



09 12-04-13
Budget & Finance

MEMORANDUM

November 22, 2013

TO: Board of Mayor and Aldermen Budget and Finance Committee

FROM: Eric S. Stuckey, City Administrator
Russ Truell, Assistant City Administrator
Steve Sims, Business Process Improvement Manager

SUBJECT: Cashiering – payment acceptance of credit cards

Purpose

The purpose of this agenda item is to update the Finance Committee of our plan to issue a new Proposal (RFP) to accept credit cards by the City of Franklin.

Background

Previously, the Committee was informed that we planned to issue an RFP for the acceptance of credit/debit cards by the end of this calendar year. This was to replace the current contractual agreement approved by the Board to accept these payments for both face-to-face and remotely (web and/or phone). A convenience fee is charged to each payee except for payments made in person to City Court which are absorbed as part of the Court Cost fee assessed in accord with State and local provisions. The agreement we have with our current agent allows for the fee to be passed on to the payee or to be absorbed by the City and is in accord with our current policy (Resolution 2012 – 57). We may use this agreement to accept any of our fees as determined and requested by the City.

The plan was to align deployment of the INFOR tool to manage our work with our cash management responsibilities. Currently, we are using Dataquest (DQ) to administer and handle cash receipting for monies paid to the City. We are using INFOR (Hansen) to administer permits and licenses and DQ is used to administer utility billing (UB), but all monies are receipted thru the DQ tool.

Financial Impact

The financial impact of continuing our existing agent for payment processing is negligible for both our patrons and the City. While it is not possible to ascertain exactly, conversations with both providers and representatives in other cities believe me to believe that the transaction fee rate is very competitive.

Recommendation

Staff recommends delaying the issuance of the RFP until we are closer to deploying and accepting monies using the INFOR suite for permits and licenses administered thru the CDR module and for utility billing fees administered using the UB module. We anticipate continuing to use the current payment processor for accepting credit card payments using the existing contract. This allows us to reduce the administrative burden (costs) for conversion incurred by the city, the INFOR vendor and the payment processor. It is expected that the need to issue the RFP will be in late spring or summer.