

## **..Title**

Resolution to Recommend Approving an Agreement with First American Payment Systems, L.P. d/b/a Deluxe Corporation (“Deluxe”) for Merchant Processing Services (\$276,000)

## **..Memorandum**

This resolution is to recommend approval of an agreement with First American Payment Systems, L.P. d/b/a Deluxe Corporation (“Deluxe”) for merchant processing services integrated with Club Caddie golf course software (“Agreement”). The Agreement is for a three-year term.

The cost of the service is determined based on a portion of credit card transactions processed (0.77% + \$0.21 per transaction), in addition to an estimated \$30 per month in miscellaneous additional fees. We anticipate comparable costs to the current vendor, Foreup Payments, operated by Finix (0.85% + \$0.25 per transaction) and are proposing a spending cap of \$276,000, which includes an estimated potential 150% growth. This estimate will ensure that we do not reach the spending cap and provides room for growth as business process improvements bring increased sales and revenue to our golf courses, and as the new vendor brings increased stability, reliability, and functionality.

Over the past three fiscal years (FY 2024, 2025, and projection for 2026 – see table, below), the golf courses have spent a combined average of \$61,141.84 per year in credit card processing fees to Foreup Payments. Inflating this by 150% provides an estimate of \$91,712 per year, rounded up to \$92,000.

The Agreement will continue to provide the City with the ability to process credit cards online and in-person at the Huron Hills and Leslie Park Golf Courses. The vendor change is timed to be live before beginning to process transactions for the 2026 golf season in March 2026.

### Cost Breakdown:

- FY2026 (Jan thru June): \$46,000
  - FY2027: \$92,000
  - FY2028: \$92,000
  - FY2029 (July thru Dec): \$46,000
- Total: \$276,000

Budget/Fiscal Impact: The annual cost for this software is included in golf course fees charged for services and the subsequent expenditure to the vendor is budgeted in the Parks and Recreation budget. The overall cost of the software is net neutral to the City.

Breakdown of Historic Costs

- FY 2026\*
  - Total CC Revenue (both courses): \$1,005,282
  - Foreup Payments Processing Fees (both courses): \$34,290.33 (full year projection: \$68,580.66)
  - Foreup Payments Percentage Taken: 3.4%
- FY 2025
  - Total CC Revenue (both courses): \$1,814,584.42
  - Foreup Payments Processing Fees (both courses): \$61,251.95
  - Foreup Payments Percentage Taken: 3.4%
- FY 2024
  - Total CC Revenue (both courses): \$1,618,535.55
  - Foreup Payments Processing Fees (both courses): \$53,592.92
  - Foreup Payments Percentage Taken: 3.3%
- FY 2023\*
  - Total CC Revenue (both courses): \$714,474.57
  - Foreup Payments Processing Fees (both courses): \$23,232.98
  - Foreup Payments Percentage Taken: 3.2%

*\*Partial years: 2023 is the FY when we moved to Foreup Payments from Worldpay. 2026 is the current FY during which we would like to switch to First American.*

**..Body**

Whereas, the City is in need of a new golf course management system, and as a result will also need to change credit card processing systems to one which is compatible with the new system;

Whereas, The Parks and Recreation Department has budgeted for these fees in FY26 and plans to budget sufficient funding for remaining years in the Parks and Recreation budget;

Whereas, Deluxe complies with the requirements of the City's Conflict of Interest and Non-Discrimination Ordinances.

RESOLVED, That Park Advisory Commission recommend that City Council approve the agreement with First American Payment Systems, L.P. d/b/a Deluxe Corporation ("Deluxe") for merchant processing services for the City's Leslie Park and Huron Hills golf course facilities for an amount not-to-exceed \$276,000 over three years ("Agreement");