

## Finance Committee Meeting

January 17, 2019

The Finance Committee met Thursday, January 17, 2019 at 6:00 p.m. in the City Hall Conference room. Present were Committee Chairperson Susanne Galbraith and Committee Members Rick Huber and Dwayne Andrews. Committee Member Brant Kassner was excused.

Also present were: Police Chief Doug Colombik, Lieutenant/Detective Dan Baker, City Planner in Training Ally Capps, Flood Administrator Samantha Malenovsky, Public Works Director Scott Gray, Mayor John Hollowell and City Clerk/Recorder Lorrie Pearce.

Committee Chairperson Galbraith called the meeting to order.

**1. Elect Chairperson-**

*\*\* Committee Member Andrews moved to elect Susanne Galbraith as Chairperson of the Finance Committee, seconded by Committee Member Huber. The motion passed unanimously 3-0*

**2. Request of Citizens:**

None

**3. Discussion on Garberson Clinic**

Owner of Garberson Clinic Al Homme presented four option for housing the Miles City Police Department:

- Renting from the VA
- Triple Net Lease Garberson Building, which is a lease in which the lessee pays rent to the lessor, as well as all taxes, insurance, and maintenance expenses that arise from the use of the property. Plus the lessee is entitled to sublet and collect rent.
- Purchase Garberson Clinic at a cost of \$1.2 million on a 20 year loan and 3.5% annual rate interest. The loan would be provided by the owners. The building has renters in it and collects \$118,320 a year. This would be a profit to the City of \$16,568 a year.
- Rent from Garberson Building (Fossil Development) at a monthly cost of \$4,100 or \$5,100 if remodeled.

The Committee discussed that if the building is in the flood plain, it would restrict some of the Cities ideas on expanding. They were also concerned about the basement leaking and believed that it would be a continuous issue if not repaired. The police department wants to use the basement for holding evidence and a sprinkler system would need to be installed. Other options discussed were to buy the Lyman property and combined the fire and police department. Talk to NAPA owner and see if they are willing to sell their parking lot and felt there are other land possibilities to purchase.

**4. Discussion on Tax Increment District:**

After a short discussion it was decided to keep the fund active for one more year and revisit if Committee felt it was not beneficial to the City.

**5. Discussion on changing internet service to Centurylink**

Mayor Hollowell had not heard back from Centurylink and did not have anything to report.

**6. RESOLUTION NO. 4223- A Resolution Approving an Amendment to Professional Services Agreement Between the City and JGA Architects, PC, For Services Related to the Miles City Fire and Rescue Preliminary Architectural Report PAR**

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

Clerk Pearce said the agreement was an amendment for an additional \$19,994 for three stages of the PAR on Garberson Clinic.

- Architectural review, assessment and conceptual design
- Hazardous Building Materials review and assessment
- Mechanical and Electrical Systems review and assessment

She explained that the agreement was for services to analysis the impact of the FEMA Flood Plain Regulation and may be halted if the flood plain impacts are deemed to be restrictive and not feasible to resolve in a reasonable project budget. She said the City had already received an invoice for that service and asked the Committee if it should be paid. And if it is paid then she felt the agreement should be passed and the Garberson Clinic project halted. Finance Committee and Mayor Hollowell felt the invoices needed to be paid.

Lieutenant Baker said that the agreement was supposed to be written to go back to the original PAR which combines the fire and police station.

Director Speelmon felt that if the PAR for the Garberson Clinic has been halted then the City would need an agreement to include a combination facility for the fire and police departments, which would change the price of the service.

*\*\* The motion failed 3-0*

**7. Discussion and recommendation on KLJ's change order for Darling Addition Project**

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

Director Speelmon explained that the increase was from additional back fill need, two additional blocks of curb and gutter and an adjustment to overall cost that the City provided to the project.

*\*\* The motion passed 3-0*

**8. Review and recommendation on bids received for Four Wheel Drive Loader:**

- Titan Machinery- \$160,226.07 with a buyback of \$38,630- Case= \$ **121,596.07**- Failed to meet specifications
- RDO Equipment- \$195,850.00 with a buyback of \$47,000- JD = **\$148,850**- Second lowest bid, met all specifications and recommended by Directors
- Tractor & Equipment- \$186,245.00 with a buyback of \$35,000-Cat=**\$ 151,245**  
*\*\* Committee Member Andrews recommended to Council to approve RDO Equipment bid that was received, seconded by Committee Member Huber. Motion passed 3-0*

**9. Review and Recommendation on bids received for Four Wheel Drive Backhoe-Loader**

- Titan Machinery- \$117,274.00 with a buyback of \$48,200- Case= **\$69,074**- Bid received was a smaller size backhoe than requested
- RDO Equipment- \$125,250.00 with a buyback of \$43,000- JD= **\$ 82,250**- Second lowest bid received and recommended by Directors
- Tractor & Equipment- \$134,549.00 with a buyback of \$47,500-Cat= **\$87,049**  
*\*\* Committee Member Andrews recommended to Council to approve RDO Equipment bid that was received, seconded by Committee Member Galbraith. Motion passed 3-0*

**10. Review and Recommendation on bids received for Combination Sewer Vacuum Truck**

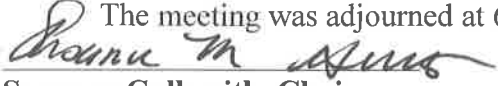
- Titan Machinery- \$387,368- Bid included the vacuum boom that the City was looking for. Directors felt it would save time and pay for itself in three months. Recommended by Director Speelmon
- Kois Brothers- \$374,300- Partially met specifications- Did not offer the vacuum boom  
*\*\* Committee Member Andrews recommended to Council to approve Titan Machinery's bid that was received, seconded by Committee Member Huber. Motion passed 3-0*

**11. Schedule quarterly claims inspection**  
Dwayne Andrews- January thru March  
Susanne Galbraith- April thru June

Rick Huber- July thru September  
Brant Kassner- October thru December

**12. Adjournment**

\*\* *Committee Member Andrews moved to adjourn the meeting, seconded by  
Committee Member Huber and **passed** unanimously, 3-0.*

  
The meeting was adjourned at 6:58 p.m.  
Susanne Galbraith, Chairperson

  
Lorrie Pearce Recorder/City Clerk