

## Finance Committee Meeting

July 6, 2017

The Finance Committee met Thursday, July 6, 2017 at 5:15 p.m. in the City Hall Conference room. Present were Committee Chairperson Susanne Galbraith and Committee Members Rick Huber, Kathy Wilcox and Dwayne Andrews.

Also present were: Public Utility Director Allen Kelm, Public Works Director Scott Gray and City Clerk/Recorder Lorrie Pearce.

Committee Chairperson Galbraith called the meeting to order.

**1. Request of Citizens-**  
None

**2. Review and Recommendation on KLJ Contracts for Engineering Services for Clear Well Baffle Project**

Director Kelm explained the contracts are for baffles that are being ordered by Department of Environmental Quality. The baffles will increase the time the water has contact with chlorine. The system would be installed by certified divers and elongate the time the water is circulated in the chlorine. He explained the difference in the two contracts. The contract for \$22,227 is the contract that does not have to go out for bid. The \$44,300 contract is the same contract that does go out for bid. The cost almost doubles because the City has to put the bid together, publish the ads in the paper, certificates are needed, bid openings at a Council meeting then back to Finance Committee for recommendation of approval and then back to Council for approval. He suggested the City increases the dollar amount in the purchasing policy for item that goes out to bid to \$80,000. This is what is in the state statute and would save time and money. After a short discussion, Chairperson Galbraith tabled the discussion until item three has been discussed.

*\*\* Committee Member Andrews moved to recommend to Council to approve the first contract for an amount of \$22,227, seconded by Committee Member Wilcox. The motion passed 4-0*

**3. Discussion and Recommendation to Raise the Bid Amount from \$50,000 to \$80,000 in the Purchasing Policy**

Director Kelm recommended increasing the bid amount to \$80,000. Montana Code Annotated is \$80,000. Comparing the two contracts from KLJ shows a difference of \$22,000. If the contract goes out for bid the City would have to choose the lowest bid, which may not be the most experienced company to complete the project. If the City receives quotes on the project the City can go back and negotiate the prices that were received. If the Finance Committee and Council wants control of the spending then write something in the purchasing policy that says anything over \$50,000 has to have finance committee approval prior to the purchase, even if it is already in the budget.

*\*\* Committee Member Wilcox moved to recommend to Council to approve the bid increase from \$50,000 to \$80,000 and add another item \$50,000 to \$79,000*

*stating the same as C but change number four under policy process to state if the purchase is in the budget it will still need to go to finance for approval. If the purchase was not in the budget it must be approved by finance and full Council, seconded by Committee Member Andrews. The motion passed 4-0*

**4. Review and Recommendation on Resolution No. 4076: A Resolution Authorizing the City of Miles City to Enter Into a Grade Crossing Signals Tri-Party Agreement With The Montana Department of Transportation and BNSF Railway Company**

*\*\* Committee Member Huber moved to recommend to Council to approve the Resolution, seconded by Committee Member Andrews.*

Director Gray explained that the signal would be at the Spotted Eagle crossing. The agreement is between the City, BNSF and MDT. The cost of the project is split between BNSF and MDT.

*\*\* The motion passed 4-0*

**5. Review and Recommendation on Resolution No. 4077: A Resolution Authorizing the City of Miles City to Enter Into a State Maintained Route Construction Agreement With the Montana Department of Transportation**

*\*\* Committee Member Andrews moved to recommend to Council to approve the Resolution, seconded by Committee Member Wilcox.*

Director Gray explained that the agreement is for the Broadus Interchange. The project will take two years to complete, and once complete the City will maintain the right of way and the wagon wheel shape areas inside the roundabout.

*\*\* The motion passed 4-0*

**6. Review and Recommendation to send \$16,283.30 to Collection for the Ambulance Fund**

*\*\* Committee Member Wilcox moved to recommend to Council to approve sending \$16,283.30 to collection for the Ambulance fund, seconded by Committee Member Huber. The motion passed 4-0*

**Adjournment**

*\*\* Committee Member Wilcox moved to adjourn the meeting, seconded by Committee Member Galbraith and passed unanimously, 4-0.*

The meeting was adjourned at 5:51 p.m.



Susanne Galbraith, Chairperson



Lorrie Pearce Recorder/City Clerk