



Update on Credit Card Fee Expenditures

Study Session Meeting | January 20, 2026

Requested By: Councilmember David Reid

Background



ELECTRONIC PAYMENTS
ARE NOW THE PRIMARY
METHOD OF PAYMENT
FOR MOST CITY
SERVICES



CREDIT CARD USAGE
HAS INCREASED ACROSS
UTILITIES, COURTS,
PERMITS, AND
RECREATION



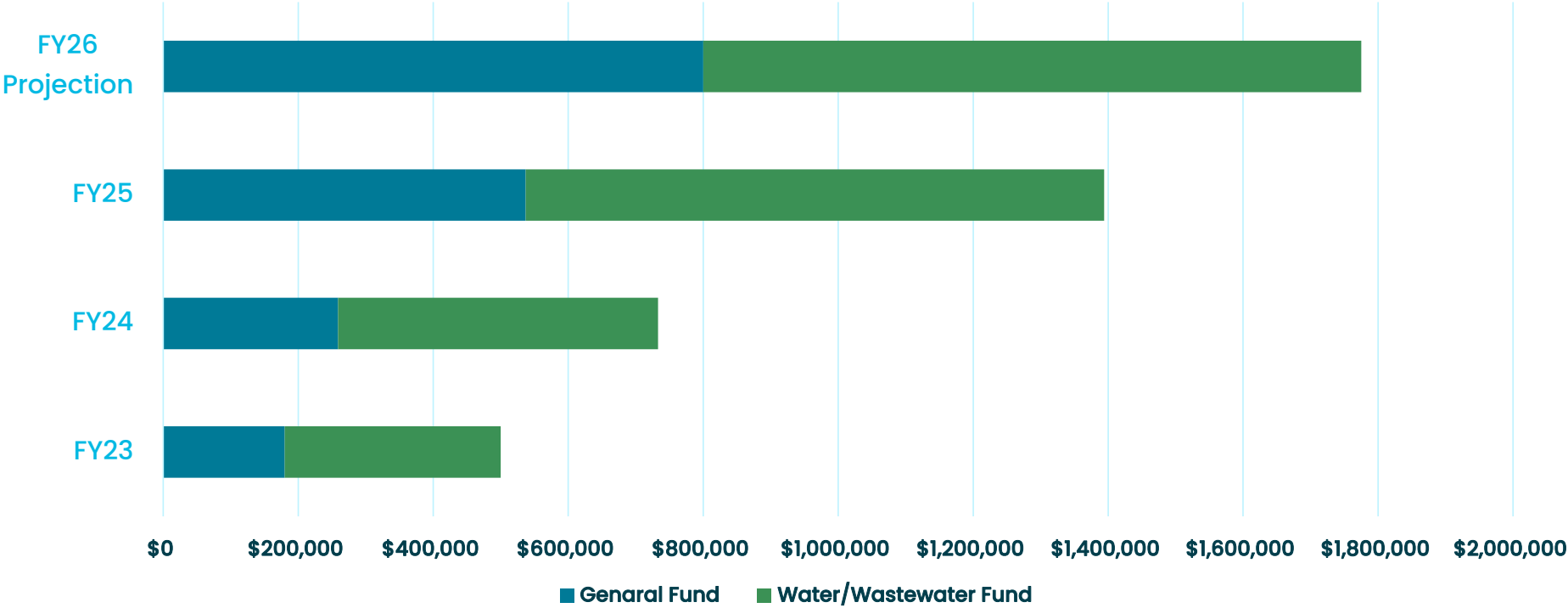
PROCESSING FEES HAVE
RISEN MATERIALLY OVER
RECENT FISCAL YEARS

How are Fees Calculated?

- Fees include both a fixed fee and a percentage-based fee per transaction
 - Gateway/interchange fees
 - Batch fees
 - Monthly minimums
 - Autopay processing fees
 - Refund handling fees
 - Chargeback admin fees



Credit Card Fees by Fund



Council Action Taken – September 2024

- 2.5% Convenience fee for Utility Bills established with Ordinance 3889
 - Effective January 1, 2025
 - Projected \$200,000 in revenue for Water/Sewer Fund (\$91,870.79 earned)

Why Actual Revenue Was Lower?



OUR SYSTEMS AT THIS TIME CANNOT
APPLY CONVENIENCE FEES TO
AUTOPAY CUSTOMERS



Proposed Solution

- Apply convenience fee through Global Payments instead of Tyler
 - Allows fee to be applied to AutoPay, online, and in-person transactions
 - 3.5% service fee is required by Global Payments
- Staff proposes that we continue to charge utility customers 2.5% fee as established
 - 3.5% would be charged during payment
 - 1% rebate would be applied monthly

Discussion & Direction

