

-Memorandum-


City of Seguin

Finance Department

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Date: March 6, 2015

To: Mayor and City Councilmembers
Douglas Faseler, City Manager

From: Susan Caddell 
Director of Finance

Subject: Credit Card Transaction Fee

Over the past year, credit/debit card transactions have increased considerably, both in the number of transactions and the dollar amount of the transaction. In FY2013, the City paid \$51,529 in credit card service fees. These fees rose to \$83,941 in FY2014. In the past, we were only allowed by statute to collect a transaction fee on “non face-to-face” transactions. We have been charging a transaction fee on those “non face-to-face” transactions of \$6. Along with our new ERP system, we are changing our merchant services provider. They have indicated to us that the statutes have changed and we are now able to charge a fee on all transactions. Staff is requesting approval of establishing a new fee of 3% of the amount charged per transaction, or \$4, whichever is greater. When discussing the fee with our merchant services provider, they indicated that 3% is the average charge. Guadalupe County charges this fee on the majority of their transactions.

Staff is requesting approval of this fee per the attached ordinance.

Please let me know if you have any questions.