



STAFF REPORT

MEETING DATE: July 11, 2023

TITLE:

Receive presentation on a Credit Card Fee policy.

AGENDA ITEM SUBMITTED BY:

Tracy Waldron, Chief Financial Officer

BACKGROUND/HISTORY:

The City does not currently have a policy on credit card fees. At the City Council budget workshop on April 19, 2023, it was presented that in FY 2022 the City incurred almost \$93,000 in expenses related to credit card processing fees, \$68,000 of that being for utility payments. We are on track to have this same amount of expense in FY 2023.

Specifically for utility payments, the City offers multiple options that have little or no fee (automatic bank draft, drop off/mail, portal payments through ACH - small fee).

Staff recommendation would be to continue to absorb fees for small transactions (ie. library and recreation fees). All other payments paid by credit card would be passed on to the payor. We want to encourage payment by ACH and absorb that fee (currently \$0.29 per transaction).

I have drafted an Ordinance that is attached for review and discussion. I would prefer to leave the policy vague enough to be flexible when the City contracts with a new third party vendor (ie. not to exceed limits).

FISCAL IMPACT:

FY 2024 reduce expenses by approx. \$80,000.

RECOMMENDATION:

N/A

ATTACHMENTS:

- Draft Credit Card Fee Policy Ordinance