

**WS 3. 3/19/24
Presentation**

Payment Card Fees and Charges

March 19, 2024



City payment methods

- Check or cash in person or by mail (all payments)
- Payment card by phone (utility bills)
- Online by card:
 - Via municipalonlinepayments.com/milwaukieor (utility bills, court charges)
 - Via buildingpermits.oregon.gov (building permits)
 - Via milwaukie.gov/built.com (business registration, tree permits)
- Electronic Funds Transfer (EFT) from your bank account (utility bills)



Payment card use in FY23

- 41% of utility billing transactions were made by credit or debit card.
- 48% of court billing transactions were made by credit or debit card.
- 28% of building and permitting transactions were made by credit or debit card.
- Roughly 3,000 transactions over \$1,000
- Roughly 1,450 over \$2,000



City costs associated with payment cards

Bank charges incurred include:

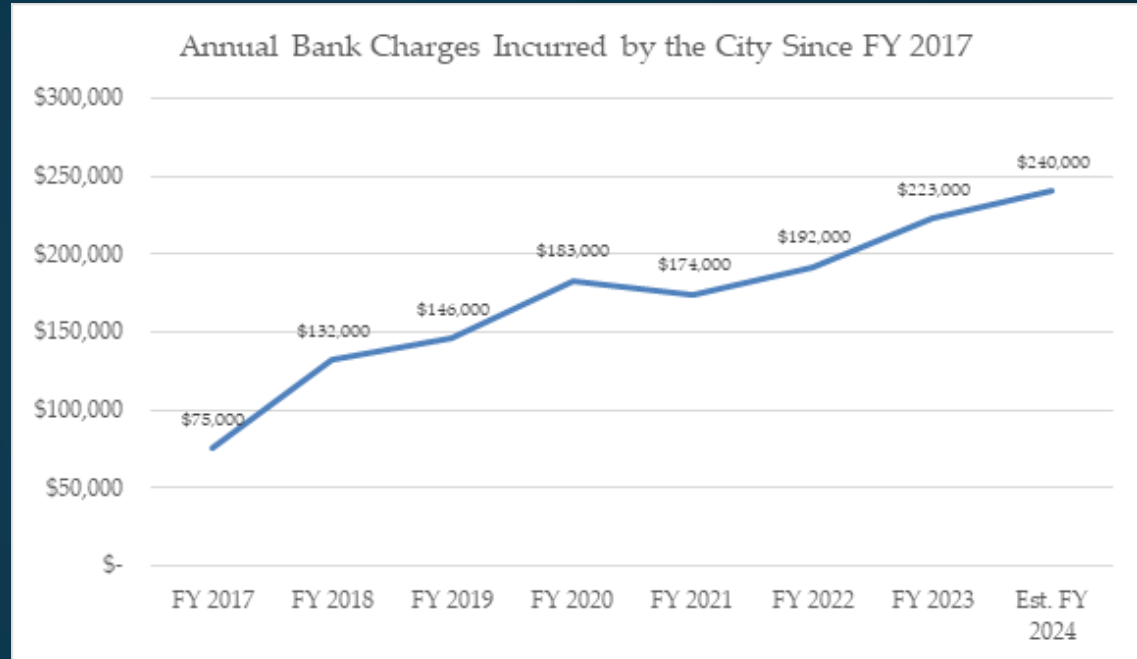
- **Merchant fees** – includes interchange and service fees
- **Banking fees** – includes general account services

Graph to the right does not include:

- **InCode software transaction fees**
– increased from \$1.25 to \$2.00 per transaction last year
 - In FY 24, estimated to be \$86K

Total budget hit is \$320K+

All cities are experiencing this squeeze



Mitigation options

- Education campaign and help customers transition to EFT
- Lower limit for payment card transactions from \$10,000 to \$1,000
- Charge a convenience fee on card transactions (*future discussion*)

Considerations:

- **Equity impacts**
 - Some may be using a credit card because they don't have funds available to pay
- **Other drivers**
 - Many may still choose to use credit cards for points/rewards benefits
- **Neighboring jurisdictions**
 - Most do not charge a fee
 - Some apply limits on payment card transactions



Discussion questions

- Does Council support staff's recommendation to lower limit for payment card transactions and proceed with a campaign to assist in moving customers to EFT?
- Are there other mitigation options Council would like to see staff explore?



Contact Us

Emma Sagor

Assistant City Manager

sagore@milwaukieoregon.gov

Michael Osborne

Finance Director

osbornem@milwaukieoregon.gov

