

Customer Services 2023 – 2024 BUDGET PRESENTATION

August 24, 2022

Francine Artis (fartis@cityoftacoma.org)
Customer Services Manager, Interim

Outline



- Mission and Vision
- Strategic Goals
- Services Provided
- State of Customer Services
- Challenges and Opportunities
- Strategy
- Budget Drivers
- Mitigation and Managing Expenses
- Expenses and Staffing

Mission and Vision



Stating our values and how we want to be viewed



Mission

We engage customers through exceptional service and customer-focused solutions



Vision

To be known for excellence in our service to customers

SD1
Equality and
Inclusion



SD4
Stakeholder
Engagement



SD6
Innovation



SD13
Customer
Service



Strategic Goals

Focusing on recovery and preparing for the future

- Continue utility account recovery efforts
- Develop post-pandemic and recovery programs that help meet the needs of our community
- Integrate AMI technology into CS operations and staffing
- Assist customers with transition and adoption of AMI and related benefits
- Document business processes for upcoming SAP Customer Interaction Center (CIC0) replacement
- Improve staff retention, skill development, core strength



SD1
Equity and
Inclusion



SD4
Stakeholder
Engagement



SD6
Innovation



SD13
Customer
Service



Services Provided



Providing value to the community and the utility

Residential Mass Market



- Residential Mass Market Support
- Lobby Operations
- Escrow / Lien Processing
- Collections / Bankruptcy / Public Disclosure Requests

Field and Mail Services



- Field Investigation
- Meter Reading
- Advanced Meter Billing
- Invoice Generation and Mailing



Services Provided



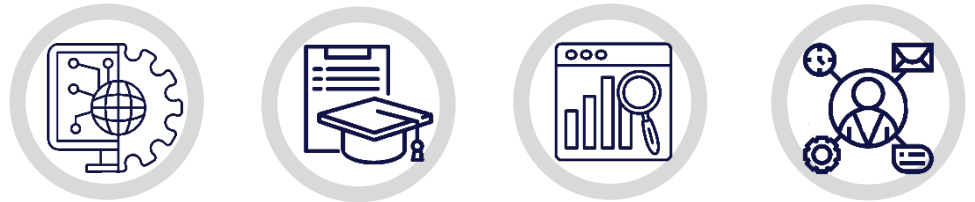
Providing value to the community and the utility

Specialty Customer Segments



- Utility Assistance for Senior, Disabled, and Income-Constrained Customers
- Emergency Crisis Support
- Small and Midsize Business Support

Business Enablement and Support



- Process and Technology Implementation
- Training and Quality Assurance
- Analytics, Benchmarking, Reporting
- Internal Administrative Support, Contracts, Payroll



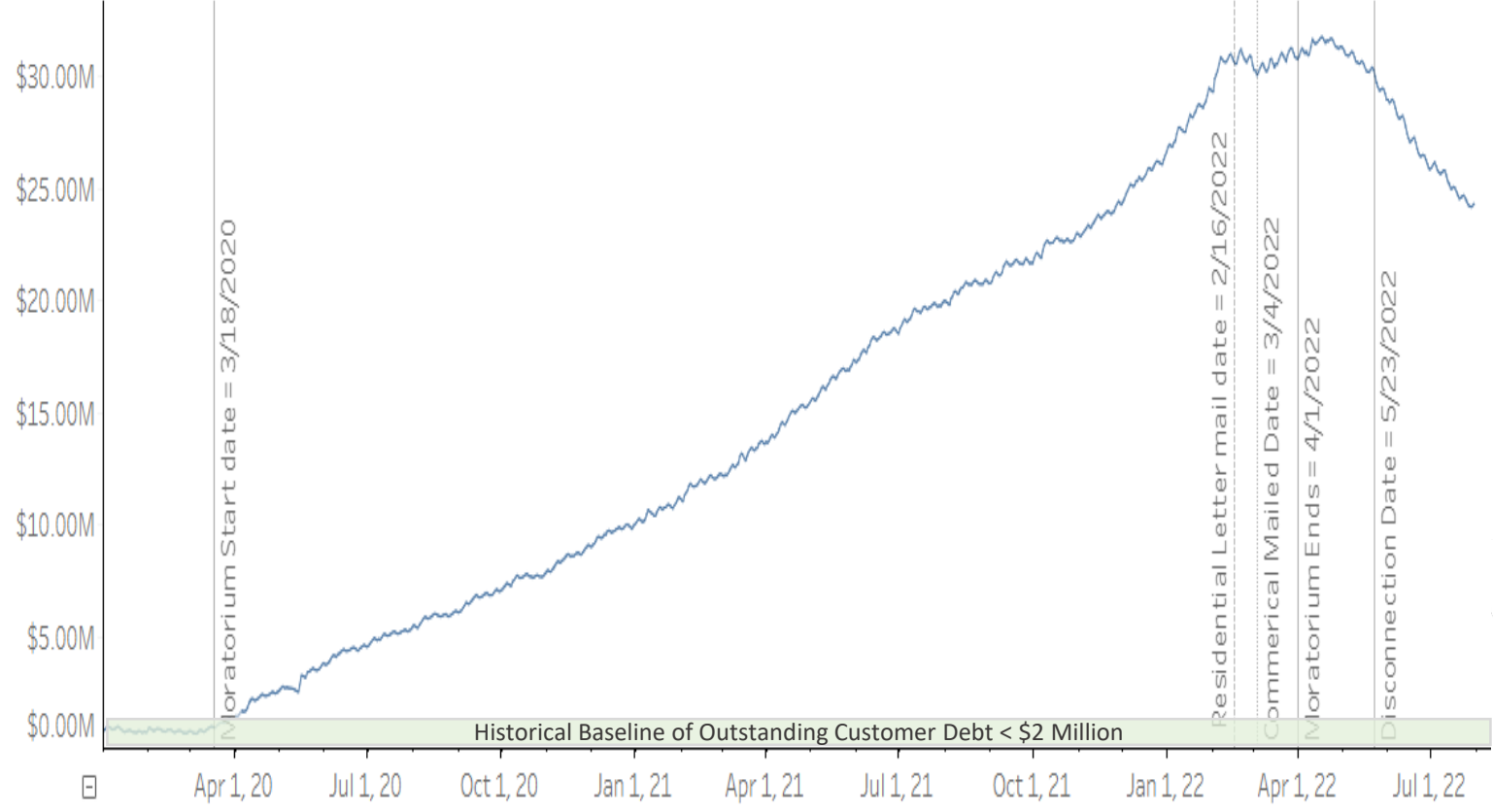
State of Customer Services



An unprecedented percentage of our customer base is struggling

- **Revenue Recovery**
 - Support and foster customer success while balancing the needs of the utilities
- **Managing Extended 24-Month Payment Agreements**
 - High-touch process to help customers succeed as longer-term payment plans have significantly higher default rates
- **Resumption of Disconnections**
 - Monitoring and managing orders in an automated and manual meter environment

Total Outstanding Covid Balances for Residential Customer Utility Accounts
1/1/2020 – 7/31/2022



SD1
Equity and Inclusion

SD4
Stakeholder Engagement

SD6
Innovation

SD13
Customer Service

State of Customer Services



SD1
Equity and
Inclusion



SD4
Stakeholder
Engagement



SD6
Innovation



SD13
Customer
Service



Providing support has increased in both complexity and frequency

• Increased Customer Contacts

- Proactive outreach prior to moratorium end date provided customers guidance and plan to keep services connected
- Resumption of in-person customer outreach activities
- Number, duration, and complexity of customer conversations has increased
- Transitioning customer base from bi-monthly to monthly billing

• Enhanced Efforts to Assist Income-Constrained Households

- Processing customer assessment forms to help determine available resources
- Repurposing existing BCAP funds
- Continuing outreach to enroll households in available programs

• Advanced Metering

- Conversion of customer base to monthly billing over the next biennium
- Implementation of new MyAccount customer website
- Reintroducing Pre-pay for residential power customers

• Recruitment, Hiring, and Transition of New Customer Services Manager

Challenges



Successful customer support faces strong headwinds

- **Past Due Utility Accounts**

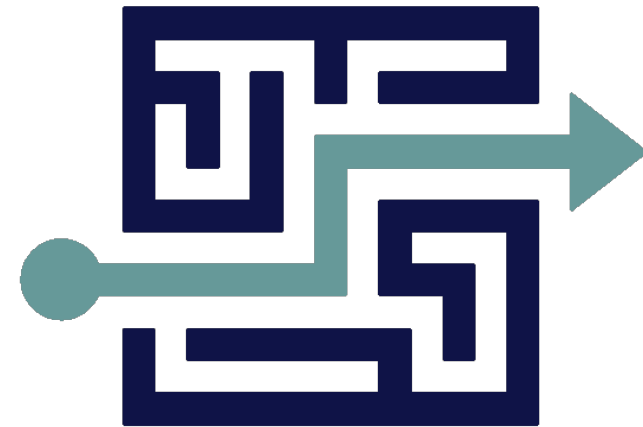
- Managing 24-month payment agreements and resumption of disconnections
- Staffing needed to respond to increased customer contacts
- Qualifying and connecting customers with available internal and external financial assistance

- **Employee Recruitment and Retention**

- More challenges recruiting staff; hiring pool is reduced
- CS employees are highly recruited by other city departments

- **Technology Expectations**

- MyAccount enhancements
- Staffing to support transitioning technologies (Customer Engagement Portal, solar, outage map, pre-pay)



Opportunities



Reimagine service from the customer's perspective



Reimagine the Customer Experience (CX)

- Develop a future state customer experience strategy and operating model that moves beyond traditional customer service functions, including:
 - Incorporating all customer facing groups within the utility, not just traditional Customer Services
 - CX best practices
 - Operational approaches
 - Enabling technologies

SD1
Equity and
Inclusion



SD4
Stakeholder
Engagement



SD6
Innovation



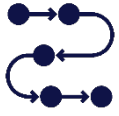
SD13
Customer
Service



Strategy

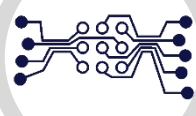


Processes, programs, and technology will lead the way



Process and Program Focused

- Implement strategies that meet the needs of residential and small-midsize business customers
- Identify and connect customers to federally funded programs
- Refine current programs that serve income-constrained customers
- Support and participate in Tacoma Power, Tacoma Water, and Environmental Services strategic initiatives



Technology Focused

- Provide customers with enhanced easy-to-use self-service tools
- Implement customer feedback channels
- Increase first call resolution through advancements in process and technology
- Leverage data to guide and assist operational decision making and assistance program refinement

Budget Drivers



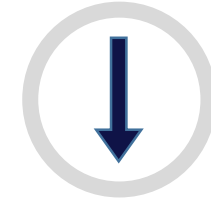
Labor

- Increases in **wages, benefits; class & comp**
- **Increased staffing** required to assist approximately 25,000 residential and small-midsize business customers impacted by Covid. Support of this market segment is higher touch and labor intensive
- **Part-time, temporary, and project positions are no longer a draw in the job market;** increase FTE by expanding part-time, temporary, and existing unbudgeted positions to budgeted full time
- Conversion of the entire TPU customer base to monthly billing by the end of 2024 increases the number of yearly customer billing touch points (12 vs 6) **increasing customer contacts**



O&M

- **Uncontrollable O&M has increased 27.2%**
Rent, phones, fleet and assessments
- **Controllable O&M has increased by 12.5%**
Majority of increase can be attributed to higher postage fees and increased mailings associated with monthly billing



Capital

- **No capital requests** for the 2023-2024 biennium

SD1
Equity and
Inclusion



SD4
Stakeholder
Engagement



SD6
Innovation



SD13
Customer
Service



Mitigation and Managing Expenses

Responsibly investing to support our community



Customer Experience (CX)

- The proposed Customer Services 2023-2024 biennium budget was carefully crafted to meet the needs and expectations of customers in a high-care environment while being mindful of affordability



Labor Needs

- The budget maximizes the use of project staffing to meet short-term operational needs where possible, allowing the ability to draw down positions as AMI deployment increases



Labor Needs

- Headcount increases requested after careful review of current business practices, improvements in internal processes, and additional needs of the community

Expenses and Staffing



		2021-2022 Adopted Budget	2023-2024 Proposed Budget	Difference (Amt)	Difference (%)
Personnel Costs	Salaries and Wages	25,792,306	28,676,023	2,883,717	11.2%
	Personnel Benefits	11,961,154	13,470,956	1,509,803	12.6%
	Capital Credit & Labor To/From Others	(974,000)	(200,000)	774,000	(79.5%)
	Total	36,779,460	41,946,980	5,167,520	14.1%
Supplies & Other Charges	Supplies	1,179,966	1,255,904	75,938	6.4%
	Services	3,545,399	3,516,712	(28,687)	(0.8%)
	Other Charges	4,961,751	6,699,063	1,737,312	35.0%
	Assessments	4,440,308	5,510,295	1,069,987	24.1%
	Total	14,127,424	16,981,974	2,854,551	20.2%
Capital	Capital	147,000	0	(147,000)	(100.0%)
	Total	147,000	0	(147,000)	(100.0%)
Total		51,053,883	58,928,954	7,875,071	15.4%

	Budgeted FTEs	158.2	172.9	14.7	9.3%
--	----------------------	--------------	--------------	-------------	-------------

Next Steps



We welcome your thoughts and ideas about how we can best serve Tacoma Public Utilities and its customers.

Customer Services Summary

August 24, 2022

TPU Customer Services	2021-2022 Adopted Budget	2023-2024 Proposed Budget	2021-22 to 2023-24 Budget Comparison	
-----------------------	-----------------------------	------------------------------	---	--

SUMMARY - Operation & Maintenance by Category

Salaries & Wages	\$ 25,792,306	\$ 28,676,023	\$ 2,883,717	11.2%
Employee Benefits	11,961,154	13,470,956	1,509,803	12.6%
Capital Credit & Labor To/From Others	(974,000)	(200,000)	774,000	(79.5%)
Total Personnel Costs	36,779,460	41,946,980	5,167,520	14.1%
Supplies	1,179,966	1,255,904	75,938	6.4%
Services	3,545,399	3,516,712	(28,687)	(0.8%)
Other Charges	4,961,751	6,699,063	1,737,312	35.0%
Total Assessments	4,440,308	5,510,295	1,069,987	24.1%
Total Supplies, Other Services & Charges	14,127,424	16,981,974	2,854,551	20.2%
Subtotal	50,906,883	58,928,954	8,022,071	15.8%
Capital Outlay	147,000	-	(147,000)	(100.0%)
Total Customer Services	\$ 51,053,883	\$ 58,928,954	\$ 7,875,071	15.4%
PERSONNEL - Budgeted FTEs	158.2	172.9	14.7	9.3%

2023-2024 Budget & FTE Comparison
TPU Customer Services
August 24, 2022

TPU Customer Services Division Summary	2021-2022 Budget	2023-2024 Budget	2019-20 to 2021-22 Budget Comparison		2021-22 FTE's	2023-24 FTE's
Customer Service Administration						
579700 - TPU Customer Service Admin	5,554,969	7,542,262	1,987,293	35.8%	2.0	2.0
Customer Service Customer Solutions						
572500 - TPU Customer Solutions	3,193,798	3,717,695	523,897	16.4%	11.8	13.0
579000 - TPU Customer Service Business Solutions	2,054,909	1,900,275	(154,634)	(7.5%)	8.0	7.0
Customer Service Performance Solutions						
577100 - TPU Customer Service Training	1,489,425	1,794,038	304,613	20.5%	5.0	5.8
578800 - TPU CS Performance Solutions	3,987,742	4,390,103	402,361	10.1%	8.0	11.5
579500 - TPU Customer Service Support Svcs	1,242,979	1,404,367	161,388	13.0%	5.0	5.0
579600 - TPU Customer Service Switchboard	182,377	224,367	41,990	23.0%	1.0	1.0
Customer Services Business Office						
577200 - TPU CS Contact Center	10,388,186	12,879,646	2,491,460	24.0%	44.4	51.6
578100 - TPU Customer Service Lobby Svcs	2,160,537	2,340,732	180,195	8.3%	7.0	7.0
579900 - TPU Customer Service Bus. Office Admin	2,503,957	2,610,548	106,591	4.3%	7.0	7.0
Customer Services Operations						
578500 - TPU Customer Service Billing	2,643,828	3,293,879	650,051	24.6%	10.0	12.0
578900 - TPU Customer Service Operations Admin	1,619,065	1,661,248	42,183	2.6%	2.0	2.0
579100 - TPU Customer Service Mail Svcs	3,565,127	4,321,252	756,124	21.2%	6.0	6.0
579200 - TPU Customer Service Field Investigation	4,831,438	5,098,861	267,423	5.5%	18.0	19.0
579300 - TPU Mail Services Provided to Gen Gov	677,891	956,135	278,244	41.0%	3.0	4.0
579400 - TPU Customer Service Meter Reading	4,810,656	4,793,548	(17,108)	(0.4%)	20.0	19.0
Total Customer Services Cost Centers	\$ 50,906,883	\$ 58,928,954	\$ 8,022,071	15.8%	158.2	172.9