



**TOWN OF WIGGINS  
WORK SESSION AGENDA**

**December 8, 2021 at 7:00 P.M.**

**304 CENTRAL AVENUE  
WIGGINS, CO 80654**

***NOTE: THE PUBLIC IS HIGHLY ENCOURAGED TO ATTEND THE MEETING  
VIA ZOOM DUE TO LIMITED SEATING CAPACITY***

***GO TO FOLLOWING SITE <https://us06web.zoom.us/j/88202736268> FOR THE MEETING LINK***

**MEETING AGENDA**

<b><u>AGENDA TOPIC</u></b>	<b><u>ESTIMATED TIME</u></b>
1. Discussion on Collection of Municipal Assessments and Utility Bills	30 minutes
2. Discussion on Draft 2022 Budget	45 minutes
3. Discussion on Christmas Celebration	15 minutes
4. Other Items/Updates	15 minutes
5. Future Agenda Topics	5 minutes

*The Board of Trustees may adjourn for a brief Special Meeting after the Work Session.*



## **STAFF SUMMARY**

**Board of Trustee Work Session  
December 8, 2021**

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**DATE:** December 7, 2021

**AGENDA ITEM NUMBER:** 1

**TOPIC:** Collection of Municipal Assessments and Utility Bills

**STAFF MEMBER RESPONSIBLE:** Deb Lee, Town Clerk

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### **BACKGROUND:**

As of January 1, 2022 the Department of Motor Vehicles will no longer give Outstanding Warrant Judgements for those that don't pay or show up to pay their traffic tickets. The Town of Wiggins currently does not have a collection agency for traffic tickets or for unpaid utility bills. Judge Kimberly Emil recommended that we hire a collection company. I have spoken with Professional Finance Company in Greeley Colorado. Their collection company can handle both Municipal Court fine collections and utility payments. With an ordinance and a resolution installed that allows them to collect their fee on top of what people owe the Town of Wiggins, they will be able to collect the entire amount owed to the Town of Wiggins.

Colorado Revised Statute (C.R.S.) 13-10-113(3) empowers municipal judges in their discretion to assess costs, as established by the municipal governing body by ordinance, against any defendant who pleads guilty, or nolo contendere, enters into a plea agreement, or who, after trial, is found guilty of an ordinance violation. The Municipal Judge, the Court Clerk or a designee may utilize lawful means to collect unpaid Municipal Court assessments and to assess reasonable costs of collection.

The Town of Wiggins does not currently have an ordinance or resolution to allow this to happen. Researching collection agencies and who other town's use, I have found an agency (Professional Finance Company) that collects 100% of what is owed to the town and charges their fee on top of what is owed to the Town.

### **SUMMARY:**

The Trustees and staff strive to be good stewards of the Town's resources. I am asking the Board of Trustees to consider an Ordinance allowing collections and a Resolution approving the service agreement with Professional Finance Company to provide the Town of Wiggins the ability to collect the entire bad debt amount owed to the Town for both court fines and utility bills.

**FISCAL IMPACT:**

There is no negative fiscal impact to the Town of Wiggins to have a collection agency to collect debts owed to the town. All fees owed for the collection of a debt will be added to the amount that is owed and be payable by individual owing the debt. The future positive impacts will be that we receive the money that is owed to the Town.

**APPLICABILITY TO TOWN OBJECTIVES AND GOALS TO PROVIDE SERVICES:**

The approval of both Ordinance 11-2021 and Resolution 41-2021 will help the Town meet the objective of receiving payment from those who have not paid money owed for utilities and municipal court fines.

**QUESTIONS/INFORMATION REQUESTED FROM THE BOARD OF TRUSTEES:**

- Do the Trustees agree with Staff's approach to collect unpaid court fines and utility bills?
- What questions does the Board of Trustees have for the staff?

**TOWN OF WIGGINS, COLORADO**

**ORDINANCE NO. 11-2021**

**AN ORDINANCE REGARDING THE COLLECTION OF MUNICIPAL COURT ASSESSMENTS**

**WHEREAS**, defendants sometimes fail to pay fines, costs, fees and judgments assessed against them by the Wiggins Municipal Court, and there is a loss of revenue from such defendants' failure to comply with Municipal Court orders; and

**WHEREAS**, these unpaid assessments constitute debts to the Town, which the Town is authorized to collect by any lawful means; and

**WHEREAS**, C.R.S. § 13-10-113(3) empowers municipal judges in their discretion to assess costs, as established by the municipal governing body by ordinance, against any defendant who pleads guilty or nolo contendere or who enters into a plea agreement or who, after trial, is found guilty of an ordinance violation; and

**WHEREAS**, the Board of Trustees desires to authorize the Municipal Judge, the Court Clerk or a designee to utilize lawful means to collect unpaid Municipal Court assessments and to assess reasonable costs of collection.

**NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF WIGGINS, COLORADO:**

**Section 1.** The Board of Trustees hereby adopts the Town of Wiggins Collection Costs Ordinance to read as follows:

**Sec. 1 – Collection Costs**

The Municipal Judge, Court Clerk, or a designee, is authorized to use any lawful method of collecting fines, fees, default judgments, personal recognizance bond forfeitures, civil penalties, or any other unpaid amounts due from any person assessed such sums by the Municipal Court, including the reasonable costs of collection. Reasonable costs of collection shall include, without limitation, the fees and costs of a collection agency or counsel.

**Section 2.** If any section, paragraph, sentence, clause, or phrase of this ordinance is held to be unconstitutional or invalid for any reason, such decision shall not affect the validity or constitutionality of the remaining portions of this ordinance. The Board of Trustees hereby declares that it would have passed this ordinance and each part or parts hereof irrespective of the fact that any one part or parts be declared unconstitutional or invalid.

**Section 3.** All other ordinances or portions thereof inconsistent or conflicting with this ordinance or any portion hereof are hereby repealed to the extent of such inconsistency or conflict.

**Section 4.** The repeal or modification of any provision of any ordinance of the Town of Wiggins by this ordinance shall not release, extinguish, alter, modify, or change in whole or in part any penalty, forfeiture, or liability, either civil or criminal, which shall have been incurred under such provision, and each provision shall be treated and held as still remaining in force for the purpose of sustaining any and all proper actions, suits, proceedings, and prosecutions for the enforcement of the penalty, forfeiture, or liability, as well as for the purpose of sustaining any judgment, decree, or order which can or may be rendered, entered, or made in such actions, suits, proceedings, or prosecutions.

INTRODUCED, READ, PASSED AND ADOPTED AND ORDERED PUBLISHED BY  
TITLE ONLY this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

TOWN OF WIGGINS, COLORADO

\_\_\_\_\_  
Jeffrey Palmer, Mayor

ATTEST:

\_\_\_\_\_  
Deborah Lee, Town Clerk

I, Deborah Lee, Town Clerk of the Town of Wiggins, Colorado, hereby certify and attest that the foregoing Ordinance No. 11-2021 was introduced, read, adopted and ordered published by title only, at a regular meeting of the Board of Trustees of the Town of Wiggins, Colorado on the \_\_\_\_ day of \_\_\_\_\_, 2021. This Ordinance was published in The Fort Morgan Times on \_\_\_\_\_, 2021.

Dated \_\_\_\_\_.

**TOWN OF WIGGINS, COLORADO**

**RESOLUTION NO. 48-2021**

**A RESOLUTION APPROVING A SERVICE AGREEMENT WITH PROFESSIONAL FINANCE  
COMPANY FOR COLLECTION SERVICES**

**WHEREAS**, an agreement has been proposed between the Town and Professional Finance Company to undertake collection of the Town's bad debt accounts; and

**WHEREAS**, the Board of Trustees finds it is in the best interest of the Town to enter into this agreement.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF WIGGINS, COLORADO, AS FOLLOWS:**

**Section 1.** The Service Agreement between the Town of Wiggins and PFC Rev, a division of Professional Finance Company, Inc. (the "Agreement") in essentially the same form as the copy of such Agreement accompanying this Resolution.

**Section 2.** The Town Manager and Town Clerk are authorized to execute the Agreement in substantially the same form as the copy attached hereto; further, the Town Manager is hereby granted the authority to negotiate and approve such revisions to the Agreement as determined necessary or desirable for the protection of the Town, so long as the material terms and conditions of the Agreement are not altered.

**INTRODUCED, RECOMMENDED, AND RESOLVED THIS \_\_\_\_ DAY \_\_\_\_\_, 2021.**

TOWN OF WIGGINS, COLORADO

\_\_\_\_\_  
Jeffrey Palmer, Mayor

ATTEST:

\_\_\_\_\_  
Deborah Lee, Town Clerk



## Service Agreement

THIS AGREEMENT is made and entered into this \_\_\_\_ day of December 2021, by and between XXXX (Client) and **PFC Rev**, a division of Professional Finance Company, Inc. (Agency), a Colorado corporation:

WHEREAS, Client and Agency desire Agency to undertake the collection of Client's bad debt accounts as assigned.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises of the parties contained herein, the parties hereto do mutually agree as follows;

1. Services. Agency will assume responsibility for collecting and receiving all sums of money due or payable to Client (the "Services") on all bad debt accounts the Client assigns to Agency (the "Accounts").
  - a. Agency will use only ordinary and reasonable collection efforts and will comply with all applicable federal, state, and municipal laws and regulations in its performance of the Services.
  - b. Subject to any reimbursements that may be required under Section 5, Client shall have the right to recall any Account assigned to Agency. However, Accounts subject to a current payment arrangement established by Agency, or that have been referred to Agency's Legal Department or forwarded to any law firm affiliate of Agency for collection activities, may only be recalled for good cause shown.
  - c. Agency shall have the right to return any account assigned to Agency back to Client at any time and at Agency's sole discretion.
  - d. Agency will electronically deposit remittances into Client's designated bank account by the 10<sup>th</sup> of each month for all monies collected between the 1<sup>st</sup> and 31<sup>st</sup> of the previous month. Agency will email remittance statements to Client for reconciliation.
  - e. Agency shall have authority to receive payment in cash, check, money order, ACH/eCheck, and credit card, and shall have authority to endorse checks, drafts, money orders, and other negotiable instruments, which may be received in payment.
2. Client Obligations. Client will assign Accounts to Agency according to the parameters set forth in Exhibit A unless and until this Agreement is terminated pursuant to Section 8.
  - a. Client will provide Agency with accurate and up-to-date information regarding the balance due and delinquency date of the Accounts.
  - b. Client will provide to Agency all information regarding the Accounts necessary for Agency to perform the Services, including but not limited to: debtor name, address, telephone number, social security number, date of birth, and employment information.
  - c. Client will retain and provide to Agency within 30 days of Agency's request all supporting documentation regarding an Account, including itemized statements, consents, contracts and assignments.
  - d. Client will notify Agency the same day of any (1) payments from any source received by Client on an Account, (2) bankruptcy notice or filings received by Client as to any debtor, (3) information that the debtor is represented by counsel, (4) notice that debtor disputes an Account, and (5) claim or threat of claim related to an Account.
  - e. Client will provide Agency information regarding Accounts on a regular basis for purposes of reconciling Accounts and identifying any disparities.
  - f. Client will promptly redirect to Agency all communications, phone calls and correspondence received from debtor pertaining to an Account and will not discuss the collection of the account with debtor.
  - g. Client will only assign for collection the principal balance due on an Account. Client will not include in the principal balance any interest, fees, late charges, penalties, or other amounts.
3. Fees. Client will pay Agency the fees identified in Exhibit A for all payments received on an Account.
  - a. Client will pay all amounts due to Agency within 30 days of the due date stated on Agency's invoice.
    - i. Any amounts not paid within 30 days of the due date will be considered delinquent. Client will pay interest on such delinquent amounts at the rate of 1.5% per month.
    - ii. In the event Client fails to pay any invoice within 90 days of the due date stated on the invoice, Client hereby grants Agency an express lien and security interest on all payments received for the purpose of securing from Client the payment of all amounts unpaid within 90 days of the due date.

4. Legal Action. As part of the initial assignment of each particular Account, and subject to Exhibit A, Client authorizes Agency to pursue legal action with respect to that Account and to retain the services of any attorney selected by Agency in connection with such legal action. Agency will only initiate legal action where (a) Agency has reason to believe there is a likelihood of recovery, (b) the assets, other non-exempt resources, or other information related to debtor appears to demonstrate the potential for payment, and (c) debtor fails or refuses to cooperate in good faith with Agency. Notwithstanding the above, Agency will not initiate a lawsuit with respect to any particular Account unless and until Client has executed a Confirmation of Assignment verifying the accuracy of the Account information. Client shall review and either approve, edit, or reject any Confirmation of Assignment requested by PFC within 60 days of the request so that Agency is operating with the most up-to-date information for its collection efforts.
  - a. Client will furnish witnesses capable of testifying regarding the Account when requested.
  - b. Agency and its attorneys reserve the right to continue, dismiss, settle, or otherwise resolve litigation filed on behalf of Client based upon the attorney's legal assessment and in their sole discretion.
  - c. Nothing in this agreement shall create an attorney/client relationship between Agency's attorneys and Client.
5. Forwarding
  - a. Agency reserves the right to forward accounts to external vendors, attorneys, and licensed collection agency partners for the purpose of supplementing the collection of Client's accounts, including initiating legal action on accounts in jurisdictions where Agency and/or its own attorneys are not licensed or do not operate.
6. Reimbursements.
  - a. Client will reimburse any funds Agency has remitted to Client if Agency is later required to return the funds to debtor or bankruptcy trustee pursuant to any applicable law related to debtor's bankruptcy.
  - b. Client will reimburse Agency for all court costs incurred if any of the following circumstances arise following Client's execution of a Confirmation of Assignment with respect to any Account: (1) Client fails to provide necessary supporting documentation or a witness for trial, (2) Client recalls or instructs Agency to discontinue legal action, or (3) Client error or omission demands that Agency discontinue legal action.
  - c. Client will reimburse Agency for all collection costs incurred due to Client errors, including but not limited to, placement of duplicate Accounts or Accounts placed in error.
7. Representations and Warranties. Client represents and warrants to Agency as follows:
  - a. Each Account is a valid and enforceable debt owed by debtor to Client. The balance of each Account is accurate, due and owing as of the date it is assigned. All information provided to Agency regarding each Account and the debtor is accurate to the best of Client's knowledge.
  - b. The Accounts are not currently (1) placed with any other collection Agency, (2) subject to any current or previous legal action, (4) subject to attorney representation, (3) being credit-reported, (5) subject to a current or previously filed bankruptcy proceeding, (6) owed by a deceased party, or (7) the subject of a written dispute received by Client.
8. Taxes and Other Charges. Any use tax, sales tax, excise tax, service tax, or any other tax, fee or charge of any nature whatsoever imposed by any governmental authority, on or measured by the transactions between Agency and Client shall be paid by Client. In the event Agency is required to pay any such tax, fee or charge, Client shall reimburse Agency therefor, or, in lieu of such payment, at the time this Agreement is executed Client shall provide Agency an exemption certificate or other document acceptable to the authority imposing the tax, fee or charge.
9. Indemnification. Each party will protect, indemnify, defend and hold harmless the other party from and against any and all claims, loss, cost, expense (including, without limitation, reasonable attorney fees and court costs), demands, liabilities and damages arising from or related to any damage to a third person incurred by reason of any act, omission, or any breach with regard to any provision of this Agreement.
10. Term and Termination. This Agreement will become effective on execution, and will continue thereafter until either party gives notice to the other party in writing at least sixty (60) days prior to the date upon which the party giving notice intends to terminate this Agreement. Unless otherwise specified in Exhibit A, upon termination of this Agreement, Agency will be entitled to continue its collection efforts on all Accounts assigned prior to the date of termination, and Client will continue to make payment to Agency upon such Accounts in accordance with the terms of this Agreement.





## Service Agreement

### 11. Miscellaneous.

- a. Entire Agreement. This Agreement constitutes the entire agreement of the parties and supersedes all prior representations, understandings and agreements between the parties. Any amendments or modifications to this Agreement must be in writing signed by all the parties.
- b. Severability. The invalidity, illegality or enforceability of any provision of this Agreement will not affect the validity, legality or enforceability of any other provision of this Agreement, which will remain in full force and effect.
- c. Waiver. The waiver by either party of any breach of this Agreement by the other party will not waive any subsequent breaches of the same or different kind. The failure of either party to enforce any rights under this Agreement in any particular instance will not operate as a waiver of said party's right to enforce the same or different rights in subsequent instances.
- d. Survival. All provisions set forth in this Agreement necessary to effectuate Agency's continued collection efforts and right to payment of its fees will survive any termination of this Agreement.
- e. Counterparts and Originals. This Agreement may be executed in counterparts. Each counterpart will have the same force and effect as the original. Any reproduction of the original signature (i.e. facsimile, electronic scan, photocopy) will be valid and effective as an original.

By: \_\_\_\_\_

Charles M. Shoop, President

Professional Finance Company, Inc.

By: \_\_\_\_\_

NAME, TITLE

COMPANY

**EXHIBIT A**  
**CLIENT DETAIL & SERVICE FEES**

Collection Fees: Following the date of assignment, Client will pay Agency a collection fee on all monies collected from any source (including insurance payments), whether paid directly to Client or Agency, on all Accounts according to the following commission rates:

- Accounts assigned for collection are subject to a commission of 25% of the principal balance collected.
- Accounts serviced by Agency's Legal Department or attorney network for heightened collection efforts are subject to a commission of 40% of the principal balance collected.

Unless directed otherwise by the debtor, collections on each Account will applied in the following order: (1) to any legal costs and attorney's fees incurred, (2) to the principal balance of the Account, and (3) to any interest accrued on the Account after the date of assignment.

Statutory Interest

Client authorizes Agency to assess statutory interest on the principal balance of the Accounts beginning from the date of assignment. Agency will retain 100% of all statutory interest collected and shall have full settlement authority with respect to any interest accrued.

Remittance Basis

Agency will remit payments to Client on a monthly NET REMIT basis.

Credit Reporting

Client authorizes Agency to report information regarding the Accounts to credit reporting agencies. Client acknowledges and agrees that Agency is required to report accurate information to credit bureaus based on accurate and timely Account balance and date of delinquency information provided by Client.

Settlement Authority

Client authorizes Agency to settle Accounts for \_\_\_\_% of the remaining principal balance

Legal Action

Subject to Section 4, Client authorizes Agency to pursue legal action on the Accounts.

Subject to the reimbursements identified in Section 6(b), in the event of legal action, all legal costs and attorneys' fees will be advanced by Agency and paid by Agency. Agency will retain 100% of all legal costs and attorneys' fees collected by Agency. Client authorizes Agency to continue with legal action to recover court costs incurred notwithstanding the resolution of all Accounts subject to the lawsuit where the belated resolution arises out of debtor's failure to timely communicate with Client or Agency (i.e. debtor's failure to respond timely to requests for information regarding financial assistance, insurance or Medicaid coverage) or other debtor negligence. Alternatively, Client may reimburse Agency for such court costs.