TOWN COUNCIL – AGENDA REQUEST FORM

Please submit Agenda Request Form, **including back up information**, 8 days prior to the requested meeting date. **Public Hearing requests must be submitted 20 days prior to requested meeting date to meet publication deadlines** (exceptions may be authorized by the Town Manager, Chairman/Vice Chair).

MEETING INFORMATION

Date Submitted: November 10, 2021
Submitted by: Finance Director Thomas Boland
Department: Finance

Speakers: Thomas Boland

Date of Meeting: November 18, 2021

Time Required: 20 minutes

Background Info. Supplied: Yes: ☒   No: ☐

CATEGORY OF BUSINESS (PLEASE PLACE AN "X" IN THE APPROPRIATE BOX)

Appointment:	☐	Recognition/Resignation/Retirement:	☐
Public Hearing:	☐	Old Business:	☐
New Business:	☒	Consent Agenda:	☐
Nonpublic:	☐	Other:	☐

TITLE OF ITEM

Credit Card Implementation Discussion

DESCRIPTION OF ITEM

The Town Council to discuss and consider a proposal to equip the Finance, Code Enforcement, Solid Waste, and Wastewater departments with the hardware and software required to start accepting credit card payments for transactions such as ambulance fees, permits, inspections, applications, dump fees, compost fees, etc.

REFERENCE (IF KNOWN)

RSA:	Warrant Article:
Charter Article:	Town Meeting:
Other:	N/A

EQUIPMENT REQUIRED (PLEASE PLACE AN "X" IN THE APPROPRIATE BOX)

Projector:	☐	Grant Requirements:	☐
Easel:	☐	Joint Meeting:	☐
Special Seating:	☐	Other:	☐
Laptop:	☐	None:	☐

CONTACT INFORMATION

Name:	**Thomas Boland**	Address	**8 Baboosic Lake Road**
Phone Number	**603-424-7075**	Email Address	tboland@merrimacknh.gov

APPROVAL

Memo

TO:	Town Manager – Paul Micali
CC:	Town Council
FROM:	Finance Director – Tom Boland *TuB*
DATE:	November 8, 2021

RE: **Acceptance of Credit Card Payments by Town Departments**

We are proposing that the Finance, Code Enforcement, Solid Waste, and Wastewater Departments be equipped with the hardware and software required to start accepting credit card payments for transactions such as Ambulance Fees, Permits, Inspections, Applications, Dump Fees, and Compost Sales, among others. Residents have been asking us to add this capability for some time now. Fewer and fewer people seem to have access to cash and checks to complete monetary transactions these days, so we believe this change would be very well received. At the same time we are not looking to add additional costs to our operating expenses by paying credit card processing fees.

Technology Coordinator, Jonathan Dias and I researched several available options and have concluded that the best alternative is to use the same company that provides credit card services for the Town Clerk / Tax Collector's office presently. This company, Interware Development, offers a Virtual Terminal for over the counter transactions, and the system is set up to pass along the processing fees to the residents. It's a framework that we have familiarity with due to its presence in the Town Clerk / Tax Collector's department, and they are happy with the way the system functions. Issues with the hardware and software interfaces have been minimal. Another benefit of going with the Interware option is that it can be integrated to work with the existing transaction tracking software at the Transfer Station and at Wastewater.

The fee structure that we would be passing through to residents would be the same as used in the Tax Collector's office currently. We believe this consistency would be important to residents who might do business with multiple departments within the Town. Residents who choose to pay by credit or debit card would be charged a 2.79% Convenience Fee with a minimum charge of $1.50 per transaction. The only cost to the Town would be the initial hardware cost of the card readers (one for each of the four departments), which cost $575.00 each. There is an option to pay an annual maintenance fee of $60.00 per terminal which provides the Town with the ability to get replacement units in the event of a malfunction with a short turnaround time. We believe this additional $240.00 per year maintenance cost would be worth paying to ensure that we have functioning equipment and minimal downtime once residents become used to this additional payment option.

We understand that the Town Council needs to review and approve of any fees to be charged to Town residents. We hope they will agree that adding this payment option for certain transactions by using Interware's EPay2Gov Virtual Terminals at the Finance, Code Enforcement, Solid Waste, and Wastewater Departments, given that it is a fee structure that most residents are already familiar with from their interactions with the Tax Collector's office, is the best way to address the demand for this capability.

Credit Card & ACH Payment Pricing

For Heartland Transactions Over-the-counter and/or via the Internet

EB2gov

Pay as you go system – Fees passed onto the citizen: Three options are offered to provide the municipality the opportunity to lower the cost to the citizen using the online system.

	CC Conv. Fee	Minimum CC Conv. Fee	ACH Conv. Fee	E-Check Conv. Fee	Online Only		Municipal Yearly Subsidy
					Per Item Fee	Per Shopping Cart Fee	
Option 1	2.79%	$1.50	$0.95	$0.35	$1.50	$0.00	$0.00
Option 2	2.79%	$1.50	$0.95	$0.35	$0.00	$1.50	$425.00
Option 3	2.79%	$1.50	$0.95	$0.35	$0.00	$0.95	$800.00

Hardware to Consider for Over the Counter transactions:

	One Time Fee	Annual Maintenance Fee
CREDIT CARD SWIPERS:		
Credit Card Swipe *Wedge* (IDinnovations)	$ 80.00	
Credit Card Swipe *Wedge* (MagTek)	$ 80.00	$ 60.00
Ingenico iSC250 –Card-Swipe/number pad – Chip and PIN Ready Plus Signature Pad for citizen to sign/no receipt for municipality to keep	$ 575.00	$ 60.00
RECEIPT PRINTER (optional):		
Receipt Printer Epson T70 Thermal	$ 375.00	
PCI Compliance - Direct via ControlScan		
Online only (not charged at this time)		$40.00 (est)
Over the counter and online (not charged at this time)		$125.00 (est)

EPay2Gov Virtual Terminal for Over the Counter transactions:

EPay2Gov Virtual Terminal	Credit cards only - no cost to the town/department	To record Cash and Checks - $300.00 per year

GENERAL TERMS AND CONDITIONS

VISA Rules: VISA can be accepted over the *internet* for all types of transactions. Regarding *over the counter* transactions, VISA rules state that VISA can be accepted for every type of payment, except Utility Payments.

Convenience Fee: The credit card or ACH processing fees passed to the citizen. This is usually a percentage (can be a flat fee) for credit card payments and is always a flat fee for ACH payments. This fee is collected by Interware directly upon completion of the transaction by the citizen and charged on their credit card statement or in their bank statement as a separate line item.

Per Item Fee: A fee for each item in the shopping cart which is passed onto the citizen who utilizes the web application for payment of charges and/or services. This fee is collected by Interware directly upon completion of the transaction by the citizen and charged on their credit card statement or in the bank statement as a separate line item in addition to the convenience fee.

Per Shopping Cart Fee: A fee placed on the entire shopping basket regardless of the number of items within the cart. This fee is passed to the citizen who utilizes the web application for payment of the charges and/or services. This fee is collected by Interware directly upon completion of the transaction by the citizen and charged on their credit card statement or in the bank statement as a separate line item in addition to the convenience fee.

Municipality Added Fees: The municipality can opt to add onto the per item fee to cover any incurred costs of any online service. The municipality may also or optionally elect to apply a fee per online shopping basket to cover any related costs.

PCI Compliance: Required by the credit card industry for any merchants accepting credit cards over-the-counter. Becoming PCI compliant and renewing PCI compliance yearly is the responsibility of each municipality as a whole. Heartland currently has a compliance program through ControlScan and currently, at no charge to the Municipalities. If Heartland institutes a fee in the future this fee will be passed along to the municipality. Municipalities with only online services through EB2Gov or our gateway services are outside the scope of PCI compliance and do not need to prove compliance.

Receipt Printer: The receipt printer is not necessary unless you do *not* want to print on 8.5" X 11". If you currently have a receipt printer in your office then it may be utilized to print credit card receipts pending compatibility. Receipt printers utilize a USB port and can be shared on your network.

Card Swipe: If you are taking credit cards over the counter, at the minimum, you will need a Card Swipe device; the Wedge or Ingenico iSC250 signature pad. All devices connect via USB for injecting credit card information into the application. These swipe devices utilize a USB port and can NOT be shared on your network.

Ingenico iSC250: Chip and PIN/Signature ready. With the Ingenico Signature Pad the citizen does not have to sign a receipt and a receipt does not have to be kept in your files for 18 months. The iSC250 has a yearly maintenance fee of $60.00. This is a swap out plan where if the unit is inoperable Interware will ship a replacement unit immediately. The Client/Town/City would pay only for shipping the unit back to our office.

Interware products: FundWorks Accounting is a financial software system where credit card acceptance is built in. ClerkWorks is a Motor Vehicle, Dog Licensing, Boat Registration and all point of sale items where credit card acceptance is built in. EPay2Gov is a Virtual Terminal accessed via the Internet and designed to take credit cards over the counter, card not present at no charge, and when enable to accept cash and checks at an additional cost.

Free credit card acceptance program:
One (1) Idinnovation credit card swipe wedge will be provided to the Town/City with a population fewer than 10,000. Two (2) Idinnovation credit card swipe wedges will be provided to the Town/City with a population over 10,000. Purchase and yearly fees apply for all the MagTek and Ingenico products. Additional card swipes will be installed and invoiced upon order.

• Interware Development Company, Inc. •
• Phone: 603-673-7155 • Fax: 603-673-2241 • sales@interwaredev.com •
All pricing listed in this document is valid through June 30, 2021

Making government more efficient for all of us...

EPay2 GOV

VIRTUAL TERMINAL

A simple and secure web portal for processing credit cards

FEATURES

- Face-to-face credit card payments
- Facilitates credit cards payments over the phone
- Processing fees paid by the customer
- Simple and fast installation
- Completely customizable
- Access levels can be restricted by user
- Secured utilizing strongest encryption available
- No limit to the number of user accounts that can be created
- Edit, customize, and create accounts with Admin access
- Any department equipped with a PC can accept credit cards
- Works in coordination with existing software

REPORTING

- All data is in real-time allowing users to see transactions as they occur
- Multiple export options, with customized data sets
- Smart search technology allows user to instantly narrow data by any criteria

PAYMENT OPTIONS

- Credit card swipe
- EMV
- Manual CC Entry
- ACH
- Cash
- Check

BENEFITS

Improve Customer Service

Collections Efficiency

Reduce Returned Checks

Increase Productivity

Improve Compliance

Cut Operational Costs

System requirement: Internet Explore 7 or higher