

RESOLUTION NO. 23-139 C.S.

A RESOLUTION OF THE COUNCIL OF THE CITY OF MONTEREY

APPROVING THE IMPLEMENTATION OF A SERVICE FEE POLICY FOR CREDIT/DEBIT CARD SERVICE FEES ON CERTAIN ELIGIBLE TRANSACTIONS

WHEREAS, the City of Monterey ("City") accepts credit cards for payments due to the City through various methods, including transactions in which the credit card is presented for payment and others in which the payment information is provided without a physical card;

WHEREAS, the City has multiple merchant accounts which accept payments for various City departments, and pays credit card service fees for (i) interchange fees (charged by two banks involved in a credit transaction – this fee reflects the cost associated with accepting, processing and authorizing the card transaction), (ii) bank fees (fees associated with network gateways and software used to transmit cardholder information and details of transaction to the processing bank), and (iii) discount fees (the fee the City's merchant bank charges the City to act as merchant service provider);

WHEREAS, California Government Code section 6159(h)(1) provides, in part, that a public agency may impose a fee for the use of a credit or debit card or electronic funds transfer, not to exceed the actual costs incurred by the agency or agent in providing for payment by credit or debit card or electronic funds transfer, as a method to recoup credit card transaction related costs on eligible charges;

WHEREAS, service fees can be a percent or fixed flat amount and can be imposed regardless of the channel of payment (card present or card not present), applies to all card brands, and must be the only fee to the cardholder;

WHEREAS, Wells Fargo Merchant Services ("the Bank"), has been servicing the City's credit card payments pursuant to an existing Merchant Services Agreement (the "Agreement") previously authorized by the City Council and entered into with the Bank, and offers a program to help manage the imposition of service fees by local governments;

WHEREAS, the City desires to implement the collection of service fees when a customer chooses to make a payment using a credit card or non-pin debit card, and to enter into a Service Fee Addendum to the Agreement with the Bank acting as the third party responsible for collecting the fees and paying all related charges; and

WHEREAS, The City of Monterey determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA)(CCR, Title 14, Chapter 3 (CEQA Guidelines), Article 20, Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or any reasonably foreseeable indirect physical

change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MONTEREY that the above recitals are true and correct and are hereby incorporated and adopted as findings of the City Council as if fully set forth herein.

NOW, THEREFORE, BE IT FURTHER RESOLVED BY THE COUNCIL OF THE CITY OF MONTEREY that it hereby approves for the implementation of a service fee policy for credit/debit card service fees when the payee choses a credit card or debit card as the form of tender on certain eligible transactions for all city departments and divisions except for Library, Museums, Parking, Sports Center, and Recreation.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF MONTEREY this 21st day of November, 2023, by the following vote:


AYES:	5	COUNCILMEMBERS:	Barber, Garcia, Haffa, Smith, Williamson
NOES:	0	COUNCILMEMBERS:	None
ABSENT:	0	COUNCILMEMBERS:	None
ABSTAIN:	0	COUNCILMEMBERS:	None

APPROVED:

ATTEST:

DocuSigned by:
Tyler Williamson
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Mayor of said City

DocuSigned by:
 *CB Rush*
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City Clerk thereof