

**FINANCIAL MANAGEMENT COMMITTEE**

*HIS WORSHIP, THE MAYOR  
AND COUNCILLORS*

**SUBJECT: CREDIT CARD PAYMENT ACCEPTANCE, FEE RECOVERY AND  
EXPANSION OF SERVICES**

**RECOMMENDATION:**

1. THAT Council authorize the City Solicitor to amend the proposed changes to the Burnaby Credit Card Fee Recovery Bylaw 2016, as outlined in this report.

**REPORT**

The Financial Management Committee, at its meeting held on 2019 March 19, received and adopted the attached report seeking approval to amend the proposed changes to the Burnaby Credit Card Fee Recovery Bylaw 2016.

Respectfully submitted,

Mayor M. Hurley  
Chair

Councillor S. Dhaliwal  
Vice Chair

Copied to: City Manager Director Finance City Solicitor
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**TO:** CHAIR AND MEMBERS  
FINANCIAL MANAGEMENT COMMITTEE

**DATE:** 2019 March 13

**FROM:** DIRECTOR FINANCE

**FILE:** 6900-20

**SUBJECT:** **CREDIT CARD PAYMENT ACCEPTANCE, FEE RECOVERY AND  
EXPANSION OF SERVICES**

**PURPOSE:** To update City Bylaw No. 13640 – Burnaby Credit Card Fee Recovery Bylaw 2016.

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**RECOMMENDATION:**

1. **THAT** the Financial Management Committee recommend Council authorize the City Solicitor to amend the proposed changes to the Burnaby Credit Card Fee Recovery Bylaw 2016 as outlined in this report.

**REPORT****1.0 BACKGROUND**

Council at the 2016 August 29 Regular Council Meeting enacted Bylaw No. 13640 cited as Burnaby Credit Card Fee Recovery Bylaw 2016. This bylaw provided for the expansion of credit card services as a form of payment for citizens that wanted the flexibility to choose an alternative payment method. Furthermore, the bylaw set the guidelines, limits and fees applicable for the use of credit card for payments up to a maximum of \$50,000 per payable item.

This report is to advise Council of the proposed changes to the Credit Card Merchant Fee Recovery Bylaw. The following information summarizes the status of credit card merchant services at the City of Burnaby and the further proposed expansion of acceptable fee types.

**2.0 POLICY SECTION**

The recommendation provided in this report aligns with the following goals and sub-goals of the Corporate Strategic Plan:

- A Connected Community
  - Digital connection –  
Provide online access to core City services and information

- A Thriving Organization
  - Financial viability –  
Maintain a financially sustainable City for the provision, renewal and enhancement of City services, facilities and assets
  - Communication –  
Practice open and transparent communication among staff, Council and the community
  - Reliable services, technology and information –  
Protect the integrity and security of City information, services and assets

### **3.0 UTILIZATION**

Through the expansion of credit card acceptance, the City of Burnaby has seen a steady increase in payment utilization and has recaptured all card transactional related fees. For 2018, total payments received by credit cards were 379,102 transactions, totaling just over \$26.4 million. Transaction fees were over \$440,000 and are based on various percentages charged by the credit card brands for the type of credit cards used. An average credit card fee of 1.75% is charged to citizens who use credit cards as a preferred form of payment allowing the City to recover transactional fees.

### **4.0 EXPANSION OF SERVICES**

Currently, credit card payments are accepted by the City for water meter utility charges; credit card payments are not accepted for all other utility charges, property taxes or account receivable invoices at this time. By expanding online services for other utility charges, property tax payments and account receivable invoices, citizens will be provided with the convenience of an alternative payment method, while ensuring transactional fees charged are kept to a minimum, regardless the card type used. This will allow the City to continue to charge a reasonable average fee of 1.75% and recover transactional costs.

With the implementation of the new tax system, the City will be able to provide an online payment option for Utility Notices and Property Tax payments in the near future – targeted for Q2 2019. Citizens and business owners have requested the ability to pay for Utility and Property Tax charges by credit card and through the convenience of online services. An amendment to the existing bylaw will ensure this method is available once the online service is operational. The City will not accept credit card payments in person for utilities and property taxes. The reason is that credit card merchant fees, for these payment types, are set at a preferred rate for online services only. Depending on the card type used in person, some fees can be substantially higher than the average transaction fee of 1.75% due to the opportunity for card holders to earn a variety of rewards. The average 1.75% transaction fee is contained only through online transactions for these payment types. The City of Richmond is the only other City in Metro Vancouver accepting credit card payments for property taxes through online services only.

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From: Director Finance  
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Business vendors have also requested added flexibility in payment methods related to Accounts Receivable invoices for items such as standing orders, purchase orders and other billable items issued by invoice through Financial Services, Accounting Department. Adding these receivables to the bylaw will provide added convenience for vendors that make payments at City Hall and in the future online once these types of payment can be accepted online.

## 5.0 BYLAW REVISIONS

The Burnaby Credit Card Fee Recovery Bylaw 2016 would be amended as follows:

1. The Tax Office category would be removed.
2. A new category would be added titled “Finance Department” for which the exclusion would be *In Person Utility and Property Tax Payments*.

Section 2 of the bylaw will remain the same; however Schedule A will be amended to the following:

### Schedule A

Column 1 – City Departments	Column 2 – Excluded Items
<b>Building Department</b>	Security and Damage Deposits
<b>Engineering Department</b>	Bonding, Security and Damage Deposits
<b>Finance Department</b>	In Person Utility & Property Tax Payments
<b>Fire Department</b>	None
<b>Legal Department</b>	None
<b>Licence Office</b>	Property Rental Payments
<b>Office of the City Clerk</b>	None
<b>Planning Department</b>	Community Benefit Bonus, Bonding and Deposits
<b>Printshop</b>	None
<b>RCMP</b>	None

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## 6.0 RECOMMENDATION

Growth in credit card usage has increased in Canada as a simple and convenient way to complete business and personal transactions. Expanding the existing credit card fee recovery bylaw to include Utility Notices, Property Tax Notices and Accounting Invoices will further provide City residents, businesses and vendors with an alternative payment method.

It is recommended that City Bylaw No. 13640 – Burnaby Credit Card Fee Recovery Bylaw 2016 be updated to include Utility Notices, Property Tax Notices and Accounting Invoices as a matter of providing additional convenience and in preparation for future online services.



Noreen Kassam, CPA, CGA  
DIRECTOR FINANCE

NK:DS /ml

Copied to: City Manager  
City Clerk