



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 8/27/2019

Agenda Placement: 60

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors

FROM: Bret Prebula for JAMES HUDAK - Treasurer-Tax Collector
Treasurer-Tax Collector

REPORT BY: Bret Prebula, Assistant Treasurer-Tax Collector - 707-299-1710

SUBJECT: Napa County Credit/Debit Card and E-Check Payment Processing

RECOMMENDATION

Treasurer-Tax Collector requests approval and authorization for the Chair to sign Amendment No.1 to Agreement No. 7522 with Heartland Payment Systems effective on the date signed with automatic one-year renewals, to add credit/debit card services for tax payments as well as reduce the overall merchant rate charged to customers (countywide).

EXECUTIVE SUMMARY

The County's current (non-property tax payment) credit card vendor is Heartland Payment Systems. This vendor is utilized by County departments that wish to allow credit card payments as part of their daily operations.

The transition to Heartland for property tax payments will provide the following:

- | lower merchant fees (countywide); going from 2.37% to 2.32%
- | free E-Check payments
- | improved bank account verification to reduce payment errors and returned payment fees
- | consistent payment platforms throughout County operations.

The revised merchant rate is within the rates seen by other counties accepting credit card payments and using the Megabyte property tax system.

Heartland Payment Systems is not a local vendor.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

On December 2010, your Board approved Agreement No. 7522 with Heartland Payment System, Inc. to provide third-party credit/debit card services for County departments, but this did not include property tax payments as the County was under contract with another vendor (Official Payments) at that time. Since the program with Heartland has worked well within the department's, there is now a desire to utilize this vendor for property tax payments to ensure continuity of service for our customers regardless of the County department they are paying a fee or tax.

The transition to Heartland for property tax payments will provide the following:

- | lower merchant fee (countywide); from 2.37% to 2.32%
- | free E-Check payments
- | improved bank account verification to reduce payment errors and returned payment fees
- | consistent payment service platforms throughout County operations.

The decrease in the merchant rate will be applied to all County departments not just property tax payments, barring some limited exceptions due to low volumes, and the revised merchant rate is within rates seen by other counties accepting credit card payments and using the Megabyte property tax system. Heartland is also one of the two merchants who are compatible with our property tax system. This software integration is a key necessity in providing the option of credit card payments for property tax payments.

Heartland Payment Solutions is not a local vendor.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Helene Franchi