

EXECUTIVE BRIEF UTILITY MEETING

AGENDA DATE: March 29, 2022

DEPARTMENT: Electric Utility

TITLE:

Amendment #4 to the Paymentus Agreement to increase the maximum transaction amount for customer utility payments made using the Paymentus Payment Portal from \$500.00 to \$1,000.00 and to \$20,000.00 for ACH/eCheck

SUMMARY:

An Amendment to the Agreement with Paymentus Corporation was previously approved by the City Commission in order to change the responsibility for payment of transaction fees using the Paymentus portal from an Absorbed Fee Model (under which fees are paid by the City) to a Convenience Fee Model (under which fees are paid by the customer). Under the Agreement the maximum transaction amount per transaction made using the Paymentus portal is currently \$500.00. The proposed Amendment #4 raises the maximum transaction amount to \$1,000.00 for all payment methods using the Paymentus payment portal, except electronic check payments, which would now have a \$20,000.00 maximum transaction amount.

BACKGROUND AND JUSTIFICATION:

The City's Utility Customer Service department provide various methods for payment of utility bills by customers, among them is the Paymentus Corporation ("Paymentus") on-line web portal for processing of electronic bill payments for City utility services. Customers' use of the Paymentus payment portal is provided for under a Master Services Agreement between City and Paymentus previously negotiated and dated September 4th, 2018. City services paid for by customers electing to use the Paymentus portal include utility services such as electric, water, sewer, and refuse charges.

Under the current agreement with Paymentus, customers are charged a Convenience Fee of \$3.75 per \$500 of transaction value when making a payment using any of the payment methods found on the portal including but not limited to Credit Card, Debit Card, E-Check, PayPal, Amazon Pay, Venmo and all other future offerings introduced by the vendor. The \$500 transaction limit has resulted in numerous complaints from customers prompting Staff to encourage Paymentus to amend the agreement, which Paymentus has subsequently offered to do.

The proposed Amendment #4 to the Paymentus Agreement maintains the \$3.75 Convenience Fee but raises the applicable transaction amount for customer utility payments made using the Paymentus Payment Portal from \$500 to \$1,000 and to \$20,000 for ACH/eCheck. The \$3.75 Convenience Fee is paid directly to Paymentus by the customer, there are no revenues to the City derived from the customers' payments of Convenience Fees.

Customers still have options to pay their Lake Worth Beach utility bills without incurring the Paymentus Convenience Fee such as: mailing a check, check drop off using night depository drop box for check or money orders, or by enrolling in City's ACH Auto Draft method of payment. In addition, customers who enroll in ACH Auto Draft and elect paperless billing are eligible to receive a one-item \$25 credit on their utility bill.

Customers desirous of paying with cash are able to do so at any CVS, 7-Eleven, Family Dollar, and Walmart retail locations nationwide for a fee of \$1.99 per \$1,000 transaction. There are no revenues to the City derived from the \$1.99 fee charged by retailers.

MOTION:

Move to approve/disapprove Amendment#4 to the Paymentus Agreement.

ATTACHMENT(S):

Fiscal Impact Analysis N/A
Amendment #4