

Legislation Text

File #: 2019-3204, **Version:** 1

Presentation on Convenience Fees for credit card payments

Key Issues:

Water Utilities payments have been transitioning over the last several years away from the traditional mailing to more convenient methods for customers. Water Utilities currently accepts VISA and MasterCard payments through three (3) different sources, UtilityLink or Web, Telephone (IVR) or at one of our payment counters. Credit Card use has become the most popular method of payment. For the last quarter, Credit Card payments through the Web (31,364) & IVR (10,455) are over 40% of the payment volume.

Processing fees have been increasing as the volume of payments made with credit cards has increased. In FY19, fees exceeded \$368,000 for processing and payment gateway.

Water Utilities is in the process of the web/ivr payment system to provide some additional enhancements to customers. The current configuration will be to continue to absorb all credit card fees, however, the City has initiated a convenience fee of 2.5% as of December 1, 2019. With a projected "go live" of the new system in January of 2020, the Utility could adjust to a convenience fee model. This would reduce the cost shared by all customers which appears to be in alignment with survey results.

Proposed Motion:

I move to recommend to the City Council the implementation of a convenience fee no less than the fee assessed by the City.

Brent Boice, Assistant Director of Support Service, Water Utilities

Recommendation: [Staff recommends approval of fee adjustments]