



Legislation Details (With Text)

File #:	24-0024	Version:	1	Name:	Credit Card Merchant 2024
Type:	Agenda Item	Status:		Status:	Approved
File created:	12/28/2023	In control:		In control:	Finance
On agenda:	1/9/2024	Final action:		Final action:	1/9/2024
Title:	Consider and take action on a resolution authorizing an addendum to an existing agreement with Tyler Technologies for credit card merchant services (Director of Finance)				

Sponsors:

Indexes:

Code sections:

Attachments: 1. Data Sheet, 2. Proposed Resolution, 3. Exhibit A - Tyler Payments Addendum, 4. Request for Proposal, 5. Score Sheet, 6. Tyler Technologies Submission, 7. Merchant Services Analysis

Date	Ver.	Action By	Action	Result
1/9/2024	1	City Council	Approved	Pass

Consider and take action on a resolution authorizing an addendum to an existing agreement with Tyler Technologies for credit card merchant services (Director of Finance)

Approval of this item will authorize the City Manager to execute a contract with Tyler Payments for credit card merchant services. The City currently accepts approximately 232,354 credit card payments for \$32,784,420 a year for utility bills, court fines, building, planning, and fire marshal permits and licenses, retiree health premiums, and other miscellaneous revenue totaling \$1,073,820 in fees. This item will allow the City to switch to a pass-thru model of fees for all Building, Code Enforcement, Planning and Fire Marshal permits, licenses, and fees. Approval of this item will also authorize a one-time setup charge of \$18,125.00 to replace our dated credit card equipment with new PCI complaint equipment, which will eliminate staff from handling customer credit cards at over-the-counter transactions.

With the continued growth of electronic payments and to ensure the City is getting the best value for this service, a Request for Proposal was issued on September 20, 2023. Proposals were received from three vendors: Catalis Payments LLC, Core Business Technologies, and Tyler Technologies. Based upon the stated criteria in the RFP, the evaluation team unanimously recommended Tyler Technologies to replace the services currently provided by Global Payment Services. The proposed contract is for a three-year initial term, with two one-year renewal terms available, upon mutual agreement of both parties.

Staff is committed to finding ways to increase payment options for citizens while containing costs to the City. Credit Card costs have been steadily increasing due to increased use by citizens as well as increased costs from providers in service fees and interchange fees. The finance department has looked for additional ways to provide online payment services such as eCheck payments that have a lower overall cost to the City. We are also looking at reducing our fraud exposure and curtail needs of additional staff by eliminating credit card payment being taken over the phone manually and moving to an Interactive Voice Recognition (IVR) system that is fully integrated with our existing ERP system and Tyler Payments. Tyler Technologies will also be updating our current version of the Customer Self Service Portal that will allow one-time payments both by credit card and eCheck to be made through a web-interface that is more user-friendly than our current version, driving more online payments. We will be able to implement online payments for items that are not currently online such as retiree health insurance, cell tower fees, and other miscellaneous fees that are handled by the finance office. Tyler Payments offers a pass-thru fee model where we can by merchant code have credit card fees passed to the consumer directly, eliminating the need for the City to collect and then subsequently pay out the fees as we currently do for the Building and Permits transactions. This model can be implemented to other transaction types by

merchant code as Council deems appropriate.

The City recently received our updated rates from Global Payments, which sees a large increase in services fees. We anticipate the Tyler Payments fees will be favorable to these rates but do not anticipate a large savings in fees overall due to the increase in rates, interchange fees, and number of transactions. We will have the ability to provide additional services such as eChecks, Interactive Voice transactions, pass-thru fees by service code, as well as an updated customer self-service portal. We anticipate the annual fees for Fiscal Year 2024 to be approximately \$1,100,000.

Attachments

1. Data Sheet
2. Proposed Resolution
3. Exhibit A - Tyler Technologies Addendum
4. Request for Proposal
5. Score Sheet
6. Tyler Technologies Submission
7. Analysis of Credit Card Fees

CONTRACT ORIGINATION:

FUNDING

{X} Funds are available from Account #1400000-53120 & 10207100-53120