

TO: MAYOR AND CITY COUNCIL

FROM: LANELL ENDRES, FINANCE DIRECTOR/ASST CITY ADMINISTRATOR

SUBJECT: ACCEPTING DEBIT AND CREDIT CARDS

DATE: MAY 2, 2017

BACKGROUND

The City does not currently accept any forms of electronic payment (debit and credit cards). We had looked into the issue several years ago and it was determined at that time due to various issues, it was not feasible for the City to offer the service. We recently talked with a different vendor that offers the service at no cost to the City as the charges would be paid by the customers that choose to utilize this service. The company is GovPayNet and they have been in business over 18 years but recently started working with municipalities. They started out in the law enforcement area and have now expanded to cities. They have customers in 45 states with nearly 3000 agencies. They would process the credit and debit card payments and deposit the payments into the City's account. They accept the major credit cards-Visa, MasterCard, American Express and Discover including credit, debit and prepaid debit. The payments can be made onsite, online and by phone. GovPayNet has been certified as PCI Level 1 which is the highest security rating. They offer full service at a call center operated 24/7. A copy of the fee schedule is included with this information.

GovPayNet would provide training for the staff and a media kit to help us notify our residents of the service. The only expenses that we may incur would be if we found we needed a separate computer for the customer to use (this is not required and may not be necessary but if we get a lot of use we may find that it would be beneficial) and if we decide to integrate the payments with our software programs, there would be a charge from our software company which we would investigate further if we decided to move in that direction.

If we decide to move forward with this option, we suggest starting with utility payments only and then adding additional options such as building permits, park reservations, ambulance service, swimming lessons and pool passes as we become more familiar with the program and processes. It is also possible to add law enforcement fines and charges as well. At this time, however, we would not be able to offer this to our motor vehicle customers due to the timing of the deposits required by the State of Minnesota.

I have contacted other cities on Minnesota that currently use this company and they all have had very good things to say about them and their customer service. Comments included that the program is simple to use, the reports are customizable, there are no hidden fees, the company is very responsive, and the City doesn't have to worry about security.

I presented information regarding GovPayNet to the Public Works Commission and they were in favor of offering this service to our customers.

STAFF RECOMMENDATION

Staff recommends that the City Council approve using GovPayNet as the service provider for acceptance of credit and debit cards as outlined and to authorize staff to enter into an agreement with them subject to review of the contract by our city attorney.

Attachment(s):

GovPayNet Info Sheet
Card Processing Service Fee Schedule

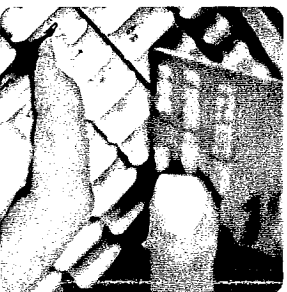


GOVPAYNET®

The Simple Way To Pay

GOVPAYNET® MAKES PAYMENT SIMPLE!

GovPayNet® is a category leader and a solution-oriented processor of credit and debit card payments to government agencies. Overall, consumers rely on us in making approximately 2.4 Million payments annually to nearly 3,000 agencies in 45 states.



PAYMENT OPTIONS

Now, you can offer your customers the convenience of paying with their preferred payment card - a Visa, MasterCard, American Express, or Discover credit, debit or prepaid debit card.



VISA



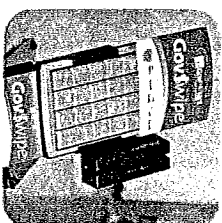
GOVPAYNET PAYS OFF HELP FOR YOUR STAFF WHERE AND WHEN IT COUNTS.

- **No Charges to Agencies** - Cardholders pay competitive service fees.
- **Lower Costs** - Save staff time through improved and expanded self-service options.
- **Improved Services** - Cardholders enjoy multiple payment options whether on-site, online or by phone.
- **Major Credit, Debit and Prepaid Debit Cards Accepted** - GovPayNet processes payments through the major credit card companies on behalf of consumers to government agencies. This gives consumers the freedom and flexibility to pay when, where and how they want.
- **Fast Processing** - Card payments are processed and sent to agency accounts the next business day.
- **Electronic Settlement** - GovPayNet settles every banking day (not every vendor does this) and funds are Direct Deposited for the prior day's activity on the next banking day.
- **Flexible System** - Integration with GovPayNet's system is not necessary, but is available for nearly every government accounting or cashing system.
- **Online Reporting & Tracking** - GovPayNet provides access to online reporting and tracking tools so agencies instantly know the status of payments and deposits.
- **Customer Service** - GovPayNet's 24/7 call center is staffed with bilingual agents and area specialists who answer questions, trouble-shoot problems, and process payments.
- **Patent-Pending Technologies** - These include our *GovSwipe* solution for countertop payments, with more on the way.
- **Secure Processing** - GovPayNet's solution has the highest security rating available—PCI Level 1. And, our processing technology is all Internet based, so "EMV" requirements don't apply.

SO MANY WAYS TO PAY

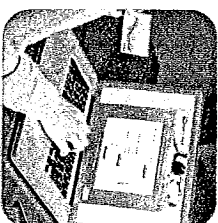
On-site

- GovSwipe®:** Our countertop e-commerce solution, automates data entry during payment.
- Easy set-up, connects to Internet-enabled computer via USB
 - Full integration capabilities
 - Consumer-facing keypad and self-swipe to ensure privacy
 - Includes a card reader (numeric keypad and base are optional)
 - Can also be used behind the counter to assist agency personnel



Online

GovPayNow.com: Agency-specific landing pages and agency search functionality make it easy for payers to make online payments at their convenience.



By Phone

- **PAYMENT HOTLINE:**
- Fully staffed, bilingual call center with live operators who take payments by phone, an added convenience many competitors don't have offer.



CARD PROCESSING SERVICE FEES

INTERNET PAYMENT SERVICE FEES (WEB/GOV\$WIPE®)

Transaction Range	Service Fee Amount
\$0.01 - \$50.00	\$1.75
\$50.01 - \$75.00	\$2.00
\$75.01 - \$100.00	\$3.75
\$100.01 - \$150.00	\$5.75
\$150.01 - \$200.00	\$7.25

For each additional increment of \$50.00, or portion thereof, add \$2.00

PHONE-ASSISTED SERVICE FEES (CALL CENTER/LIVE AGENT)

Transaction Range	Service Fee Amount
\$0.01 - \$50.00	\$5.75
\$50.01 - \$75.00	\$6.00
\$75.01 - \$100.00	\$7.75
\$100.01 - \$150.00	\$9.75
\$150.01 - \$200.00	\$11.25

For each additional increment of \$50.00, or portion thereof, add \$2.00

GovPayNet accepts the major credit, debit or prepaid debit cards, including:



VISA



The above fees may not be available in all states.