

**SPECIAL AND CONTACT COMMITTEE
MEETING MINUTES
September 25, 2017**

The Special and Contact Committee met Monday, September 25, 2017. At 6:15 PM in the Council Chambers at the Knisely Centre.

In attendance were Special and Contact Committee Members, Chairman Mr. Kelly Ricklic, Mrs. Aimee May, Mrs. Cheryl Ramos.

Guests were Mayor Joel Day, President of Council Sam Hitchcock, Council Clerk Julie Courtright, Safety Director Greg Popham, Service Director Ron McAbier, Treasurer Tom Gerber, Auditor Beth Gundy, Councilperson Darrin Lautenschleger, Councilperson John Zucal, and Councilperson Dean Holland, Councilperson Rob Maurer, guests Judee Dzigiel, Julie Stamets

The Special & Contact Committee had a brief meeting at 6:15 PM in Council Chambers in regard to: Resolution 36-2017, The Attorney General's Delinquent Debt Collection Agreement for Municipal Court.

Chairman Ricklic made the following comment:

At our last Committee Meeting there were a lot of questions about whether the State was taking 10% off, so with that I invited Julie Stamets and Judee Dzigiel to give us their blessing of this Resolution which would help them get their money from the State tax which they can get first if they can get this Resolution passed.

Ms. Judee Dzigiel made the following statement:

This Resolution would be adding another tool to our toolbox. Several years ago Council approved us to utilize capital recovery. Those collections have gone well. In the 2016 Annual Report it says that since inception we've collected more than \$400,000.00 and we're probably on track for another \$100,000.00 in 2017. They charge a 30% surcharge to an independent for their activities in collecting what is owed to the court. The Attorney General's Office does something similar. They go after anything that's \$100 or more that they haven't collected. They go fishing through tax returns, lottery winnings. They send letters. A lot of the other courts we talked to said a debtor or a defendant will ignore a collection letter because they might get several, but they are less prone to ignore something from the Attorney General's Office. So, the 10% that the State charges, the defendant owes us \$100.00, the State collects \$110. They keep their 10%, the rest of it comes to us. We can also choose for them to use a 3rd party vendor to do collections, same deal, the defendant pays costs, we just get our court funds and fines. They can also use something called Special Council. So that is probably a local attorney that the State Attorney General contracts with and says the judgement of fines and costs is actually a civil judgment that will have to go to civil court and allows the attorney if he can track them down and sue them successfully to garnish their wages. Again, the cost of that should they send the case out, I'm thinking this will be someone who will settle \$1,000.00 but they're not going to send \$100.00 cases out to Special Council. Then again the attorney's fees would be on top of what the court is owed. We would pay for the software integration that we need to have with the State Attorney General's Office, and our management information system, that's between \$3000 and \$3500. We're already on our MIS vendor's list to get the software. We really would like to try to get the people that are filing in January, February, March. Other courts we talked to said that it's very effective especially getting income tax refunds. If you do consider it. We would ask you to consider it as an emergency measure, only because it will take some time getting our data transferred to start the collections.

Mrs. Ramos had the following question:

One of the questions that I had asked the first time this came up was is this going to be for income taxes and the mayor felt that the income tax department pursues that, but you said it is including income taxes.

Ms. Dzigiel had the following response:

We're going after State income taxes. We do realize there are some defendants who owe back child support, and the State will take that before they take court costs, but at least we have those in the pipeline. We've been working very closely with the Income Tax Department on expanding the tools in the toolbox to try to get those collections.

Mrs. Ramos had the following question:

So actually we don't lose the 10%, the State adds those fees on to what the person owes?

Ms. Dzigiel had the following response:

Correct.

Mr. Lautenschleger had the following question:

Just to understand, this would be in Addition to the current program? And the State through the Attorney General's Office also utilizes capital recovery systems?

Ms. Dzigiel had the following response:

I think Capital Recovery kind of has its own game plan.

Mr. Lautenschleger had the following question:

Do you anticipate then that out-of-pocket costs for the court/ City will be reduced overall in collection of past due fines because of the utilization of the Attorney General's Office program?

Ms. Dzigiel had the following response:

I think it's another chance to improve revenue around those cases where people just aren't paying they're court costs.

Mrs. May had the following question:

These only go to the Attorney General's after you attempted to collect on them?

Ms. Dzigiel had the following response:

Yes. We have a process of giving people 90 days to pay. If they don't pay then they are told this will be sent to collections. Some people do come in and pay on a payment plan, but these are going to be some older costs that are still owed to us.

Mr. Holland had the following question:

I know that the courts have worked with this administration since January of 2016 in trying to help improve, increase, enhance revenue for the City. My concern, Mr. Mayor, is in conversation with the Auditor over the last several years we've lost hundreds of thousands of dollars. My concern is that the State, this potentially could open the door to us losing additional funds. I understand the formula structure, but I think that's a valid concern. The State has actually hurt municipalities by not returning funds that were created here. So we've lost out. Which effects our service delivery, our expansion, our growth, our everything. I'm just concerned about, does this begin to open the door to another door for them to take additional moneys from the City?

Mayor Day had the following response:

I appreciate your concern, Mr. Holland, but I don't think this is an attempt to

expand State government and centralized collection. I think this is just another means for us to identify these deadbeats using state income tax forms. We can quit this program with 45 days notice.

Ms. Dzigiel had the following comment:

We certainly are going to monitor the success of it. With Capital Recovery we meet every month and go over the budgets.

Mrs. Ramos had the following questions:

Would the upfront costs be out of the funds generated at least at some point? And what are they?

Julie Stamets had the following reply:

We would pay our court vendor and pay for special projects.

Ms. Dzigiel had the following reply:

The date transfer software upgrade, that would be one of our computer fund or maybe special projects, but that's a one time up front cost.

MRS. MAY MOTIONED TO ADD RESOLUTION 36-2017 TO TONIGHT'S AGENDA
AND RECOMMEND PASSAGE AS AN EMERGENCY ON 1st Reading
MRS. RAMOS SECONDED THE MOTION
3 YEAS
RESOLUTION 36-2017 WILL BE ADDED TO TONIGHT'S AGENDA

Mrs. May made a motion for the meeting to adjourn.

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Meeting adjourned at 6:28 PM

Respectfully Submitted,
Kelly Ricklic, Committee Chairman
Special and Contact Committee