

City Manager's Report
October 24, 2017 City Council Meeting
Prepared by: Steve Youel
Item #: 12.3



Subject: Adopt a resolution: 1.) Approving a 5 year agreement with Active Net for registration software services including one-time set up costs in the amount not to exceed \$23,930 (CIP #41812) and; 2.) Authorizing the Director of Community Services to execute the same.

Discussion: The Community Services Department has been utilizing the Active Network's registration program known as Class for processing program registrations, rentals and Point of Sale (P.O.S.). Class was implemented in January of 2003 and allows participants to register for classes over-the-counter, by phone, fax, or mail via Office Staff. Active Network gave notice that as of November 30, 2017, Class will no longer be supported. This means the City needs to purchase new recreation software prior to November 30, 2017. Along with processing registrations, Class generates a variety of reports including class rosters, mailing lists, team rosters, Instructor Payroll Percentage Reports, Cash Balance Reports, Daily GL Reports, and more. Until now, Staff has found Class to be adequate for the Department. With the purchase of a new software service, Staff would like to fulfill the current and future needs of the department including; 1.) Online registration; 2.) Provide an inventory mechanism for the Gold Bug Park Gift Shop and sales; 3.) Take photos and provide passes for the pool; and 4.) Allow for Gold Bug and the Aquatic Center to process revenue on-site in real time. These upgrades would provide convenience for registration, speed up the registration process, and streamline P.O.S. transactions and entries.

Analysis: Staff has considered three options for program registration software; Active Net, Maximum Solutions, and Team Sideline. Web-based demos for each program were provided to Staff for analysis and comparison. All programs are fully-hosted, web-based software programs that allow staff to log in and access the registration program from any computer with an internet connection. Since the software is web-based, the City is not responsible for hosting it on a server. Active Net hosts the software on their own website, including all maintenance and technical support. Staff will log into the website and continue to register participants who prefer to sign-up over-the-counter, by phone, fax or mail-in registration. Below is a summary of the costs and considerations for Active Net, Maximum Solutions and Team Sideline:

SOFTWARE PROGRAM OPTIONS

Program	Start-Up Costs Training Hardware	Annual Costs Estimates	Annual Credit Card Fee Estimates	Total Annual Fees
Active Net	\$32,994	\$23,408	\$0	\$23,408
Maximum Solutions	\$26,188	\$12,000	\$11,707	\$23,707
Team Sideline	\$7,420	\$3,000	\$11,707	\$14,707

Although Active Net's start-up costs are more expensive, the program has all the necessary functions the City is looking for now and in the future. Having a strong long-term on-line registration program is vital for the long-term customer service needs. Below are comparisons of Active Net, Maximum Solutions, and Team Sideline.

Active Net

Active Net supports an unlimited number of workstations, user login, and concurrent users within the application. It also supports an unlimited number of internet sessions for our customers registering online.

Active Net will provide a number of additional functions that Class does not currently offer. It offers online registration, which would provide customers an additional convenience and allow for registration during non-business hours. The online registration is user friendly, and it allows customers to search classes by number or name/title. The Membership Module has numerous benefits such as generating a membership card with a barcode, a photo ID associated with the account and membership, the number of visits can be added, expiration dates can be added, and notices and notifications can be attached to passes. The P.O.S. Module benefits include Aquatic Center admissions would be entered onsite, Gold Bug admissions and Gift Shop sales would be entered onsite in real time, it has an inventory tracking feature that notifies you when you hit a minimum quantity, and better P.O.S. reports processing. Active Net is a large company serving 1,400 customers across North America.

Maximum Solutions

Maximum Solutions is very similar to Active Net. Maximum Solutions was recently bought out by Active Net which brings up concerns about lifespan, as our current software Class was bought out by Active a few years ago and now it is being eliminated. Maximum Solutions has very similar components to Active Net including online registrations, Membership Module to create passes, and P.O.S. Module for onsite sales entry for the Aquatic Center and Gold Bug. However, Maximum Solutions does not auto-generate program codes for classes, which are a must for finance to process instructor payments. Maximum Solutions' customer interface for online registration only allows customers to search by class title and it does not have a way to search by class number. Unlike Active Net, Maximum Solutions only supports up to 20 staff users that can be logged in at one time. Maximum Solutions is a much smaller company serving only 438 customers.

Team Sideline

Staff currently uses Team Sideline for the City's league sports scheduling. After in-depth conversations with Team Sideline, they confirmed their software could not accommodate all the City's needs and suggested we look at other alternatives. They are fairly new in the registration software arena, and although they are less expensive, the software does not do many of the things we need such as reporting, point of sale, memberships, and inventory. The scheduling component they have is very strong, and Staff intends to continue using this program for scheduling league games.

After looking at the three options for new software, attending demonstrations for each product and contacting other agencies using the different software, Staff has concluded that Active Net is more efficient, will save staff time in both the Community Services Department and Finance Department, will improve customer service, and provide the best

value for the City. Active Net has grown in popularity over the last several years and is currently utilized by agencies including Cordova Park District, Consumes CSD, Rocklin, and Georgetown. In considering a change to Active Net, Staff has contacted these agencies and received overwhelmingly positive feedback about the program.

Active Net Contract Terms

Active Net’s initial term of the contract will be for 5 years from the effective date with automatic renewals for 3 year terms thereafter, unless either party gives written notice to the other party to terminate the contract no less than 6 months prior to the expiration of the then-current term. During the first 5 years, Active Net’s fees can’t be raised. After the initial 5 years, Active Net may modify the fees once per calendar year upon 30 day notice, provided that any such increase will not exceed 8% of the then-current fees.

Options:

- 1.) Contract with Active Net for new registration software.
- 2.) Contract with Maximum Solutions for new registration software.
- 3.) Contract with Team Sideline for new registration software.
- 4.) Do not contract with any of the discussed companies and continue looking for other options for new registration software.

Cost: Active Net’s projected one time up-front cost for hardware, implementation, and training is \$23,930. The projected annual cost associated with the proposed service contract is \$23,408. This cost may fluctuate up or down each year depending on the amount of credit card/online transactions compared to cash or check. There are no software license fees, annual maintenance costs or online user costs. There is also no additional technical support or upgrade costs, as these are all built into the pricing model. Active Net does charge a transaction fee for each transaction. Transaction fees are based on the method of registration and type of payment used. The charges are summarized in the chart below:

ACTIVE NET FEE SUMMARY

Type of Transaction	Fee Charged to City
Online and Over the Counter Credit or ATM	5%
Over the Counter Cash or Check	2%
Refunds – Credit Cards Flat Fee	\$0.10

Staff surveyed local agencies to see what percentage of their transactions was done online. The following table shows the percentage of online registrations for the past 3 years:

ONLINE TRANSACTION FEES

Agency	2016/2017	2015/2016	2014/2015
Cordova	7.6%	5.6%	5%
Cameron Park	20%	15%	17%
El Dorado Hills	39%	35%	34%

Along with transaction fees, there are a variety of costs associated with the start-up and ongoing use of Active Net. Based upon projected program revenues, Staff has estimated potential transaction fees for the first year, assuming that approximately 50% of our participants will register online and or use credit cards and 50% will register over the counter using cash or check. Staff has also included the projected fees of credit card refunds at \$0.10 per refund, there are no fees for cash or check refunds as Active Net would not be involved with issuing the refund. The table below summarizes the total costs the City could expect to pay during the first year with Active Net.

COST OF ACTIVE NET IMPLEMENTATION AND FEES

START –UP COSTS	Hardware	\$8,552
	Implementation and Training	\$17,000
	Computers for Workstations	\$6,495
	Pre-printed Membership Cards (Pool Passes)	\$875
	TOTAL START-UP	\$32,922
ANNUAL COSTS	Credit Card/Online Transaction Fees 5%	\$16,196
	Transaction Fees Estimated 2%	\$7,192
	Credit Card Refund Fees at \$.10 per refund	\$20
	Software Maintenance	-
	IT Personnel Support	-
	TOTAL ANNUAL COSTS	\$ 23,408

The following table provides an example of the City’s various recreation programs and the potential fees that would be charged through Active Net.

SAMPLE ACTIVE NET FEES BY PROGRAM

	Program Fee	Online/Credit Fee 5%	Cash/Check Fee 2%
Adult Softball	\$484.00	\$24.20	\$9.68
Mighty Mites Sports Camp	\$44.00	\$2.20	\$0.88
Swim Lesson	\$45.00	\$2.25	\$0.90
Yoga	\$40.00	\$2.00	\$0.80
Youth Basketball	\$102.00	\$5.10	\$2.04
Youth Taekwondo	\$99.00	\$4.95	\$1.98

Budget Impact: The City Council adopted the Fiscal Year 2017/2018 Capital Improvement Program Budget which appropriated \$33,000 for the one-time set up costs for the Recreation Registration Software Program (CIP #41812). As you can see, the proposed software agreement with Active Net, including the \$23,930 in one-time set up costs, is within the \$33,000 project budget. The projected annual cost for operating Active Net is \$23,408

which will be absorbed in the operating budget. Active Net can potentially save the City \$669 on an annual basis as shown in the table below:

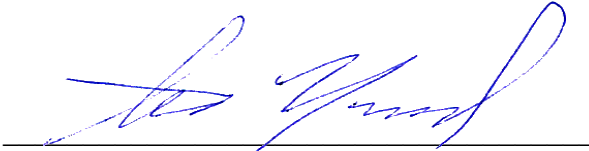
CLASS VS. ACTIVE NET ANNUAL FEE COMPARISON

	Class	Active Net	Difference
Projected Bank Fees	\$11,707		-\$11,707
Class Software Maintenance	\$6,234		-\$6,234
Server and Switch Depreciation	\$1,410		-\$1,410
I.T. Division Staff Support	\$4,726		-\$4,726
Projected Active Net Service Fees		\$23,388	\$23,388
Projected Refund Fees		\$20	\$20
Total	\$ 24,077	\$ 23,408	\$ (669)

Recommendation: Adopt a resolution: 1.) Approving a 5 year agreement with Active Net for registration software services including one-time set up costs in the amount not to exceed \$23,930 (CIP #41812); and 2.) Authorizing the Director of Community Services to execute the same.



M. Cleve Morris, City Manager



Steve Youel, Director of Community Services



Dave Warren, Director of Finance