



STAFF REPORT TO THE CITY COUNCIL

DATE: Regular Meeting of February 24, 2026

TO: Mayor and Members of the City Council

VIA: Dante Hall, City Manager

SUBMITTED BY: Tim Rood, Community Development Director

SUBJECT: “Shop Hercules” Yiftee Gift Card program

RECOMMENDED ACTION:

Adopt a resolution approving a fourth amendment to an agreement with Yiftee in the amount of \$25,000 for the “Shop Hercules” digital gift card incentive program, and amending the FY 25-26 budget, increasing its appropriation by \$25,000.

BACKGROUND:

Following the Covid-19 pandemic, the City implemented a Yiftee Community Digital Gift Card program as a way to stimulate the local economy and assist small businesses in recovery. The program provides bonus cards that yield additional savings to card purchasers who shop locally. To date, the City has matched each card purchase with a free gift card of equal amount. The City Council allocated Yiftee funding in the amounts of \$65,000 in July 2022, \$75,000 in March 2023, and \$25,000 in November 2023.

Yiftee gift cards are virtual credit cards that are ordered and paid for online and emailed to the buyer as a PDF. To redeem the cards, users present merchants with their Yiftee credit card number, expiration date, and 3-digit authorization code, and the merchant types all this information into their Point-of-Sale device. Users can view their remaining card balance online. Transactions that exceed the remaining card balance are declined, which can make it difficult to redeem the full card balance unless the user knows the exact balance remaining and can persuade the merchant to split their purchase into two credit card transactions. In June 2025, Yiftee began implementing tap-to-pay (allowing users to

load their virtual cards into Apple Pay or Google Wallet), making it considerably easier to use for both merchants and customers.

ANALYSIS:

At its January 27, 2026 meeting, the City Council received a report on the Yiftee program and requested that staff return with an agenda item to approve the addition of \$25,000 in Yiftee funding, to be released at quarterly intervals, with a 25% bonus on gift card purchases, a maximum card value of \$200, and a maximum of 1 card purchase per user per quarter.

FISCAL IMPACT:

The Mid-Year Budget Update on tonight’s agenda includes a \$25,000 appropriation from the General Fund for this purpose. The resolution amending the Yiftee agreement (Attachment 1) includes a provision making the Yiftee funding contingent upon the Council’s appropriation of the funds.

Contract	Agreement No.	Approval	Contract Approval Date	Authorized Amount
Original Contract	22-012	Council Resolution #22-032	4/26/2022	\$ 65,000
1st Amendment		Council Resolution #23-010	2/28/2023	\$ 75,000
2nd Amendment		Council Resolution #23-032	6/13/2023	\$ 50,000
3rd Amendment		Council Resolution #23-062	11/14/2023	\$ 25,000
4 th Amendment				\$ 25,000
Total				\$ 240,000

ATTACHMENTS

1. Resolution
2. Draft Amendment No. 4 to the Original Agreement
3. Original Agreement
4. Amendment No. 1 to Original Agreement
5. Amendment No. 2 to Original Agreement
6. Amendment No. 3 to Original Agreement