

OPPMZAC July 19, 2012
Item VII.C

Duncan Meters

\$29,500 remaining on the lease purchase (\$2458.00 per month, \$112.00 per meter)

\$20,000 budgeted for repair maintenance

*Transaction fees varies (Durbin Amendment), but are higher for Duncan.

CALE Meters

25 meters @ \$7150 each = \$178,750 (outright purchase)

60 month lease purchase = \$188.29 per meter, per month

$\$188.29 \times 25 = \$4707.25 \times 12 \text{ months} = \$56,487 \text{ per year}$

60 month lease term = \$282,435.00

Delta = \$103,685.00 / \$4147.40 more per meter

ROI

28% increase in revenue = \$395,189.20 (216,439.20)

14% increase in revenue = \$197,594.60 (18,844.60)

10% increase in revenue = \$141,139

5% increase in revenue = \$70,569.50

* **Definition: What is the Durbin Amendment?**

When you use your debit, credit or prepaid card at a store, the merchant has to pay an interchange, or "swipe," fee. The fees vary in proportion to perceived security risk, based on:

- **The card used:** Debit cards have the lowest interchange fees, while high-limit signature rewards cards have the highest.
- **The method of payment:** Card-not-present transactions (like buying online) have high fees, while PIN transactions have low fees.
- **The type of merchant:** Gas stations, small restaurants and small business owners pay the highest fees, while big box retailers like Walmart and Safeway are able to negotiate lower prices.