



155 F Road Loxahatchee Groves, FL 33470

**TO: Mayor and Councilmembers**

**FROM: Francine Ramaglia, Town Manager**

**DATE: September 3, 2024**

**SUBJECT: Approval of *Resolution No. 2024-58* – Authorizing Surcharge and Collection of Credit Card**

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**Background:**

Pursuant to Section 215.322(5) of the Florida Statutes, the Town may impose a surcharge on electronic payments to cover the service fees charged by financial institutions.

*Resolution No. 2024-58* will allow the Town to include a surcharge on payments made via credit card, charge card, bank debit card, and electronic funds transfers.

The surcharge and collection of service fees serve a valid public purpose by offsetting costs incurred by the Town for processing these payments.

This item was tabled by the Council at their August 6<sup>th</sup> meeting pending more definitive information as to the costs incurred by the Town in processing credit card and debit card charges. Chris Wallace has done an analysis of the charges that are incurred and determined that the average cost when customers need assistance from Town staff is 4.46% and when they make the payments themselves directly online the average cost is 3.90 %. The average composite cost is 4.28%. Based on the analysis, the staff recommendation is to charge the payor a uniform rate of 4.5% for the surcharge. The finance department will monitor the charges on a regular basis to confirm the surcharge revenue and the expense incurred by the Town remain in balance. If there is a significant difference between the related revenues and expenses that difference will be reported to Council for potential adjustments in the surcharge rate.

**Recommendation:**

Motion to approve *Resolution No. 2024-58* and approve the initial surcharge rate of 4.5%.