

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: Library *ic*

BOARD AGENDA # *B-7

Urgent Routine

AGENDA DATE October 27, 2009

CEO Concurs with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Approval to Implement Link2Gov E-Payments System at the Stanislaus County Library to Process Electronic Payments

STAFF RECOMMENDATIONS:

Authorize the Stanislaus County Library to install the Link2Gov E-Payments system which was selected through the County's Request for Proposal process to handle electronic payments in the thirteen library branches.

FISCAL IMPACT:

There are no development costs associated with the implementation of Link2Gov at the Library as the system has already been tested and used by other county departments. A one-time expense of \$1,300 will be required to purchase credit card scanners for each library branch. The estimated increase in the average per transaction fee cost can be absorbed by the anticipated savings from replacing the current system with the proposed system.

BOARD ACTION AS FOLLOWS:

No. 2009-720

On motion of Supervisor Chiesa, Seconded by Supervisor Grover
and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Grover, Monteith, and Chairman DeMartini

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) X Approved as recommended

2) _____ Denied

3) _____ Approved as amended

4) _____ Other:

MOTION:

Christine Ferraro

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

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DISCUSSION:

The Library accepts payments from customers in the form of cash, checks and debit/credit cards. Currently, only six of the thirteen library branches are equipped to process debit/credit card payments. These credit card machines are leased from Bank of America at an annual cost of \$3,000 and there is a per transaction fee assessed on each payment which is absorbed by the Library. In Fiscal Year 2008-2009, the per transaction fee ranged from \$.70 to \$1.90. The average cost per transaction was approximately \$1.00. In past years, the steady increase in revenue from credit card payments indicated that customers prefer this payment method. Therefore, the Library would like to expand the electronic payment option to all library branches. Implementation of the county selected Link2Gov E-Payments system will enable the thirteen library branches to have the ability to accept electronic card payments.

Link2Gov is a proven system selected through the County Request for Proposal process. The Department of Animal Services has successfully implemented Link2Gov and is currently utilizing the system as part of an e-licensing solution. There is no implementation cost to the Library for the recommended system. Replacing the current leased credit card machines by the proposed Link2Gov option will save the Library \$5,200 in lease cost for the first year and \$6,500 thereafter. Link2Gov charges a 2.35% or a minimum of \$1.49 per transaction. The estimated increase in the average per transaction fee cost can be absorbed by the anticipated savings from the recommended system. With the card payment option available in seven additional library branches, it is expected that revenue from fee collection will increase by a conservative estimate of 10% in the first year. Customers at all the library branches will immediately benefit from the availability of the electronic payment option.

In addition, it is likely that the electronic payment option will reduce the number of payments by check and subsequently, reduce the number of returned checks, which are extremely time consuming to process, thus saving staff time to perform the daily payment reconciliation. Reports from Link2Gov will provide the necessary audit trail to facilitate the reconciliation process.

It is anticipated that implementing E-Payments will increase revenue, reduce operating expenses, and provide more efficient service for customers.

POLICY ISSUES:

The Board of Supervisors should determine if approval of the recommended action is consistent with its priorities of striving for a strong local economy and the efficient delivery of public services.

STAFFING IMPACTS:

There is no staffing impact associated with this item.

CONTACT PERSON:

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