



General Government and Policy Committee Meeting February 4, 2020

Authorization To Execute Master Services
Agreement With Elavon Inc., For Electronic
Payment Processing And Professional Services

Overview



- Project Considerations
- Countywide Credit Card Use
- PS&R Credit Card Use and Estimated Increase
- Convenience Fees in PS&R
- Business Requirements
- Recommendation

Project Considerations



- Expand electronic payment methods for PS& R
 - Expandable to other business areas
- Payment by check or cash is increasingly inconvenient for residents
- Benefits of electronic payments include:
 - enhanced customer convenience
 - increased certainty of collection
 - reduced risk of fraud
 - and expedited accounts receivable process.

Countywide - Credit Card Use



Board Approved 2020 Fee Schedule

Fees Accepting Credit Cards - 2020	Number of Fees	
Accepted	473	75%
Not Accepted	155	25%
Total	628	

Departments Seeking Credit Card Acceptance	Number of Fees Impacted
Public Service and Revenue	43
Information Technology	14
Sheriff	15
Social Services	6
Total	78

Countywide - Credit Card Use



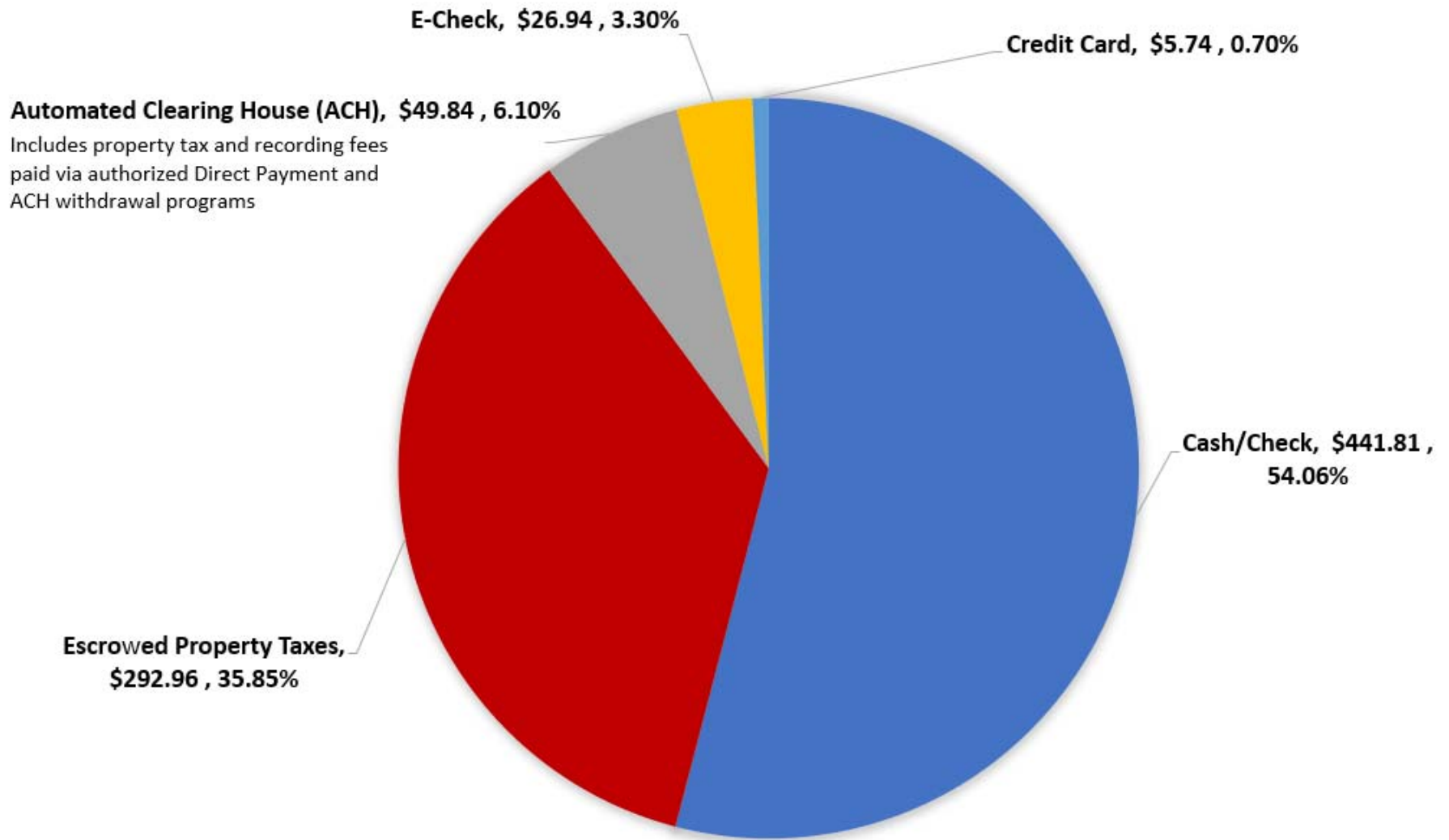
Department	Point of Sale	Online	Total Fee Revenue	Total Credit Card Revenue	Credit Card Percentage
Parks	Yes	Yes	1,310,260	1,092,032	83%
Library	Yes (kiosks)	Yes	498,324	286,038	57%
Environmental Resources	Yes	Yes	2,211,660	296,181	13%
Transportation	Yes	Yes	272,848	180,080	66%
Paymentus (5 Departments)	No	Yes	214,258	214,258	100%

PS&R – Current Payment Types



(Excludes Library)

COLLECTIONS IN MILLIONS



PS&R Estimates \$7.9 M Shift to Credit Card Use



COLLECTIONS IN MILLIONS

(Excludes Library)

Automated Clearing House (ACH), \$49.84 , 6.10%

Includes property tax and recording fees paid via authorized Direct Payment and ACH withdrawal programs

E-Check, \$26.94 , 3.30%

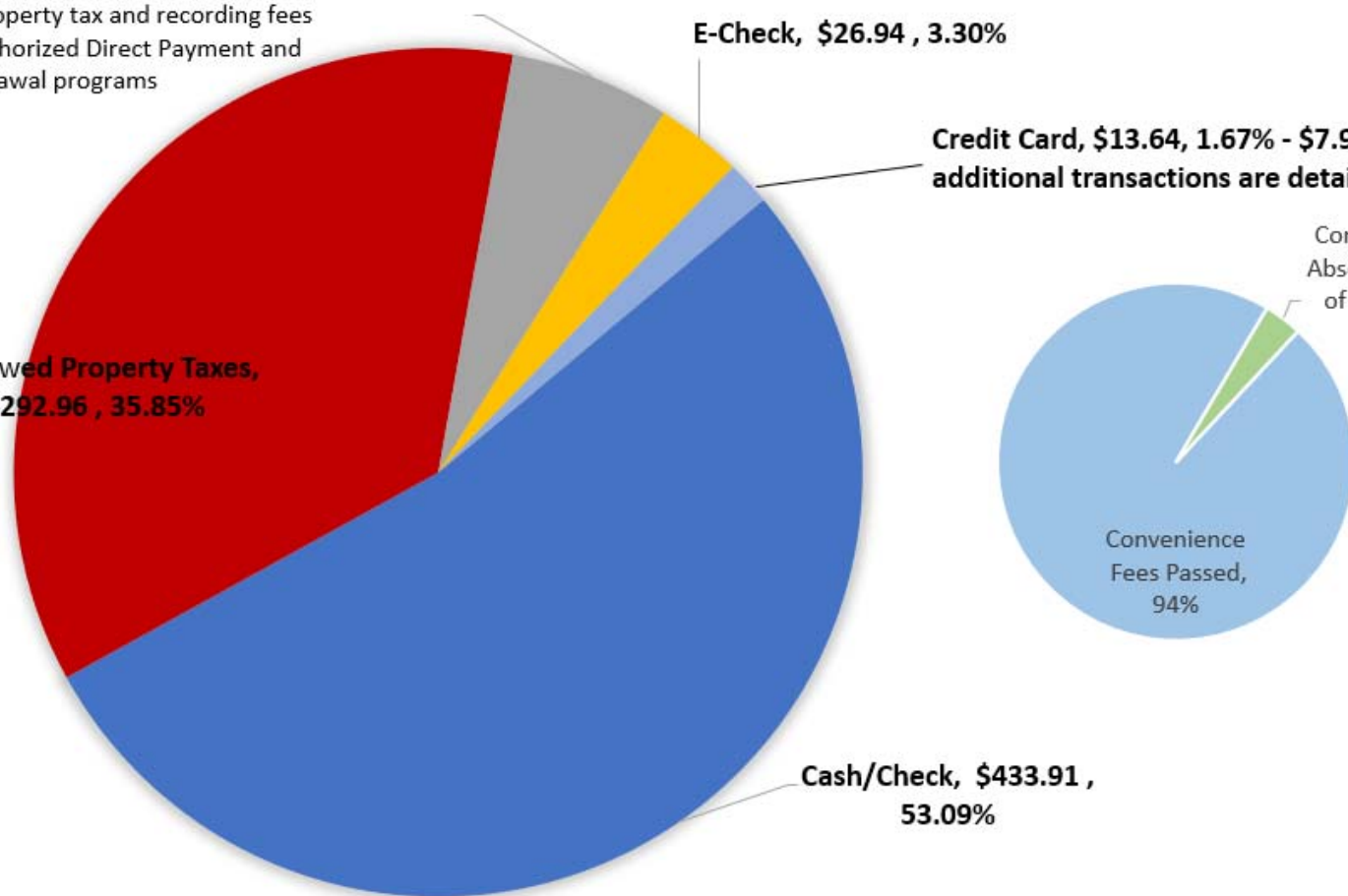
Credit Card, \$13.64, 1.67% - \$7.9 estimated additional transactions are detailed below

Convenience Fees Absorbed (at a cost of \$11,000) , 6%

Escrowed Property Taxes, \$292.96 , 35.85%

Convenience Fees Passed, 94%

Cash/Check, \$433.91 , 53.09%



Convenience fees in PS&R



- Minn. Stat. § 471.381 authorizes counties to accept credit card, debit card, or other electronic payments; counties may assess a convenience fee for such payment methods.
- The Dakota County Board of Commissioners annually approves the PS&R fee schedule for fees not set in statute.
- Where MN statute governs specific fee to be charged, convenience fees will be charged to the customer.
- Where fees are not governed by statute, Dakota County would incur convenience fees for providing electronic payments estimated at \$11,000 for PS&R in 2020.

Business Requirements



- Adheres to Payment Card Industry Data Security Standards to ensure data remains secure
- Determines automatically the appropriate convenience fee rate based on the transaction type
- Integrates in real-time with PS&R's current receipting system and Real Estate Management System

Recommendation



Execute master services agreement and the purchase of point-of-sale equipment with Elavon Inc.

- 5-year initial contract term which can be terminated by either party with a 90-day notice
- Improved credit/debit convenience fee rate of 2.35% (currently 2.45%)
- Free electronic checks (currently \$1.00/each)
- Fiscal impacts of Elavon Inc. contract PS& R deployment
 - PS&R point of sale electronic payment equipment (\$14,580)
 - Monthly fee of \$35
 - Funded from the Department of Information Technology's 2020 budget.

Questions?