



City Council Memorandum

To: Mayor Fasbender & City Councilmembers
From: Chris Eitemiller, Finance Manager and Ashley DeBernardi, Assistant Finance Manager
Date: May 6, 2024
Item: Finance System Project Overview

Council Action Requested:

Approve Resolution for Temporary Waiver of Utility Late Fees

Background Information:

The City is in the latter stages of implementing a new finance system. This is the culmination of a two-year project. Staff's intention is to provide information to Council and the public.

- The current finance system will be shut down at the close of business on Tuesday May 7. This is necessary to allow our new software vendor, BS&A, to migrate and validate data.
- The City will be unable to accept electronic payments from May 8-12, either in person or online.
 - Cash or check in person can be accepted, but cannot be processed until Monday May 13, when the new system goes online.
- Due to the data migration, any customers who are enrolled in a form of automatic payment, will have to re-enter their data.
 - Users will be able to enter their payment information starting Monday May 13.
 - We expect that some utility customers currently on auto-pay may get caught with a late fee before they re-register their account in the new system. Because this is due to the City's software change, we recommend the attached resolution allowing temporary waiver of late payment fees.
- City staff will not handle a customer's personal payment information.
 - This is to improve data security and is also required for PCI compliance.
- BS&A software provides greatly improved cyber security.
 - As one example, when users enter their bank information, there are security measures that can verify if the account information is accurate to the user identity that has been entered.
- Public messaging explaining this transition has been ongoing since Thursday May 2 on various platforms.
- New fee structure for automatic payments:
 - Credit card fees will now be 2.95%, plus \$0.50 per transaction.
 - ACH payments, which had been free previously, will now cost \$3 per transaction up to \$1,000, \$6 for transactions up to \$5,000 and \$12 for transactions above \$5,000.

- These fees will be passed directly to customers through the BS&A software and will not impact the City's revenues or expenses.
- Cash and check payments will not be subject to a transaction fee.

Financial Impact:

N/A

Attachments:

Resolution Approving Temporary Waiver of Utility Late Fees

**CITY OF HASTINGS
DAKOTA COUNTY, MINNESOTA
RESOLUTION _____**

A RESOLUTION APPROVING TEMPORARY WAIVER OF UTILITY LATE FEES

WHEREAS, the City has encourages customers to be on an auto-pay system for payment of their utility bills;

WHEREAS, the City will be changing over to a new accounting software system this month;

WHEREAS, customers will need to re-register in order to be on the auto-pay with the new accounting software;

WHEREAS, the City is providing notices to customers about the need to re-register any auto-pay accounts;

WHEREAS, the City recognizes that some customers may inadvertently get caught with a late fee before being able to re-register;

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Hastings, Minnesota:

Notwithstanding any provision to the contrary, the Finance Department and City Administration are authorized to waive late fees and penalties for late payment of municipal utility fees imposed during the next three months.

Adopted this 6th day of May, 2024.

Mary D. Fasbender, Mayor

ATTEST:

Kelly Murtaugh, City Clerk