

City Council Staff Report

November 16, 2016

Prepared by:

Debbie Sanchez

Public Hearing:

No

REQUEST

Consideration of approval of a resolution to adopt a credit card fee.

DISCUSSION

In the past fiscal year approximately 7,000 credit card transactions and over 12,000 online transactions were made by citizens to pay their bills to the City. During that same time frame the City paid \$13,176 in credit card fees and \$6,534 in online fees to provide that convenience.

Staff is preparing to go on-line with the Seamless.gov program which will allow payment of building permit fees with a credit card. Building permit fees are the largest fees in the City, amounting to tens of thousands of dollars per one transaction. Naturally staff is concerned that as more and more users pay with a credit card the expense of providing this convenience will increase significantly as fees are calculated based, in part, on the dollar amount that is paid. Over the past three years the City has experienced an average \$1,800 per year increase in this expense.

Staff is recommending that a credit card fee be established so that the burden of that expense not be carried solely by the City. The user will be given the opportunity to choose if they are willing to pay the fee. If they choose not to pay with a credit card they can pay using the automatic withdrawal from their bank account, or they may choose to mail in their payment with a check, or they may come into the office and pay with either cash or check.

Based on the data of the past fiscal year, staff is recommending a fee of \$2.25 per credit card transaction. Staff will monitor the revenue received from the credit card fee to see if it is sufficient in covering the City's expenses.

If the cost of allowing building permits to be paid with credit cards is too detrimental, staff would like to bring this back to the Council to determine if the convenience of paying for building permits with credit cards should be eliminated or if the \$2.25 fee should be increased.

RECOMMENDATION

Staff recommends Council approve a resolution to establish a credit card fee of \$2.25 per transaction.