



Memorandum

To: Mayor & North Ogden City Council
CC: Ed Dickie
From: Dave Nordquist
Date: 10/5/2011
Re: Community Services Fees

The City Council has asked those departments that collect money using credit cards to initiate a \$2.50 credit card convenience fee. The current \$2.50 convenience fee does not adequately cover the wide range of pricing in our department. Many of the expenses in our department also require the city to pay sales tax in addition to credit card fees. Credit card fees and sales tax add up to 10% of the department's fees.

Analysis of our 2011 season at North Shore Aquatic Center showed that 50% of our transactions were completed with credit card purchases. These transactions resulted in an estimated \$6,000 in credit card fees and \$16,000 in sales tax.

91% of transactions for North Ogden Recreation and Park Reservations are taken by credit cards. This amounts to an estimated \$1,660 in credit card fees. Tax is not applicable on these items.

We see this as an area that we could improve upon to increase revenue retention next season.

I am proposing a 3-component plan for your consideration that would:

1. Help recover cost of Credit Card Usage
2. Help recover sales tax remitted on applicable items
3. Make slight increases to some fees in addition to 1 and 2 (above) to increase revenue

Summary:

By implementing this proposed plan and fees, I feel that we will be able to increase revenue and revenue retention and help recover fees charged from government sales tax and credit card companies in a manner that will be acceptable for our wide range of pricing and activities.

*Dave Nordquist
North Ogden City
Community Services Dr.*