

**AGENDA ITEM EXECUTIVE SUMMARY**

Agenda Item number: 7a

Title:

Recommendation to approve an amendment to a Service Agreement with Paymentus Corporation to include services for credit card transactions for Building Permit fees

Presenter:

Rita Tungare, Director of Community & Economic Development

Meeting: Government Operations Committee

Date: January 6, 2020

Proposed Cost: \$3,500 annual service fees plus one-time equipment costs of \$625

Budgeted Amount:

Not Budgeted: **Executive Summary** (if not budgeted please explain):

During the past couple of years, the Building & Code Enforcement Division has received requests from customers wishing to pay their building permit fees using credit cards. Over the past few months, I have been working with the Finance and Information Systems Departments to explore opportunities for providing this service to our customers. It provides an opportunity to further enhance our customer service by offering a convenient payment method. My staff surveyed surrounding comparable communities and found that Campton Hills and St. Charles are the only communities that do not currently accept credit cards.

In 2017, the City entered into a Service Agreement with Paymentus Corporation for payment processing services for Utility Billing customers. Based on Council direction at the time, Utility Billing does not charge customers a convenience fee; the service fees are absorbed by the City.

Attached for your consideration is an amendment to the Service Agreement with Paymentus. The attached amendment to the Agreement is consistent with the structure of the original agreement. The City will be charged a flat service fee of \$1.75 per credit card transaction for building permits. Based on an estimated 2,000 permits being processed with credit card payments, the total anticipated cost is \$3,500 annually. There is a one-time cost of \$625 for the purchase of equipment including the card swipe device and receipt printer.

We anticipate being able to commence offering this service to customers by spring 2020.

I am seeking the Committee's direction whether the City should absorb the service fee paid to Paymentus or if it should be passed onto the customer as a convenience fee.

Attachments (please list):

Amendment to Agreement with Paymentus Corporation

Recommendation/Suggested Action (briefly explain):

Recommendation to approve an amendment to a Service Agreement with Paymentus Corporation to include services for credit card transactions for Building Permit fees

AMENDING AGREEMENT

Customer:	City of St. Charles (IL)
Customer Address:	2 East Main Street St. Charles, IL 60174
Contact for Notices to Customer:	Penny Lancor

This Amending Agreement is entered into as of the below signature date, by and between the Customer ("City of St. Charles") identified above and **Paymentus Corporation**, a Delaware Corporation ("Paymentus").

WHEREAS:

A - The parties entered into a Master Services Agreement originally dated September 15, 2017.

B - The parties now wish to amend Schedule A of the Master Services Agreement to include Miscellaneous Governmental Services (Building Permits) Absorbed Fee Model.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, hereby covenant and agree as follows:

Except Schedule A which is replaced in its entirety with the following revised Schedule A as provided in this Amending Agreement. All provisions of the Master Service Agreement remain in full force and effect, un-amended.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives

Customer:

By: _____

Name: _____

Title: _____

Date: _____

Paymentus:

By: _____

Name: _____

Title: _____

Date: _____

Schedule A – Paymentus Service Fee Schedule

Paymentus Service Fee shall be charged based on the following models:

Utility Payments
<ul style="list-style-type: none"><input type="checkbox"/> Absorbed Model<input type="checkbox"/> Average Utility Bill Amount: \$250.00<input type="checkbox"/> Paymentus Service Fee per qualified utility rate transaction<ul style="list-style-type: none">• Credit/Debit Cards \$2.35 (Visa®, MasterCard®, Discover® Utility Program Rate)• ACH/eCheck \$0.50• Scheduled ACH/eCheck \$0.10 (Auto-Pay Channel Only)
Miscellaneous Government Payments (Non-Utility)
<ul style="list-style-type: none"><input type="checkbox"/> Non-Absorbed Model<input type="checkbox"/> Citation Bills<input type="checkbox"/> Paymentus Service Fee per transaction. Average Bill Amount: \$50.00<ul style="list-style-type: none">• Credit/Debit Card \$1.75 (Visa®, MasterCard®, Discover®)• ACH/eCheck \$0.50
<ul style="list-style-type: none"><input type="checkbox"/> Non-Absorbed Model<input type="checkbox"/> Other Government Bills<input type="checkbox"/> Paymentus Service Fee per transaction. Average bill Amount: \$50.00<ul style="list-style-type: none">• Credit/Debit Card \$1.75 (Visa®, MasterCard®, Discover®)• ACH/eCheck \$0.50
<ul style="list-style-type: none"><input type="checkbox"/> Absorbed Model<input type="checkbox"/> Building Permits<input type="checkbox"/> Paymentus Service Fee per transaction. Average bill Amount: \$50.00<ul style="list-style-type: none">• Credit/Debit Card \$1.75 (Visa®, MasterCard®, Discover®)• ACH/eCheck \$0.50

- New Bill email, text or voice messages – no charge
- Processed Payment email, text or voice messages – no charge
- Customer initiated Payment Due reminder email, text or voice messages – no charge
- Other email messages over 5,000 per month - \$0.05 each
- Other text messages over 5,000 per month - \$0.15 each
- Other voice messages over 5,000 per month - \$0.15 each

Note: Maximum Amount per Account Payment is \$10,000.00 Multiple payments can be made.
Paymentus may apply different limits per transactions for user adoption.