

Fee Schedule Review

Sec. A1.001(b) REVISED: City payment charges (Credit Card Fee)

Currently: *“3.5% fee for all credit card payments made online, and over the telephone for municipal court and building permits”*

- Does not include credit card payments for utility bills, recreation programs, facility rentals, or building projects/municipal court payments made at the counters
- Result:
 - Inequity among customers and/or taxpayers. The City’s credit card expense is passed on to everyone, not just those giving rise to the cost
 - Shortfall of **\$122,088** in FY17. Actual credit card expense \$131,067 offset by only \$8,979 in credit card fee revenue
- Recommendation: 2% fee on all credit card transactions
- GFOA Best Practice: *“When certain services provided especially benefit a particular group, then governments should consider charges and fees on the direct recipients of those that receive benefits from such services. Well designed charges and fees not only reduce the need for additional revenue sources, but promote service efficiency.”*

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Department/Purpose	Current Fee	FY17 Actual Expense	FY17 Actual Revenue base on Current Fee (3.5%)	FY19 Projected Revenue based on Proposed 2% Fee
Customer Service/Utility Payments	None	\$116,656	-	\$97,153*
Customer Service/Building Permits	3.5% online /phone only	\$5,830	\$4,277	\$5,293
Municipal Court/Fines	3.5% online only	\$5,568	\$4,701	\$7,863
Recreation/ Programs, Rentals, etc.	None	\$3,013	-	\$2,593
Police/Animal Control	None	TBD	-	TBD
Police/Reports	None	TBD	-	TBD
TOTALS		\$131,067	\$8,979	\$112,903

- Proposed fee: 2% for all credit card transactions
- FY17 cost of \$131,000 on CC pymts of \$5.6 million = 2.33%, rounded down to 2%
- Misc. Revenue in the General Fund (10-4000-4300-0000) & Utility Fund (20-4000-4300-0000)

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Department	Purpose	FY17 Actual Payments Processed by Credit Card	FY17 Actual Expense	FY17 Actual Revenue based on Current Fee (3.5%)	FY19 Projected Revenue based on Proposed Fee (2%)
Online (via the City's website)	Utility Billing	\$2,976,531	\$77,274	-	\$59,531
Retail (Over the Counter)	Utility Billing	\$189,003	\$2,979	-	\$3,780
Recurring ACH Drafts to Customer Credit Cards	Utility Billing	\$1,282,698	\$26,375	-	\$25,654
Interactive Voice Recognition (IVR) (Processed as Online Payments, with \$1.25 Incode charge)	Utility Billing	\$409,442	\$10,029	-	\$8,189
Total Utility Billing		\$4,857,674	\$116,656	-	\$97,153*



*Budgeted conservatively for FY19 at \$90,000

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Online (via the City's website; \$1.25 collected directly by Incode)	Building Projects (Permits, Contractor Registrations, etc.)	\$28,118	\$745	\$984	\$562
Retail (by Counter & by Phone)	Building Projects (Permits, Contractor Registrations, etc.)	\$236,549	\$5,085	\$3,293	\$4,731
Total Building Projects		\$264,666	\$5,830	\$4,277	\$5,293

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Online (via the City's website; \$1.25 collected directly by Incode)	Municipal Court	\$134,327	\$1,781	\$4,701	\$2,686
Retail (Over the Counter)	Municipal Court	\$258,873	\$3,787	-	\$5,177
Total Municipal Court		\$393,200	\$5,568	\$4,701	\$7,863

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Online (via the City's website)	Recreation (Facility Rentals and Program Fees)	\$38,487	\$955	-	\$770
Retail (Over the Counter)	Recreation (Facility Rentals and Program Fees)	\$91,149	\$2,058	-	\$1,823
Total Recreation		\$129,635	\$3,013	-	\$2,593

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Not Activated yet	Police - Animal Shelter (Pet Registration, Adoption Fees, etc.)	-	-	-	-
Not Activated yet	Police (Fingerprints, reports, etc.)	-	-	-	-
Total Police		-	-	-	-