



## INFORMATIONAL MEMORANDUM

TO: **Finance Committee**  
FROM: **Peggy McCarthy, Finance Director**  
CC: **Mayor Ekberg**  
DATE: **October 10, 2018**  
SUBJECT: **Purchase New Cashiering System for Finance Department and City Clerk**

### **ISSUE**

Authorize the purchase of a new cashiering system for the Finance Department and the City Clerk's office.

### **BACKGROUND**

The point of sale cashiering system used by the Finance Department and the City Clerk's office, *Core Cashiering*, was purchased and implemented in January 2009, almost ten years ago. In recent years, consideration has been given to purchasing a new cashiering system because the existing system functions slowly and system support and upgrades have been discontinued by the vendor. In June 2018, the need for a new system became more urgent. The Payment Card Industry (PCI) standards became more stringent requiring a more secure encryption protocol – Transport Layer Security (TLS) 1.2 - effective June 30, 2018. Because the Core Cashiering system did not comply with this protocol, a work around was developed by the City's TIS Department to achieve compliance. Under the TIS-developed solution, credit card transactions are processed using a two-step method. First, the credit card payment is processed using an online terminal. Next, the transaction is recorded into the Core Cashiering system by entering the last four digits of the credit card, the credit card expiration date, and the transaction authorization number from the online credit card terminal. This solution solved the immediate problem but proved to be a very time-consuming process.

### **DISCUSSION**

The Tyler Technologies cashiering system has been identified as a more optimal point of sale cashiering solution, one that will save time and create efficiencies in the Finance Department and the City Clerk's office. The system has been vetted by the TIS department and the online demonstration was viewed by and received favorable responses from several Finance staff. The advantages of the new system include:

1. Credit card processing complies with new PCI standards, TLS 1.2
2. Integrated credit card processing which eliminates the two-step process currently being used
3. Quicker processing and better functionality in general resulting in more responsive customer service
4. Ongoing vendor support and upgrades
5. More direct/easier integration with the EDEN financial system
6. Real time receipting is retained for up-to-date customer account information
7. Site license supports unlimited cashiering stations within the City; currently contemplated for two cashiering stations in Finance and one cashiering station for the City Clerk's office
8. Integrates with Munis, the Tyler Technologies next generation financial software. (EDEN, the City's current financial software, is a Tyler Technologies product)

9. Maintenance fee savings of \$4,775 annually; current fee is \$10,535 and proposed fee is \$5,760 annually.

**FINANCIAL IMPACT**

ITEM	DESCRIPTION	AMOUNT*
Software site license	\$32,000 less \$8,000 discount	\$24,000
Implementation cost	48 hrs @ \$160/hr	7,680
<b>Total software and implementation</b>		<b>\$31,680</b>
Hardware – printer and hand-held scanner	3 printers @ \$1,600 each = \$4,800 3 scanners @ \$385 each = \$1,155	\$5,955
<b>Total Software, hardware and implementation</b>		<b>\$37,635</b>
One-year maintenance		\$5,760
<b>TOTAL COST</b>		<b>\$43,395</b>

With the annual \$4,775 savings in maintenance fees, the \$37,635 system cost will be recovered in less than eight years. Should this purchase be authorized, staff will pursue a 2018 implementation date with Tyler Technologies. If Tyler Technologies cannot accommodate this timeframe and the system is implemented in 2019, a 2019 carryover budget amendment may be necessary.

*\*exclusive of applicable sales or use tax.*

**RECOMMENDATION**

The Council Committee is being asked to approve the purchase and consider this item at the October 22, 2018 Committee of the Whole meeting and subsequent November 5, 2018 Regular meeting.

**ATTACHMENTS**

“How to Prepare for the TLS1.2 Compliance Deadline in 2018”

# How to Prepare for the TLS 1.2 Compliance Deadline in 2018

<https://www.centurybizsolutions.net/how-to-prepare-for-the-tls-1-2-compliance-deadline-in-2018-li/>

Is your business prepared for the TLS 1.2 compliance deadline in 2018?

The PCI Security Standards Council is changing its security standards—businesses will no longer be able to use TLS 1.0 to secure credit card information.

Merchants must upgrade to TLS 1.2 by June 30, 2018, or they won't be able to process credit card payments.

## What is TLS?

TLS, also known as Transport Layer Security, is an encryption protocol that's part of the next wave of PCI compliance. The TLS changeover is replacing the TLS 1.0 security protocol that's out of date for today's payment security needs.

TLS is used to establish a secure payment channel between two systems, which authenticates purchases and fully protects the credentials of all parties involved in the payment process. The current encryption standard, TLS 1.0, no longer meets minimum security requirements due to vulnerabilities in the protocol that cannot be fixed. TLS 1.0 and 1.1 have known security vulnerabilities that carry a significant risk of data breaches.

## Why do I need to upgrade to TLS 1.2?

TLS 1.2 provides extra layers of security to protect sensitive credit card information and keep business details safe from hackers.

Merchants who upgrade will ensure that their payment systems are fully protected, but those who fail to follow through will risk exposing their systems to hackers and jeopardizing relationships with their customers. Merchants who upgrade to TLS 1.2 will have peace of mind in knowing that their sensitive data is safe and their profits are protected.

## How can merchants prepare for the TLS 1.2 compliance deadline?

If merchants neglect to make the switch to TLS 1.2, they won't be able to process payments and their business will be extremely vulnerable to data breaches, cyberattacks, and security

vulnerabilities. The updated TLS 1.2 protocol provides higher security standards to protect merchants from third-party hackers.

Merchants are encouraged to migrate as soon as possible. Those who fail to upgrade to TLS 1.2 won't be able to process credit card transactions starting July 1, 2018. To get up to date with the most current security protocol, merchants should consult a **payment provider** that ensures TLS 1.2 compatibility.

Since TLS 1.2 compliance is required to process payments after June 30, merchants need to work with a **certified payment provider** to verify that their software and hardware are up to date with the latest security requirements.

Any type of security-related switch can come with some obstacles, so it's important to migrate as soon as possible to avoid missing the deadline. Merchants who don't upgrade to TLS 1.2 by June 30 could see a serious decline in their revenue.

## How do I become compliant?

Businesses that accept payments online are most susceptible to TLS vulnerabilities. In order to achieve TLS 1.2 compatibility, merchants should find a PCI-compliant payment gateway that provides TLS 1.2 compliance.

A TLS 1.2-compatible payment gateway will provide optimal payment security and protect users from vulnerabilities. Plus, PCI compliance lessens the liability for your business in the event of a data breach.

Using a payment gateway that combines TLS 1.2 security with PCI compliance will provide the highest possible level of payment security for both businesses and their customers.