



City of Ann Arbor

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Ann Arbor, MI 48104
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Legislation Details (With Text)

File #:	25-2123	Version:	1	Name:	1/5/26 Resolution to Approve an Agreement with First American Payment Systems, L.P. d/b/a Deluxe Corporation ("Deluxe") for Merchant Processing Services (\$276,000)
Type:	Resolution	Status:		Passed	
File created:	1/5/2026	In control:		City Council	
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Enactment date:	1/5/2026	Enactment #:		R-26-004	
Title:	Resolution to Approve a Three-Year Agreement with First American Payment Systems, L.P. d/b/a Deluxe Corporation ("Deluxe") for Merchant Processing Services (\$276,000.00)				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	1. Ann Arbor Club Caddie Addendum-final.pdf, 2. First American ISV TC 01.15.21 SECURED.pdf				

Date	Ver.	Action By	Action	Result
1/5/2026	1	City Council		

Resolution to Approve a Three-Year Agreement with First American Payment Systems, L.P. d/b/a Deluxe Corporation ("Deluxe") for Merchant Processing Services (\$276,000.00)

Attached for your review and approval is a resolution which authorizes 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 \$30.00 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 \$276,000.00, 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 \$91,712.00 per year, rounded up to \$92,000.00.

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. The Park Advisory Commission unanimously recommended approving the Agreement at their December 16, 2025

meeting.

Cost Breakdown:

-FY2026: \$46,000.00 (Jan thru June)

-FY2027: \$92,000.00

-FY2028: \$92,000.00

-FY2029: \$46,000.00 (July thru Dec)

Total: \$276,000.00

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): \$1,005,282.00

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.

Prepared by: Anna Oostendorp, Sr. Applications Specialist Lead, ITSU

Reviewed by: Joshua Baron, Director, ITSU

Reviewed by: Kim Buselmeier, Financial Manager

Approved by: Milton Dohoney Jr., City Administrator

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, The Park Advisory Commission unanimously recommended approving 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 at their December 16, 2025 meeting; and

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

RESOLVED, That City Council approve the merchant payment processing agreement with First American Payment Systems, L.P. d/b/a Deluxe Corporation (“Deluxe”) for the City’s Leslie Park and Huron Hills golf course facilities for an amount not-to-exceed \$276,000.00 over three years (“Agreement”);

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute the Agreement after approval as to form by the City Attorney and approval as to substance by the City Administrator; and

RESOLVED, That the City Administrator be authorized to take the necessary actions to implement this resolution, including execution of any amendments that do not exceed the authorized expenditure and termination of the Agreement per its terms, if necessary.