



STAFF REPORT

City Commission Regular Meeting

March 27, 2025



To: Elected Officials

From: Dale L. Martin, City Manager

Date: March 21, 2025

Item Name: Resolution 2025-29. A Resolution of the City Commission of the City of Flagler Beach to pass third-party Automated Clearing House fees to customers for payments related to utility bills and parking tickets; providing for conflict and an effective date.

Background: Automated Clearing House (ACH) fees are charged by financial institutions for processing bank-to-bank electronic payments. The City has assumed the cost of the ACH fees on behalf of customers. It has become a common business and government practice to charge back these fees to the customer (frequently seen as a surcharge for electronic payments). The current charge to the City is \$0.65 per transaction. Although seemingly nominal, the City's monthly ACH fees are approximately \$600.

The City is implementing the use of a financial security system for electronic transactions, which will change the processing fee from a flat rate to a variable rate based upon the amount of the transaction. This system, Trustly, will provide additional measures to ensure transactions are conducted securely. The fees associated with this system are illustrated below:

<u>Check Amount</u>	<u>Convenience Fee</u>
≤ \$500	\$ 1.95
≤ \$5,000	\$ 2.95
≤ \$10,000	\$ 4.95
≤ \$20,000	\$ 9.95
≤ \$50,000	\$ 19.95
> \$50,000	0.25% of check value

If residents (customers) wish to avoid the fees associated with electronic transactions, utility bills and parking tickets can be paid with cash, traditional check (mailed or hand-delivered to the Utility Billing office at City Hall or deposited in the Utility Payment drop box located in front of City Hall on S. 2nd Street), or establish an Automatic Draft (a direct transfer from a bank account to the City; form for this process available on the City website).

Fiscal Impact: The fees described above will be passed directly to residents (customers), reducing the costs and improving the security of electronic banking transactions.

Staff Recommendation: Staff recommends approval of Resolution 2025-29.

Attachment:

Resolution 2025-29