

**COUNTY OF MILWAUKEE**  
Inter-Office Communication

Date: November 8, 2023

To: Marcelia Nicholson, Chairwoman, Milwaukee County Board of Supervisors

From: Guy D. Smith, Executive Director, Milwaukee County Parks

Subject: From the Executive Director of Milwaukee County Parks, requesting authorization to enter into an Amended Software License, Maintenance and Support Agreement with Vermont Systems Inc. to add credit card terminals and wireless readers at Point of Sales locations in Milwaukee County Parks

File Type: Action Report

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**REQUEST**

From the Executive Director of Milwaukee County Parks, requesting authorization to enter into an Amended Software License, Maintenance and Support Agreement with Vermont Systems Inc. to add credit card terminals and wireless readers at Point of Sales location in Milwaukee County Parks.

**POLICY**

Any single contract, or group of contracts between the same parties which generally relate to the same transaction, with a value or aggregate value of more than \$300,000, to which a county is a party, and which satisfies any other statutory requirements, may take effect only if it is approved by a vote of the board. Wisconsin State Statutes: Wis Stat 59.51(31)

Wisconsin State Statutes:	Ss. 59.51(31)
Milwaukee County Code of General Ordinances:	Ss. 56.30(8) and (9)
Specific Adopted Budget:	
Specific Adopted Budget Amendment:	
Specific Adopted Capital Project:	

**BACKGROUND**

In September 2016, Milwaukee County Parks issued a Request for Proposals (RFP) for parks recreation management software and a point of sale (POS) system, or a combination of hardware and software that manages sales transactions. Of the six respondents to that RFP, Vermont Systems, Inc. (VSI) submitted the highest-scoring proposal and was awarded the contract. Milwaukee County Parks executed a Software License, Maintenance and Support Agreement (SLMSA) contract with VSI on September 25, 2017, for use of VSI's services at Point Of Sales locations within County Parks. The contract term expires on September 24, 2027. The payment terms were a

one-time payment in 2017 of \$240,000, with annual maintenance service fees of \$77,418.

Over the past years, Parks identified several operator and user inefficiencies in the implementation of the system. This was supported by a Comptroller's audit report conducted in October 2023. The Comptroller's office determined that there were discrepancies between credit card sales and the recording of credit card sales within the Parks point-of-sale (POS) system; and that the credit card reader and the POS system do not interact, so a manual entry is needed to the POS system when a credit card sale is made.

Parks determined that the situation can be resolved by integrating VSI's credit card processing with the point-of-sale system (cash registers). With this Amended agreement, Parks will increase the efficiency per transaction by eliminating an employee having to manually enter the amount owed by a guest from the point of sale computer system to a stand-alone credit card terminal. This will also reduce errors made by staff, such as missing a number or transposing a number when going between systems. This efficiency will also save staff time looking for errors and will increase the likelihood of nightly accounting reports balancing.

The Amended agreement requires Parks to enter into a Merchant Agreement with VSI's member bank to provide payment processing services for credit and debit card transactions. This merchant agreement is subject to US Treasury and Federal Trade Commission rules and regulations. The term of the merchant agreement is coterminous with the VSI Amended agreement.

The 2023 Budget anticipated that Parks would see an increase in revenue, primarily from point of sales locations such as Golf and Food & Beverage sales, by 5.2% or \$1.1 million if FY 2023. This anticipated income is negatively affected by the amount of staff time dedicated to correcting errors in the current point of sale payment processing. Parks calculated that in 2023 roughly 850 hours, mostly overtime hours, roughly 1.0 FTE, was spent in correcting these errors.

In a 2023 audit, the Office of the Comptroller determined that a lack of credit card interface led to operator and user errors in processing transactions, and recommended that Parks obtain an interface to automate the entry of credit card sales into the Parks' POS system. The Comptroller required Parks to provide a report to Audit on the financial system once an interface is obtained.

The initial payment of \$68,692, and the recurring annual payment of \$9,000 for the remaining four years of the VSI contract, will be absorbed by Parks operating budget.

Related File No's:	<a href="#">17-522</a> , <a href="#">17-775</a>
Associated File No's (Including Transfer Packets):	
Previous Action Date(s):	

### **ALIGNMENT TO STRATEGIC PLAN**

Describe how the item aligns to the objectives in the [strategic plan](#):

3B: Enhance the County's fiscal health and sustainability

3C: Dismantle barriers to diverse and inclusive communities

### **FISCAL EFFECT**

The initial payment of \$68,692, and the recurring annual payment of \$9000 for the remaining four years of the VSI contract, will be absorbed by Parks operating budget.

### **TERMS**

- The Amended agreement includes a Merchant Services Agreement between Parks and VSI's member bank to provide payment processing services for credit and debit card transactions. This merchant agreement is subject to US Treasury and Federal Trade Commission rules and regulations. The term of the merchant agreement is coterminous with the VSI agreement.
- The term of the Amended agreement is effective upon execution of the contract and is coterminous with the existing VSI agreement, which expires on September 24, 2027.
- The Amended contract includes PayTrac monthly services, payment card readers, and training in 2023 totaling \$68,692; and annual maintenance fees of \$9,000 in 2024, 2025, 2026 and 2027.
- Parks will enter into a Merchant Services Agreement, as a Sub-Merchant, with VSI's member bank for payment processing services for credit or debit card funded payments. This Sub-Merchant agreement is coterminous with the Parks' existing VSI agreement.

### **VIRTUAL MEETING INVITES**

#### **PREPARED BY:**

Saji Villoth, Interim Contracts Manager, Milwaukee County Parks

#### **APPROVED BY:** *Guy Smith*

Guy Smith, Executive Director Milwaukee County Parks

#### **ATTACHMENTS:**

Fiscal Note

Resolution

Vermont Systems Quote QUO-17416-W9Z0L6;

Merchant Services Agreement

PayTrac Onboarding Forms

Sub-Merchant Application

2017 VSI Agreement

CC: David Crowley, County Executive  
Mary Jo Meyers, Chief of Staff, County Executive's Office  
Sheldon A. Wasserman, Supervisor District 3, PEEC Chair  
Steven Shea, Supervisor District 8, PEEC Vice Chair  
Felesia A. Martin, Supervisor District 7, PEEC Member  
Juan Miguel Martinez, Supervisor District 12, PEEC Member  
Steve F. Taylor, Supervisor District 17, PEEC Member  
Kelly Bablitch, Chief of Staff, Milwaukee County Board of Supervisors  
Janelle M. Jensen, Legislative Services Division Mgr, Office of the County Clerk  
Aaron Hertzberg, Director, Department of Administrative Services  
Joseph Lamers, Fiscal & Budget Director, DAS  
Vince Masterson, Fiscal & Strategic Asset Coordinator, DAS  
Pamela Bryant, Capital Finance Manager, Comptroller's Office  
Justin Rodriguez, Capital Finance Analyst, Comptroller's Office  
Allyson R. Smith, Committee Coordinator, Office of the County Clerk  
Ciara Miller, Research & Policy Analyst, Office of the Comptroller  
Anthony Rux, Budget & Management Analyst, DAS-PSB