



City of Grand Island

Tuesday, October 07, 2003

Study Session

Item -1

Discussion Concerning Affinity Credit Cards

Affinity credit cards are credit cards which show an individual's affiliation to a group. These cards are marketed by many types of organizations as a way to provide card holders with rebates or gifts or to raise funds for the organization. The City of Hastings has utilized affinity credit cards effectively through their Hometown Pride card to raise funds for City projects. A review of the Hastings program will be provided. If a Grand Island program is established, funds collected would be allocated as Council directs.

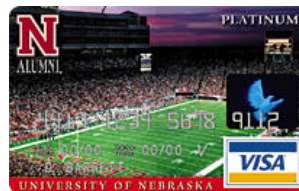
Staff Contact: Jean Goss, Executive Assistant

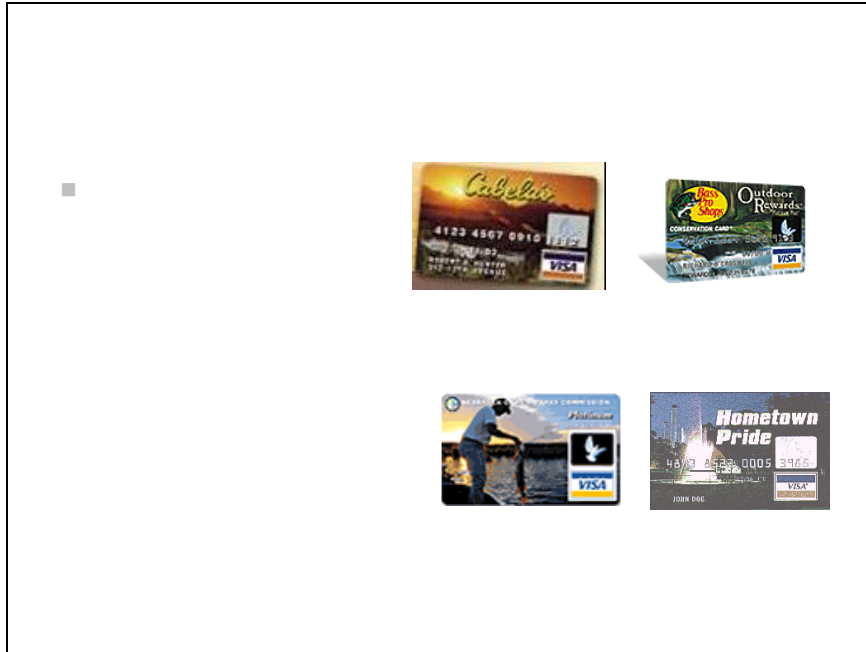
Affinity Credit Cards

Credit cards which show your affiliation to a group

Marketed by many types of organizations:

- **Schools**
(UNL, Heartland Lutheran High School)
- **Non-Profit Organizations**
(Pheasants Forever, Ducks Unlimited)





How Affinity Cards Work:

- Use just like traditional credit cards
- Issued by banks and utilize well-known credit companies such as Visa or Mastercard
- Provide a “kickback” to the card sponsor for each dollar of the total purchase

City of Hastings Program

- Started the Hometown Pride Card in 1996
- License granted to Hastings State Bank for the use of “The City of Hastings, Nebraska”
- City Council approves all graphics, logos and promotional materials used in the program

Terms of the Hastings Program

- Three year agreement with provisions for renewal
- The Bank pays the City one percent of purchase fees
- License fees are paid to the City semi-annually

Responsibilities of Hastings State Bank

- Assumes all financial responsibility
- Sets all conditions for use including:
 - Credit worthiness
 - Issuance
 - Interest rate
 - Annual fee
- Provide all program related expenses
- Provide all advertising including radio, television, and newspaper advertising as needed

Responsibilities of the City of Hastings

- Inserts affinity card brochures with utility bills to customers

- Markets the card
 - Public Meetings
 - City web site

- Provides space at public offices for applications

Success of Hastings Program

Year	Receipts
1995-96	\$8,802.01
1996-97	\$35,269.73
1997-98	\$38,147.88
1998-99	\$34,930.84
1999-2000	\$32,761.15
2000-01	\$30,335.24
2001-02	\$26,639.35
2002-03	\$25,307.41
Total	\$232,193.61

Possible uses for Grand Island Affinity Card Funds?

As Council Selects....

Next Steps

- Contact local banks for input
- Draw up a Request for Proposals (RFP)
- Present options to Council