

# Memorandum

## City of Lawrence

### Finance Department

TO: Thomas M. Markus, City Manager  
FROM: Kristy Webb, Utility Billing Manager  
CC: Bryan Kidney, Finance Director  
Casey Toomay, Assistant City Manager  
DATE: November 14, 2017  
RE: Utility Billing Drop Boxes

#### **Background**

The City of Lawrence currently collects Utility Bill payments from the following grocery store drop boxes in Lawrence:

- Dillon's at 6<sup>th</sup> & Lawrence Ave
- Dillon's at 6<sup>th</sup> & Wakarusa Dr
- Hy-Vee at 23<sup>rd</sup> & Kasold Dr
- Dillon's at 23<sup>rd</sup> & Naismith Dr
- Checkers at 23<sup>rd</sup> & Louisiana St

We receive approximately 150 payments per week through those drop boxes, which represents approximately 600 Utility Bill customers (less than 2% of our 32,000 customers), who utilize this service.

#### **Costs**

A Utility Billing Admin Support II staff member uses their personal vehicle to collect the drop boxes two times per week. The costs associated with this are:

- Mileage = **\$835/year** (15 miles for each round trip drop box collection; 2 x/week at \$.535/mile)
- Labor = **\$1,675/year** (1 hour for each round trip drop box collection; 2 x/week at \$16.10/hour)
- Total Annual costs = **~\$2,510**

#### **Concerns**

Three out of five of the grocery store drop boxes are not locked or secured in any way, which means anyone could tamper with them.

There is no proof or documentation associated with placing a payment in a drop box, whereas most other payment methods come with a receipt. For example, if a customer pays at the utility billing counter or pays online they are provided with a receipt.

Drop boxes inside the grocery stores are only being collected twice weekly so customers need to allow 5 – 6 business days for processing.

**Staff Recommendation**

The Finance Department recommends to cease accepting Utility Bill payments made through the grocery store drop boxes starting on December 29, 2017. Instead customers will be directed to other payment options, including the drop box outside City Hall (which is secured, locked, and collected each business day), online, mail, and in person at the Utility Billing counter. There is nothing in City Code that dictates what payments options should be made available for Utility Bills.

Customers would be notified about this change as follows:

- Press release in the second week of December
- Billing message
- City of Lawrence website
- Suggest an article in the Lawrence Journal World
- Starting December 1, 2017, post updated signs on all grocery store drop boxes informing them of December 29, 2017 update, other payment options, and location of City Hall drop box
- Notify the managers at all the grocery stores with drop boxes about the change

**Action**

Authorize staff to cease accepting Utility Bill payments made through the grocery store drop boxes effective December 29, 2017.