

Finance Committee Meeting January 17, 2014

The **Finance Committee** met Friday, January 17, 2014, at 5:00 p.m. in the City Hall Conference Room. Present were Committee members Sue Galbraith, Dwayne Andrews, and Sheena Martin. John Hollowell was absent. Also present were Councilperson Ken Gardner, Utility Billing Clerk Patti Bishop, Police Captain Mark Reddick and Recorder/City Clerk Lorrie Pearce.

Selection of Committee Chairperson

- * * *Committee Member Andrews moved to nominate Committee Member Sue Galbraith as Chairperson to the Finance Committee, seconded by Committee Member Martin.*

- * * *Committee Member Galbraith moved to nominate Committee Member Dwayne Andrews. There was no second.*

- * * *Committee Member Andrews' motion carried 3-0. Committee Member Galbraith was elected Chairperson of the Finance Committee.*

Approval to initiate a credit card/debit card payment system

Chairperson Galbraith explained that the credit/debit card payment system is to pay utility bills and other city fees. The program would charge 3% of the total amount, or \$2.00 if less than \$67.00. She added that it may also help to mitigate write offs.

Committee Member Andrews asked if we would have to hook anything up to our computers. Clerk Pearce explained that the system is already programmed in the water counter computer. There's very little that the City will have to do to get the system up and running. She explained the contract is month to month to protect both the City and Paygov in case there is a problem with the system, or the system is not working for the City, etc. She added that the payment system is at no charge to the City.

Committee Member Martin asked if the public will be notified of the charges. Clerk Pearce explained that a laminated poster will be posted at the Water counter, and a public notice (provided by PayGov) will be published in the Miles City Star explaining the cost to the customers.

Billing Clerk Bishop explained that the customer can make a payment at the water counter, pay on line, or call Paygov. The City of Miles City will not take payments over the phone because of liability reasons.

- * * *Committee Member Andrews moved to recommend to Council approval of implementing the credit card/debit card payment system. The motion was seconded by Committee Member Martin; the motion carried unanimously, 3-0.*

Water and Sewer Debts to Collection

Billing Clerk Bishop explained that the total of \$ 7,548.43 will be less, because a payment of \$196.35 has been received. The new total will be \$7,352.08. She explained this is a process that is completed every 6 months, and it's mostly from renters who moved out of town. Committee Member Andrews asked if the \$7,000.00 amount is normal; Billing Clerk Bishop answered "yes".

- * * *Committee Member Martin moved to recommend to Council approval of sending the water and sewer debts to collection. The motion was seconded by Chairperson Galbraith; the motion carried unanimously, 3-0.*

Review of Collection Professionals, Inc. (CPI) Contract

Clerk Pearce explained the City has used CPI since 2002. The last contract renewal was 2011, but it should be renewed every year. The old contract shows the fee schedule on assigned balances at 30% and legal action at 40%. The new contract would change to 33 1/3% for assigned balances and 50% for legal. She talked to Chris from CPI and he told her that if we wanted to stay at the 30% for assigned balances, the legal would raise to 50%. Staying with the 33 1/3 and 40% would save the City money because 75% of the claims end up as a legal action.

Chairperson Galbraith asked if it has gone out to bid. Clerk Pearce replied that it has not, and she explained the collection agency the Ambulance uses is 50% for assigned balances. She also said that CPI might change their charges if the City asked. Chairperson Galbraith asked what the success rate is with CPI, Billing Clerk Bishop replied that she gets approximately \$200 a month back from CPI.

It was decided to call Mainstreet Business Services and DCI credit service for quotes.

- * * *Committee Member Andrews moved to postpone the review of the CPI contract until additional information is collected. The motion was seconded by Committee Member Martin; the motion carried unanimously, 3-0.*

Review of Interlocal Agreement

After a brief discussion, the Committee decided to pass the Interlocal Agreement because it would take too much time to change it now.

- * * *Committee Member Galbraith moved to recommend to Council approval of the Interlocal agreement. The motion was seconded by Committee Member Andrews; the motion carried unanimously, 3-0.*

Discussion of Finance Committee to Review Journal Vouchers

Clerk Pearce stated the auditors informed her that JV's should be approved by the Finance Committee. She explained what JV's are, and that most of them are reoccurring every month. The others are usually correcting entries that were miscoded.

It was decided that JV's will be reviewed at the same time as claims are.

Discussion on Resolution 3658. A Resolution of the City Council of the City of Miles City, Montana, Calling For An Election On The Question of Conducting A Local Government Review And Establishing A Study Commission To Do So

Chairperson Galbraith handed out the budget for the 1995 Study Commission. She explained that Clerk Pearce compared prices for 2014 to it and she felt that an expense of \$14,000 for 2 years would be sufficient .

Clerk Pearce stated that a decision is needed as to how the City will finance the Study .It can be in a dollar amount or mills. The mill for Miles City this fiscal year is \$ 7071. Committee Member Martin felt charging a mill would be the best way for the City get it's money back. She felt if the City voters approved the study, then it should be paid by taxes. Chairperson Galbraith felt the same way. Committee Member Andrews felt that the money should come from the General Fund. After a short discussion, it was decided to charge 2 mills.

It was decided that five is an adequate number of people to be on the Study Commission.

* * *Chairperson Galbraith moved to recommend that the City Council approve Resolution 3658 with the addition of a five person board and a cost of two mills (\$1,4142) for two fiscal years. The motion was seconded by Committee Member Andrews; the motion carried unanimously, 3-0.*

Discussion of Purchasing Police Vehicles with City Court Funds

Captain Reddick reported that in 20 years the fleet has been inflated by quite a bit. The reason is to provide the older vehicles for administrative usage and for Patrol Sergeants and Senior Officer to respond to critical calls. Also, he felt that having the patrol cars sitting in the neighborhood has dropped crime. The two oldest vehicles being used are the 1996 Jeep Cherokee and the 2004 Envoy. They are being used because they are capable of being moved around the streets this time of the year. The rear wheel cars are not safe. Reddick stated that Chief Colombik has called around for six cylinders SUV's that are fuel efficient and at a price of around \$20,000 each. He added that it will cost an additional \$10,000 to outfit each vehicle, for a total cost of \$60,000.

Chairperson Galbraith asked if the police are looking at replacing the vehicles immediately or waiting for next fiscal year. Captain Reddick said that Chief Colombik would like to follow through on this as soon as possible. Chairperson Galbraith expressed concern of the Court fund already paying for the insurance and wages of the Police.

Committee Member Martin asked if the vehicles would be traded in or kept. Captain Reddick said they may trade in, but the City wouldn't get much for them. Chairperson Galbraith mentioned, that if the vehicles are kept, the City would have to pay insurance on all of them.

Committee Member Andrews stated that the City is not in a good place as far as the Budget is concerned. The money is getting thinner and thinner for mid-year, and the City has some serious economic issues.

Chairperson Galbraith stated that she would like to see where the spending is after December 2013. Andrews agreed.

* * *Chairperson Galbraith moved to table the request to purchase police vehicles with City Court funds. The motion was seconded by Committee Member Martin; the motion carried unanimously 3-0.*


Request of Citizens

-None

Adjournment

There being no further business, Committee Member Martin moved to adjourn the meeting, seconded by Committee Member Andrews. The meeting was adjourned at 6:00 p.m.

Respectfully Submitted:


Chairperson Susan Galbraith


City Clerk Lorrie Pearce