



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: April 25, 2017

TO: Mayor and Councilmembers

FROM: Business Division, Waterfront Department

SUBJECT: Waterfront Department Credit Card Processing Agreements With Gravity Payment Systems

RECOMMENDATION: That Council:

- A. Approve and authorize the Waterfront Director to execute the third party payment agreement, credit card processing agreements and merchant agreements with Gravity Payment Systems for a term of three years at a not-to-exceed total of \$115,100; and
- B. Approve an increase in appropriation of \$115,100 in the Waterfront Fund Operating Budget from available reserves above policy for the cost associated with the third party payment agreement, credit card processing agreements and merchant agreements with Gravity Payment Systems.

DISCUSSION:

The Waterfront Department provides the administrative oversight and financial support involved with the operation of the 1,143-slip Harbor. This includes all the billing for every slip and over 65 business tenants. In addition, daily transactions at the front counter include slip transfers, marina key card purchases, as well as visitor slip assignments and other marina-related services.

The current marina management software program, Total Marina Package, from Kord Information Systems, was purchased in Fiscal Year 2016 after a competitive Request for Proposal process conducted in cooperation with the Information Technology Division. A Professional Services Agreement was executed and implementation of the software program is currently taking place.

The new marina management software will be more user-friendly for Waterfront personnel and patrons and offers more payment options to slip permittees, tenants, and visitors. In order to be compliant with the Payment Card Industry Data Security Standards, Kord Information Systems uses Gravity Payment Systems as a third party credit card processor. Similar to the Finance Department's agreement with Sage that

was approved by the City Council back on January 26, 2016, Gravity Payment Systems provides the appropriate security levels for customers to safely and conveniently use their credit card for slip fees and other purchases.

Based on the volume of credit card purchases run annually through the Waterfront Department, Gravity Payment Systems estimates an annual cost of \$36,500 which includes the necessary equipment to run the new program. The annual cost is based on a per transaction basis of \$0.12. The new software and its user-friendly capabilities will likely increase the credit card volume and we have estimated a 5% increase in credit card purchases for years two and three of the agreement for a three-year total of \$115,100.

Project Implementation

The project implementation is currently taking place and will be operational in early-summer of 2017.

BUDGET/FINANCIAL INFORMATION:

The Waterfront Department is proposing to use Waterfront Fund reserves above policy to fund the costs associated with the Gravity Payment Systems agreement.

PREPARED BY: Brian J. Bosse, Waterfront Business Manager

SUBMITTED BY: Scott Riedman, Waterfront Director

APPROVED BY: City Administrator's Office