDING AVAILABLE: Not applicable

James R. Krueger, Deputy City Manager

Attachments