

Customer Service



FY 2018-19 Budget Presentation

Objectives

1. Proposal to create a new Internal Service Fund.
2. Review fund assumptions.
3. Financial forecast.
4. Review revenues & expenditures.
5. Departmental information.

Proposed Internal Service Fund

1. An Internal Service Fund is a separate accounting fund that is used to account for services provided to other funds and services are paid at cost.
2. Accounting for this operation separately will increase its transparency and better demonstrate the revenues and expenses of the operation.
3. Separating this operation from the Water Fund removes expenses and revenues not fully associated with providing water service to customers since the operation provides services to Electric, Wastewater, Solid Waste and General Government.
4. Reduces required reserve level of Water Fund since this will reduce the overall budgeted expenses. For FY 2018-19 and based on the Water Fund's reserve targets (33%-50%), this represents a reduction of \$1.5 million - \$2.3 million.

Fund Assumptions

1. No operating reserve required for the fund.
2. Revenues and Expenditures based on percentage of service utilized.
 - Bill Representation
 - Call Types
 - Cash Handling/Collections

Customer Service Financial Forecast

RESOURCES	2016-17 ACTUAL	2017-18 BUDGET	2017-18 ESTIMATE*	2018-19 PROPOSED	2019-20 PROJECTED	2020-21 PROJECTED	2021-22 PROJECTED	2022-23 PROJECTED
Cost of Service - Water	\$ 690,085	\$ 745,129	\$ 745,129	\$ 783,347	\$ 816,892	\$ 833,254	\$ 856,019	\$ 877,459
Cost of Service - General Government	287,429	282,170	282,170	267,530	278,273	284,345	291,636	298,502
Cost of Service - Electric	2,720,666	2,951,930	2,951,930	2,997,423	3,117,790	3,185,828	3,267,516	3,344,445
Cost of Service - Wastewater	411,321	459,068	459,068	458,622	477,039	487,448	499,948	511,718
Cost of Service - Drainage	158,582	188,837	188,837	202,012	210,124	214,710	220,215	225,400
Cost of Service - Solid Waste	718,573	747,207	747,207	698,853	726,916	742,780	761,825	779,762
Other Fees	52,349	52,000	52,000	52,000	52,000	54,600	54,600	54,600
TOTAL RESOURCES	\$ 5,039,005	\$ 5,426,341	\$ 5,426,341	\$ 5,459,787	\$ 5,679,034	\$ 5,802,965	\$ 5,951,759	\$ 6,091,886

EXPENDITURE SUMMARY	2016-17 ACTUAL	2017-18 BUDGET	2017-18 ESTIMATE*	2018-19 PROPOSED	2019-20 PROJECTED	2020-21 PROJECTED	2021-22 PROJECTED	2022-23 PROJECTED
Personal Services	\$ 2,828,526	\$ 3,037,580	\$ 3,037,580	\$ 3,048,269	\$ 3,209,235	\$ 3,273,420	\$ 3,371,623	\$ 3,472,772
Material & Supplies	344,593	396,000	396,000	388,500	396,270	404,195	412,279	420,525
Maintenance & Repair	1,982	2,250	2,250	2,250	2,295	2,341	2,388	2,436
Insurance	13,280	39,681	39,681	50,423	51,431	52,460	53,509	54,579
Miscellaneous	7,764	8,200	8,200	8,200	8,364	8,531	8,702	8,876
Operations	752,412	971,655	971,655	957,155	976,299	995,824	1,015,740	1,036,055
Revenue Funded Capital	113,230	-	-	-	-	-	-	-
Cost of Service - General Fund	434,401	409,343	409,343	421,623	434,272	447,300	456,246	465,371
Cost of Service - Other	542,817	561,632	561,632	583,367	600,868	618,894	631,272	631,272
TOTAL EXPENDITURES	\$ 5,039,005	\$ 5,426,341	\$ 5,426,341	\$ 5,459,787	\$ 5,679,034	\$ 5,802,965	\$ 5,951,759	\$ 6,091,886

PERSONNEL (Full Time Equivalents)	2016-17 ACTUAL	2017-18 BUDGET	2017-18 ESTIMATE*	2018-19 PROPOSED	2019-20 PROJECTED	2020-21 PROJECTED	2021-22 PROJECTED	2022-23 PROJECTED
Regular	44.00	41.00	41.00	41.00	42.50	42.50	42.50	42.50
Temporary/Seasonal	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
TOTAL PERSONNEL	45.50	42.50	42.50	42.50	44.00	44.00	44.00	44.00

MAJOR BUDGET CHANGES

Projects the addition of 1.5 FTEs in FY 2020 for a full time & part-time Customer Service Representative.

*Estimate as of May 2018

Customer Service Budget Highlights - Revenues

Revenues	FY 2014-15 Actuals	FY 2015-16 Actuals	FY 2016-17 Actuals	FY 2017-18 Budget	FY 2017-18 Estimate	FY 2018-19 Proposed
Cost of Service - General Government	\$187,778	\$249,316	\$287,429	\$282,170	\$282,170	\$267,530
Cost of Service - Electric	\$2,851,522	\$2,704,586	\$2,720,666	\$2,951,930	\$2,951,930	\$2,997,423
Cost of Service - Water	\$620,611	\$614,144	\$690,085	\$745,129	\$745,129	\$783,347
Cost of Service - Wastewater	\$443,817	\$412,862	\$411,321	\$459,068	\$459,068	\$458,622
Cost of Service - Solid Waste	\$736,878	\$711,253	\$718,573	\$747,207	\$747,207	\$698,853
Cost of Service - Drainage	\$176,610	\$163,096	\$158,582	\$188,837	\$188,837	\$202,012
Other Fees	\$54,974	\$52,957	\$52,349	\$52,000	\$52,000	\$52,000
Total	\$5,072,190	\$4,908,214	\$5,039,005	\$5,426,341	\$5,426,341	\$5,459,787

Customer Service Budget Highlights - Expenses

Expenses	FY 2014-15 Actuals	FY 2015-16 Actuals	FY 2016-17 Actuals	FY 2017-18 Budget	FY 2017-18 Estimate	FY 2018-19 Proposed
Personal Services	\$2,755,390	\$2,873,458	\$2,828,526	\$3,037,580	\$3,037,580	\$3,048,269
Materials & Supplies	\$403,655	\$377,512	\$344,593	\$396,000	\$396,000	\$388,500
Maintenance	\$1,764	\$2,579	\$1,982	\$2,250	\$2,250	\$2,250
Insurance	\$41,610	\$41,867	\$13,280	\$39,681	\$39,681	\$50,423
Miscellaneous	\$6,161	\$6,946	\$7,764	\$8,200	\$8,200	\$8,200
Operations	\$855,494	\$714,769	\$752,412	\$971,655	\$971,655	\$957,155
Revenue Funded Capital	\$243,833	\$0	\$113,230	\$0	\$0	\$0
Cost of Service – General Fund	\$307,002	\$419,616	\$434,401	\$409,343	\$409,343	\$421,623
Cost of Service Transfers	\$457,281	\$471,467	\$542,817	\$561,632	\$561,632	\$583,367
Total	\$5,072,190	\$4,908,214	\$5,039,005	\$5,426,341	\$5,426,341	\$5,459,787

Customer Service Position Summary

Personnel (FTE)	FY 2014-15 Actuals	FY 2015-16 Actuals	FY 2016-17 Actuals	FY 2017-18 Budget	FY 2017-18 Estimate	FY 2018-19 Proposed
Regular	42.00	44.00	44.00	41.00	41.00	41.00
Temporary/Seasonal	.50	1.50	1.50	1.50	1.50	1.50
Total	42.50	45.50	45.50	42.50	42.50	42.50

Customer Service Goals and Accomplishments

FY 17-18 Accomplishments

- New Online Payment Portal 21,036 registered users (35.2% of accounts)
- Increased Electronic Billing Adoption by 55.8%
- After Call Customer Satisfaction Survey
- Reduced AMI Disconnect Meter Reconnection Time by 49.2%
- Pilot Pre-Paid Program
- Implemented New Credit & Collection Guidelines
- Executed a Homelessness Deposit Waiver
- Enhanced P.L.U.S One Program Criteria and Funding

FY 18-19 Goals

- Report and Proactively Respond to Assistance Results
- Reduce Reconnection Charge
- Increase Adoption of Self Service Options
- Automated Payment Arrangement Option
- Launch Self-Service Connect/Transfer

Customer Service Budget Emphasis

Metric	Description	Goal	5 Year Avg.	16-17 Actuals
Cost per \$1 collected	Cost of service relative to revenue collected	<\$0.025	\$0.021	\$0.021
Collection Rate	Percentage of A/R collected	>99.70%	99.75%	99.86%
Self Service Adoption	Percentage of self-serve payments	>59.00%	52.56%	63.76%
First Contact Resolution (FCR)	Percentage of observations in which FCR was achieved	>85.00%	87.23%	94.09%
Average Speed of Answer (ASA)	The average time callers wait on hold	<60 seconds	54	36

Customer Service Cost Containment Strategies

Reduce Volume

- Invest in self-service
- First contact resolution
- Automated routing

Improve Efficiency

- Improve workforce management
- Boost staff productivity
- Process improvement & automation
- Leverage feedback from Customer Service survey data

Customer Service Cost Containment Strategies

Category	FY 2008-09	FY 2016-17	Change	% Change
Customer Base	50,466	59,724	9,258	18.3%
Lobby Volume	180,889	72,210	-108,679	-60.1%
Call Center Volume	137,350	185,057	47,707	34.7%
Average Handle Time	229 seconds	286 seconds	57 seconds	24.9%
Average Speed of Answer	54 seconds	36 seconds	-18 seconds	-33.3%

Customer Service Questions/Comments

ORIGINAL CITY OF DENTON N^o 31985

WATER AND LIGHT DEPARTMENT

DENTON, TEXAS, 8-30, 1955

Dr. Jack Cross 2311 N. Oak Street, has deposited with this
Department Ten Dollars (\$10.00), in accordance with a written
application and contract, of date _____, 195____, for its service. The said sum is
repayable to the depositor on demand after the expiration of said contract, less any indebtedness
to this Department.

DEPOSIT

Water by meter \$	<u>3</u>	<u>00</u>
Lights \$	<u>7</u>	<u>00</u>
Power \$		
	\$	
Total.....	\$	<u>10</u> <u>00</u>

Notice: This receipt is non-transferable.

Water and Light Department

By m

SAVE THIS RECEIPT; IT MUST BE PRESENTED TO OBTAIN REFUND