



MEMORANDUM

P.O. Box 4100 ♦ FRISCO, COLORADO 80443

TO: MAYOR AND TOWN COUNCIL
FROM: HILARY SUEOKA, ENVIRONMENTAL PROGRAMS COORDINATOR
RE: ESTABLISHING FEES FOR PAPER WATER BILLS AND PAPER TAX OR FEE
FILINGS
DATE: MAY 24, 2022

Summary and Background: The purpose of this memo is to discuss the establishment of a fee for paper processes at the Town of Frisco. These processes include processing paper filings of tax (sales, accommodations, and marijuana) or disposable bag fee remittance forms that are manually entered into the Town's accounting software. Additionally, the mailing of paper water bills to Town water customers will incur a fee. The Finance Department is recommending an initial \$5.00 fee per paper filing of tax or fee remittance forms, as well as the mailing of a paper water bill. While the Town has had electronic billing for close to 15 years, only about one quarter of customers elect to go paperless. The goal of the paper bill fee is for more customers to switch to electronic billing.

Analysis: Staff surveyed the Colorado jurisdictions that provide online tax remittance processing to determine their use of lockbox services and any fees that are charged. The following table provides the positive responses to the survey:

<u>Municipality</u>	<u>Paper Filing Fee</u>
Breckenridge	Effective 1/1/17 a \$5 paper filing fee was implemented.
Centennial	Centennial does not charge for paper returns, but only allows the vendor allowance if the taxpayer files online through the City's portal. If they file by paper, they cannot take the vendor allowance.
Englewood	Effective 1/1/16 a \$25 / piece of paper filing fee was implemented; including paper check payments.
Montrose	Paper filing fee of \$10 since 2018.

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Mountain Village	Mandatory online processing, however a paper check is accepted. \$10 per physical check received.
Parker	\$10 per paper filing.
Silverthorne	\$5 per paper filing.
Telluride	\$10 per paper filing; \$15 per credit card payment processing.

<u>Municipality</u>	<u>Paper Utility Statement Fee</u>
Breckenridge	Effective 1/1/11, an escalating fee has been in place. The fee started at \$5/paper statement and has now escalated to \$15 / paper statement.
Gunnison	Offers a one-time bill credit of \$15 for signing up for paperless statements.
Silverthorne	\$5 per paper bill

The online system provides for the electronic delivery of water bills, as well as remittance of taxes and disposable bag fees; the system is secure and prevents any credit card information from being stored on any Town servers. In order to inform customers of the fees, 2 mailings will be sent to those that currently submit paper returns or receive paper water bills. The Town will also inform the public of the filing fees on the Town's website.

Financial Impact: The paper fees will offset costs that the Town is incurring for the online sales tax and fee filings, as well as electronic water billing. **The intent of the fee is not to enhance revenues but to encourage the reduction of paper, as well as the use of the Town's online filing and payment resources.** The paper filing fee will offset the cost of staff processing and storing the documents. An escalating fee schedule is recommended, with an initial fee of \$5.00 per paper return or paper statement. Additionally, reduction in paper bills sent will decrease the amount of paper and postage purchased.

Alignment with Strategic Plan: As a part of the Staff's dedication to supporting Council's strategic priority of Sustainable Environment, over the years we have made strides in reducing paper and implementing environmentally-friendly alternatives. In 2008, the Town partnered with Xpress BillPay for online utility payments. We went live with the online sales tax filing tax system on September 1, 2013. This coincided with the Town discontinuing the mailing of paper tax return booklets for 2014.

This progression has been a part of a big-picture plan for the Town moving towards all-electronic filing. While, we have seen a number of tax filers and water customers signing up for filing through Xpress BillPay, we believe that a point has been reached where an additional incentive must be offered in order for the remaining customers to begin to file through the online system.

Environmental Impacts:

Reduction in paper use: Each paper water bill uses two envelopes and at least 2 sheets of paper. This paper is sent from a third party and does not contain recycled content of any kind. Any avoided paper bills will help reduce the Town's use of virgin paper. While businesses are

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typically printing and sending their own paper for paper filing, avoiding this will help reduce paper used by local businesses and decrease paper waste from Town Hall.

Estimated paper reductions in sheets avoided:

Water billing paper avoided annually
= 4((4 sheets paper) (1569 residents using paper bills))
= 25,104
Tax filing paper avoided annually
= (2 sheets paper)(112 businesses paper filing)
= 224

25,328 sheets of paper saved*

*assumes all customers and businesses switch to paperless water billing and tax filing

Staff Recommendation: Staff requests Town Council discuss a fee for the mailing of paper water bills and processing of paper tax/fee filings. At this time, Staff is not recommending a fee for submitting a paper check. If Town Council desires, Staff can present an Ordinance to effect this change at a future Town Council meeting.

Approved By:

Diane McBride, Interim Town Manager