



# City Council Report

**Date:** November 6, 2017  
**To:** City Council  
**Through:** Michael Kennington, Chief Financial Officer  
**From:** Edward Quedens, MPA, C.P.M., CPPO, Business Services Director  
**Subject:** Business Services and Development Services Department Fees and Charges (Citywide)

## **Purpose and Recommendation**

Council is requested to review and consider a recommended change to City-Wide Standard Fees in the Schedule of Fees and Charges.

The Business Services and Development Services Departments requests Council approval of a Credit and Debit Card Service Fee to be collected by a third party from customers paying with a credit or debit card.

## **Background / Discussion**

Currently the City pays approximately \$1,400,000.00 annually in credit card fees. In recent years, credit and debit card processing expenses have been increasing and becoming more volatile. On March 2, 2017, the Business Services Department presented a solution to Council to contract with a third-party to process card payments. To facilitate this solution, the Business Services Department recommends creating a Credit and Debit Card Service Fee of 2.37% to be assessed on the total amount charged to customers using credit and debit cards.

Customers that pay by cash, check or electronic check will not be assessed the service fee.

## **Alternatives**

Council may choose not to authorize the change and the City will continue to manage card expenses as we do currently.

## **Fiscal Impact**

Creating a Credit and Debit Card Service Fee to allow a third-party to collect fees for credit and debit card payments is expected to save approximately \$600,000.00 in Fiscal Year 2017/18 and \$1,200,000.00 annually ongoing after the first year.

## **Coordinated With**

The Business Services and Development Services Departments and the Office of Management and Budget.

**Exhibit A**  
**City-Wide Fees**  
**Fees and Charges**

Description of Services	Current Fee/Charge	Proposed Fee/Charge	Unit	Fiscal Impact
POLICY ITEMS:				
CREDIT AND DEBIT CARD SERVICE FEE		2.37%	Assessed on the total amount charged to customers using credit and debit cards	Savings of \$600,000 in first FY, \$1,200,000 annually thereafter