



CITY COUNCIL COMMUNICATION

DATE: October 5, 2026

FROM: Clayton Gray, Chief Financial Officer

AGENDA ITEM: Consideration and possible action on setting a maximum transaction amount of \$2,000 for electronic utility payments.

- In 2007, the City implemented a \$5.95 convenience fee for electronic utility payments to help offset credit card processing costs. The fee was based on the typical residential utility payment at that time.
- Electronic payments include payments made on the website, website auto-payments, payments via text message, and payments by IVR phone system
- Business use of electronic credit card payments has increased significantly in recent years:
 - FY 2015–16: 413 payments totaling \$189,872; average payment \$460.
 - FY 2025–26: 1,499 payments totaling \$2,946,402; average payment \$1,966.
- The City continues to charge the same \$5.95 fee regardless of the payment amount, resulting in significant processing costs on large business payments. For example, a recent \$163,811 payment generated nearly \$4,000 in processing fees, while the City collected only \$5.95.
- By comparison, FY 2025–26 residential electronic payments averaged \$239, with the largest payment being \$1,819.
- To help control processing costs, the City will establish a \$2,000 maximum per electronic utility payment transaction. Customers may make multiple electronic payments if they owe more than \$2,000.
- The \$2,000 limit applies only to electronic utility payments. Customers may continue to pay by automated bank draft, mail, in person, or the City Hall drop box without a limit or convenience fee.
- The maximum transaction amount will go into effect beginning October 15, 2026.

FISCAL INFORMATION:

- This action will significantly reduce the City's credit card processing costs for electronic utility payments.

RECOMMENDED MOTION OR ACTION:

- Staff recommends approval.

ATTACHMENTS:

N/A