



STAFF REPORT

MEETING DATE: August 22, 2023

TITLE:

Consider action to approve the first reading of Ordinance No. 2023-23 of the City Council, of the City of Bastrop, Texas amending the Bastrop City Code of Ordinances, adding Article 1.21 "Payment by Credit Card or Other Electronic Means"; and adding Appendix A, Fee Schedule, Section A1.21 "Payment by Credit Card or Other Electronic Means; providing for a processing fee for credit card payment of fees, fines, court costs, and other charges; providing for a service charge if payment of credit card is not honored; providing for findings of fact, enactment, repealer, severability, effective date, codification, proper notice of meeting, and move to include on the September 12, 2023 consent agenda for a second reading.

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 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).

A drafted Ordinance was presented at the July 11, 2023, City Council regular meeting for review and discussion. Recommendations received were incorporated into this ordinance.

FISCAL IMPACT:

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

RECOMMENDATION:

Consider action to approve the first reading of Ordinance No. 2023-23 of the City Council, of the City of Bastrop, Texas amending the Bastrop City Code of Ordinances, adding Article 1.21 "Payment by Credit Card or Other Electronic Means"; and adding Appendix A, Fee Schedule, Section A1.21 "Payment by Credit Card or Other Electronic Means; providing for a processing fee for credit card payment of fees, fines, court costs, and other charges; providing for a service charge if payment of credit card is not honored; providing for findings of fact, enactment, repealer, severability, effective date, codification, proper notice of meeting, and move to include on the September 12, 2023 consent agenda for a second reading.

ATTACHMENTS:

- Credit Card Fee Policy Ordinance 2023-23

