

Finance Committee Meeting February 4, 2014

The **Finance Committee** met Tuesday, February 4, 2014, at 6:00 p.m. in the City Hall Conference Room. Present were Committee members Sue Galbraith, Dwayne Andrews, John Hollowell and Sheena Martin. Also present were Councilperson Ken Gardner, Mayor C.A. Grenz, Utility Billing Clerk Patti Bishop, Fire Chief Dale Berg, Public Utilities Director Al Kelm, Public Works Director Scott Gray and Recorder/City Clerk Lorrie Pearce.

Bid Review and Recommendation for Collection Company

Clerk Pearce explained the difference of the collection bids between CPI, DCI and Main Street Business Services. The following was proposed for services on disputed accounts and legal collection: CPI would be 30/40%, DCI would be 33 1/3/50%, and Main Street Business Services would be 30/50%. After a short discussion, it was decided to stay with CPI.

*** Committee Member Andrews moved to remain with CPI. The motion was seconded by Committee Member Martin; the motion carried unanimously, 4-0.*

Discussion on Collection Policy for Sewer and Water Department

Billing Clerk Bishop explained the proposed changes on the new Collection policy.

- 1.0 **General:** Will stay the same, except that the City would be adopting the MCA code to make property owners responsible for old past due bills.
- 2.0 **Agreements:** The City would still have the Customer Information form to fill out. Proposed is the Landlord Rental Agreement form, which would be required by all landlords if they wish the City to bill the tenant.
- 3.0 **Service Lines:** Changed the wording from the property owner to the City being responsible for the curb stop if broken.
- 4.0 **Landlord/Tenant:** "The curb stop for the property must be in a proper working condition for the tenant to be billed", will be deleted. Proposed is that the final bill for all tenants will be sent in care of the landlord. The landlord will then have the thirty days to pay the final bill, and all past due charges left by tenant. If charges are not

paid, the process in section 5.0 will then be followed. The property the charges were accrued on would then be noticed for termination of service. This would make someone responsible for the charges.

- 5.0 **Delinquencies:** Payment for water and sewer charges are due when billed and would become delinquent after 30 days from the date of the bill. It previously stated 60 days. Customer would now have forty eight hours to respond to the past due notice (door hanger). This would be changed from one week. Also added would be a \$ 20.00 charge for a late payment penalty fee, and the reconnect fee changed from \$18.00 to \$35.00. This cost was determined by calculating roll up cost of City employees that are involved in the process. Director Kelm thought that there should be a clarification added to the policy explaining that the \$ 20.00 fee would be waived to the Landlord if it wasn't paid by the tenant. Mayor Grenz suggested that something be added to specify what would happen to the charges if the landlord passes away. It was decided to ask the City Attorney if language should be added, or if MCA 7-13-4309 would cover this situation. Also, a clarification of no charges for turn on/turn off would be added. Billing Clerk Bishop explained that it wasn't in the old policy, but that is how the City is currently handling the situation.
- 6.0 **Discontinuation of Service:** MCA 7-3-4309 would be added to the first paragraph, and the re-connect fee was changed from \$18.00 to \$35.00.
- 7.0 **Deposits:** No change
- 8.0 **Turn-on/Turn-off** The reconnect fee would be changed from \$18.00 to \$35.00.
- 9.0 **Unlawful Acts:** No change
- 10.0 **Appeals:** Utility Billing Clerk would be added to the appeal process.

On the Agreement for Payment of Past Due Accounts form, the wording would be changed to determine that the landlord would be responsible for the entire amount due. The reconnect fee of \$35.00 would be added.

On the Landlord Rental Agreement Form, in the section that states; "If water service is disconnected due to non-payment, service will not be resumed until all

delinquent charges, including prior renter charges, together with any administrative fees are paid in full” was added. MCA -13-4309 would be adapted to the third bullet, and MCA 70-24-303g would be adapted to the sixth bullet.

On the Past Due Notice Letter a \$20.00 late payment penalty fee, a \$35.00 re-connect fee and a \$50.00 deposit would be added.

On the Final Disconnect Notice, the \$35.00 re-connect fee was changed from \$18.00 to \$ 35.00, and the \$20.00 penalty fee and credit cards accepted would be added.

Committee Member Hollowell suggested that under the deposit section the wording would be changed from “may be charged” to “shall be charged”.

Director Kelm suggested placing notifications in the Miles City Star explaining the changes in the policy. He also suggested posting a notice in the water/sewer department.

*** Chairperson Galbraith moved to make appropriate corrections and send to City Attorney Rice for approval. The motion was seconded by Committee Member Andrews; the motion carried unanimously, 4-0.*

Bid Review and Recommendation for Fire Alarms

Director Gray explained he received two quotes to install the fire alarm system in City Hall. He explained that the installation is behind in the process, and felt it should have been completed two years ago. The two quotes were from Kenco for an amount of \$13,993 and the Fire Company for an amount of \$9950. He felt that the quotes were very similar. The difference is the Fire Company has a 2-year warranty and provides a monitoring system for \$ 25.00 a month. Kenco states a 90-day warranty and provides a monitoring system for \$ 65.00 a month. He also stated Kenco’s service is within their 30 mile radius. If it’s outside the radius, there would be an additional charge. He recommended the City accept the Fire Company quote.

Chairperson Galbraith mentioned that the quotes were through the month of December. Gray explained that he didn’t think the quote would change more than \$ 25.00 to \$ 30.00.

*** Committee Member Hollowell moved to recommend to Council approval of accepting the Fire Company bid. The motion was seconded by Committee Member Martin; the motion carried unanimously, 4-0.*

Review Cash Report

Clerk Pearce explained all accounts that were in the negative. Most were taken care of or they will be taken care of after grants are received. The funds that will need to be looked at closer at budget time are:

1. Library- Mayor and City Attorney are meeting with the Library Foundation.
2. Emergency Disaster- Still waiting for reimbursement from the State. Clerk Pearce calls every two months to see if the monies are received. Tim Thennis from DESD reports that FEMA is so back logged, that it could be quite a while before the City receives the reimbursement. She also mentioned that FEMA will reimburse approximately \$60,000, which means the fund will be a negative \$20,000 when finalized.

Discussion on Resolution 3662. A Resolution Pursuant To 7-6-4006 Of The Montana Code Annotated, authorizing Amendment of Final Budget For FY 2013-2014 For Allocation Of Personnel And Associated Costs Between The Fire Department and Ambulance Funds and Providing For Hearing Thereon

Chairperson Andrews asked why the Ambulance fund was not brought up as an issue during budget time. Mayor Grenz explained that it's an enterprise fund and it should stand on its own. He was more concerned about the General Fund. Chief Berg explained the fund is made to work with no more than 4 employees. It has had as low as two employees and as high as 7.5 employees. He said there have been too many employees for too long, and it needs to be changed. Councilperson Hollowell asked Chief Berg to explain the deficit. Chief Berg replied that it's very complicated and John Ungaretti from Solestone could explain much better. Councilperson Hollowell asked if the fund's cash is an accounting shortage. Councilperson Andrews commented that the fund is \$377,000 in the hole and that is the reality.

Mayor Grenz suggested asking the public whether or not they want to fund the ambulance.

Chief Berg suggested educating the public to not use the program for every cut and scrape.

Clerk Pearce said she would run some reports to help the Committee understand how the ambulance fund got to where it is.

Galbraith said the auditors reported to her that if the City shows we are trying to solve the problem, they will work with the City.

* * *Committee Member Hollowell moved to recommend that the City Council approve Resolution 3662 The motion was seconded by Committee Member Martin; the motion carried unanimously, 4-0.*

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 7:35 p.m.

Respectfully Submitted:



Chairperson Susan Galbraith



City Clerk Lorrie Pearce