

**CITY OF BLAINE**  
**REQUEST FOR COUNCIL ACTION**  
**MEETING DATE: July 10, 2006**

**SUBJECT:** Resolution 1437-06, Credit Card Fees

**SUBMITTING DEPT:** Finance Department

**PREPARED BY:** Meredith Riley, Finance Director

**AGENDA LOCATION:** Comments / Communications ☐, Consent ☐,  
Public Meeting (Hearing) ☐, Unfinished Business ☐, Council Action Item ☒,  
Committee Reports ☐

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**ATTACHMENTS:** Resolution 1437-06; credit card fees for 2005.

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**ANALYSIS / SUMMARY:** This Resolution amends the previous resolution on credit card fees. For face-to-face transactions, we are not allowed to charge a handling fee. For all other transactions, we are allowed to charge a handling fee. Transactions greater than \$1,000 are costing the City over \$5,000 annually. The other cities in our area and the county have put the following conditions on card transactions:

Whatcom County only takes credit payments over the phone and uses a 3<sup>rd</sup> party (2.5% fee)  
City of Bellingham does not take credit payments for building permits  
Birch Bay Water & Sewer does not take credit payments over \$2,500  
City of Lynden is not taking credit payments at this time.

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**RECOMMENDATION:** Waive 2<sup>nd</sup> Reading: (Including conditions of approval if applicable) ☒

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**FISCAL ANALYSIS:** This will reduce the amount of card transaction fees to the City.

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**REVIEWED BY:**

City Manager \_\_\_\_\_ Finance Director \_\_\_\_\_ City Clerk \_\_\_\_\_

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**COUNCIL ACTION:** Approved ☐, Denied ☐, Tabled / Deferred ☐,  
Assigned to: \_\_\_\_\_

**DATE OF NEXT COUNCIL ACTION:** \_\_\_\_\_

RESOLUTION NO. 1437-06

RESOLUTION BY THE CITY COUNCIL OF THE  
CITY OF BLAINE, WASHINGTON, AMENDING RESOLUTION 1188-98  
ESTABLISHING RULES FOR THE ACCEPTANCE OF CREDIT CARDS  
FOR PAYMENTS MADE TO THE CITY

WHEREAS, the City Council of the City of Blaine recognizes the benefit to our customers by extending the service of accepting certain credit cards and debit cards through a service provider, and

WHEREAS, the service provider passes certain transaction costs on to the City to provide this service, and although these transaction costs cannot be passed on to the customers by agreement with the service provider, the City is authorized to charge a handling fee for certain transactions, and

WHEREAS, the transaction costs for certain payments are costing the City hundreds and sometimes thousands of dollars,

NOW THEREFORE, be it resolved by the City Council of the City of Blaine that the City establishes the following rules for accepting certain credit and debit cards,

CREDIT AND DEBIT CARD RULES:

1. Credit and debit cards presented face-to-face will be processed with no handling fee.
2. Credit and debit cards taken over the phone and auto-credit transactions will be processed with a \$4 handling fee.
3. Credit and debit cards will not be accepted for Building Permits and Utility Requests. These payments must be made by cash, check or money order.

PASSED BY the City Council of the City of Blaine, Washington and approved by the Mayor on this \_\_\_\_\_ day of \_\_\_\_\_, 2006.

\_\_\_\_\_  
Mike Myers, Mayor

APPROVED AS TO FORM:

ATTEST:

\_\_\_\_\_  
Jon Sitkin, City Attorney

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Sheri Sanchez, City Clerk

**CITY OF BLAINE**  
**Credit Card Fee Analysis**  
**For the year ended December 31, 2005**

	All charges								Charges Greater Than \$1000							
	Total	Total	Total	Average	Average	Average	City	City	Total	Total	Total	City Incm	City	Percent	Purchase	Loss
	Trans.	Purchases	Fees	Fee	Purchase	Transaction	Income	Gain/(Loss)	> \$1000	> \$1000	Fees	\$4 / trans	Gain/Loss	of Transact	Percent of Total	Percent of Total
Jan-05	105	25,349.98	747.02	7.11	241.43	2.947%	408.00	(339.02)	2	12,688.98	291.42	8.00	(283.42)	1.90%	50.06%	83.60%
Feb-05	84	16,697.86	507.63	6.04	198.78	3.040%	336.00	(171.63)	1	2,695.94	63.24	4.00	(59.24)	1.19%	16.15%	34.52%
Mar-05	108	29,862.95	792.18	7.34	276.51	2.653%	432.00	(360.18)	2	12,317.43	283.14	8.00	(275.14)	1.85%	41.25%	76.39%
Apr-05	91	29,358.02	747.02	8.21	322.62	2.545%	364.00	(383.02)	3	15,974.42	421.42	12.00	(409.42)	3.30%	54.41%	106.89%
May-05	84	12,863.14	373.45	4.45	153.13	2.903%	336.00	(37.45)	0					0.00%		
Jun-05	107	30,203.42	1,001.78	9.36	282.27	3.317%	428.00	(573.78)	3	14,293.72	523.09	12.00	(511.09)	2.80%	47.32%	89.07%
Jul-05	87	25,214.22	699.10	8.04	289.82	2.773%	348.00	(351.10)	3	11,645.13	282.70	12.00	(270.70)	3.45%	46.18%	77.10%
Aug-05	92	21,882.28	523.26	5.69	237.85	2.391%	364.00	(159.26)	4	6,695.17	143.79	16.00	(127.79)	4.35%	30.60%	80.24%
Sep-05	82	57,933.95	1,582.90	19.30	706.51	2.732%	328.00	(1,254.90)	6	45,186.07	1,284.06	24.00	(1,260.06)	7.32%	78.00%	100.41%
Oct-05	116	57,702.01	1,423.84	12.27	497.43	2.468%	464.00	(959.84)	6	42,227.25	1,038.49	24.00	(1,014.49)	5.17%	73.18%	105.69%
Nov-05	86	24,463.82	675.49	7.85	284.46	2.761%	344.00	(331.49)	4	17,919.80	396.79	16.00	(380.79)	4.65%	73.25%	114.87%
Dec-05	115	28,477.92	794.07	6.90	247.63	2.788%	452.00	(342.07)	3	14,361.65	437.04	12.00	(425.04)	2.61%	50.43%	124.26%
	1157	360,009.57	9,867.74	8.53	311.16	2.741%	4,604.00	(5,263.74)	37	196,005.56	5,165.18	148.00	(5,017.18)	3.20%	54.44%	95.32%
	Costs for transactions > \$1000															
	Costs for transactions < \$1000															

Some transactions involve credits which may not be charged a \$4.00 fee per transaction.

Charges Less Than \$1000							
Total	Total	Total	Average	Average	Average	City	City
Trans.	Purchases	Fees	Fee	Purchase	Transaction	Income	Gain/(Loss)
103	12,661.00	455.60	4.42	122.92	3.60%	400.00	(55.60)
83	14,001.92	444.39	5.35	168.70	3.17%	332.00	(112.39)
106	17,545.52	509.04	4.80	165.52	2.90%	424.00	(85.04)
88	13,383.60	325.60	3.70	152.09	2.43%	352.00	26.40
84	12,863.14	373.45	4.45	153.13	2.90%	336.00	(37.45)
104	15,909.70	478.69	4.60	152.98	3.01%	416.00	(62.69)
84	13,569.09	416.40	4.96	161.54	3.07%	336.00	(80.40)
88	15,187.11	379.47	4.31	172.58	2.50%	348.00	(31.47)
76	12,747.88	298.84	3.93	167.74	2.34%	304.00	5.16
110	15,474.76	385.35	3.50	140.68	2.49%	440.00	54.65
82	6,544.02	278.70	3.40	79.81	4.26%	328.00	49.30
112	14,116.27	357.03	3.19	126.04	2.53%	440.00	82.97
1120	164,004.01	4,702.56	4.20	146.43	2.87%	4,456.00	(246.56)