
City Council Regular Meeting

DEPARTMENT: Administrative Services

FROM: Richard Abernethy, Director of Administrative Services

MEETING: August 5, 2024

SUBJECT:

Consider approval of an amendment to the contract with Tyler Technologies to pass on credit card fees to customers effective next Fiscal Year 2024-25. (*Staff Contact: Richard Abernethy, Director of Administrative Services*)

SUMMARY:

In late 2023, the Administrative Department, as part of a Lean Government Initiative, began evaluating 14 city departments and divisions across the organization who utilize credit card transactions for payment purposes. Historically, the city has absorbed these fees, but the escalating costs have prompted a re-evaluation. Staff analyzed overall and future costs, surveyed comparable cities, and explored payment options, presenting four potential solutions:

1. Continue to absorb fees.
2. Add a convenience charge to all transactions.
3. Charge a lower fee to partially cover costs.
4. Pass the fees directly to customers.

On May 20, 2024, the City Council was briefed and reached a consensus to pass credit card fees to customers where feasible and where less costly options, such as ACH, were available. Since then, staff has been working with credit card vendors on this project. Tyler Cashiering requires a contract amendment to proceed with this change. Under this amendment, fees will increase for both credit card fees and e-checks. If approved, staff will work with Tyler Cashiering to begin passing credit card fees onto customers starting next fiscal year.

As a reminder, Tyler Cashiering is currently used by the Municipal Court and for Utility Customer Service for in-person payments only. Utility Customer Service will be transitioning fully to Tyler Cashiering in the future. ACH/Online Bill Pay and Automatic Bank Draft will continue to be free options for utility customers who choose to utilize these payment methods.

RECOMMENDATION:

Approve the contract amendment with Tyler Technologies to pass on credit card fees.

PRIOR ACTION/INPUT (Council, Boards, Citizens):

May 8, 2024 – The City Council Finance Committee received a report, held a discussion, and provided staff direction on the City's Credit Processing Fees.

May 20, 2024 – The City Council received a report, held a discussion, and provided staff direction on the City's Credit Card Processing Fees.

REFERENCE:

FISCAL IMPACT:

N/A

STAFF CONTACT:

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