



Credit Card Service Fees

March 2, 2017

Business Services Department

Payment Methods



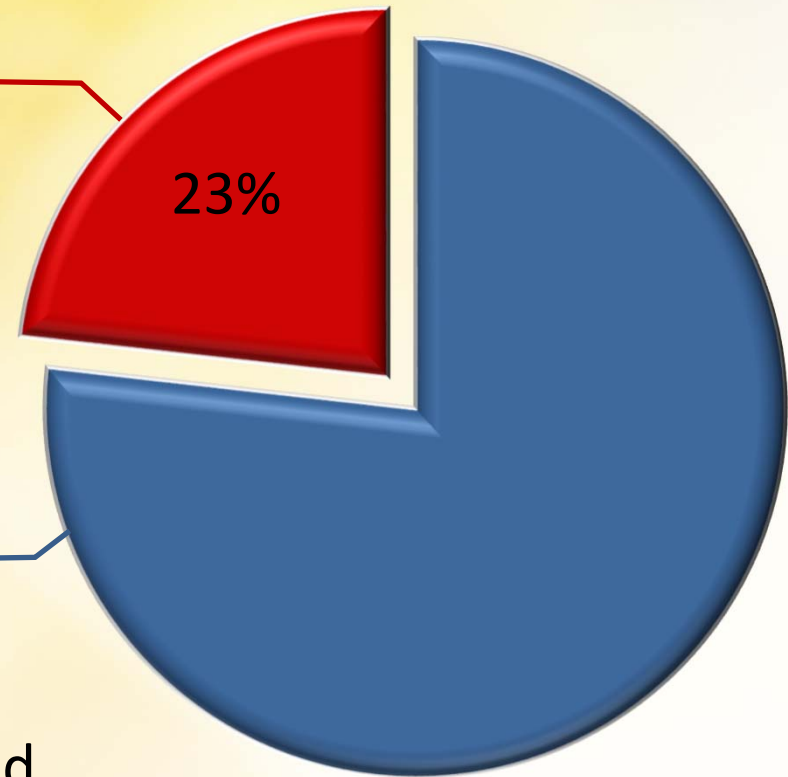
Customer Service – Utility Bill Payments

Credit or Debit Card

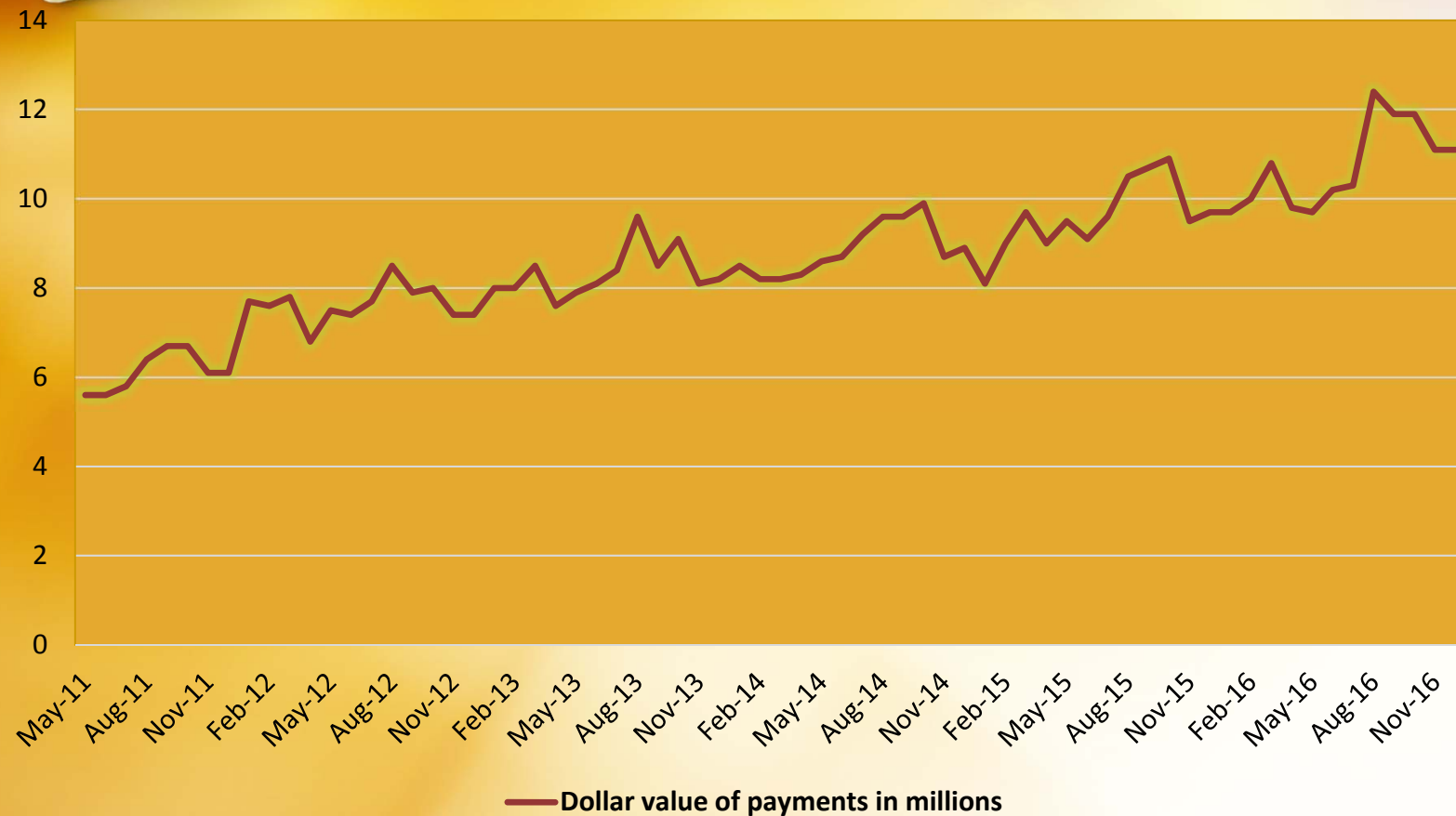
23%

Cash, Check or Bank Draft

Of Dollars Collected



Credit Card Usage Increasing



Expenses



- \$2.4 million in Credit Card Fees in FY 15/16
- Reduced to \$1.4 million for FY 16/17
 - Due to change in Banking Services Contract
- Could eliminate an additional \$1.2 million annually
- Estimated on-going annual credit card costs \$200,000 annually

Proposed Solution



- Credit Card Service Fee
- Managed by Elavon (Banking Services Contract)
- Rate – 2.37%
- Revenue from service fee retained by Elavon
- Expenses related to card payments paid by Elavon
- City of Mesa will receive the entire amount owed
- Not able to accept AMEX at this time

Comparisons



- Gilbert – 2.68% Surcharge on Development Services Fees
- Scottsdale - \$1.95 per transaction Convenience fee on Utility Payments
- SRP - \$1.90 per transaction Convenience fee
- Southwest Gas - \$2.00 per transaction Convenience fee
- APS - \$2.95 per transaction Convenience fee

Implementation



- Customer Service roll out first
 - Fees and charges process
 - Modifications to the software we use to process payments
- Communication to customers
 - Credit Card organization requirements
 - Opt Out alternative
 - Communication to ensure all customers are aware of the change



Questions?