

THE CORPORATION OF THE  
**CITY OF WHITE ROCK**  
**CORPORATE REPORT**



**DATE:** May 10, 2021

**TO:** Finance and Audit Committee

**FROM:** Colleen Ponzini, Director, Financial Services

**SUBJECT:** Fees and Charges Bylaw, 2020, No. 2369, Amendment No. 2, 2021, No. 2383

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**RECOMMENDATION**

THAT the Finance and Audit Committee endorse the proposed amendment to the “Fees and Charges Bylaw, 2020, No. 2369, Amendment No. 2, 2021, No. 2383.”

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**EXECUTIVE SUMMARY**

To better support customers, the City is working towards implementing additional online options for customer interactions with the City. The City has implemented eApply options within Tempest for dog and business licenses. The next phase includes the ability to apply for different development and engineering permits and to allow customers the option to pay property taxes or water utility bills via the City’s eCommerce website.

In the past, residents were unable to pay for property taxes and water utility bills by credit card and the City has processed a limited number of development and engineering permit fees by credit card. Credit card payments cost the City on average approximately 2.2% of the value of the purchase which can be substantial as the City’s annual tax and utility revenues are in the range of \$40M. If the fees were not recovered, the City’s expenses could increase by approximately \$880K if all customers were to take advantage of the convenience of using their credit card. To provide customers with the option to pay by credit card, staff are introducing an amendment to the Fees and Charges bylaw that would allow for a 2% service fee charge for payments accepted by credit card for the aforementioned fees. Customers will continue to have the option to pay by traditional methods (Cash, Cheque or Debit).

**PREVIOUS COUNCIL DIRECTION**

Not applicable.

**INTRODUCTION/BACKGROUND**

Currently, the City allows the following payments to be made by credit card:

- parking permits & decals
- bylaw and parking fines
- dog licenses
- business licenses
- recreation registration fees

- other miscellaneous type payments, such as garbage stickers or recycling boxes and a limited number of development and engineering fees.

These payments were permitted by credit card as they are generally small amounts, and it encourages compliance and improves the overall customer experience by having the option to pay online or by credit card. The fees for these smaller payments have been absorbed by the City and are currently included in Department budgets.

Traditionally, municipal governments have been reluctant to accept credit cards as a payment method for property tax, utility and development and engineering fees because of the high transaction costs associated with accepting credit cards. To expand options for customers to allow credit cards to be used for these types of payments will result in significant increases in the City's credit card processing fees. Additionally, in the case of property tax payments, the City is collecting fees on behalf of other agencies and cannot recoup credit card processing fees from the other agencies.

A review of practices by neighboring cities for charge applied for credit card fee payments ranges from 1.75% to 2.2%. On average the City's cost for processing credit card fees is approximately 2.2%. Staff are proposing that our service fee be set to 2%, the small difference to be absorbed by the City. Actual costs can be reviewed annually to determine if the fee needs to be adjusted.

Customers will continue to have the option of paying by traditional methods (cash, cheque, or debit). Additionally, for property tax notices and utility bills customers have the option of paying through their financial institution either in person, or through online or telephone banking. For businesses, e.g. developers, being able to pay fees or apply for permits online at their convenience, rather than having to commute to City Hall, in many cases would easily justify a 2% credit card service fee. For example, a Road and Right of Way permit fee is \$224 and would incur a \$4.93 credit card service fee.

To expand the City's offering of eApply options, online and in person payment options with minimal impact on operation budgets the Fees and Charges Bylaw, 2020, No. 2369, Amendment No. 2, 2021, No. 2383, proposes a credit card processing service fee for the following types of transactions:

Department	Fees and Charges
Finance	Property taxes and utility bills.
Development Services	Any building or development related fee or charge.
Engineering and Operations	Any engineering or operations related fee or charge (does not include miscellaneous items such as garbage stickers or recycling boxes).

## **FINANCIAL IMPLICATIONS**

There should be minimal impact to operating budgets, however, analysis will be carried out annually to determine the impact of offering these payment options and adjustments to the fee can be made if required. Capital costs for starting to implement eApply options and apply credit card fees are included in the current financial plan. The City already owns the online payment portal that can support online payments for property taxes, utility bills and development and engineering fees and charges.

## **LEGAL IMPLICATIONS**

Not applicable.

### **COMMUNICATION AND COMMUNITY ENGAGEMENT IMPLICATIONS**

Staff would work with Communications to ensure customers are aware of any new options for credit card payments and the associated fees. Built into the online payment portal are messages that are displayed to customers clearly outlining the fees to be charged and that they can opt to pay by other methods (Cash, cheque, or debit).

### **INTERDEPARTMENTAL INVOLVEMENT/IMPLICATIONS**

This is a multi-departmental project. Information Technology, Financial Service, Planning and Development Services and Engineering and Municipal Operations will be working together on implementing the new payment methods.

### **CLIMATE CHANGE IMPLICATIONS**

Not applicable.

### **ALIGNMENT WITH STRATEGIC PRIORITIES**

This project falls under the “Manage the delivery of City services efficiently and effectively” strategic priority by allowing the City to expand its eApply and payment options for customers.

### **OPTIONS / RISKS / ALTERNATIVES**

The following options are available for Council’s consideration:

1. Endorse the proposed Fees and Charges Bylaw, 2020, No. 2369, Amendment No. 2, 2021, No. 2383.
2. Not endorse the proposed Fees and Charges Bylaw, 2020, No. 2369, Amendment No. 2, 2021, No. 2383 and allow for the eApply and online payment options with the potential for significant credit card processing fees to be incurred by the City.
3. Not endorse the proposed Fees and Charges Bylaw, 2020, No. 2369, Amendment No. 2, 2021, No. 2383 and maintain the current practice.

### **CONCLUSION**

The proposed Fees and Charges Bylaw, 2020, No. 2369, Amendment No. 2, 2021, No. 2383 will allow the City to move forward with eApply options and to expand options for customers to pay by credit card for property taxes, utility bills and development and engineering fees and charges without incurring significant increases in credit card processing fees.

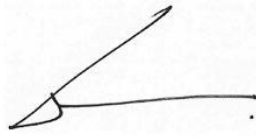
Respectfully submitted,



Colleen Ponzini, CPA, CGA  
Director of Financial Services

**Comments from the Chief Administrative Officer**

I concur with the recommendation of this corporate report.

A handwritten signature in black ink, consisting of a stylized 'G' followed by a horizontal line and a small dot.

Guillermo Ferrero  
Chief Administrative Officer

Appendix A: Fees and Charges Bylaw, 2020, No. 2369, Amendment No. 2, 2021, No. 2383