



GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

AGENDA DATE: July 24, 2024

AGENDA ITEM: Consider a motion to contract with Wells Fargo as GRPU provider for merchant processing services and authorize the General Manager to sign related documents.

PREPARED BY: Jean Lane, Business Services Manager

BACKGROUND:

The Business Services Manager has reviewed the merchant processing services for utility customers using credit/debit cards and eChecks to pay their utility bills. Currently, the GRPU incurs fixed fees plus credit/debit and eCheck usage fees, totaling approximately \$3,000 per month. This fee includes a flat charge for a customer portal. Customers are also charged a convenience fee of \$3.50 per online transaction and \$4.50 per phone transaction, with a limit of \$400.00 per transaction.

Wells Fargo's merchant services division can provide these processing services at a lower monthly cost for GRPU. This would allow GRPU to absorb the 0.50% charge on gross credit card sales and eliminate costs for utility customers. However, Wells Fargo does not offer a customer portal, which is part of the SpryEngage utility billing software. Additionally, Wells Fargo's processing will enhance daily cash and monthly revenue reconciliations, as all credit/debit card transactions will settle to the GRPU bank account the next day, compared to the current one- to two-day settlement.

The following agreements from Wells Fargo will require signatures:

- Merchant Processing Application
- Wells Fargo Merchant Services, LLC (WFMS) Pricing Terms
- Authorization Certificate
- Merchant Application Checklist
- Confirmation Page

Supporting documents from Wells Fargo include:

- Treasury Management Pro Forma
- Additional Services

RECOMMENDATION:

Approve motion to contract with Wells Fargo as GRPU provider for merchant processing services and authorize the General Manager to sign related documents.