

- D.3 Staff Report (For Possible Action): Approval of Service Fee Addendum to Infosend/Pace Service Agreement resulting in 2.7% merchant fee passed on to customers paying with credit cards and authorizing the Finance Director to sign the agreement.

STAFF REPORT

Date: April 9, 2025

To: Mayor and City Council

Through: Jackie Bryant, City Manager

Subject: Staff Report (For Possible Action): Approval of Service Fee Addendum to Infosend/Pace Service Agreement resulting in 2.7% merchant fee passed on to customers paying with credit cards and authorizing the Finance Director to sign the agreement.

From: Matt Taylor, Assistant Finance Director

Department: Finance

Summary:

The City of Reno currently absorbs merchant fees associated with processing credit card, debit card, and electronic payments. These fees are charged by payment processors and financial institutions for each transaction. As the volume of electronic payments increases, the financial burden on the City has grown significantly, impacting the Sewer fund and resources available for essential services. Passing these fees on to customers will reduce costs to the City and alternative methods of payment will still allow customers to avoid paying merchant fees as well.

Alignment with Strategic Plan:

Fiscal Sustainability

Economic and Community Development

Previous Council Action:

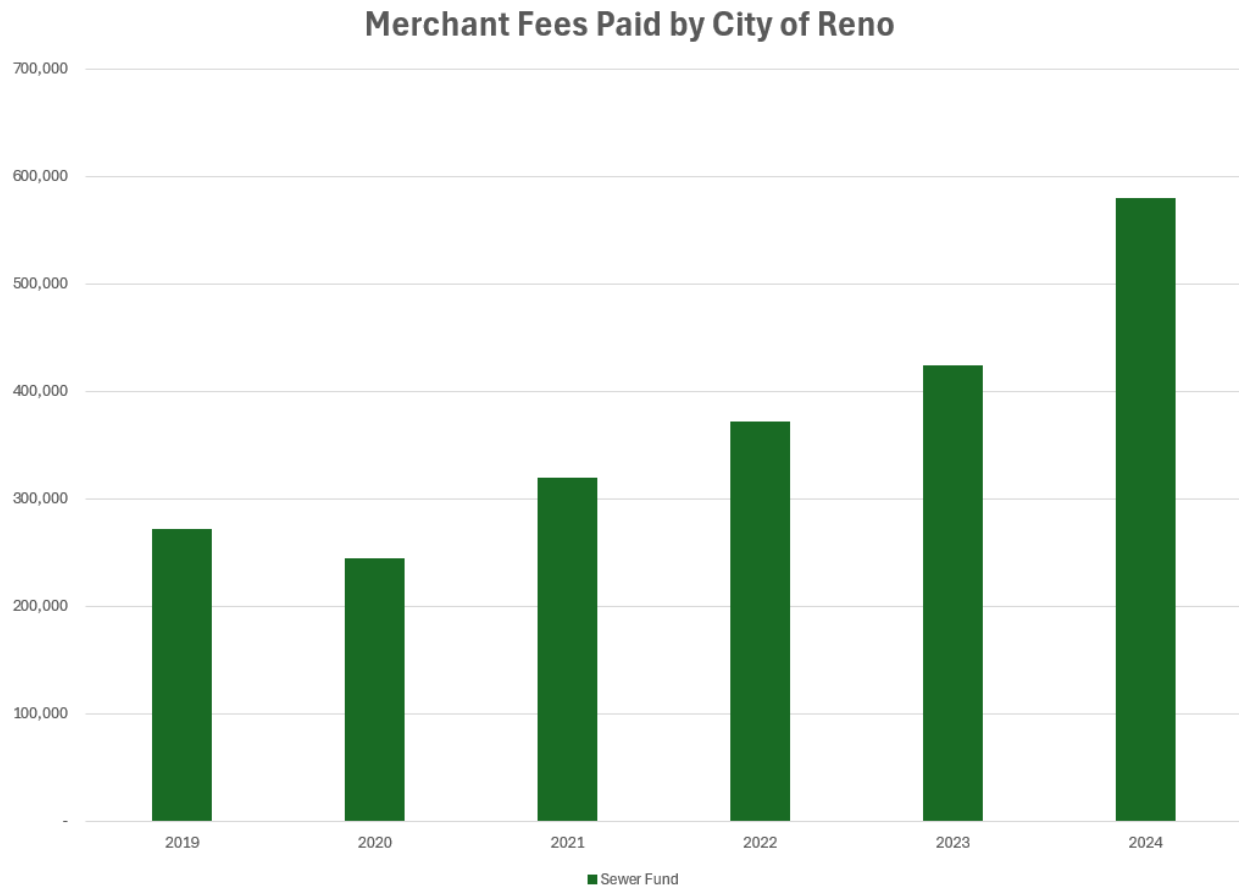
August 22, 2012 - Existing contract and merchant services agreement with Infosend was approved by City Council

Discussion:

The City encourages the use of electronic payment methods for convenience, transparency, and operational efficiency. However, absorbing merchant fees results in a considerable and growing cost to the City. The City currently pays merchant fees as they are incurred to promote the use of online platforms, but in recent years the cost to the City has grown. The cost to the Sewer Fund has averaged \$368,000 per year for the past 5 fiscal years and has grown to \$580,000 in the most

recent fiscal year.

The following points highlight the need to implement a policy to pass these fees on to customers:



Financial Impact:

- In fiscal year 2024, the City incurred approximately \$580,000 in merchant fees to the Sewer Fund.
- Projections indicate these fees will continue to rise due to increased usage of electronic payment methods.

Equity and Cost Recovery:

- Passing merchant fees onto customers ensures that those who utilize electronic payment services bear the associated costs, rather than distributing this expense across all taxpayers.
- Many jurisdictions have adopted similar policies to recover payment processing costs.
- Currently used by Washoe County Treasurer, State of Nevada and being implemented at the Nevada DMV.

Transparency:

- Disclosing merchant fees to customers at the point of payment promotes transparency in

City operations and financial management.

- Merchant fee charged will show as a separate charge that is collected directly by Infosend.
- Customers will have the option to use alternative payment methods, such as checks or cash, to avoid these fees.

If approved, the following steps will be taken to implement the policy:

1. Communicate the change to residents through email lists from customers already signed up for automatic payments.
2. Notify customers in advance of the change with inserts on quarterly utility billing invoices.
3. Update City website to clarify merchant fee will be paid by customer.
4. Provide clear guidance and support to customers regarding alternative payment options.

In January 2025, the proposed change was discussed with the Financial Advisory Board. The Financial Advisory Board agreed the merchant fees related to credit cards should be passed onto customers as long as customers have an alternative method of payment to avoid paying for merchant fees.

The change in passing the merchant fee to customers would take place in January 2026 to allow for 2 full quarter billings to be sent to notify customers of the change in advance. This will allow customers to make necessary changes to automatic payments that are already set up to occur so they may avoid incurring merchant fees if they choose. City staff will also send emails out to existing customers set up for electronic payments to notify them of changes.

This change will have minimal impact to City staff and the processes will remain consistent. Customers will be able to make payments through online systems using bank account information to avoid paying merchant fees directly or pay with cash or check.

Financial Implications:

The City will save approximately 90% of the current cost by passing on merchant fees to customers who choose to pay with credit cards. The City will continue to have some banking charges associated with processing overall transactions and having access to the portal, which is anticipated at approximately 10% of existing fees. Based on this, the City will save approximately \$525,000 in the Sewer Fund.

Legal Implications:

Legal review completed for compliance with City procedures and Nevada law.

Recommendation:

Staff recommends Council approve the Service Fee Addendum to Infosend/Pace Agreement and direct the Director of Finance to sign agreement.

Proposed Motion:

I move to approve staff recommendation.

Attachments:

Infosend/Pace Rate Change Agreement

Merchant Fee Presentation 04.09.25

Partner Name & Unit Code: InfoSend

Assoc/Chain: _____

Date of Request: _____

Rate/Pricing Change Form**MERCHANT INFORMATION****Merchant ID #:** 6316473478502565

Merchant Legal Name _____

Merchant DBA Name City of Reno

Physical Address _____

City _____ State _____ ZIP _____

Phone (____) _____ Fax (____) _____

E-Mail Address: _____

Contact Name: _____

Title: _____

RATE/PRICING

Requested Change(s): City of Reno has asked to change their card processing fee structure from absorbed to a service fee model. The new rate will be 2.7% of the transaction amount paid by the consumer at the time the transaction is processed.

Requested Date: Jan 2, 2026**Reason for Change(s):** _____

Cross border international transaction assessments/program support, MC network access/brand usage (NABU), MC Acquiring License Fee, MC Avs Acquirer Fee, MC Account Status Inquiry Services (ASIS), Visa US Acquirer Processing Fee (APF), Visa Zero Floor Limit, Visa Misuse of the Authorization System, Visa Fixed Acquiring Network Fee (FANF), Visa Debit Integrity, Visa Auth & Settlement, Acquirer File Transaction Fee, MC Processing Integrity, I/C Acquirer Fee, Discover Data Usage, American Express Access and Processor fees may apply. Further Visa/MC/AMEX/DISC/Pay Pal mandated fees, including association Base II and Kilobyte Fees, may also apply. Batch Close Fee: All batch closing and batch inquiries are considered "transactions" and will be billed at the same rate as Visa/MC/AMEX/DISC/PayPal Trans Fees unless specified. AMEX discount rate is determined by business type. If applying for Interchange plus, fees quoted are in addition to Processor interchange, fees, dues and assessments. Monthly Minimum Discount: Applies to Discount Rate & captured transaction fees. Transactions that do not meet Interchange Qualifications are subject up to a 1.00% Surcharge.

The undersigned certify and affirm, under penalty of perjury, that all changes and/or instructions contained herein have been fully authorized and approved by the Board of Directors or other managing body or person of the Merchant. The undersigned further agrees and acknowledges to be bound by the existing Terms and Conditions. Signature of Authorized Merchant Principal (as specified on the Merchant Agreement): Change request will not be completed unless the merchant completes all pertinent information above and signature is verified.

Merchant Signature _____ **Dated** _____**Print Name** _____ **Title** _____

Agent Authorization _____ Dated _____

Print Name _____ Office Pace Payments

Associated SF MID _____

Merchant Service Fees Addendum

April 9, 2025



Alignment with Strategic Plan



Fiscal Sustainability

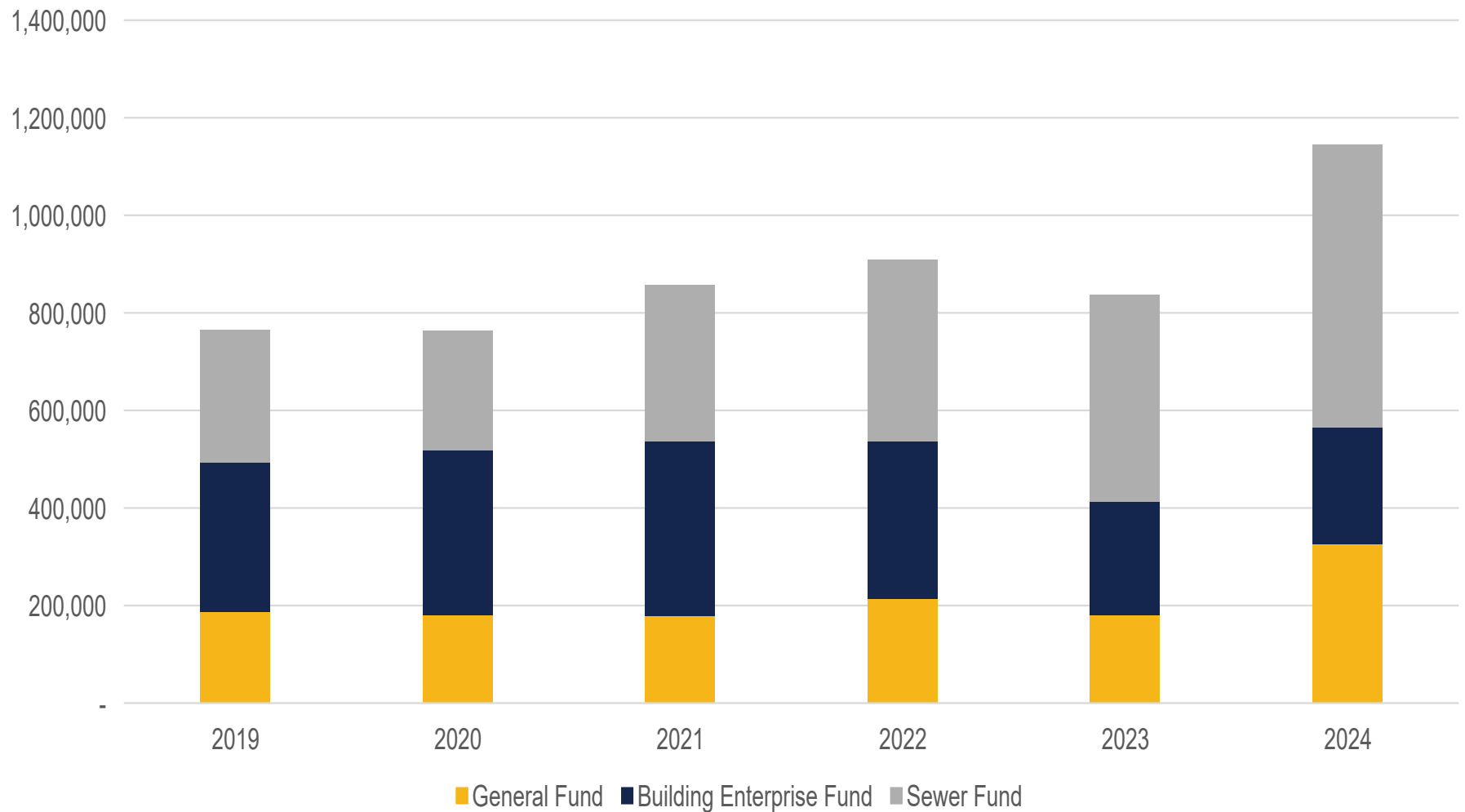


Economic & Community
Development

Merchant Fees

- Charges paid by the City to process electronic payments
- How does it impact the City?
 - Fee Absorption – City pays the fee (current process)
 - Pass Through – Customer pays the fee

Merchant Fees Paid by City



Pass Through Fee

- Fee to customer would be 2.7%
- Customer would pay Merchant Fee directly
 - Show as separate charge on statement
- Customer has ability to avoid fee
 - Pay Online with bank account (ACH)
 - Cash
 - Check

New Agreements and Estimated Budget Savings

- Wells Fargo
 - General Fund ~ \$300,000
 - Building Enterprise Fund ~ \$200,000
- Infosend/Pace
 - Sewer Fund ~ \$525,000)

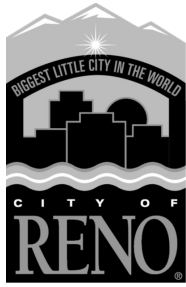
Messaging to Customers

- Front Counter – Additional Signage
- Websites – Notification of Merchant Processing Fee
- Sewer Bill Insert (July and October Bills)
- Email outreach to existing sewer customers registered online (November, early December, middle December)

Recommended Motion

I move to approve service fee addendum with Wells Fargo.

I move to approve service fee addendum with Inforsend/Pace.



AGENDA

Regular Meeting

Reno City Council

Wednesday, April 09, 2025 • 10:00 AM

Reno City Council Chamber, 1 East First Street, Reno, NV 89501

Hillary Schieve, Mayor

Council Members:

Ward 1 - Kathleen Taylor Ward 4 - Meghan Ebert

Ward 2 - Naomi Duerr Ward 5 - Devon Reese

Ward 3 - Miguel Martinez Ward 6 - Brandi Anderson

Public Notice: This agenda has been physically posted in compliance with NRS 241.020(3) (notice of meetings) at Reno City Hall – 1 East First Street, Reno, Nevada 89501. In addition, this agenda has been electronically posted in compliance with NRS 241.020(3) at [Reno.gov](https://www.reno.gov), and NRS 232.2175 at notice.nv.gov/. To obtain further documentation regarding posting, please contact the City Clerk’s Office at 775-334-2030 or cityclerk@reno.gov.

This meeting will be held at Reno City Hall in the City Council Chamber and via the Zoom video conference platform.

Members of the public wishing to attend the meeting may do so at the designated physical location or may hear, observe, and provide public comment virtually by [pre-registering using the following link](#) which will provide the Webinar ID and call-in phone number:

<https://links.reno.gov/Council04-09>

You can also join the meeting by typing zoom.us/join into your computer browser and entering this Webinar ID: 851 2858 7289. NOTE: This option will require a computer with audio and video capabilities. Alternatively, you can join the meeting by telephone only by dialing 1-669-444-9171, entering the Webinar ID: 851 2858 7289, and pressing #.

Public Comment: Individuals wishing to address City Council at the meeting shall submit a “Request to Speak” form to the City Clerk. Individuals not in attendance may provide public comment by (1) submitting an online public comment form at Reno.Gov/PublicComment; (2) sending an email to Publiccomment@reno.gov; or (3) participating via Zoom by registering using the link above which will provide the Webinar ID and call-in phone number.

To provide public comment via Zoom, log in to the Zoom webinar at the above link and utilize the “Raise Hand” feature during any public comment period. To provide public comment via telephone only, press *9 to “Raise Hand” and *6 to mute/unmute.

Public comment is limited to three (3) minutes per person. Unused time may not be reserved by the speaker, nor allocated to another speaker. No action may be taken on a matter raised under general public comment until the matter is included on a subsequent agenda and denoted as an action item. On specific agenda items, the presiding officer may prohibit comment if the content of the comments is a topic that is not relevant to, or within the authority of, the

City Council, or if the content is willfully disruptive of the meeting by being irrelevant, repetitious, slanderous, offensive, inflammatory, irrational, or amounting to personal attacks or interfering with the rights of other speakers. Other examples of disruptive conduct include, without limitation, yelling, stamping of feet, whistles, applause, heckling, name-calling, use of profanity, personal attacks, physical intimidation, threatening use of physical force, assault, battery, or any other acts intended to impede the meeting or infringe on the rights of City Council members, City staff, or meeting participants. Any person making willfully disruptive remarks while addressing City Council may be removed from the room by the presiding officer, and barred from attending the remainder of the meeting. See, Nevada Attorney General Opinion No. 00-047 (April 27, 2001); Nevada Open Meeting Law Manual, § 8.05. NRS 241.030(4)(a); RMC §§ 8.12.024, 8.12.027.

Accommodations: City Council and staff will make reasonable efforts to assist and accommodate individuals with disabilities desiring to attend the meeting. Please contact the City Clerk's Office at 775-334-2030 in advance so that arrangements can be made.

Supporting Material: Staff reports and supporting material for the meeting are available at the City Clerk's Office, and on the City's website at Reno.gov/meetings. Pursuant to NRS 241.020(6), supporting material is made available to the general public at the same time it is provided to City Council.

Order of Business: The presiding officer shall determine the order of the agenda and all questions of parliamentary procedure at the meeting pursuant to the Rules of the Reno City Council (City Council Resolution No. 8771, adopted January 22, 2020). Items on the agenda may be taken out of order. City Council may combine two or more agenda items for consideration; remove items from the agenda; and/or, delay discussion on or continue scheduled agenda items at any time. Items scheduled to be heard at a specific time will be heard no earlier than the stated time, but may be heard later.

Council Recess: At the discretion of the presiding officer, City Council may recess at any time during the meeting to confer with legal counsel and/or its management representatives as permitted by law. Additional short breaks may be taken throughout the meeting as needed.

Parking and Building Access: Free public parking the day of the meeting is available in the City Hall parking garage located at 55 E 1st Street. The garage entrance is on University Way. The public entrance to City Hall is located on Virginia Street. No food or drink is allowed in Council Chambers. See, Council Rule 6.3.13.

Watch Meetings: Certain Reno City Council & Redevelopment Agency Board meetings are streamed online when Reno City Council & Redevelopment Agency Board is in session in Council Chamber at Reno.gov/meetings, the City of Reno YouTube channel, and broadcast on Charter Channel 194.

Social Media: Connect with the City of Reno on Facebook at Facebook.com/cityofreno.

A Introductory Items

A.1 Pledge of Allegiance

A.2 Roll Call

A.3 Public Comment

A.3.1 Public Comment

A.4 Approval of the Agenda (For Possible Action) – 09 April 2025

A.5 Approval of the Minutes

A.5.1 Reno City Council - Special - 5 March 2025 10:00 AM (For Possible Action)

A.5.2 Reno City Council - Regular - 12 March 2025 10:00 AM (For Possible Action)

B Consent Agenda (All consent items may be approved together with a single motion, be taken out of order, and/or be heard and discussed individually)

B.1 Staff Report (For Possible Action): Approval of Privileged Business License - Alcohol Catering (Change of Description) - Black Rabbit Mead Company, William Truce, Jacob Conway, 401 East 4th Street. [Ward 1]

B.2 Staff Report (For Possible Action): Approval of Privileged Business License - Secondhand Dealer License, Merchandise Sales (New) - Omni Art Co LLC, Javier Herrera - Home-Based Business. [Ward 4]

B.3 Staff Report (For Possible Action): Award of Contract to JLW Holdings Series I LLC for the University East Phase 1 Street Rehabilitation Project in the amount of \$1,244,897.29. (Street Fund) [Ward 1]

B.4 Staff Report (For Possible Action): Approval of a Professional Services Agreement for Independent Cost Estimating Services with Pre Construction Services Group, LLC. for the Truckee Meadows Water Reclamation Facility New Dewatering Building Project in the amount of \$304,815 with Reno's share being \$209,194.53. (Sewer Fund)

B.5 Staff Report (For Possible Action): Approval of Amendment to the operational grade audit agreement dated December 13, 2019 between the City of Reno and Ameresco to perform an audit of streetlight assets in the City of Reno in an amount not to exceed \$100,000. (Green Energy Fund)

C Public Hearings - 10:00 AM (Items scheduled to be heard at a specific time will be heard no earlier than the stated time, but may be heard later.)

D Department Items

Finance

- D.1 ***SUPPLEMENTAL SUPPORTING MATERIALS*** - Staff Report (For Possible Action): Financial update presentation and discussion; Resolution to augment the budget of the City of Reno, Nevada, for FY24/25; and approval of budget revisions for the period of January 1, 2025 through March 31, 2025.
- D.2 Staff Report (For Possible Action): Approval of Service Fee Addendum to Wells Fargo Merchant Services Agreement resulting in 2.7% merchant fee passed on to customers paying with credit cards and authorizing the Finance Director to sign the agreement.
- D.3 Staff Report (For Possible Action): Approval of Service Fee Addendum to Infosend/Pace Service Agreement resulting in 2.7% merchant fee passed on to customers paying with credit cards and authorizing the Finance Director to sign the agreement.

City Manager's Office

- D.4 Staff Report (For Possible Action): Presentation, discussion, and potential direction to staff regarding the sewer user rate sufficiency analysis, including direction to initiate a community feedback process on a potential rate increase and bring back an ordinance for consideration at a future meeting.
- D.5 Staff Report (For Possible Action): 23-02 Civil Service Audit Second Follow-Up.

E Ordinances - Introduction (Other Ordinance, Introduction items may be found under the following agenda sections: Public Hearings, and/or Standard Department Items.)

F Ordinances - Adoption

- F.1 Ordinance Adoption – Bill No. 7296 (For Possible Action): Case No. LDC25-00033 (NDI Office Rezoning) – Ordinance to amend Title 18, Chapter 18.02 of the Reno Municipal Code, entitled “Zoning,” rezoning a ±0.99 acre site located on the north side of Vassar Street, ±430 feet east of its intersection with Harvard Way, from Neighborhood Commercial (NC) to General Commercial (GC); together with matters which pertain to or are necessarily connected therewith. [Ward 3]

G City Clerk

- G.1 Staff Report (For Possible Action): Discussion and potential appointment of up to one individual as a Commissioner to the Reno Housing Authority from the following pool of applicants, listed in alphabetical order: Brandi Anderson, Naomi Duerr, Meghan Ebert, Miguel Martinez, and Devon Reese.
- G.2 Staff Report (For Possible Action): Discussion and potential appointment or reappointment of up to one individual to the Other Post-Employment Benefits (OPEB) Trust Fund from the following pool of applicants, listed in alphabetical order: James Johns (Reappointment).

H Mayor and Council

- H.1 City Council Comments, including announcements regarding City boards and commissions, activities of local charitable organizations and upcoming local community events. (For Discussion Only)

I Public Hearings - 6:00 PM (Items scheduled to be heard at a specific time will be heard no earlier than the stated time, but may be heard later.)

- I.1 Staff Report (For Possible Action): Case No. LDC25-00031 (J Resort Festival Grounds) - Appeal of the Planning Commission's decision to approve a request for a conditional use permit to allow "Amusement or Recreation, Outside" and "Live Entertainment" land uses to facilitate outdoor festivals, concerts, recreation, and events. The ±4.5-acre site is located on seven parcels generally located south of Third Street, east of Ralston Street, and west of North Arlington Avenue. The site is located in the Mixed-Use Downtown Entertainment District (MD-ED) zone and has a Master Plan land use designation of Downtown Mixed-Use (DT-MU). [Ward 1]
- I.2 Staff Report (For Possible Action): Case No. LDC25-00027 (214 West Commercial Row Live Entertainment) - Appeal of the Planning Commission's decision to approve a request for a conditional use permit to allow live entertainment activities accessory to a bar use between the hours of 11:00 p.m. and 10:00 a.m. The ±0.11 acre site is located on the south side of West Commercial Row, ±87 feet west of its intersection with West Street (214 West Commercial Row). The site is within the Mixed-Use Downtown – Entertainment District (MD-ED) zone and has a Master Plan land use designation of Downtown Mixed-Used (DT-MU). Appeals were filed by the applicant, Fady Mehanna; and Mary Babiasz on behalf of The Montage North LLC. Council may affirm, modify, or reverse the decision of the Planning Commission. [Ward 1]

J Public Comment (This item is for either public comment on any action item or for any

general public comment.)

J.1 Public Comment

K Adjournment (For Possible Action)

Merchant Service Fees Addendum

April 9, 2025



Alignment with Strategic Plan



Fiscal Sustainability

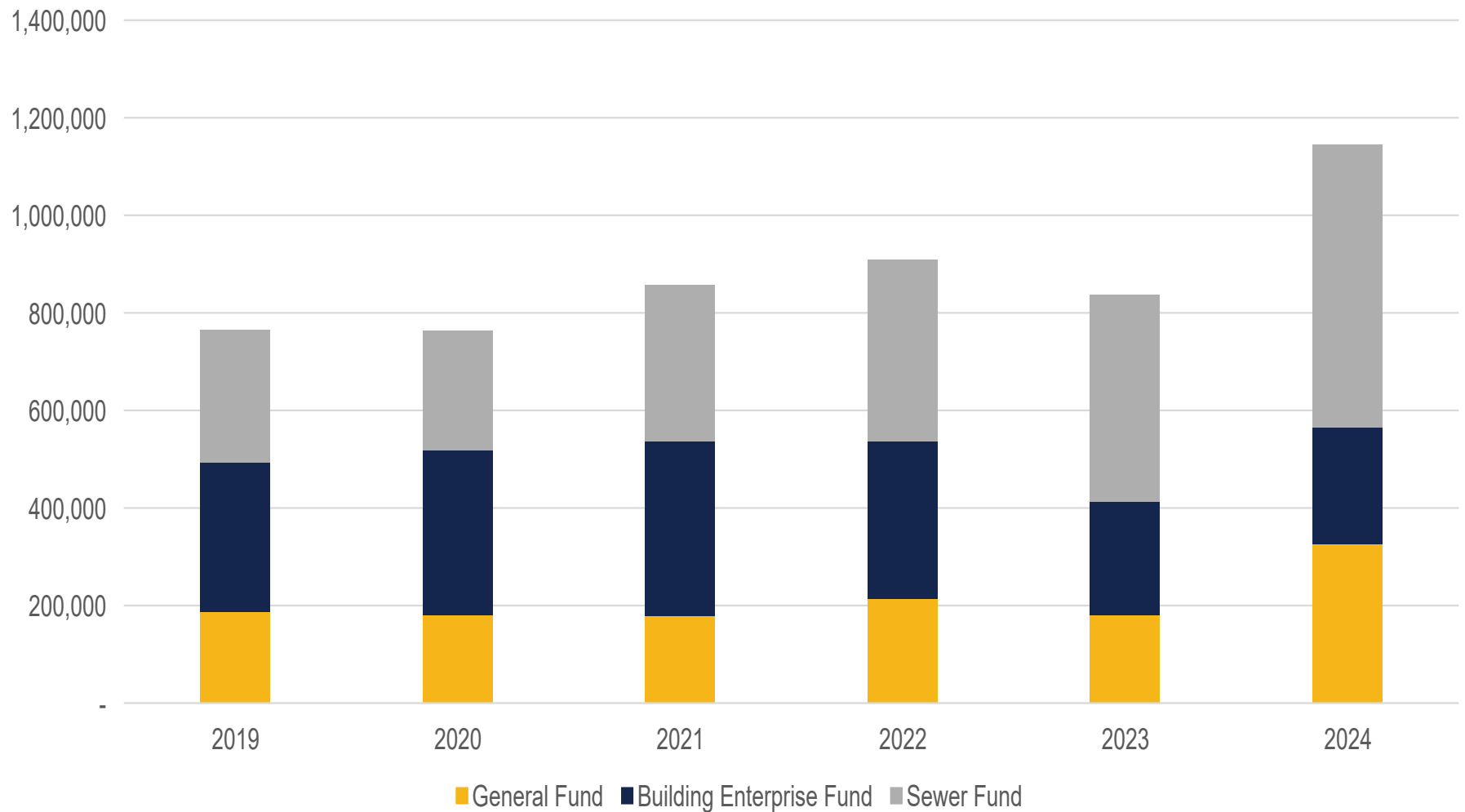


Economic & Community
Development

Merchant Fees

- Charges paid by the City to process electronic payments
- How does it impact the City?
 - Fee Absorption – City pays the fee (current process)
 - Pass Through – Customer pays the fee

Merchant Fees Paid by City



Pass Through Fee

- Fee to customer would be 2.7%
- Customer would pay Merchant Fee directly
 - Show as separate charge on statement
- Customer has ability to avoid fee
 - Pay Online with bank account (ACH)
 - Cash
 - Check

New Agreements and Estimated Budget Savings

- Wells Fargo
 - General Fund ~ \$300,000
 - Building Enterprise Fund ~ \$200,000
- Infosend/Pace
 - Sewer Fund ~ \$525,000

Messaging to Customers

- Front Counter – Additional Signage
- Websites – Notification of Merchant Processing Fee
- Sewer Bill Insert (July and October Bills)
- Email outreach to existing sewer customers registered online (November, early December, middle December)

Recommended Motion

I move to approve service fee addendum with Wells Fargo.

I move to approve service fee addendum with Inforsend/Pace.