

**CITY COMMISSION
STAFF REPORT**

**DEPARTMENT:
NMB Water**

SUBJECT:

Motion to approve an increase to the existing Purchase Order with Invoice Cloud, Inc. in the amount of \$50,000.00, increasing the total Purchase Order authorization from \$662,000.00 to \$712,000.00, to provide sufficient funding for payment processing services through the remainder of Fiscal Year 2026.

BACKGROUND OF ITEM:

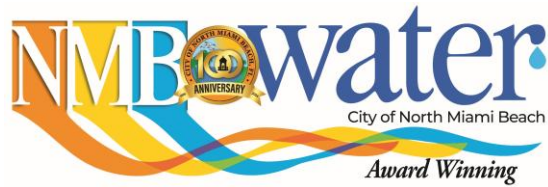
Invoice Cloud provides the City's online payment processing platform for utility customers, allowing payments through the customer portal, Interactive Voice Response (IVR), AutoPay, and other electronic payment channels. The platform continues to be the City's primary method for accepting electronic utility payments and has experienced steady growth in customer utilization.

The City previously approved a Purchase Order in the amount of **\$662,000.00** for Fiscal Year 2026 payment processing services. Based on actual expenditures through June 2026, the remaining Purchase Order balance is approximately **\$137,129.05**.

Staff reviewed historical Invoice Cloud expenditures from Fiscal Years 2023 through 2026 and analyzed current Fiscal Year spending to project anticipated costs for the remaining three months of the fiscal year. The analysis indicates that the remaining Purchase Order balance will be insufficient to cover projected payment processing fees through September 30, 2026. Accordingly, staff recommends increasing the Purchase Order by **\$50,000.00** to provide adequate funding through the end of the fiscal year and to account for normal fluctuations in transaction volume.

ANALYSIS:

Staff analyzed Invoice Cloud expenditures from Fiscal Years 2023 through 2026 and compared current Fiscal Year activity with historical trends. Through June 2026, payment processing costs are approximately **6.8% higher than the same period in Fiscal Year 2025**, reflecting continued growth in customer adoption of electronic payment methods.



Based on historical monthly spending patterns and current year expenditures, staff projects approximately **\$182,012.58** in payment processing costs for the remaining months of Fiscal Year 2026. With approximately **\$137,129.05** remaining on the current Purchase Order, the projected funding shortfall is approximately **\$44,883.53**.

Month	Estimated Cost
July 2026	\$75,387.24
August 2026	\$77,276.04
September 2026	\$29,349.30

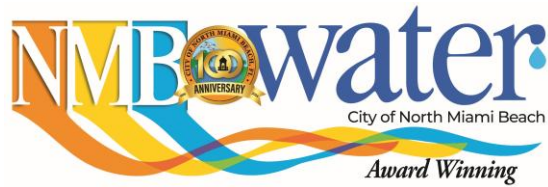
To ensure uninterrupted payment processing services and provide a modest contingency for variations in customer payment activity, staff recommend increasing the existing Purchase Order by **\$50,000.00**.

This increase will provide sufficient funding to maintain online payment processing services, including customer portal payments, AutoPay, IVR payments, and other electronic payment options through the end of Fiscal Year 2026.

FISCAL IMPACT:

- **Current Purchase Order:** \$662,000.00
- **Remaining Purchase Order Balance:** \$137,129.05
- **Additional Funding Requested:** \$50,000.00
- **Revised Purchase Order Amount:** \$712,000.00

General Ledger Acct. Number	Budgeted Amount	Available Amount	Available After Budget Transfer	New Request Amount	Remaining Amount
510916-533337	\$800,000.00	\$118,217.01	N/A	\$50,000.00	\$68,217.01



ALTERNATIVES:

The City could choose not to approve the requested Purchase Order increase. However, the remaining Purchase Order balance is projected to be insufficient to cover payment processing fees through the end of Fiscal Year 2026. Without additional funding, the City may experience disruptions to online payment services, including customer portal, AutoPay, and Interactive Voice Response (IVR) payment processing.

ATTACHMENTS:

- Change order Form