



# CITY OF ARANSAS PASS

## AGENDA MEMORANDUM

Workshop Meeting of March 12, 2018

Date: March 8, 2018

To: Mayor and City Council

From: Sandra Garcia, Director of Finance

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Title: Credit Card Fee

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### **BACKGROUND AND FINDINGS:**

The City currently does not charge its customers a fee for credit card payments received over the phone or in person. An analysis of the previous fiscal year showed that the City paid \$21,356.37 in credit card processing fees. A survey of the surrounding communities resulted in the following:

- Ingleside charges a 5% convenience fee to its customers
- Port Aransas and Rockport do not charge a fee
- Portland charges a \$4.00 convenience fee to its customers

Utility customers that pay their bills online are charged a 3.50% fee by the credit card processing company.

### **ALTERNATIVES:**

The City can do nothing and absorb the credit card processing fees or it could start charging a convenience fee to its customers.

### **RECOMMENDATION:**

Staff recommends charging a flat fee.

**Credit Card Processing Fees  
Summary of 12 Months  
October 2016 - September 2017**

	<b>Water Department</b>	<b>Municipal Court</b>	<b>Aquatic Center*</b>
Credit card fees	\$ 14,912.34	\$ 4,737.28	\$ 1,706.75
Credit cards processed	1,067,536.75	334,183.21	66,277.05
Number of transactions	9,235.00	2,014.00	2,234.00
Average transaction	\$ 115.59	\$ 165.93	\$ 29.66

<u><b>Convenience Fee</b></u>	<u><b>Estimated Convenience Fee</b></u>		
\$3.00	27,705.00	6,042.00	6,702.00
\$2.00	18,470.00	4,028.00	4,468.00
\$1.75	16,161.25	3,524.50	3,909.50
\$1.50	13,852.50	3,021.00	3,351.00
\$1.25	11,543.75	2,517.50	2,792.50
\$1.00	9,235.00	2,014.00	2,234.00

\*The fees are from March 2017 - August 2017