



**City of North St. Paul
City Council
Workshop Meeting Agenda**

**May 2, 2023
5:30 PM**

The City Council Meeting will be conducted on **May 2, 2023** at 5:00 p.m. in the City Council Chambers of City Hall, located at 2400 Margaret St., North St. Paul.

The City Council will also be meeting by interactive TV under Minn. Stat. 13D.02.

The **May 2, 2023** Zoom meeting can be accessed via:

<https://tinyurl.com/NSPCityCouncil>

(from a PC, Mac, tablet, iPhone or Android device) or by phone at 1-929-205-6099.

Participants accessing the meeting by phone please use the following meeting ID:
84409094358

You can also watch the meeting on our YouTube channel here:

tinyurl.com/NSPYoutube

I. Call to Order

II. Roll Call

Council Member Cole
Council Member Schweer
Council Member Wong
Council Member Nordby
Mayor Monge

III. Adopt Agenda

IV. Topic(s)

A. Credit Card Processing Fees

V. Other Business

VI. Adjournment

The next regularly scheduled City Council Workshop meeting is May 16, 2023.



To	Date
Honorable Mayor Monge and City Council	May 2, 2023
Agenda Placement # IV.A	
Topic(s)	
Subject	
Credit Card Processing Fees	
Background/Facts	
Seeking direction from City Council related to credit card processing fees.	
Recommended Action	
Attachments	
1. Credit Cards 5.2.23	
Respectfully submitted, Daniel Winek, Finance Director	



CREDIT CARD PROCESSING

May 2, 2023

City of North St. Paul



PURPOSE

Seeking direction from City Council related to credit card processing fees.

- **Should we continue with the current credit card fee method?**
- **What changes should we make?**
- **Is there additional information that you need?**



AGENDA

- **City's Current Credit Card Status**
- **Credit Card Fee Research**
- **Credit Card Costs – 2022**
- **City's Utility Payment Options**
- **Option 1**
- **Option 2**
- **Option 3**
- **Questions and Discussion**



CITY'S CURRENT CREDIT CARD STATUS

- **Over 5 years since a solicitation for credit card services has been completed**
- **Current vendors costs are rising**
- **Card readers are obsolete**
- **Experiencing processing errors**
- **Utility Billing – City pays all costs**
- **Park Reservations – City pays all costs**
- **Other Services – Customer pays all costs**



CREDIT CARD FEE RESEARCH

Cities that Charge for Credit Card Payments

Maplewood	2.5%	Permits, Notary, Miscellaneous Fees/no utility billing	Over Phone Pymts Only
White Bear Lake	3.55%	Fees are charged by Invoice Cloud, not advertised	
White Bear Township	\$1.25	Fee of \$1.25 charged on-line and over the phone	Technology Fee
Moundsview	2.5%	Credit card fee & \$2.00 processing fee	On-line payments
Wyoming	2.95%	or \$2.95, whichever is greater, also charge \$1.50 for ACH	
Lakeland	3.0%	On-line and auto pay with credit or debit card	
Newport	3.30%	and \$.50 for payment under \$100, charge	On-line
		\$2.95 fee for over the phone credit card payments run by staff	
St. Paul Park	3.00%	and \$.50 for payments under \$100	
		\$1.10 Convenience fee for on-line e-checks	
*Arlington Utilities	2.5%	Minimum of \$2.00, \$1.10 for e-checks	
*Buffalo Utilities	2.75%	or \$2.95 whichever is greater	
*Shakopee		Charges 3% on permits & misc items, no charge for Utility Payments	

Cities that do not Charge for Credit Card Payments

*Anoka	Arden Hills
*Chaska	Cottage Grove
Duluth	*East Grand Forks
*Elk River	Faribault
Forest Lake	Fridley
Hugo (Does not accept credit card payments)	*Le Sueur
Oakdale	*Olivia
*Winthrop	Woodbury

***Means a municipal electric entity, member of MMPA**



CREDIT CARD COSTS - 2022

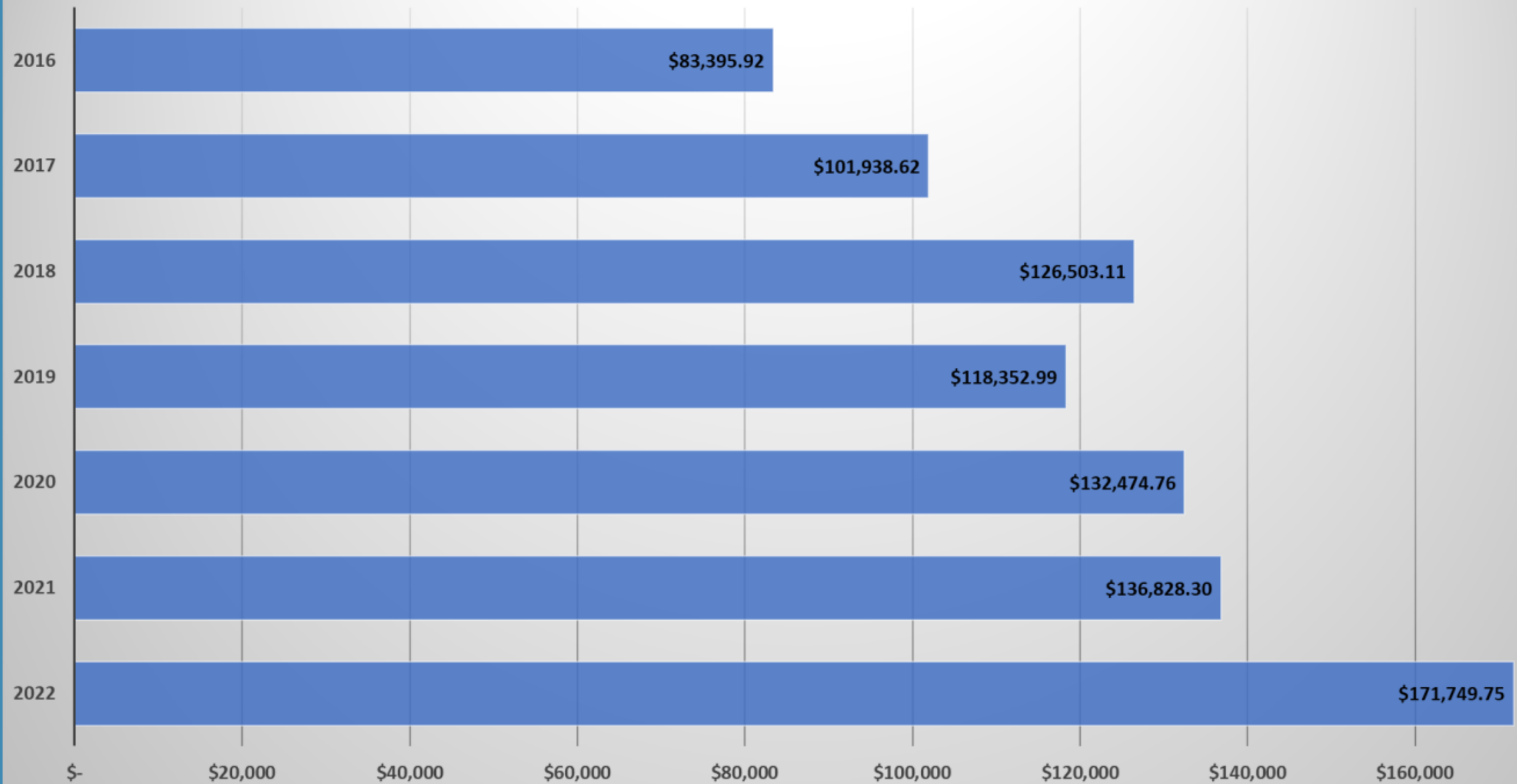
Utility Billing:

- **\$171,749.75 - Credit Card Processing Fees - Paid by the Electric Fund**
- **\$35,032.95 - Transaction Fees by Financial System Provider – Paid by Electric, Water, and Waste Water Funds**
- **\$206,782.70 Total for 2022**

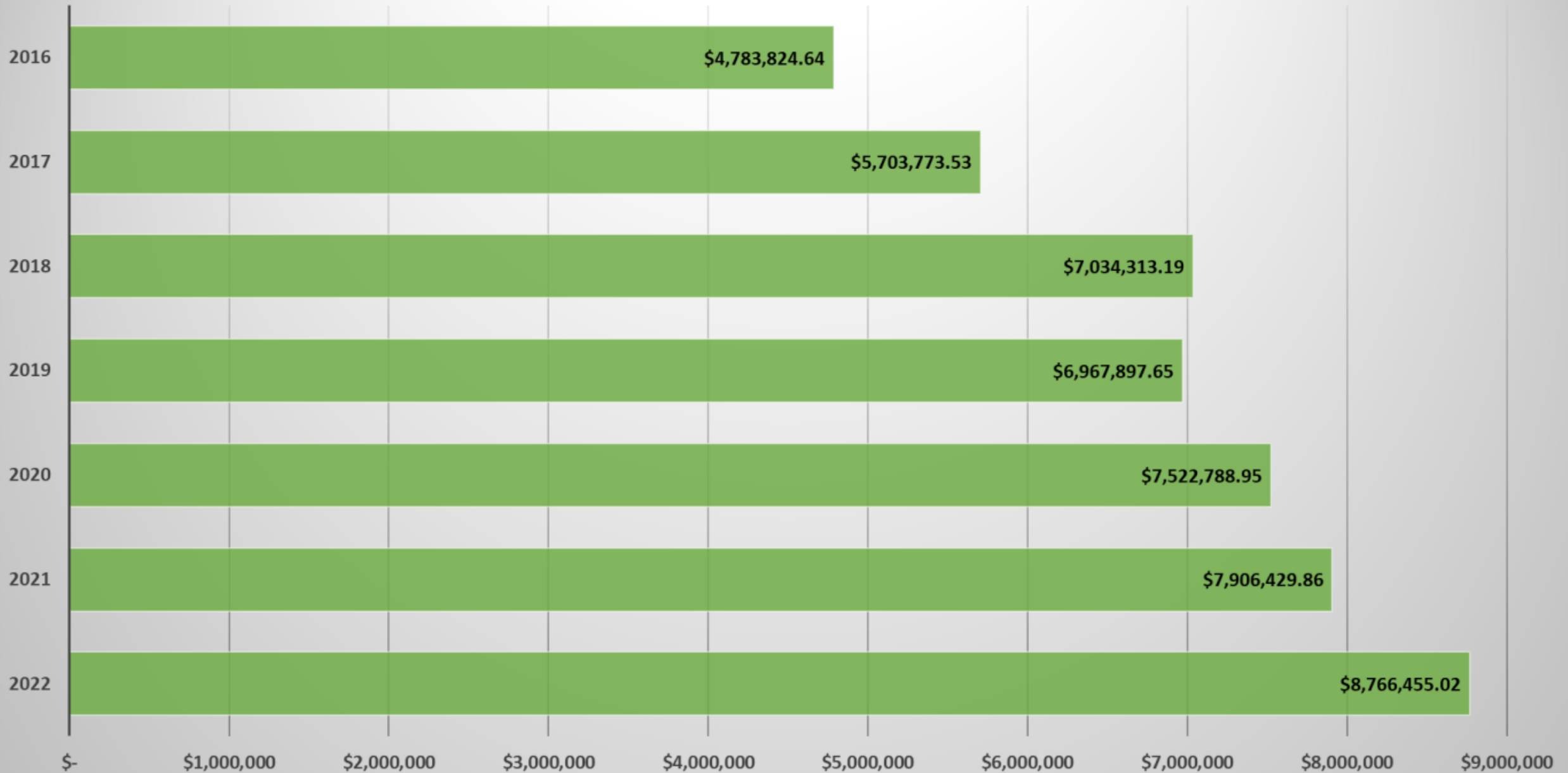
Park Rental:

- **\$6,833.27 – Credit Card Processing Fees – Paid by Parks in General Fund**
- **\$213,615.97 Total Credit Card Fees - 2022**

UTILITY BILLING BILL PROCESSING COSTS - CREDIT CARDS



AMOUNT OF UTILITY BILLS PAID THROUGH CREDIT CARDS

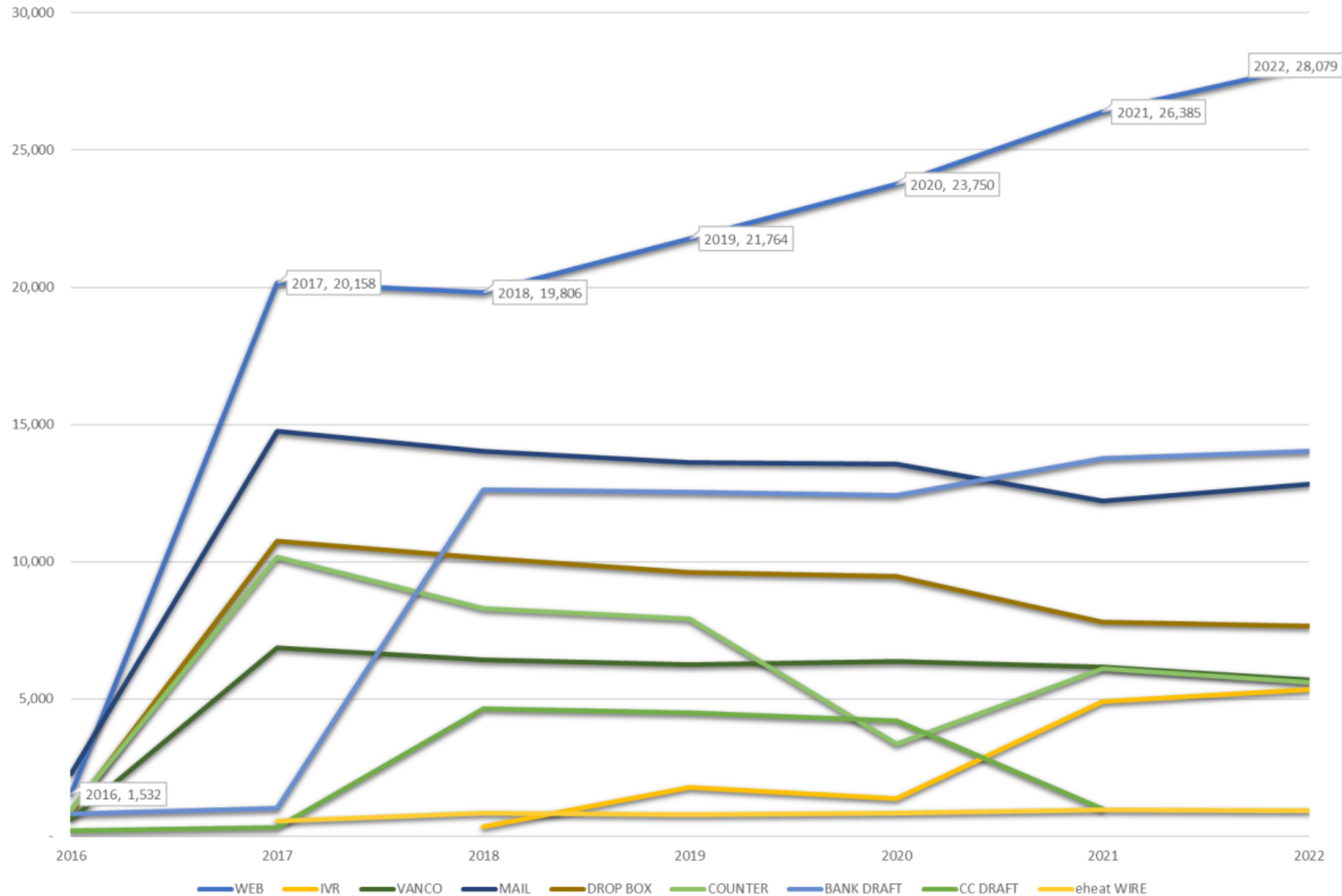




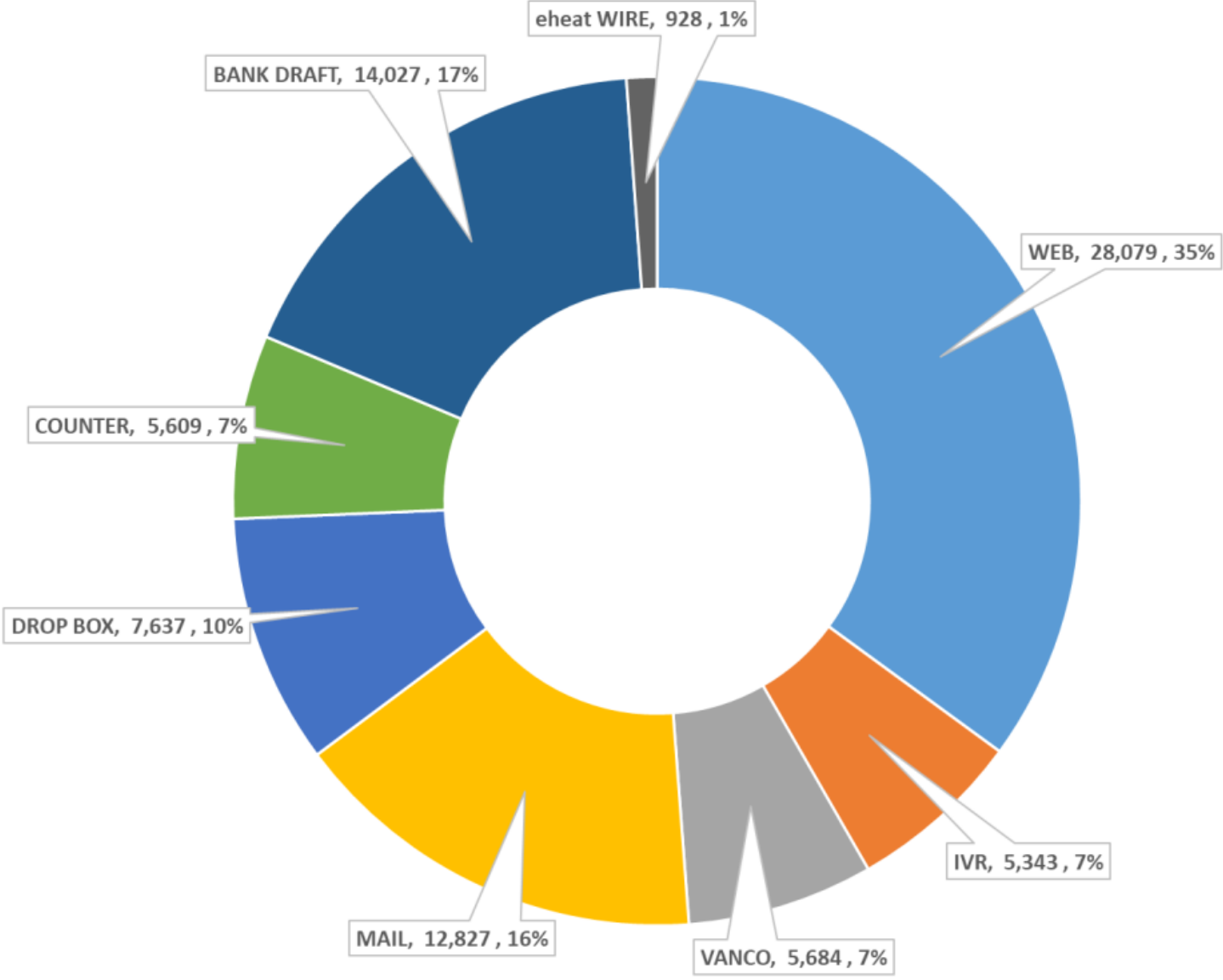
CITY'S UTILITY PAYMENT OPTIONS

- **WEB** – Customer initiates credit or debit card payment on-line on our website. Automated process to post payment to customer account and deposit money to our bank account.
- **IVR** – Customer initiates credit or debit card payment by calling an automated phone number. Automated process to post payments to customer account and deposit money to our bank account.
- **VANCO** – Customer initiates payment on their bank website, payments are automated from customer's bank to our bank, automated process to post payment to customer account and deposit money to our bank account.
- **MAIL** – Customers mail a check through USPS. Payments are processed by staff to post to customer account and deposit money to our bank account.
- **DROP BOX** – Customers put a check in one of 3 boxes at City Hall. Payments are processed by staff to post to customer account and deposit money to our bank account.
- **COUNTER** – Customers visit City Hall and pay their bill with staff through, cash, check or credit card. Payments are processed by staff to post to customer account and deposit money to our bank account.
- **BANK DRAFT** – Customers give staff their checking or savings information, and staff runs an automated process to deposit payment to bank and customer account. Also known as ACH.
- **CC DRAFT** – No longer an option due to security risks in the Credit Card industry.
- **HEAT WIRE** - State of MN automatically wires money into our bank account when customers receive Energy Assistance.

ANNUAL NUMBER OF UTILITY BILLS PROCESSED BY METHOD FOR 2016 - 2022



ANNUAL NUMBER OF UTILITY BILLS PROCESSED BY METHOD FOR 2022



■ WEB ■ IVR ■ VANCO ■ MAIL ■ DROP BOX ■ COUNTER ■ BANK DRAFT ■ CC DRAFT ■ eheat WIRE



OPTION 1

City continues to pay all credit card costs for utility billing and park rentals and do RFP:

- **Annual Savings Estimated at \$31,000.**



OPTION 2

City continues to pay all credit card costs and charges a % to customers for utility billing and park rentals and do RFP:

- **Charge 1.00% - Annual Savings Estimated at \$118,665**
- **Charge 1.50% - Annual Savings Estimated at \$162,497**
- **Charge 2.00% - Annual Savings Estimated at \$206,329**
- **Charge 2.25% - Annual Savings Estimated at \$228,245**
- **Charge 2.50% - Annual Savings Estimated at \$250,161**



OPTION 2 - Continued

City continues to pay all credit card costs and charges a % to customers for utility billing and park rentals and do RFP:

Average Utility Bill - \$221.94

- **Charge 1.00% - Estimated Cost to Customer - \$2.22**
- **Charge 1.50% - Estimated Cost to Customer - \$3.33**
- **Charge 2.00% - Estimated Cost to Customer - \$4.44**
- **Charge 2.25% - Estimated Cost to Customer - \$4.99**
- **Charge 2.50% - Estimated Cost to Customer - \$5.55**



OPTION 3

Customer pays all credit card costs for utility billing and park rentals:

- **Annual Savings Estimated at \$178,583.**



Questions and Discussion

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