



## CITY OF NORMAN, OK STAFF REPORT

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**MEETING DATE:** 06/10/2025

**REQUESTER:** Ronda Guerrero, Court Administrator

**PRESENTER:** AshLynn Wilkerson, Assistant City Attorney

**ITEM TITLE** CONSIDERATION OF AWARDING, ACCEPTANCE, APPROVAL, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF AMENDMENT ONE TO CONTRACT K-2425-124; BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA AND GLOBAL PAYMENTS DIRECT, INC., FOR AN AMENDMENT TO THE CARD SERVICES AGREEMENT FOR CREDIT CARD PROCESSING SERVICES WITH THE TYLER INCODE MUNICIPAL COURT SOFTWARE SYSTEM FOR THE AMOUNTS AS OUTLINED IN THE STAFF REPORT.

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### **BACKGROUND:**

The City entered into an agreement with Tyler Technologies, Inc. ("Tyler") in December 2017 for the licensing and establishment of the Incode Software, a software utilized by Municipal Court. In order for Municipal Court to accept credit card payments for court costs in connection with this software, a third party credit card processing servicer was required. At the time, Global Payments Direct, Inc. ("Global") was the sole processor integrated with Tyler's Incode software. The Finance Director signed the Merchant Application and Card Services Agreement with Global in February 2017.

### **DISCUSSION:**

Since that time, the volume of payments in Municipal Court has grown significantly. Further, Global has been elevating its processing fees and rates, with the only notice of such activity embedded in monthly invoices. City Staff were not alerted to the rate increases until a dramatic increase in the March 2025 monthly invoice amount. Once aware, relevant Staff worked as quickly as possible to negotiate better fee rates. Staff now presents this amendment as the current solution for reducing high processing fees.

This amendment locks in a processing fee rate for a twelve (12) month period. This rate is a fifty percent (50%) savings from the increased rate amounts. Because the amount of payments fluctuates month to month, the invoices for processing services fluctuate as well, with higher volume months leading to greater fees charged. Therefore, it is unknown the exact dollar amount that could be expended under this amendment. Global utilized February processing data to extrapolate the rate discounts, which showed the total amount for such month under the

amended rates would be \$7,000 per month. Therefore, we can expect monthly invoices moving forward to be approximately \$7,000 per month for an estimated annual total of \$84,000.

In order to secure this steady rate (i.e. no fee increases as they have done previously) over the twelve month term, we cannot cancel the agreement without paying an early termination fee of \$500 (\$250 per Merchant Identifier, or MID, utilized; – Court has 2 MIDs). All the other terms and conditions of the original agreement signed in 2017 remain in place. These monthly payments have been paid from the Finance Department, Treasury Miscellaneous Services - Banking (Account Number 10330125-44750), and funds will be available in such account for these monthly payments in the future, subject to budget approval.

Tyler now also directly offers credit card processing services and Staff are diligently working with them to leverage even better rates than what Global has offered. Staff anticipate early termination of this amendment with Global to switch to Tyler's more favorable rates. This amendment is simply the best available action step currently to reduce exorbitant fees and allow better termination rights to transition to a less expensive credit card processor when available.

## **RECOMMENDATION**

Staff recommends that the City Council approve this amendment with Global Payments Direct to secure better processing fee rates for Municipal Court credit card payments.