



FINANCIAL SERVICES

TO:	Council		
DATE:	May 25, 2021	DIVISION:	All
FILE:	0785	APPLICATION:	N/A
SUBJECT:	Payment Solution for Taxes – Budget Adjustment		

POLICY DIRECTION:

On April 28, 2020, the following Motion Arising was carried:

MOVED by Councillor McKylor that Administration be directed to explore offering payment of property taxes, whether monthly or annually, via credit card to support the timely payments of property taxes using a new payment method, including a service fee to ensure the County's taxes remain whole. This report should come back to Council on June 9, 2020.

On June 9, 2020, Administration presented a report to Council, and the following motion was carried:

MOVED by Deputy Reeve Schule that the report be received for information and that an update come back to Council by the end of October, 2020.

On October 27, 2020, Administration presented a report to Council regarding the acceptance of credit cards for tax payments, and the following motion was carried:

"THAT this report be accepted for information and that Administration provide an update to the inclusion of credit card payments for property taxes to Council on or before the end of March, 2021."

On April 13, 2021, Administration presented a report to Council with information in regards to payment solutions for property taxes and requesting direction on bringing back a budget adjustment.

"MOVED by Councillor Hanson that Administration be directed to bring back budget adjustments by the end of May 2021 for Council's consideration to begin the process of accepting online credit card payments by implementing a custom IT solution."

EXECUTIVE SUMMARY:

Administration is presenting three options for Council consideration of accepting credit card payments for taxes.

- 1) Implement the software Virtual City Hall to process credit cards through an online platform only for a cost of \$50,000.
- 2) Increase service charges by \$1,036,000.00 to absorb transaction fees to accept credit card payments through the front counter hand-held terminals;
- 3) Implement both platforms, thereby requesting a budget adjustment of \$1,086,000.00.

ADMINISTRATION RECOMMENDATION:

Administration recommends approval in accordance with Option #1.

Administration Resources

Barry Woods, Financial Services



BACKGROUND:

The two individual options to consider are in-person, hand-held terminals, and online accessibility:

In-person, hand-held credit card terminal

As previously presented to Council, Rocky View County would be responsible for any credit card transaction fees processed through a hand held terminal and would be unable to charge the fee back to the rate payer. This charge would form part of Rocky View County's service charges cost, and would increase the current 2021 budget of \$64,000 to approximately \$1,100,000. As more than 50% of the property taxes relate to external requisitions, the County would be paying for those transaction costs through this platform.

Virtual City Hall

Credit cards used to pay property taxes online can have the transaction fee charged directly to the rate payer, thereby having no effect on other rate payers that do not use this method. The County currently uses an online provider that charges a transaction fee directly to the rate payer utilizing this system; however, there is no integration into the County's financial system. Administration has sourced an IT provider to implement this system (Attachment A) and has obtained a quote of \$50,000 for this service.

BUDGET IMPLICATIONS:

There are three budget implications associated with this service depending on the option chosen:

Option #1: \$50,000

Option #2: \$1,036,000

Option #3: \$1,086,000

COMMUNICATIONS PLAN:

If either or both systems are implemented, a detailed communication plan would have to be developed to ensure rate payers understand the two different types of payment methods.

OPTIONS:

- | | |
|------------|---|
| Option #1: | THAT the budget adjustment of \$50,000 be approved for the purchase and implementation of an online system for the payment of property taxes, as per Attachment 'B'. |
| Option #2: | THAT the budget adjustment of \$1,036,000.00 be approved related to service charges to absorb transaction fees to accept credit card payments through the front counter hand-held terminals, as per Attachment 'C'; |
| Option #3: | THAT the budget adjustments totalling \$1,086,000 be approved to implement both platforms, as per Attachments 'B' and 'C'. |
| Option #4: | THAT alternative direction be provided. |



ROCKY VIEW COUNTY

Respectfully submitted,

"Barry Woods"

Manager
Financial Services

BW/aw

Concurrence,

"Kent Robinson"

Acting Chief Administrative Officer**ATTACHMENTS:**

ATTACHMENT 'A' – Virtual City Hall Fact Sheet

ATTACHMENT 'B' – Budget Adjustment for online system

ATTACHMENT 'C' – Budget Adjustment for service charge increase