

**SCHEDULED**

**MEETING TOPIC (ID # 2138)**

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## **Credit Card Fees**

This item will allow Council to evaluate options on credit card fees. Currently, all customers pay a minimum \$3.00 fee or 2.95%, which ever is greater, for all transactions at City Hall and the Aquatic Center. Customers pay a \$1.50 fee to pay their utility bill online.

Several cities do not charge for credit card fees, rather structure their fees to include the processing that is incurred by credit card payments.

In fiscal year 2018, the City received \$1,213,087 in payments via credit cards. Should the City have not charged the fee, the City would have paid approximately \$23,700 in credit card fees. For fiscal year 2017, the total collected in payments via credit cards was \$1,014,630 and the customers paid \$20,171 in credit card fees.

There are significant advantages to receiving payments through credit cards:

1. Credit card payments increase security - customers will not be held for fraudulent charges and neither will the City
2. Credit cards greatly improve customer service - 8 in 10 people carry less than \$50 in cash on a given day. This means our customers have to make trips to the ATM or bring a checkbook to avoid the processing fee.
3. Credit cards allow for the omnichannel approach - paying remotely either through the website, a kiosk or an app.

This was discussed with the Finance Committee and they were in favor of presenting to the City Council for consideration.

Staff recommends restructuring the fee schedule to include credit card processing fees in all fees rather than charging a surcharge for credit cards.