

City of Coral Gables City Commission Meeting
Agenda Item H-9
March 11, 2025
Police and Fire Headquarters
2151 Salzedo Street, Coral Gables, FL

City Commission

Mayor Vince Lago
Vice Mayor Rhonda Anderson
Commissioner Melissa Castro
Commissioner Ariel Fernandez
Commissioner Kirk Menendez

City Staff

City Attorney, Cristina Suárez
City Manager, Alberto Parjus
City Clerk, Billy Urquia
Finance Director, Diana Gomez

Public Speaker(s)

Agenda Item H-9 [4:31 p.m.]

Update on credit card processing fees

Mayor Lago: H-9. Good afternoon.

Finance Director Gomez: Good afternoon, Diana Gomez, Finance Director. It's a quick presentation; I just want to give a quick update on the credit card processing fees and where we are with that. So, there is a presentation. The next slide, I'm going to go through the quick history. So, the city, historically has been absorbing the merchant processing fees for all credit cards and bank debit payments. Over the past couple of years customers who have opted to pay for transactions with credit cards that have significantly increased. The credit card processing fees have gone to about, for the past year, about \$2.2 million. And so, clearly its becoming unsustainable for the city to continue to absorb those fees. Next slide please. So, at the direction of the City Commission, staff have started working with the different processors, payment processors that we have in order to figure out a way to pass those fees to the consumer, and so, we've been negotiating with each of them in order to get the best possible rates for our customers;

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and there was also the direction to have a free online payment option for people who pay with e-checks, and so not all of the services allow for that, but the ones that do, we will continue to absorb that. So, what I wanted to go through is kind of just high level of all the different processors and the fees that we've been able to negotiate with them. So, the first one that I'm going to go through is one of the payment processors, City Base, which is our INFOR system credit card payments. They are for things like rents, lot clearings, waste bills, special pickups, false alarms, and any other miscellaneous invoices. Our payment processor is going to charge 2.4 percent to the consumer; the city will receive 100 percent of its bill. If somebody pays with an e-check, the city will absorb a dollar fee, a flat fee of a dollar for those transactions. Inter-Gov, which covers all of our building permits, such as certificate of uses, business licenses, and any other legacy invoices from our old system. That processing fee will be 3.2 percent and if they pay by e-check, it will be a 95 cent per transaction that the city will continue to absorb. For RecTrack which is all of our parks systems, all of our committee reclamation fees, that fee is going to be 2.99 percent. Again, if they pay by e-check online, it would be a dollar flat fee that the city will continue to absorb. On-street parking processing fees – pay-by-phone and pay stations, those will be a 25-cent flat fee added to each transaction. There is no e-check option available. This is either they pay by credit card on pay-by-phone or cash at the pay stations. Permit parking process fees, those would be for residential permits, it will be \$1.05 per transaction and for the monthly permits it would be \$3.15 per transaction. That is the fee that the processors are going to charge in order to pass along those credit card fees. In the parking garages the current equipment does not allow for adding the fee on, and so, until we upgrade the equipment we cannot pass the fees, the credit card processing fees to the consumer for parking garages. The exception is the Minorca Garage because they accept pay-by-phone, so then that one will be. And so, as we go ahead and start upgrading the equipment in the other garages, we will then switch over and the processing fee would mirror the on-street parking fee of the 25-cent per transaction, but that's going to take some time. Other miscellaneous processing fees are lien searches, they will be 2.75 percent, for notice of commencement, it will be at 3.7 percent, electronic check fees are not, is not an option currently, so that's not offered, based on the systems that currently exist, but they can always make payments by cash or check with any of our cashiers. And then we're still evaluating LeParc Café, they use Toast as a payment processor, we're still working with that, and the lobbyist registration is an in-house system, so we are working with that to figure out what the fees are going to be on those. So, the timeline – we've been working with our processors, and we anticipate to go live with all of them pretty much in the month of April, starting in April. It will be progressive, not every single contract will be ready to go on April 1st, but we will be adding the processing fees at that point. We have a flyer that was developed that we are going to post all around the city cashier locations. We are going to notify them in the next E-NEWS or in the next couple of E-NEWS and post it on our website as well as when they actually go into the payment transaction pages, they'll see that a fee is being charged, and so, we'll make sure to advertise it and let people know that that's happening. That's a copy of the flyer. It's a simple flyer that just says, we are going to be adding these payment transaction

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fees, and we'll post this in all the payment locations beginning pretty much immediately. That's the presentation. I don't know if you have any questions, but I just wanted to give an update that's where we are with it and we are working moving towards doing that.

Vice Mayor Anderson: Through the Mayor. I do have a couple of questions.

Mayor Lago: Yes.

Vice Mayor Anderson: On the transaction fees for the parking, I've got two questions. Now, you typically do it on your phone and then if you are out of location, sometimes it will text you that your time is running out, it is that another separate transaction fee if you extend your time.

Finance Director Gomez: I believe that that would be a separate transaction fee, yes.

Vice Mayor Anderson: Even if you are just extending the time.

Finance Director Gomez: Yes. That's currently the way that every time that you add – yes, every time that you do a transaction, I understand that they charge you the transaction fee.

Vice Mayor Anderson: The notice has to be really clear to folks so they can make the decision whether just to purchase more time to begin with, versus doing extensions of time. If you do four extensions, you are up to another dollar. With regard to the residential rate program, that's, I can't remember the dates, the temporary one, its just in a test phase, are the parking fees being charged there, the 25 cents?

Finance Director Gomez: I'm sorry.

Vice Mayor Anderson: The pilot program.

Finance Director Gomez: Right. So, the pilot program is, and I think there is going to be a presentation on the pilot program on this agenda. So, the transaction fee will still be charged. The fact that residents will get a discount, it will be a discount off of the fee, so it will kind of cancel each other out, but yes, the 25-cent fee for pay-by-phone and pay stations is a fee for per transaction. So that fee will be on – we cannot differentiate it, if it's a resident or its not a resident, its on all transactions. The reduction based on registration for residents will come into play and it may offset some of that.

Vice Mayor Anderson: Nothing's easy, is it.

Finance Director Gomez: Unfortunately.

Mayor Lago: Okay. Thank you.

Finance Director Gomez: You're welcome. Thank you.

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Mayor Lago: Moving onto H-10, Fernando.

City Clerk Urquia: I'm sorry, Mr. Mayor, I did have a member of the public requesting to speak on the last item, Mrs. Maria Cruz.

Mrs. Cruz: Mrs. Maria Cruz, 1447 Miller Road. Long overdue, I'm so glad that we're doing this. It was very interesting for me when I was looking through bank accounts to see people saving thousands of dollars by paying with a credit card. So, this is good. This is money for us.

Commissioner Castro: Thank you.