

**CITY OF BALTIMORE
COUNCIL BILL 08-0032R
(Resolution)**

Introduced by: President Rawlings-Blake, Councilmembers Holton, Clarke, D'Adamo, Curran,
Henry, Branch, Conaway, Spector, Middleton, Welch, Reisinger, Young, Cole
Introduced and read first time: March 17, 2008
Assigned to: Taxation, Finance and Economic Development Committee

Committee Report: Favorable
Adopted: July 21, 2008

A COUNCIL RESOLUTION CONCERNING

**Informational Hearing - Neighborhood
Self-Service Transaction Kiosks**

FOR the purpose of investigating the financial and operational efficacy of installing neighborhood self-service transaction kiosks to provide electronic financial processing and consumer bill payment service; and requesting the Director of Finance to direct the Bureau of Purchases to determine the projected costs of installing the kiosks and to instruct the Bureau of Collections to examine the possible effects of self-service payment processing on reducing costs, increasing efficiencies, and generating new revenue streams.

Recitals

The Center for Digital Government, a service that provides technology case studies, applications, news and best practices by and for international, state, city, and county governments, reports that its *Digital Cities Survey's* annual assessment of how well municipal governments use technology to serve citizens shows that from one end of the country to the other, cities are blending high tech and high touch in ways that fit with their unique local histories and priorities – it is not technology for technology's sake, but technology for the community's sake.

Chicago and Milwaukee were among the first U.S. cities to apply a new technology to the needs of the community by installing self service kiosks in several locations, including select bill-payment centers, police stations, and libraries. Citizens can pay municipal expenses, such as parking tickets and water bills, at these locations, using cash, checks, credit cards, and debit cards. Officials report the kiosks, that average 1,000 transactions a month, were added to make bill payment easier and promote compliance with municipal fiscal obligations.

Industry representatives report that an estimated 72 million citizens pay their monthly bills, in person; at the current rate of growth, more than \$80 billion in walk-in bill payments will be processed by 2009. A significant portion of these citizens pay in person because they do not have bank accounts, credit cards, or access to the Internet. For this “un-banked” population, a significant percentage of payments are made at random locations where conducting transactions during normal business hours is difficult for persons who work a normal 9 a.m. to 5 p.m. job.

EXPLANATION: Underlining indicates matter added by amendment.
~~Strike out~~ indicates matter stricken by amendment.

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1 Government offices process a large number of transactions in order to deliver services to the
2 citizens. While many citizens pay for these services impersonally by sending checks through the
3 mail, a significant number of citizens walk into government offices where customer service
4 representatives accept payments, dispense forms, and provide other citizens services. Typical
5 payments for these services are as follows: 25% by check, 25% by credit card, and 50% by cash.

6 A one-stop, readily accessible means of paying bills, that is convenient to the consumer at
7 the same time that it costs the government less than the current billing method, serves all
8 interests. It can be projected, based on the Chicago model, that use of neighborhood self-service
9 transaction kiosks could save approximately \$6.00 net per transaction over current collections,
10 while providing 99% accuracy with the real time posting of funds. If Baltimore deployed 15
11 kiosks averaging 70 transactions per day, the savings would be \$6,300 per day and would add up
12 to a net annual savings of \$1,890,000.00 – certainly, a *“Win/Win” possibility worth exploring.*

13 **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE,** That this
14 Body investigate the financial and operational efficacy of installing neighborhood self-service
15 transaction kiosks to provide electronic financial processing and consumer bill payment service;
16 and requests the Director of Finance to direct the Bureau of Purchases to determine the projected
17 costs of installing the kiosks and to instruct the Bureau of Collections to examine the possible
18 effects of self-service payment processing on reducing costs, increasing efficiencies, and
19 generating new revenue streams.

20 **AND BE IT FURTHER RESOLVED,** That a copy of this Resolution be sent to the Mayor, the
21 Director of Finance, and the Mayor’s Legislative Liaison to the City Council.