



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Douglas Schulze, City Manager

PREPARED BY: Lincoln Bogard, Administrative Services Director

MEETING DATE: October 8, 2024

SUBJECT: Consideration of Resolution 2024-162, Approving Payment Processing Fee Changes for Utility Billing as of November 1, 2024

RECOMMENDATION:

Adopt Resolution 2024-162.

BACKGROUND:

The City is implementing Milsoft Customer Information System (CIS) for Utility Billing on November 1, 2024. As a part of that implementation, there are changes in biller pricing and service fees for payment processing. Currently all payment fees are paid by the City, which reduces Utility revenues by approximately \$175,000 dollars per year. Under the new payment processing agreement, Customers will be charged a flat fee of \$1.95 for any automated clearing house (ACH) or electronic funds transfer (EFT) payments. Autopayments via ACH or EFT will not be charged a per transaction fee. All credit card payments will be charged 3.00% of the transaction amount with a minimum fee of \$2.95 per transaction. No changes to chargeback fees for non-sufficient funds (NSF) transactions.

JUSTIFICATION:

Industry standards are changing and many governments have adopted this transaction processing fee structure. The processing fees are charged directly by the payment processor, so the City will maintain compliance with Government Code provisions pertaining to payment processing.

FISCAL IMPACT:

The City stands to benefit utility operating revenues by approximately \$175,000 dollars per year.

ALTERNATIVES:

Do not adopt Resolution 2024-162 and provide alternative direction.

BUDGETED?:

No

CONTRACT/AGREEMENT:

No

ATTACHMENTS:

1. [Resolution 2024-162, Milsoft Implementation.docx](#)