



Paymentus Corporation

Payment Processing Solution

CITY COUNCIL

JULY 22, 2024

Background

- October 19, 2020: City Council authorizes a 3 year contract with Paymentus Solutions for Utility Billing in the amount not to exceed \$525,000.
- May 2021: There was a significant delay in the launch of the Paymentus platform. No fees were charged to the city during this time, resulting in a delay in the spend of the authorized funds.
- August 31, 2022: The original contract is amended to provide a model for non-utility payments. This model is currently used for transactions processed by the Building Inspections Division and increased the spend associated with the overall contract. No additional appropriation was required or requested for this amendment.
- October 2023: The contract was automatically renewed, with a new expiration date of March 2026.
- May 2024: The original appropriation authorized for this contract was exhausted.
- July 2024: Ratification of untracked expenditures exceeding the original contract amount and authorization of funds to cover Utility Customer Service credit card fees for the rest of the fiscal year are necessary. This is not a request for additional funds and will not impact the Water/Waste Fund budget, but authorizes continued spending on Paymentus' services.

Authorization Cost Breakdown

Ratification Amount Cost Breakdown

Department	Amount
Development Services	\$181,540
Utility Customer Service	\$ 66,510
Total	\$248,050

Authorization for Remainder of FY Cost Breakdown

Department	Amount
Development Services	\$30,000
Utility Customer Service	\$91,000
Total	\$121,000

Notes:

- Ratification amount for Development Services includes spend from the beginning of the contract through May 2024.
- Authorization for the remainder of the Fiscal Year amount includes both Development Services and Utility Customer Service invoices for June and estimated spend for July through September 2024.

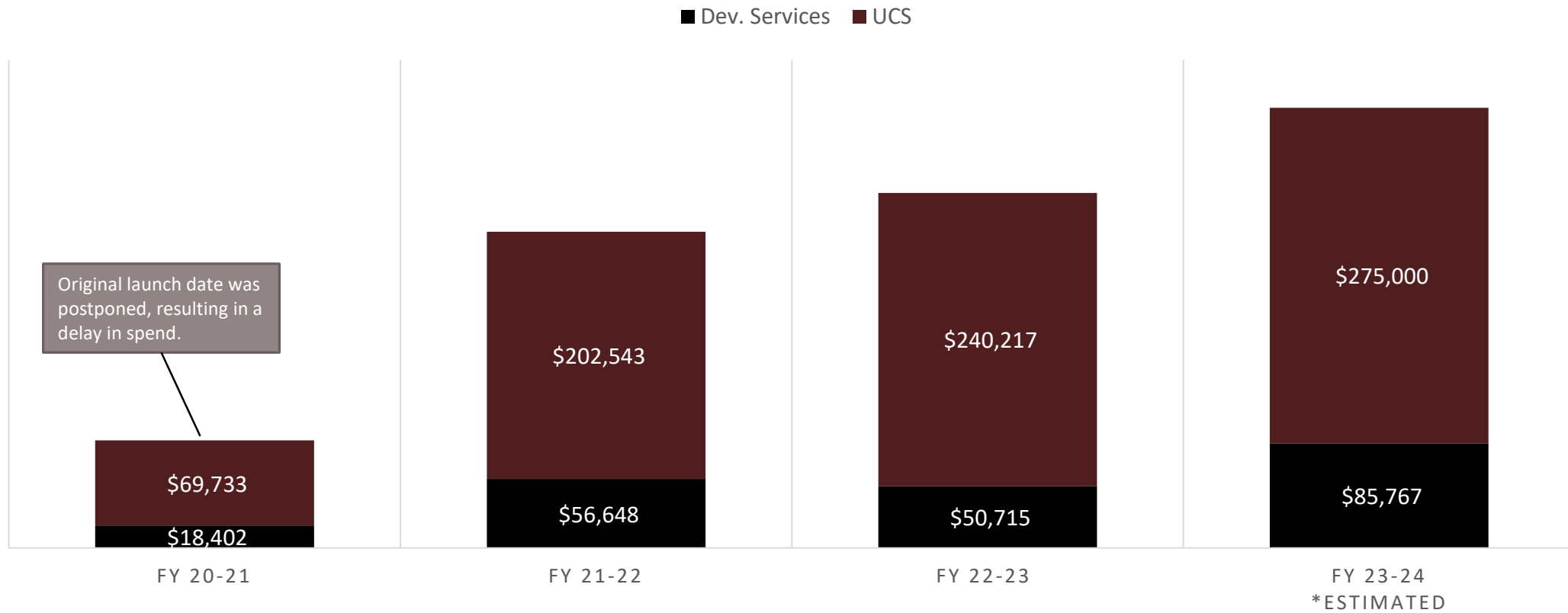
Current Rates

Payment Method Type	Transaction Fee
Most Credit Cards	\$2.13 per transaction or 2.95% on non-qualified credit cards
E-Checks	\$0.69
Return Checks	\$11.44

Notes:

- Utility Customer Service averages approximately 10,500 transactions per month.
- Paymentus offers a flat transaction fee for all credit cards which has proven to be a beneficial model in terms of spend.
- The City charges a \$35 return check fee to recoup the costs associated with these returned payments.

Historical Spend



Data for 2020-2021 is reported from the HTE system. Data from 2022 forward is reported from the Munis system.

Next Steps

- An amended contract with Paymentus, to pass through credit card fees, will be presented to City Council in August 2024.
 - The amendment will also include authorized funding needed for eCheck and ACH costs as well as any expenses for Development Services through the end of the contract.
- As part of the migration to Tyler Munis Software System, Utility Customer Service will transition from Paymentus to Tyler Cashiering.
 - Tyler Munis will no longer support Paymentus after December 31, 2024.
 - Staff is working with both companies on the transition.

City Council Requested Action

Approve a resolution authorizing the ratification of expenditures for credit card processing payments with Paymentus Corporation in the amount of \$248,050 and authorizing to spend \$121,000 in order to complete this fiscal year's financial obligation.