



CITY OF WILDOMAR
CITY COUNCIL REGULAR MEETING
CONSENT CALENDAR
Agenda Staff Report # 1.15
Meeting Date: July 8, 2026

SUBJECT: Approval of Updated Merchant Processing Agreement with CardConnect, LLC for payment processing services for the CivicPlus Recreation Management platform

SUBMITTED BY: Cory Gorham, Assistant to the City Manager

PREPARED BY: Cory Gorham, Assistant to the City Manager

ACTION:

Approve the CardConnect Merchant Processing Application, Merchant Processing Agreement, General Terms and Conditions, and related Amendment for payment processing services associated with the City's CivicPlus Recreation Management Platform (CivicRec); and

Authorize the City Manager to execute the agreements and any ancillary documents necessary to implement payment processing services through the CivicRec platform.

SUMMARY:

Following approval by the City Council at the June 10, 2026 City Council meeting, CardConnect issued revised contractual documents governing payment processing services.

The revised package replaces the previous enrollment documents and reflects the final contractual documents required to activate payment processing within CivicRec.

The revised package includes:

- A new Merchant Processing Application;
- An updated Merchant Processing Program Guide and General Terms and Conditions;
- A Government Merchant Processing Amendment specifically applicable to public agencies; and
- Updated merchant account information identifying KeyBank as the sponsoring financial institution in place of the previously identified banking institution.

The revised documents also establish the operational terms of the City's merchant account, including daily electronic settlement of funds, an initial three-year agreement term with automatic month-to-month renewals thereafter unless terminated in accordance with the agreement, merchant processing fee schedules, chargeback administration procedures, PCI compliance requirements, and other standard merchant processing provisions. Staff has reviewed these provisions and coordinated with CardConnect to ensure the agreement accurately reflects the City's status as a public agency.

Because these revised agreements establish the final contractual relationship between the City and

CardConnect and differ from the preliminary merchant processing documents previously provided, City Council approval is required prior to execution.

The City is preparing to implement CivicPlus Recreation Management (CivicRec), a cloud-based recreation management software platform designed to modernize the administration of recreation programs, facility and field reservations, and customer account management. The platform provides residents with convenient online access to recreation services and allows users to register for programs, reserve facilities, and make payments electronically.

As part of the CivicRec implementation, the City must establish merchant processing services to securely process electronic payments made through the platform. CivicRec utilizes CardConnect as its integrated payment processing provider. CardConnect will provide payment authorization, transaction processing, settlement, security compliance, and related merchant services necessary to facilitate online payments made by residents.

Approval of the proposed agreement will allow the City to fully implement online payment functionality within CivicRec and provide residents with a modern, secure, and convenient method for accessing recreation and community services.

BACKGROUND:

On October 13, 2025, the City Council approved an amendment to the services agreement with CivicPlus to add CivicRec as an additional software application.

CivicRec is utilized by local governments, parks departments, and special districts throughout the United States to manage recreation programming, facility reservations, memberships, customer accounts, and financial transactions. The platform consolidates numerous administrative functions into a single system, reducing manual processes and improving operational efficiency.

The CivicRec platform provides the City with the ability to:

- Manage recreation programs and classes;
- Process facility reservations and rentals;
- Track memberships and registrations;
- Maintain customer accounts;
- Generate financial and operational reports;
- Manage waitlists and program capacity; and
- Accept online payments through an integrated payment processing solution.

A key component of the CivicRec platform is the ability for residents to complete transactions online. To facilitate electronic payments, the City must establish a merchant processing account with an approved payment processor.

DISCUSSION:

CardConnect serves as the payment processing component within the CivicRec platform and is responsible for securely processing electronic payment transactions submitted by users.

CardConnect's services include:

- Credit and debit card authorization;
- Transaction processing;
- Settlement and fund transfers;
- Chargeback administration;
- Fraud prevention tools;
- Payment card security services; and
- Payment Card Industry (PCI) compliance support.

When a resident completes a payment through CivicRec, CardConnect authorizes and processes the transaction and facilitates the transfer of funds into the City's designated bank account through Automated Clearing House (ACH) settlement procedures.

The City intends to utilize a convenience fee model whereby transaction processing costs associated with credit card payments are passed through to the customer electing to use that payment method. This approach minimizes impacts to City operating budgets while continuing to provide residents with a convenient online payment option. Customers will be assessed a 3% transaction fee for all payments made through the platform.

CardConnect utilizes secure payment processing infrastructure designed to comply with Payment Card Industry Data Security Standards (PCI-DSS). The agreement requires ongoing compliance with applicable card network rules and payment security requirements. CardConnect also provides tools and services intended to support compliance and reduce the City's direct handling of sensitive payment card information.

The use of an integrated payment processor significantly reduces administrative risks associated with processing and storing payment card data while enhancing security for residents utilizing City services.

As with all merchant processing services, CardConnect administers chargebacks, transaction disputes, and payment reversals initiated by card issuers and financial institutions. Under the agreement, the City remains responsible for responding to disputed transactions and providing supporting documentation when requested. Card organizations maintain the authority to reverse transactions in accordance with established payment network rules. CardConnect may debit the City's settlement account for approved chargebacks, refunds, fees, and other authorized adjustments. These provisions are standard within merchant processing agreements and are common throughout the payment processing industry.

The initial term of the agreement is for 3 years with automatic 30 day extensions. Cancellation on the agreement requires a 30 day notice before the end of the initial term or the relevant extended term.

FISCAL IMPACT:

The agreement with CardConnect establishes a 3% transaction-based fee associated with electronic payment processing through the CivicRec platform paid for by the customer.

The City intends to utilize a convenience fee structure to recover applicable merchant processing costs from users electing to pay by card. Accordingly, the direct fiscal impact to the City is anticipated to be minimal.

Funds received through CivicRec transactions will be electronically deposited into City-designated accounts and reconciled through existing financial management procedures. Adequate funding exists within the approved budget for implementation and administration of the CivicRec platform and associated payment processing services.

ATTACHMENTS:

[Merchant Processing Application and Agreement.pdf](#)

[Amendment to Merchant Processing Agreement.pdf](#)

[Merchant Services Program Terms and Conditions.pdf](#)