



City of San Antonio

Agenda Memorandum

File Number: 18-1701

Agenda Item Number: 10.

Agenda Date: 3/1/2018

In Control: City Council A Session

DEPARTMENT: Aviation

DEPARTMENT HEAD: Russell J. Handy

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Agreement with Cardtronics USA, Inc. for Automated Teller Machines at the San Antonio Airport

SUMMARY:

This Ordinance authorizes a five-year concession agreement with Cardtronics USA, Inc. (Cardtronics) for six automated teller machines (ATMs) in Terminal A and Terminal B of the San Antonio International Airport. The ATMs provide passengers with a customer enhancement for when they need cash as they travel. The City expects to receive annual revenue in the amount of \$49,500.00 which will be deposited in the Airport Operating and Maintenance Fund.

BACKGROUND INFORMATION:

Passengers to the San Antonio International Airport (Airport) expect ATMs to access cash from their banking institutions. In addition, the City would like to maximize non-airline revenue opportunities.

Cardtronics provides ATM services for the City of San Antonio and is the world's largest ATM operator. Through a six-month lease agreement, the firm provides ATM services for the Airport. The City would like to enter into a five-year term with Cardtronics for six ATMs in the Airport, including three locations in each terminal.

As part of the five-year agreement, Cardtronics will install, maintain and operate six ATMs at its sole cost and expense. The firm and Aviation Director will agree on increasing or decreasing the number or location of ATMs to accommodate the needs of the traveling public. The ATMs may be branded as different financial institutions,

but all will be part of the Allpoint Surcharge Free Network system. As part of the agreement, the City will receive a percentage of the revenue from the transaction fee from eligible transactions.

ISSUE:

This Ordinance authorizes a five-year concession agreement with Cardtronics for six ATMs in the Airport. The ATMs provide passengers with a customer enhancement for when they need cash as they travel.

City Council approval is required for lease agreements with terms longer than six months.

ALTERNATIVES:

City Council could elect to not authorize the concession agreement with Cardtronics, which would result in the City not being able to provide ATMs at the Airport. Passengers increasingly expect to access ATMs at airports.

FISCAL IMPACT:

The agreement is expected to generate an estimated \$49,500.00 annually. The City will receive 55% of the surcharge fee that a transaction is charged for use of the ATM. For those passengers whose financial institutions are part of the Allpoint Surcharge Free Network system will not be charged the \$2.75 surcharge fee and the City will not receive revenue from those transactions. These funds will be deposited into the Airport Operating and Maintenance Fund.

RECOMMENDATION:

Staff recommends the authorization of a five-year concession agreement with Cardtronics for ATMs in the Airport.