

BRUNSWICK CITY FINANCE COMMITTEE

Agenda **MARCH 11, 2019** **6:25 PM** **In Caucus Room**

1. Discussion Items
 - (a) **ORD. NO. 22-19** - An emergency Ordinance amending Ordinance NO. 155-00 and amending transaction fees for electronic payment options and/or a new credit card machine in the Finance Department. - **1st Reading** (To be brought from Finance Committee, *Administration/Todd Fischer*)
2. General Discussion
3. Adjournment

THE CITY OF BRUNSWICK

PROPOSED LEGISLATION



DATE: 03/11/2019

TO: Vice Mayor Michael Abella Jr. and Members of City Council

FROM: Carl S. DeForest, City Manager
Paul Barnett

COPY: Mayor Ron Falconi

LEGISLATION: **ORD. NO. 22-19** - An emergency Ordinance amending Ordinance NO. 155-00 and amending transaction fees for electronic payment options and/or a new credit card machine in the Finance Department. - **1st Reading** (To be brought from Finance Committee, *Administration/Todd Fischer*)

BACKGROUND: Ordinance #155-00 is the last known Ordinance to impose transaction fees on credit or debit card transactions. This Ordinance was passed by Council as emergency and suspension of the rules on November 27, 2000.

Since that time, the financial and credit card industry has evolved and more payment options are available today than years ago.

Over the past few years, the City has been researching, testing and reviewing different payment options. Our focus and concentration has been on specific payment options that can be attached or directly integrated with various City software packages. Our ultimate goal is to achieve efficiencies for both the customer and the City when implementing any new financial services. More specifically, we further desire to offer electronic payment options to our customers while keeping costs low or as close to free as possible. We also desire to match up those new payment options and associated transaction fees with a new physical credit card machine located in the City's Finance Department.

As we implement new and more convenient payment options, it will be necessary to amend Ord #155-00. The timing and implementations of various integrated payment solutions cannot be done simultaneously, thus causing a timing issue in how we handle transaction fees in various areas.

Therefore, the City Administration is requesting that Ord #155-00 and related transaction fee charges be amended. We recommend that the \$10 convenience fee per transaction remain in effect for each listed area (Income Tax Department, Refuse/Stormwater Billing Department, or the Credit Card terminal machine located in the Finance Department) until the new payment option for that specific area has been implemented. Once implemented, the City will need to implement a new process and establish how we will handle certain transaction fees for those newly implemented payment options.

**PURPOSE AND
EXPLANATION:**

The City Administration is proposing to Council to consider the following:

That Ordinance #155-00 and convenience fee of \$10 per transaction remain in effect for all payments until such time that the City 1) offers an electronic payment solution for income tax, 2) offers an electronic payment solution for refuse/stormwater charges or 3) installs a new credit card machine for payments received at the City's Finance Department location. As each option is implemented, transaction fees on payments for that payment option should be amended as follows:

Transaction fees for e-check payments will be absorbed and paid for by the City, thus creating a "free" payment option to the customer for that charge, activity or service.

Transaction fees on credit cards or any other offered payment option, excluding e-checks, will be charged to the customer in the form of a non-refundable service fee at the time of the payment.

The purpose of this Ordinance is to first set the stage for the City to offer a combined electronic filing and electronic payment options for the City's Income Tax Department.

The proposal above should also open the door for the City's Finance Department to offer more convenient and consistent payment options for other areas under the direct supervision of the Finance Director.

**IMPLEMENTATION
SCHEDULE:**

We are asking for Council's consideration for emergency and suspension of the rules on first reading. If passed as soon as possible, the City may have a very good chance to offer electronic file and electronic payment options to the taxpayers of the City of Brunswick before the April 15th deadline. Rather than wait another year, it is our hope to offer new electronic filing and payment options for this year's season.

**FINANCIAL
INFORMATION:**

**FINANCIAL
SUMMARY:**

The proposed newly implemented payment options would come in two parts.

The e-check payment option would be free to the customer. However, this would currently require the City to absorb 0.85 costs per transaction. Total costs would vary based on the number of transactions. Sufficient appropriations would be required to be in place to pay these fees.

If the income tax customer did not want to pay via an e-check, they could otherwise pay by credit card (Mastercard/Visa/Discover). For credit card transactions, the customer would be charged an additional non-refundable transaction fee at the time of payment. The City's credit card processor

would charge this fee and would go directly to the processor, not the City. The new credit card transaction charge to the customer would currently be 0.35 + 2.55% per transaction.

As we can implement a new physical credit card machine or additional integrated payment options for the areas noted, we would desire to follow the same process.

**RECOMMENDED
ACTION:**

One Reading	Yes
Two Readings	No
Three Readings	No
Emergency	Yes
Suspension of Rules	Yes

If emergency or suspension of the rules, why the request?

Consideration for emergency and suspension of the rules on first reading. If passed as soon as possible, the City may have a very good chance to offer electronic file and electronic payment options to the taxpayers of the City of Brunswick before the April 15th deadline. Rather than wait another year, it is our hope to offer new electronic filing and payment options for this year's season.

**ADDITIONAL
INFORMATION:**

CITY OF BRUNSWICK, OHIO
ORDINANCE NO. 22-19

BY: Mrs. Hanek, Mr. Ousley and Mr. Delsanter

AN EMERGENCY ORDINANCE AMENDING ORDINANCE NO. 155-00 BY
UPDATING SERVICE FEES.

WHEREAS: On November 27, 2000, City Council adopted Ordinance No. 155-00 establishing a service fee in the amount of \$10.00 per transaction for payments made by credit card.

WHEREAS: THE COUNCIL OF THE CITY OF BRUNSWICK HEREBY ORDAINS:

SECTION 1: That Ordinance No. 155-00 is hereby amended to provide as follows:

A non-refundable service fee of \$10.00 per transaction is hereby established for payments received by the City for income tax, refuse/stormwater or any other transaction processed by the Finance Department. Such non-refundable service fee shall remain in effect until a new credit card machine is installed for payments received at the Finance Department, wherein any applicable fees associated with the transaction will be assumed by the customer as a direct pass-through from the credit card processor.

SECTION 2: The Finance Department wishes to also offer on-line payment options. As those on-line payment options are implemented, applicable service fees will be charged as follows:

- a) The City will assume any applicable fees associated with an electronic check (e-check) transaction; and
- b) Applicable fees associated with the use of any credit card transaction will be assumed by the customer as a direct pass-through from the credit card processor.

SECTION 3: That this Ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, property, health, safety, or welfare and for the additional reason to attempt to offer electronic file and payment options prior to April 15, 2019. Therefore, the same shall be in full force from and after its passage by the required number of votes or from the earliest time allowed by law.

PASSED: 1st Reading _____

RULES SUSPENDED: AYES _____ NAYS _____

ADOPTED: _____ AYES _____ NAYS _____

ATTEST: _____

Clerk of Council
Fijabi Julien-Gallam, CMC