



Credit Card Service Fee Transfer Proposal

Budget, Fiscal & Legislative Standing Committee

April 1, 2026

Executive Summary

The City of San Pablo has been absorbing all credit card service fees, currently exceeding \$82,000 per year and growing. Staff recommends transferring these convenience fees to the consumer for all credit card transactions, aligning with the standard practice adopted by neighboring Contra Costa County cities.

\$82K+

Annual CC Fees
(FY 24-25)

40%

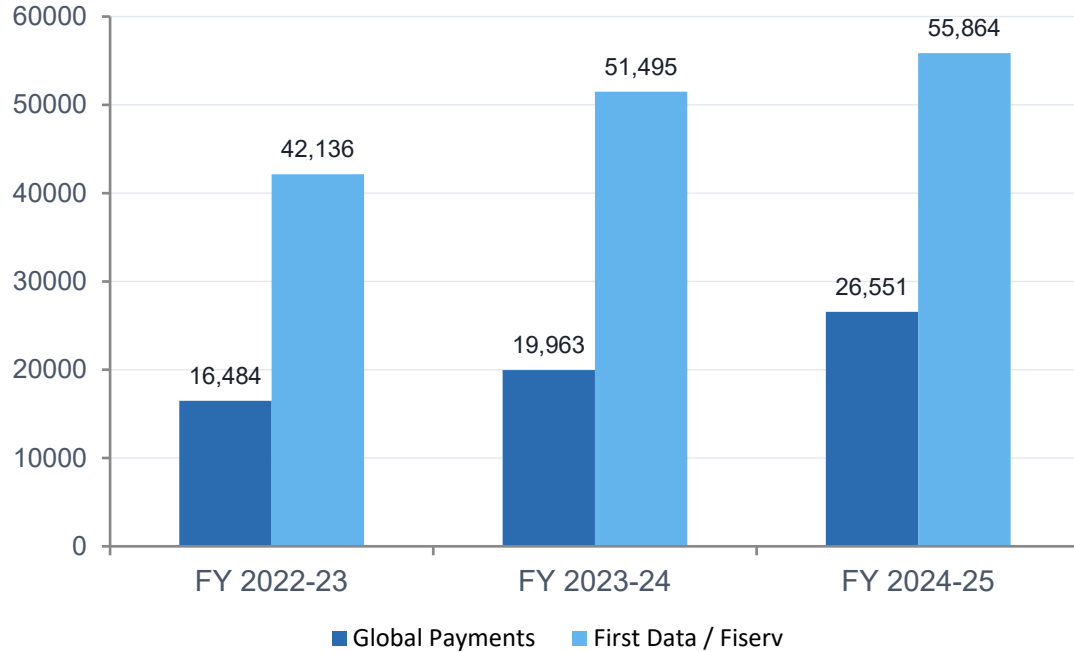
Fee Growth
Over 3 Years

9+

Local Cities
Already Passing Fees

Providers: Global Payments & First Data (Fiserv)

Historical Cost to the City



FY 22-23

Gross Fees: **\$58,620**

Net (after rebates): **\$47,980**

FY 23-24

Gross Fees: **\$71,458**

Net (after rebates): **\$60,827**

FY 24-25

Gross Fees: **\$82,415**

Net (after rebates): **\$72,146**

Fees increased 40% from FY 22-23 to FY 24-25

Contra Costa County Cities Comparison

City	Fee Charged	Passes to Customer?
Richmond	2.95%	Yes
El Cerrito	3.50%	Yes
Berkeley	2.85%	Yes
Pinole	2.95%	Yes (except police fines)
Walnut Creek	3.00%	Yes
Concord	2.50%	Yes
Contra Costa County	2.75%	Yes
Hercules	2.75% – 3.00%	Absorbed (City Council resolution)
Albany	3.95%	Yes
San Pablo	2.99% (e-trackit)	Currently absorbed by City

The majority of Contra Costa County cities pass credit card convenience fees to the consumer. San Pablo is among the few still absorbing these costs.

Payment Options for City Consumers

Option 1

In-Person: Check or ACH

No Fee

Customers pay at City Hall by check or ACH transfer. No convenience fee applies. This option ensures equitable access to City services at no additional cost.

Option 2

Credit Card (On-Site or Online)

Convenience Fee

All credit card payments—whether at City Hall or online via e-trackit—will include a convenience fee charged by the service provider and paid by the customer. Merchant services charge fees on every transaction regardless of location.

Estimated Annual Savings to the City

Projected Annual Savings

\$72,000 – \$100,000+

Based on FY 24-25 actuals of \$82,415 in gross fees and growing trend. Budget was \$83K; actuals projected to exceed \$100K.

CURRENT STATE

City absorbs all CC fees

~\$82K/year and growing

Subsidizing on-site & online payments

Budget shortfall risk



PROPOSED STATE

All CC fees paid by customer

\$72K–\$100K+ saved annually

Free check/ACH alternatives remain

Aligned with regional best practices

Implementation Approach

1

BFLSC Review & Recommendation

Present findings and receive committee recommendation to transfer credit card convenience fees to consumers.

April 1, 2026

2

City Council Review & Approval

City Council to review and approve the Transfer Credit Card Convenience Fee transition plan.

April 20, 2026

3

Public Education & Outreach

Communicate payment options and fee structure to residents and businesses. Emphasize free check and ACH alternatives.

May 2026

4

System Configuration & Go-Live

Configure e-trackit and online payment portals to apply the convenience fee for all credit card transactions.

June 2026

Staff Recommendations

1

To receive presentation to Transfer Credit Card Convenience Fees to Consumers for all credit card transactions.

2

Recommend City Council to review and approve City's Transfer Credit Card Convenience Fee transition plan at the April 20, 2026 City Council meeting.