

# Agenda Item

DATE: December 22, 2022  
TO: Templeton Community Serviced District Board of Directors  
FROM: Natalie Klock, Finance Officer  
SUBJECT: Revisions to the Credit/Debit card transaction processing fees - Resolution No. 02-2023

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**RECOMMENDED ACTION:**

That the Board of Directors, by motion, adopt Resolution No.02-2023 updating Tyler-Incode web processing fees and policy changes related to Park & Recreation credit card merchant fees.

Motion: \_\_\_\_\_/\_\_\_\_\_

**FISCAL IMPACT:**

Neutral cost impact to the District for Tyler-Incode web processing fees. Anticipated to be cost neutral as well for Parks & Recreation for sports/rental/misc. registration.

**BACKGROUND:**

In October 2019, the District adopted Resolution No.15-2019 requiring merchant credit card service fees that the District had been previously absorbing for customers using credit/debit cards, to be passed onto the customer.

Section 1747.02 of the California Civil Code declares that “the state, a county, city, or any other public agency” can charge a surcharge for using a credit card. In addition, Government Code 6159(h) states that a “public agency may impose a fee for use of a debit or credit card or electronic fund transfer, not to exceed the costs incurred by the agency in providing for payment by credit or debit card or electronic funds transfer.” It also states that any fee imposed “shall be approved by the governing body responsible for the fiscal decisions of the public agency.”

Currently customers utilizing our website to pay their utility bills online pay a transaction fee of \$1.25 per transaction plus a 3% merchant fee to use

this service. Tyler-Incode will be increasing the transaction fee to \$2.00 per transaction starting February 6, 2023, for any customer who pays by credit/debit card through the District's online website portal. Resolution 02-2023 has been drafted to adjust the fee charged to the customer to reflect this as well as any future cost adjustments the provider may make for this service.

Additionally, Parks & Recreation utilizes several different platforms and software applications to take payments for sports registrations. Some platforms directly charge the customer the service and merchant fees, while others do not. The District's Park & Recreation (TPAR) online registration system is one such platform that is not integrated with Open Edge, our merchant services provider, that allows us to do this. Different platforms and applications charge different merchant provider rates as well. Staff is recommending that when the District is directly charged the merchant provider fee, rather than the customer, that the District pass this charge onto the customer as an additional service fee (depending on the type of registration and the amount of the transaction) to re-coup the merchant fees. Resolution 02-2023 has been drafted to include this adjustment.

Customers always have the option to pay by cash or check in order to not have a service or merchant fee charged.

**RESOLUTION NO. 02-2023**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE TEMPLETON COMMUNITY SERVICES DISTRICT ADOPTING  
CREDIT/DEBIT CARD TRANSACTION FEES BE PAID BY THE CUSTOMER**

**WHEREAS**, the State of California has adopted Government Code 6159(h) which states: Notwithstanding Title 1.3 of Part 4 of Division 3 of the Civil Code, a court or agent of the court, city, county, city and county, or any other public agency may impose a fee for the use of a credit or debit card or electronic funds transfer, not to exceed the costs incurred by the agency or agent in providing for payment by credit or debit card or electronic funds transfer. These costs may include, but shall not be limited to, the payment of fees or discounts as specified in paragraph (3) of subdivision (d). A fee imposed by a court or agent of the court pursuant to this subdivision shall be approved by the Judicial Court. A fee imposed by any other public agency pursuant to this subdivision for the use of a credit or debit card or electronic funds transfer shall be approved by the governing body responsible for the fiscal decisions of the public agency, and;

**WHEREAS**, the Board of Directors of the Templeton Community Services District has determined that it is in the best interest of the District and its customers to accept credit/debit cards to pay for fees, services and other debts owed to the District, and;

**WHEREAS**, the Board of Directors of the Templeton Community Services District has determined that allowing payments by credit/debit card requires the District to incur additional expenses for offering this service, and:

**WHEREAS**, the Board of Directors of the Templeton Community Services District adopted Resolution No. 15-2019 setting credit card processing fees of 3% per credit card transaction to be paid by the customer at point of sale for use of a credit/debit card and a \$1.25 per transaction fee

for the use of the Incode-Tyler online website portal be passed on to the customer at point of sale for use of credit/debit card, and;

**WHEREAS**, the Board of Directors has been notified of upcoming price increases for customers using the online website portal, as well as issues related to certain online transactions where it has not been possible to pass along the credit card processing fee, and;

**WHEREAS**, the Board of Directors now wishes to update its policy to ensure the full cost of credit and debit card processing as well as the cost of online payment service and transaction charges are paid by the customers using the service.

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Directors of the Templeton Community Services District as follows:

1. Hereby amends the utility bill online transaction fee (currently \$1.25, increasing to \$2.00 effective February 6, 2023) for the use of the Incode-Tyler online website portal point of sale for use of credit/debit card, to the amount actually charged by the provider at the time of the transaction, including any future cost increases.
2. Hereby adopts a service fee per credit card transaction to be paid by the customer at point of sale for use of credit/debit card when merchant fees cannot be directly charged to the customer by the merchant provider. This fee shall be adjusted depending on type of charge and amount of the transaction, but shall not exceed the actual cost the District incurs for processing the transaction.
3. Hereby adopts the credit card processing fee of 3% per credit card transaction paid by the customer at point of sale for use of a credit/debit card if processed at the District office or online using the Incode-Tyler utility billing portal.

**PASSED AND ADOPTED** by the Board of Directors of the Templeton Community Services District on January 17, 2023, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

The foregoing Resolution is hereby adopted.

By: \_\_\_\_\_  
Wayne Petersen, President  
Templeton Community Services District

ATTEST:

By: \_\_\_\_\_  
Keri Dodson,  
Board Secretary