

The Chair stated that this was discussed during the budget review process and during the electric rate study. Currently this contract employee is working 3 days a week. This person is a recent retiree of the City of Oberlin. He was substation manager there and handled the technical work for the City of Oberlin. Mr. Dougherty stated this is correct.

There was no opponent testimony. There was no public comment.

Motion by Mr. Iula to release Temp. Ord. B-46 with a favorable recommendation. Seconded by the Chair. Motion adopted by acclamation.

Temp. Ord. B-47

An ordinance authorizing the Director of Finance to enter into a contract and/or contracts without competitive bidding with Solupay Consulting Inc., for credit card processing services for use by various departments within the City, and declaring an emergency.

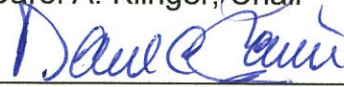
The Chair stated that this contract is for the credit card merchant services. The Chair stated that she sent an email to the Council earlier showing an analysis that was done of the various vendors regarding services, rates and fees. (Exhibit "A") Competitive bidding is not being done because there has already been a full analysis of available rates. This system will allow the City to be chip and PIN compliant by the end of the year. It will also keep the City PCI compliant. The city will need to purchase new terminals but the savings obtained by switching vendors will offset that expense. The system is used by Utility Billing, Park & Recreation, Community Development, and Engineering.

The Chair recognized Law Director Russ Balthis and asked whether he was satisfied with the language in section 2 of the Ordinance which does not specify the sources of funding, inasmuch as the funding sources are both General Fund and enterprise funds. Mr. Balthis stated that the language appears to be fine at first glance, but he will review it further with the Finance Department prior to the next meeting.

Without objection, the Chair adjourned the meeting at
6:55 p.m.

Handwritten signature of Carol A. Klinger in blue ink, written over a horizontal line.

Carol A. Klinger, Chair

Handwritten signature of Paul A. Janis in blue ink, written over a horizontal line.

Paul A. Janis, Clerk of Council

From: "Paul D. Novelli" <novellip@cityofcf.com>
Date: Thursday, July 02, 2015 12:15 PM
To: "Bryan J. Hoffman" <hoffman@cityofcf.com>
Cc: "John A. Konich" <konichja@cityofcf.com>; "Scott K. Fitzsimmons" <fitzsimmonssk@cityofcf.com>
Attach: undefined.png; undefined.png
Subject: Credit Card History and Summary of Solupay proposal analysis

Electronic Merchant Services (EMS) History

The most recent contracts that were signed with Merchant Services are dated June 14, 2008. I am not sure how long the City's relationship with them predates those agreements.

On July 19, 2010 the agreements were reviewed and a basis point rate of .25% was established for all of the City's accounts. Transaction rates were revised to \$0.15 for Mayor's Court, Engineering, Community Development, Income Tax and Utility Billing (OTC) and \$.08 for Brookledge, Quirk, Downview, Natatorium, Park & Rec (OTC), Park & Rec (Online), Utility Billing (Online) and Water Works.

In May 2014, we identified that EMS had changed our basis point rate from .25% to .55% with no notification. After reviewing the issue with EMS, we agreed to a reduced basis point rate of .15% moving forward, to both offset the over charge and bring us in line with current pricing. Transaction rates remain the same.

In August 2013, we identified that EMS overcharged the City by \$3,420.00 for PCI Non-Compliance fees between 2012 - 2013. We were refunded promptly, and monthly monitoring of this fee was put in place.

In August 2014, we identified that EMS had overcharged the City \$600.00 for PCI Non-Compliance fees that were incorrect. We were refunded the next month.

Unsolicited offers from other companies

In 2014, we were contacted by three different companies regarding our credit card processing: Solupay, Banc Certified Merchant Services (BCMS) and Invoice Cloud. Both Solupay and BCMS requested copies of all account statements for the 04/14 to review. Solupay provided a detailed comparison, account-by-account and line-item by line-item, of the cost savings they believe the City can achieve. BCMS never responded.

Innoprise Pricing Issue

During an implementation discussion of the Utility Billing application of Innoprise, we were notified that in order to process credit card payments in Innoprise, we were required to use one of the company's preferred partners, or pay a \$.20 per transaction gateway fee. As a result, we listened to a pricing proposal from Invoice Cloud.

Projected Savings (Part 1 - current)

Solupay's detailed comparison focused on the Utility Billing online payment merchant statement (which represents 75% of the credit card sales, 50% of the transaction volume, and 70% of the credit card fees, citywide). Solupay identified that there were specific areas of the the credit card interchange fees that they believe they could reduce. These credit card interchange fees are dictated by Mastercard/Visa/Discover; however, the sales could be categorized differently to reduce the rate we are charged. In addition, Solupay will reduce our current basis point fee rate from .15% to .12%, which the

intention on working with us to decrease that basis point rate by .005% each year until it reaches .10% Solupay will also reduce our per transaction fee for Mayor's Court, Engineering, Community Development, Income Tax and Utility Billing (OTC) from \$.15 to \$.08

We will be required in upgrade our equipment for \$4,550.00. This equipment upgrade was inevitable; however, the machines that we are selecting will be ready for the potentially mandatory requirement of EMV-capable credit card equipment. We will also be required to pay early termination fees of \$5,135.00 from EMS; however, I am estimating that our savings over the course of the final five months of this year will be about \$25,000.00.

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Solupay also believes that there is potential to reduce our interchange fees further, based upon our , changing some of the data collection methods when the credit card is processed. However, this requires a review that would happen after implementation. For that reason, we conservatively not projecting these savings.

Projected Savings (Part 2 - future)

In addition, I have analyzed the potential savings in the future when Innoprise is live for Utility Billing. Below is a comparison of the projected per transaction cost of an average ticket of \$161.00.

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Looking at just the key elements of Basis Point Fee, Transaction Fee and Gateway Fee, Invoice Cloud has the lowest price; however, Solupay has offered to allow us to change the setup on this one account to a flat rate of \$.45 when we move to Innoprise for Utility Billing. All other merchant accounts will remain on the previous models.

In summary, I feel that EMS would probably match the basis point rate of .12%; however, in the seven years I have worked here, they have never approached us about educating us on the potential to reduce our interchange rates/fees.

I also feel that this is a very low-risk move based on the following:

- * They have public entity experience with Stark County
- * This is only a one-year contract with two renewal options, if they don't deliver the savings on the interchange rates they projected, we move on; however, we will have addressed our eventual EMV compatibility needs and saved \$5,000.00 in basis point fees that would offset the early termination fees from EMS.

Paul Novelli
Treasurer
City of Cuyahoga Falls
330-971-8278

MERCHANT #	INNOPIRISE ACCT #	08/15 - 12/15		EARLY		TERMINAL		NET 2015 COST	
		SAVINGS	FEE	HARDWARE	SAVINGS	SAVINGS	SAVINGS		
131128	703-5700-53004	\$ 2,774.90	\$ (395.00)	\$ (350.00)	\$ 2,029.90				
131136	101-2000-53004	\$ 312.45	\$ (395.00)	\$ (350.00)	\$ (432.55)				
131144	101-2500-53004	\$ 160.35	\$ (395.00)	\$ (350.00)	\$ (584.65)				
131151	703-5700-53004	\$ 20,924.05	\$ (395.00)	\$ (350.00)	\$ 20,179.05				
131169	605-2200-53004	\$ 37.95	\$ (395.00)	\$ (350.00)	\$ (707.05)				
131177	605-2300-53004	\$ 943.25	\$ (395.00)	\$ (350.00)	\$ 198.25				
131185	605-2600-53004	\$ 17.35	\$ (395.00)	\$ (350.00)	\$ (727.65)				
131193	605-2100-53004	\$ 164.45	\$ (395.00)	\$ (350.00)	\$ (580.55)				
131201	201-3100-53004	\$ 48.20	\$ (395.00)	\$ (350.00)	\$ (696.80)				
131219	101-1000-53004	\$ 0.75	\$ (395.00)	\$ (350.00)	\$ (744.25)				
131235	101-2000-53004	\$ 13.45	\$ (395.00)	\$ (350.00)	\$ (731.55)				
131664	605-2400-53004	\$ 7.00	\$ (395.00)	\$ (350.00)	\$ (738.00)				
155713	101-2800-53004	\$ 19.65	\$ (395.00)	\$ (350.00)	\$ (725.35)				
		\$ 25,423.80	\$ (5,135.00)	\$ (4,550.00)	\$ 15,738.80				
		\$ 506.65	\$ (1,975.00)	\$ (1,750.00)	\$ (3,218.35)				
		\$ 48.20	\$ (395.00)	\$ (350.00)	\$ (696.80)				
		\$ 1,170.00	\$ (1,975.00)	\$ (1,750.00)	\$ (2,555.00)				
		\$ 23,698.95	\$ (790.00)	\$ (700.00)	\$ 22,208.95				
		\$ 25,423.80	\$ (5,135.00)	\$ (4,550.00)	\$ 15,738.80				

	EMS	Solupay	Invoice Cloud
\$161.00 avg ticket			
Basis Point Fee	\$ 0.24	\$ 0.19	\$ -
Transaction Fee	\$ 0.08	\$ 0.08	\$ 0.45
Gateway Fee	\$ 0.20	\$ 0.20	\$ -
	\$ 0.52	\$ 0.47	\$ 0.45