

## **MEMORANDUM**

**TO:** Claire Powell, City Manager  
**FROM:** David Erb, Director of Finance  
**DATE:** July 15, 2024  
**SUBJECT:** Consideration of an Ordinance of the City Council Amending the Fee Schedule of the City of Lewisville by Amending Fees Related to Municipal Court Credit Card Convenience Fees

### **BACKGROUND**

The City currently accepts credit card payments for various products and services offered to customers and residents. In most cases, the credit card fees are absorbed by the respective department and not passed on to the customer. However, for Municipal Court citations and bond payments, these fees are passed on to the customer. Until now, only cash payments have been accepted for warrants from other agencies.

With a new agreement with AllPaid, Inc., the City will now accept credit card payments for cash bond payments from other agencies, with the fees being passed on to the customer. AllPaid, Inc. will also route these payments directly to the participating city.

This new service will eliminate the need for cash-only payments and allow any participating agency to process warrants from other participating agencies. When a payment is accepted on behalf of another participating agency, the warrant resolution is done in real-time, and payments are delivered the next business day. Allowing credit card payments for court bonds also reduces the liability of handling cash by staff.

Due to the service provider having a different fee schedule for this service compared to citation payments, the City needs to revise its fee schedule accordingly.

### **ANALYSIS**

The City has partnered with AllPaid, Inc. to offer bond payment services. To distinguish between different transaction types and associated fees for citations and bonds, we are requesting the following update to the fee schedule:

## **MUNICIPAL COURT**

### **Credit Card Convenience Fees – Citations (adding subcategory)**

<b>Type of Change</b>	<b>Description</b>	<b>Current</b>	<b>Proposed</b>
Update Fee	In Person Transactions	2.95% of transaction amount	Up to 2.95% of transaction amount
Update Fee	Internet and Interactive Voice Recognition (IVR) Transactions	N/A	Up to 5% of transaction amount, minimum of \$5.00
Remove Fee	For transactions < \$100.00	5.00	Remove
Remove Fee	For transactions \$100.00 or greater	5%	Remove

### **Credit Card Convenience Fees – Bonds (adding subcategory)**

Add Fee	In Person Transactions	N/A	Up to 3.7% of transaction amount
Add Fee	Internet and Interactive Voice Recognition (IVR) Transactions	N/A	Up to 5% of transaction amount

All of the above fee changes will become effective on August 1, 2024.

### **CITY STAFF’S RECOMMENDATION:**

That the City Council approve the ordinance as set forth in the caption above.