

# UTILITIES SERVICE BOARD MEETING

November 21, 2011

*Utilities Service Board meetings are recorded electronically or stenographically and are available during regular business hours in the office of the Director of Utilities.*

Board President Swafford called the regular meeting of the Utilities Service Board to order at 5:00 p.m. The meeting was held in the Utilities Service Board room at the City of Bloomington Utilities Department Administrative Building in Bloomington, Indiana.

Board members present: Tom Swafford, Julie Roberts, Sam Frank, Pedro Roman, John Whikehart and Jason Banach. Staff members present: Patrick Murphy, John Langley, Jon Callahan, Michael Horstman, Jane Fleig, Mike Bengtson, and Mike Hicks. Others present: Molly and Grace Frank.

## MINUTES

*Board member Roberts moved and Board member Roman seconded the motion to approve the minutes of the November 7<sup>th</sup> meeting. Motion carried, 6 ayes, 1 member absent, (Ehman).*

## CLAIMS

*Board member Roberts moved and Board member Roman seconded the motion to approve the claims as follows:*

*Vendor invoices submitted to the controller's Office on November 16, 2011 included \$255,377.68 from the Water Utility; \$107,063.69 from the Wastewater Utility; and \$148,694.54 from the Wastewater/Storm water Utility. Total Claims approved, \$511,135.54.*

*Motion carried, 6 ayes, 1 member absent, (Ehman).*

## *AUTOMATIC CLEARING HOUSE CLAIMS (electronic payment):*

*Board member Roberts moved and Board member Roman seconded the motion to approve the automatic clearing house electronic payment as follows.*

*Vendor invoices submitted to the controller's Office on November 21, 2011 included \$403,380.12 from the Water Construction fund. Total Claims approved, \$403,380.12.*

Board member Roman said he is very happy with the way Bingham McHale provided information.

*Motion carried, 6 Ayes, 1 member absent, (Ehman).*

## OLD BUSINESS:

No old business was presented.

## **NEW BUSINESS:**

No new business was presented

## **SUBCOMMITTEE REPORTS:**

There were no subcommittee meetings.

## **STAFF REPORTS:**

Utilities Director Murphy said Assistant Director of Finance Horstman would give a Power Point presentation about the new billing system, New World, that will be implemented in January. The presentation is attached to these minutes.

Board member Banach asked if a current Aquapay customer needs to make any changes. Mr. Horstman said they will not. Utilities Director Murphy said that ultimately it should be possible to make payments via email.

Mr. Banach asked if there was a specific reason the City had made the decision to go with this system. Mr. Horstman said part of it was because of reporting. It wasn't possible to keep up with the financial reporting for the City as a whole. Mr. Banach asked if the Civil City is also migrating to this. Mr. Horstman said it was. Mr. Banach commented on the City having spent hundreds of thousands of dollars for acquisition and support for Oracle systems. He asked if Oracle will now be tossed out. Mr. Horstman said it will be going away. He said they will have access to some of the Oracle records for a long time. Mr. Banach asked if it was going to be possible to migrate records from the old system to the new one. Mr. Horstman said it is possible and has been a very arduous task. There is a huge amount of data with 20,000 active customers, and another 60,000 inactive customers that data is kept on.

Board member Roberts said she is concerned about the fact the account number will be tied to the location rather than the customer. If someone were to be in four different locations over four years, how would Utilities know whether or not they owe any money? Mr. Horstman said the customers will be tracked by name and any identifying number the customer supplies. Ms. Roberts asked why this company is committed to location rather than person. Mr. Horstman said it is the current technology.

Board member Banach asked if Utilities' biggest customers know about this change, and if any problems are anticipated for them. Assistant Director of Finance Horstman said the customers do not know yet, the staff wanted to present it to the USB before putting out mailers, etc. That will allow the staff to sort through any questions the USB might have first. He said the customers will be notified very soon.

Board member Whikehart asked what would happen to a new resident if the previous owner skipped out without paying. Mr. Horstman said that would be tracked on the actual customer account which is kept separately. The number for the street address will track who has lived there, what their bill is and whether or not they have paid it. He said he has looked at some examples and it looks alright to him.

Board member Roman said he is a bit concerned about this. All the bills he gets, Comcast, Duke Energy, and Vectren, have account numbers assigned to the customer. He said he

understands that assigning the number to the location gives an ability to track things such as consumption. On the other hand most software provides the ability to do both things. A customer would have an account number on your name at a certain location and a different account number on your name at another location if you happen to move, so the account remains with the person, but they keep track of the location. That's what the other Utility Companies do. It doesn't seem consistent. Mr. Horstman replied that it isn't possible to add a lot of extra fields to this software without major programming changes, for which the money is not available at this point in time. He is also not sure that it is an option at all. A lot of other Utilities are using this kind of software with a locator identification, so the property has the account number. He said he has worked extensively with this program and he thinks it will work.

Utilities' Director Murphy made a comment away from the microphone that couldn't be heard.

Board President Swafford said it is certainly better than Oracle. He asked for another update in February once the complaints and issues that may arise in January have been dealt with.

Mr. Horstman pointed out that the Company that developed the CUBs billing system only has one person left who can work on it, so it is going away and Utilities will have to use something else for billing. Board member Roman said he understands the need to be consistent with the rest of the Civil City. It does make things more convenient. However, whatever software is used must also be convenient for Utilities. He asked to have the decision making process explained because he is confused. He doesn't know when the USB made the decision to pay half the costs for this. He asked if the contract had already been approved. Mr. Horstman said it is already in use. The current payroll system is already in New World. All financial reporting is in New World. The controller and others decided the cost of Oracle was getting to be too much. There was also the cost for having special reports drafted that Utilities needs at times. Overall it was just too expensive. The framework this new system is built on allows Accounting to do customized reports themselves to meet their reporting requirements. For a totally different kind of report it might be necessary to get some help, but there is a lot more in New World to help them do their jobs. The Controller along with others decided that it was necessary to move in this direction with Oracle becoming so outdated and expensive. Some reports never could be done with Oracle.

Board member Roman asked Board President Swafford if the USB had authorized the Controller to make this decision for the USB. Mr. Swafford said they had not. Mr. Roman asked who had made the decision. Utilities Director Murphy said Utilities staff had been a part of the decision making process. Mr. Roman asked if the USB was a part of it. Mr. Murphy said they were not. Mr. Swafford said the Director and the Finance people made the decision. It is an operational thing. They make the decision in consultation with others who use the system. Oracle has been an expensive problem from the beginning. Moving to a new system has been talked about off and on for four or five years.

Mr. Roman said he didn't understand how this could happen because no one has the authority to sign a contract for the USB. He is not satisfied this software is in the best interest of customers. He thinks it should have come through the board. Mr. Swafford said at this point they need to wait to see if there is an issue, and if there is it must be addressed. All the relevant staff looked at it and they think it will work, so it would be best to wait and see. Now there is only one person who can work on Oracle, and it has been one of the most expensive things they ever did. Ten years ago Oracle was about the only thing available. Mr. Roman said this isn't about Oracle, it's about why was this software selected and why he hasn't heard about

it before when it comes to billing systems. He is concerned that a decision may have been made to go with this system, which may not be good, and then there could be the same problems as before with Oracle. Mr. Horstman said the whole financial system, including Oracle, belongs to the City. Utilities has always participated with them as a partner. They brought in three or four vendors and invited Utilities staff to look at their products, but they ultimately made the decision. Utilities was able to tell them if they didn't like a particular company. Mr. Roman said it is his belief that Utilities partners with the City for Utilities' own convenience. Utilities could have it's own software. His concern is that the City was the lead partner which may have resulted in Utilities using software that may not be as good as it could be for Utilities and their customers. He wants to make sure there aren't the same complaints there were with Oracle. Mr. Horstman said he is comfortable going forward with this. It is working fine and seems to be very accurate.

Board member Roberts asked Assistant Director of Finance Horstman if there is a contract for a certain period of time, or is the software purchased along with a service contract and owned by the City. Mr. Horstman said there is an annual service contract. Once this software is acquired the City will have it until it gets replaced with something else. He assumes that won't happen for another ten to twenty years.

**PETITIONS AND COMMUNICATIONS:**

There were no petitions or communications.

**ADJOURNMENT:**

The meeting was adjourned at 5:29 p.m.

---

**L. Thomas Swafford, President**