

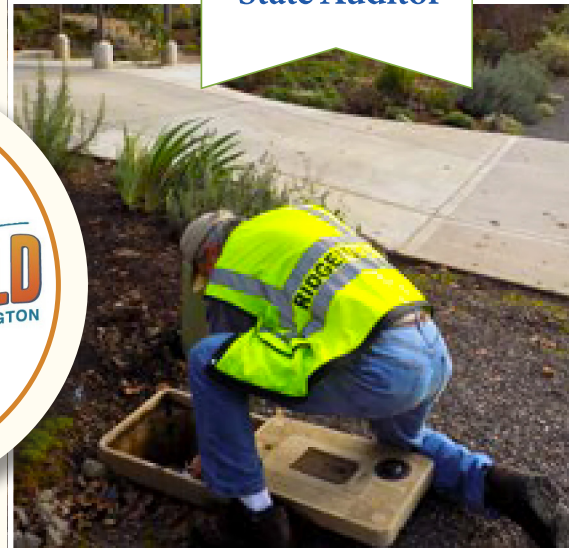


City of Ridgefield: Utility Billing Success

Lean case study

Background

Not long after the City of Ridgefield hired Steve Stuart as its new city manager in 2014, he contacted SAO's Center for Government Innovation asking for help in bringing lean methodology to the small city. The City of Ridgefield was striving to make its government work for residents, but continual, rapid growth in the city was stretching the limits of its current resources and small staff.



A City of Ridgefield utility worker shuts off the water

Problems

Ridgefield chose to improve its utility billing process

The first Lean project Ridgefield undertook was a Kaizen, or rapid-improvement project, focused on its commercial/industrial development review process. The leadership team, made up of senior-level staff within the city, was encouraged by this project's modest success but wanted to push for further process improvement. City department managers were then tasked with evaluating and suggesting process improvement projects for their departments. From these myriad project proposals, the utility billing, receipting and shutoff process was selected. This process routinely received citizen complaints and stressed staff in multiple departments. Also, the city's increasing population created a corresponding increase in utility billing customers, which only added to pressure caused by ongoing issues, such as late payments and a bi-monthly rush of residents arriving at City Hall hoping to prevent their water from being shut off.



A key element to success ... trust in all members of the team working together to recommend proposed improvements.

*Kirk Johnson,
City of Ridgefield
Finance Director*



Goals

Goals were focused on efficiency, roles and communication

The Center for Government Innovation's Lean Specialist, Debra Hentz, traveled to Ridgefield to kick off the four-day Kaizen. The team examined several parts of the process, including meter reading; all administrative duties, such as new accounts and tenant-vs.-landlord water bills; and water service shutoff for nonpayment. Finance Director Kirk Johnson acted as the sponsor for the Kaizen and helped to establish goals of improving efficiency, clarifying team roles and responsibilities, and improving communication with city residents.

Results

Despite already working together daily, city employees developed a deeper understanding of each other's roles and duties during the Kaizen. This helped newly hired staff, who were not as familiar with the utility billing process. However, new staff also weren't as invested in the "old" way of doing things and were open to fresh ideas. Staff with more experience contributed their expertise by identifying risks with the proposed changes and past pitfalls they had experienced. Working together with the project sponsor and the Lean facilitator, the Kaizen team recommended 14 proposals. Here are a few examples of outcomes from those implemented changes:

- **Much of the payment collection system was changed from manual to electronic processing.** Before the Kaizen, the city received and posted at least 80 percent of its utility payments manually. By implementing proposed changes, the city reduced manual receipts to only 36 percent of total payments received. Efforts over the past year have significantly increased electronic payment and self-service by residents. At least 56 percent of payments made now need only minimal City staff involvement.



This is just the beginning for us. Our Lean team is already looking to the next process to improve, which is exciting for all of us!

*Steve Stuart,
City of Ridgefield
City Manager*



Ridgefield City Hall

- **New-customer communication was improved.** Team members developed various educational documents, such as a new-resident package, an annual calendar highlighting payment due dates, a new FAQ document available on the website, and color-coded envelopes highlighting overdue accounts. New-resident packages emailed to customers are returned with a significant number of applications to use automatic payments, which reduce instances of late payment and service shutoff.
- **Utility service shutoffs were reduced.** At the end of 2015, 2.37 percent of the city's water accounts required shutoff and reconnection in their bi-monthly billing process. Today, that number has been reduced to 1.95 percent.

This improvement is remarkable because new customer accounts continued to increase during the same period.

- **Service shutoff process became more efficient.** Increased communication prepared by the team educated customers about payment deadlines. This, coupled with management support of their new standard process, resulted in fewer shutoffs and eliminated the need for Public Works employees to work extra hours to restore customers' utility service.



Success

Key factors contributing to the city's success

The City of Ridgefield is building its Lean culture from the top down.

- **The City Council is very supportive of the process improvement work.** The team presented their proposals to the Council who supported their request for changes to existing City code.
- **City Manager Steve Stuart encourages process improvements throughout the city and supports ongoing Lean work.** Stuart has provided staff time to focus on Lean work with the understanding that the end result is worth the time away from day-to-day activities.
- **Department directors are empowering their teams to continue making process improvements.** Johnson supported additional team meetings and follow-up visits with the Center's Lean Specialist to ensure implementation of all the proposals. During those meetings, key roles and responsibilities were identified to ensure that the project would continue to move forward despite daily work demands.
- **All of the kaizen team members stepped up to fulfill designated assignments after the Kaizen, and continue to bring their own unique skills and experiences to the ongoing improvement process.** This small, four-member Kaizen team continues to play a crucial role in growing Ridgefield's Lean Culture by sharing their insights and experience gained through the Lean project.

Continuing the journey to Lean culture

Following the Lean principle of Plan, Do, Check, Adjust and with the encouragement of city leadership, City of Ridgefield employees continue to evaluate their processes and identify other needed improvements.



Utility customers receive a new resident packet

Learn more about how Lean can make your government's work more efficient and customer-focused at www.sao.wa.gov/improving-government/