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
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
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
State of Customer Services

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
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**
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

<table>
<thead>
<tr>
<th></th>
<th>2021-2022 Adopted Budget</th>
<th>2023-2024 Proposed Budget</th>
<th>Difference (Amt)</th>
<th>Difference (%)</th>
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<tbody>
<tr>
<td><strong>Personnel Costs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and Wages</td>
<td>25,792,306</td>
<td>28,676,023</td>
<td>2,883,717</td>
<td>11.2%</td>
</tr>
<tr>
<td>Personnel Benefits</td>
<td>11,961,154</td>
<td>13,470,956</td>
<td>1,509,803</td>
<td>12.6%</td>
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<tr>
<td>Capital Credit &amp; Labor To/From Others</td>
<td>(974,000)</td>
<td>(200,000)</td>
<td>774,000</td>
<td>(79.5%)</td>
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<tr>
<td><strong>Total</strong></td>
<td>36,779,460</td>
<td>41,946,580</td>
<td>5,167,520</td>
<td>14.1%</td>
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<tr>
<td><strong>Supplies &amp; Other Charges</strong></td>
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<tr>
<td>Supplies</td>
<td>1,179,566</td>
<td>1,255,904</td>
<td>75,938</td>
<td>6.4%</td>
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<tr>
<td>Services</td>
<td>3,545,399</td>
<td>3,516,712</td>
<td>(28,687)</td>
<td>(0.8%)</td>
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<tr>
<td>Other Charges</td>
<td>4,961,751</td>
<td>6,699,063</td>
<td>1,737,312</td>
<td>35.0%</td>
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<tr>
<td>Assessments</td>
<td>4,440,308</td>
<td>5,510,295</td>
<td>1,069,987</td>
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<tr>
<td><strong>Total</strong></td>
<td>14,127,424</td>
<td>16,981,974</td>
<td>2,854,551</td>
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<tr>
<td><strong>Capital</strong></td>
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<tr>
<td>Capital</td>
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<td>0</td>
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<tr>
<td><strong>Total</strong></td>
<td>51,053,883</td>
<td>58,928,954</td>
<td>7,875,071</td>
<td>15.4%</td>
</tr>
</tbody>
</table>

**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
<table>
<thead>
<tr>
<th></th>
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<tr>
<td><strong>SUMMARY - Operation &amp; Maintenance by Category</strong></td>
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</tr>
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</tr>
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<td>Subtotal</td>
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<td>8,022,071</td>
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<tr>
<td>Capital Outlay</td>
<td>147,000</td>
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<td>(147,000)</td>
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<tr>
<td><strong>Total Customer Services</strong></td>
<td>$51,053,883</td>
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<td>$7,875,071</td>
</tr>
<tr>
<td><strong>PERSONNEL - Budgeted FTEs</strong></td>
<td>158.2</td>
<td>172.9</td>
<td>14.7</td>
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# 2023-2024 Budget & FTE Comparison

## TPU Customer Services

August 24, 2022

<table>
<thead>
<tr>
<th>Division Summary</th>
<th>2021-2022 Budget</th>
<th>2023-2024 Budget</th>
<th>2019-20 to 2021-22 Budget Comparison</th>
<th>2021-22 FTE's</th>
<th>2023-24 FTE's</th>
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<tbody>
<tr>
<td><strong>Customer Service Administration</strong></td>
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<tr>
<td>579700 - TPU Customer Service Admin</td>
<td>5,554,969</td>
<td>7,542,262</td>
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<tr>
<td><strong>Customer Service Customer Solutions</strong></td>
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<tr>
<td>572500 - TPU Customer Solutions</td>
<td>3,193,798</td>
<td>3,717,695</td>
<td>523,897</td>
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<td>579000 - TPU Customer Service Business Solutions</td>
<td>2,054,909</td>
<td>1,900,275</td>
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<td><strong>Customer Service Performance Solutions</strong></td>
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<tr>
<td>577100 - TPU Customer Service Training</td>
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<td>578800 - TPU CS Performance Solutions</td>
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<td>579500 - TPU Customer Service Support Svcs</td>
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<td>579600 - TPU Customer Service Switchboard</td>
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<td><strong>Customer Services Business Office</strong></td>
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<tr>
<td>577200 - TPU CS Contact Center</td>
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<tr>
<td>578100 - TPU Customer Service Lobby Svcs</td>
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<td>579900 - TPU Customer Service Bus. Office Admin</td>
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<td><strong>Customer Services Operations</strong></td>
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<td>578500 - TPU Customer Service Billing</td>
<td>2,643,828</td>
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<td>578900 - TPU Customer Service Operations Admin</td>
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<td>579200 - TPU Customer Service Field Investigation</td>
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<td>267,423</td>
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<td>579300 - TPU Mail Services Provided to Gen Gov</td>
<td>677,891</td>
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<td>579400 - TPU Customer Service Meter Reading</td>
<td>4,810,656</td>
<td>4,793,548</td>
<td>(17,108)</td>
<td>(0.4%)</td>
<td>20.0</td>
</tr>
<tr>
<td><strong>Total Customer Services Cost Centers</strong></td>
<td>$ 50,906,883</td>
<td>$ 58,928,954</td>
<td>$ 8,022,071</td>
<td>15.8%</td>
<td>158.2</td>
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