

**City of Sedgwick
City Council Workshop
August 21, 2024**

TO: Mayor and City Council

SUBJECT: Utility Credit Card Fees

INITIATED BY: Administration

AGENDA: New Business

Background: Payment Service Network (PSN) is our provider for online payments and credit card terminals used in the city. When established, it was determined by the governing body at the time, that credit card transaction fees would only be assessed and paid by the end user (resident) on miscellaneous, court, and pool transactions. Utility transaction fees would be paid by the city.

Analysis: On average, the city is paying approximately \$5,500 per year in utility transaction fees that would otherwise be paid by the end user during the transaction with an additional nominal fee. An analysis of business practices in neighboring communities found that these fees are being passed on to the consumer with minimal impact on the utilization of online payments and credit/debit transactions. Currently, residents who utilize their checking account while making a utility payment see an additional \$1.00 charge added to their transaction. The payment processor charge for credit/debit cards would be 3% (+\$0.50 if under \$100).

Water Bill: \$156.92 + 3% transaction fee = \$4.70 being added to the overall transaction.

These fees are already being charged on all transactions at the pool, municipal court, and for licenses and other miscellaneous fees paid by credit/debit card.

Financial Considerations: The amount the city pays in transaction fees varies depending on the number of credit/debit transactions that are ran through the payment processor for each month and their respective dollar amounts.

Recommendations/Actions: Council's determination