



City Council Special Meeting Agenda

Date: 11-15-12
Time: 4:15 p.m.
Location: City Hall Council Chambers

- Mayor Nancy Tia Brown
 - Donny Anderson
 - Charles Cloud
 - Bryan Edwards
 - Jerry Fritz
 - Steve Miller
 - Stan Wolz
 - City Administrator, Jenni Rosencranse
 - Administrative Services Officer, Cindy Baker
 - City Attorney, Scott Kolpitcke
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- Discuss Mayor’s Holiday.
 - Annual Identity Theft Policy Report.
 - Staff Reference: Leslie Brumage, Finance Officer
 - Update on Court Collection.
 - Staff Reference: Leslie Brumage, Finance Officer
 - Discuss Board Appointment Interviews.
 - Staff Reference: Cindy Baker, Administrative Services Officer
 - Discuss January 1, 2013 Regular Council Meeting.
 - Staff Reference: Jenni Rosencranse, City Administrator
 - Discuss Streetscape Meeting Date – Wednesday, November 28th at 4:30 p.m..
 - Staff Reference: Rick Manchester, Parks, Public Facilities and Recreation Director
 - Review Council Agenda for November 20, 2012.
 - Staff and Council Update.
 - Meeting Reminders:
 - Tuesday, November 20, 2012 – Regular Council Meeting 7:00 p.m. City Council Chambers (pre-meeting at 6:30 p.m.)
 - Thursday, November 29, 2012 – Council Work session 4:15 p.m. City Council Chambers.

Time Adjourned: _____

City of Cody
Annual Identity Theft Report 2012

Pursuant to the Identity Theft Prevention Program (ITPP) adopted by the City of Cody this report is submitted to the City Council by the Administrative Services Director and staff responsible for the development, implementation, and administration of the program.

1. ITPP Adoption and Implementation

The ITPP was approved and adopted by the City Council in November 2008.

2. Red Flag Report Summary – City Hall

The following is a summary of red flag reports involving potential identity theft at City Hall occurring since 2011:

No Incidents Reported

3. Red Flag Report Summary – Recreation Center

The following is a summary of red flag reports involving potential identity theft at the Recreation Center occurring since 2011:

No Incidents Reported

4. Annual Staff Training

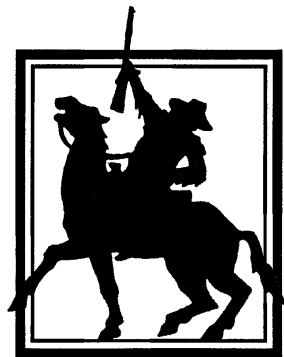
The annual staff training sessions were held on October 31, 2012 for City Hall staff and on October 26, 2012 for Rec Center staff.

5. Recommendations for Changes to the ITPP

After considering the information identified above, the absence of any material identity theft incident suggests that the policies and procedures set forth in the ITPP are effective at the present time in addressing the risk of identity theft.

No changes are recommended at this time.

Identity Theft Prevention Program



CITY OF CODY
WYOMING

Revised 11/12

Introduction

In compliance with the Fair Credit Reporting Act all utility companies are required to develop and implement an Identity Theft Prevention Program. The program must include reasonable policies and procedures for detecting, preventing, and mitigating identity theft and protecting sensitive information. The rule was issued by the Federal Reserve System, the Federal Deposit Insurance Corporation, the Federal Trade Commission, the Office of the Comptroller of the Currency, and the Office of Thrift Supervision.

This program is intended to identify red flags that will (1) alert City employees when accounts are opened using false information; (2) protect against the establishment of false accounts; (3) develop methods to ensure existing accounts were not opened using false information; (4) to protect sensitive information contained in existing accounts; and (5) develop measures to respond to fraudulent activity.

The steps required to develop an Identity Theft Prevention Program are:

- Assess existing identity theft risk (risk assessment) for new and existing accounts.
- Use the risk assessment to select measures (red flags) that may be used to detect attempts to establish fraudulent accounts.
- Identify procedures for employees to prevent the establishment of false accounts and procedures for employees to implement if existing accounts are being manipulated.
- Obtain program approval by the City Council.
- Train the appropriate employees on the program's policies and procedures.
- Update the plan annually with review and approval by the City Council.

Scope

All utility companies are required to comply with this rule even if only nominal information such as name, phone number and address are collected. Since the City of Cody collects customer information for a variety of purposes not related to utilities other City departments have been evaluated and included in this program.

Sensitive Information

Sensitive information includes the following, whether stored in electronic or printed format:

- Credit Card Information – credit card number, expiration date, cardholder name, cardholder address
- Bank Account Information – bank account number, account holder name, account holder address
- Tax Identification Numbers – social security number and federal employer ID number

- Other Personal Information – name, date of birth, mailing and physical address, driver’s license number, government ID number, phone number and medical information

Detection (red flags)

The City of Cody adopts the following red flags to detect potential fraud. These are not intended to be all-inclusive and other suspicious activity may be investigated as necessary. City staff will use the following criteria to determine if the potential for fraud or identity theft exists on new and existing accounts:

Alerts & Notifications

- Alerts, notifications, or other warnings received from customers or law enforcement regarding possible identity theft.
- Identity theft is discovered by City employees

Suspicious Documents & Information

- Documents provided for identification appear to be forged or altered
- The photograph or physical description on the identification is not consistent with the appearance of the person providing the information
- Other information on the identification is not consistent with the information provided by the person associated with the account.
- Customer fails to provide all information requested

Suspicious Activity Related to the Account

- Request for frequent mailing address changes.
- Request to add, remove or change the name on the account and requestor cannot or will not provide adequate verification of identity
- Mail sent to the address on file is returned repeatedly as undeliverable although transactions continue to occur on the account.

Suspicious Personal Identifying Information

- Personal information provided by applicant does not match other sources of information on file.
- Information provided is associated with known fraudulent activity (e.g. address or phone number provided is same as that of a fraudulent application)
- Information commonly associated with fraudulent activity is provided by applicant (e.g. address that is a mail drop or prison, non-working phone number or associated with answering service/pager)

- Social security number or driver's license number is the same as that of another customer
- Applicant cannot provide information requested beyond what could commonly be found in a purse or wallet

Response

Upon detecting a red flag the City must take specific actions to mitigate the threat. Any employee that may suspect fraud or detect a red flag will take the following actions, as applicable:

- Gather all related documentation and prepare a summary of the situation.
- Provide initial research to the Director of Administrative Services, or his/her designee.
- The Director of Administrative Services or his/her designee shall determine the merits of the potential red flag.
- If the situation is determined to be fraudulent, the appropriate action shall be taken which may include but is not limited to:
 - a. Cancelling the account
 - b. Notifying and cooperating with legal counsel and law enforcement
 - c. Determining the extent of the liability to the City of Cody
 - d. Notifying the actual customer that fraud has been attempted

In determining an appropriate response, the City should consider aggravating factors that may heighten the risk of identity theft, such as a data security incident that results in unauthorized access to a customer's account records. Such incidents may require additional action.

Sensitive Information Security Procedures

The City of Cody adopts the following security procedures for all functions which are identified as high-risk functions:

New Accounts

- Obtain identifying information about and verifying the identity of the person opening the account
 - a. Copy of valid driver's license or U.S. Government issued photo ID
 - b. For accounts where the account holder is a corporation or LLC a company photo ID and/or letter of authorization on company letterhead authorizing the signer of the application to open the account is permitted in lieu of a driver's license or U.S. Government issued photo ID

Existing Accounts

- Authenticating customer identity prior to providing account information

- a. Use of account passwords or verification of personal data listed on the account (SSN, EIN, or driver's license number)
- Authenticating customer identity prior to changing personal information such as name, mailing address and phone number
 - a. Use of account passwords or verification of personal data listed on the account (SSN, EIN, or driver's license number)

Access to Customer Records

- Paper documents, files, and electronic media containing sensitive information will be stored in a secure file room or locked filing cabinets. Storage rooms containing documents with sensitive information and record retention areas shall be locked after business hours or when unsupervised. After-hours access is restricted to specifically identified employees. Access to areas in which sensitive information is stored is restricted to authorized City employees only.
- Files containing sensitive information shall be kept in the secure file room or locked filing cabinet except when an employee is working on the file.
- Desks, workstations, work areas, printers, fax machines and common work areas will be cleared of all documents containing sensitive information when not in use.
- Employees will log out of computer programs containing sensitive information when they will be away from their work areas for more than 5 minutes.
- Visitors who must enter areas where sensitive information is kept must be escorted by an employee of the City.
- Background checks will be done before hiring employees who will have access to sensitive information.
- Access to sensitive information is limited to employees with a "need to know."
- Paper records containing sensitive information will be shredded before being placed into the trash.
- Electronic storage devices shall be purged and overwritten according to IT policy prior to disposal.
- Sensitive information shall not be stored on laptops unless the information is encrypted or password protected.
- Computer passwords will be required for all employees using programs containing sensitive information.
- Passwords will not be shared or posted near workstations.

- Passwords will be changed periodically.

Periodic Updates to the Program

An annual review will be performed each November to determine whether all aspects of this program are up to date and applicable to the current business environment. This review will include:

- An assessment of the sensitive information covered under this program
- A review of red flags, which may be revised, replaced or eliminated
- A review of actions to take in the event fraudulent activity is discovered
- A review of staff training status and content

Reporting Requirements

A report will be prepared annually and submitted to the City Council. This report shall include a summary of the oversight and effectiveness of the program, a summary of any identity theft incidents and the response to the incidents, and recommendations for substantial changes to the program, if any.

Staff Training

Staff training shall be conducted for all employees that have access to or come into contact with sensitive information. Employees shall receive annual training in all elements of this program and to ensure maximum effectiveness employees shall receive additional training as changes to the program are made. All new employees that will have access to or come into contact with sensitive information shall receive training on this policy within 1 month of their hire date. The employee's supervisor and the employee shall both sign an acknowledgement of training form which shall be submitted to Administrative Services.

Program Administration

This program is the responsibility of the City Council to implement and adopt annually. The operational responsibility of the program is delegated to the Administrative Services Director or his/her designee.

MEMORANDUM

DATE: 11/06/12
TO: JENNI ROSENCRANSE
FROM: LESLIE BRUMAGE, BARB CURLESS, AND SARA WEAD
RE: COURT COLLECTIONS ANALYSIS FOLLOWUP

In September 2011 we prepared and presented a court collections analysis to the Council along with our recommendations for changes to Court processes. The Council reviewed and considered the information and approved some of the recommendations presented. They also requested a 6-month follow up report on the results of implementing those recommendations and we present the following information in response to that request:

ORIGINAL RECOMMENDATION 1: Set a standard payment schedule based on fine amount.

Under this option payment plans for defendants would be set up and administered by Administrative Services using a standard payment schedule rather than set on a case-by-case basis by the Judge. By having a standardized payment schedule the payment plan can be set up at court by the clerk at the time the fine is assessed. The plan would be adopted by Resolution of the City Council and can be updated at Council discretion.

Another benefit to the standardized payment schedule would be that all payments would be set up with the same due date each month. This would streamline the delinquent fine process by consolidating the delinquent follow up contacts to once per month rather than multiple times per month based on custom due dates by case. With the number of delinquent notices sent in FY10-11 at nearly 600, this option would save a great deal of time for the court and administrative staff.

The intent would be for the standardized plan to apply to all fines incurred after the implementation date. All existing payment plans would be grandfathered in unless the defendant is assessed a new fine. In those cases, the defendants' existing fines would be rolled into the standardized payment plan along with the new fine.

Our research shows that while in most Wyoming courts payment plans are predominately set by the Judge there are many cities in neighboring states and nationally that successfully utilize a standard payment schedule.

Council Approved:

The Council approved changing the payment schedules to allow for two due dates per month rather than have custom due dates per case. The Council did not approve setting a standard payment amount schedule for fines.

Results:

The contract payment due dates were evaluated to ascertain the most common due dates. From the evaluation the Judge assigned the 5th and the 20th of the month for all contract payments to be due. On February 24, 2012 letters were mailed to all defendants advising them of the change and resetting their payment due dates. Each defendant was also advised that they would not receive a delinquent reminder and if their payment was not paid by 5:00 p.m. on the day the payment is due a bench warrant for failure to pay is issued the following day.

By eliminating delinquent notices it saves approximately 3.5 hours of time per month to allow for completion of other court-related duties. With the new process, the defendants have been less likely to request a payment extension as the court allows only one payment extension per year. A defendant is not allowed to skip an entire month and make the monthly payment at the end of the contract period. The defendant must pay a set amount and also keep up with their monthly payment. During the period March 5, 2012 to August 20, 2012 three payment extensions have been granted. This change has resulted in a more consistent process for advising defendants of the consequences of not paying by the due date.

MAR-AUG 2011-2012 FTP WARRANTS

	2011	2011 % of total	2012	2012 % of total
Warrants issued	64		100	
Recalled same day	6	9.4%	24	24%
Recalled one day after issuance	14	21.9%	12	12%
Recalled two days after issuance	9	14.1%	3	3%
Recalled three+ days after issuance	16	25%	31	31%
Arrested and case paid off	5	7.8%	10	10%
Arrested and arraigned	4	6.3%	12	12%
Sent to Collection	10	15.6%	0	0
Outstanding Warrants	0	0	8	8%

The chart is a comparison of the March 5 to August 20 periods of 2011 and 2012. There are no failure to pay warrants outstanding from 2011 as any outstanding warrant would have been pulled and the docket sent to collection 6 months from the issuing date. One docket has been sent to collection for the comparison period in 2012. One additional docket will be sent to collection on October 20, 2012 unless payment is received prior to that date.

ORIGINAL RECOMMENDATION 2: Accelerate the balance due on delinquent contract payments:

Currently, a defendant must only bring his/her contract payment amount current for the warrant to be pulled. Under this option, defendants who are delinquent on their payments and a bench warrant for failure to pay is issued would have to pay their entire balance due to clear the warrant and avoid being arrested. The successful use of this option would be

dependent upon enforcement by the police and the Judge to make the arrests and set the bonds at arraignment. Additionally, the City Attorney would be involved in preparing the contempt of court charge for failure to pay. While this option would initially result in additional costs to the City for incarceration expenses the intent is for it to serve as a deterrent for defendants in becoming delinquent on their payments.

Council did not approve this option

ORIGINAL RECOMMENDATION 3: Enhanced internal collection procedures:

Under this option, delinquent fines would be handled in a similar manner to delinquent utility accounts. The intent is to make the defendants aware that court fines are a debt that must be paid rather than ignored. The proposed procedures include:

- Calling defendants with delinquent amounts when they miss a payment
- Sending monthly statements to remind them of the amount due
- Updating the delinquent fines letter to look more like an official notice rather than a letter
- Setting up the online payment program to accept court fine payments
- Changing the time frame from 6 months to 3 months when sending accounts to collections

Council Approved:

The Council approved all the options in this recommendation except the last one changing the time frame from 6 months to 3 months when sending accounts to collections.

Results:

Although we have started working on setting up the online payment option with Xpress Bill Pay we are having difficulty making it work properly due to the way we assign multiple citations to the same docket number. Their system currently works on citation number and since our dockets can have multiple citations per docket number it is not pulling in all the information on each case correctly. We are still working with XBP to find a solution but unfortunately we are not able to implement this option at this time.

Prior to approval by council the delinquent fines letter was changed. The language giving defendants options for payment arrangements was deleted. Once the Council approved setting mandatory due dates the delinquent letters were no longer mailed.

The option of calling defendants was not implemented as bench warrants are now issued immediately instead of mailing a delinquent letter which gave the defendants additional time to pay the delinquent amount. The monthly statement option was also not implemented as this option would have increased the amount of time and cost to try to collect payments.

ORIGINAL RECOMMENDATION 4: Prepare a court information packet:

Under this option, the City would prepare a standard information packet to be handed out at court as well as be available on the website. This packet would contain information about the municipal court and procedures, payment of fines, information on court appointed attorneys, contact information, consequences for failure to pay and comply, etc.

Council Approved:

This option was approved by the Council.

Results:

A court information packet was prepared and is handed out to the defendants when they are given their Arraignment & Sentencing Orders at Court. The information packet includes court contact information, acceptable payment methods, contact information for court-appointed attorneys, information to aid in completing probation orders and jail reimbursement information as well as additional handouts to aid in completion of the orders of the court.

In addition to the court packet, when the City's new website went live, Municipal Court information was added to the website with the same information. A bench warrant list is accessible on the website and is updated each time new warrants are issued.

ORIGINAL RECOMMENDATION 5: Include forfeitable citations in the collections process

Currently, the City does not send unpaid forfeitable cases to collections. There is currently \$11,552 in unpaid fines that the City is unable to collect due to this policy. By sending forfeitable cases to collections the City increases its chances of collecting on these fines rather than automatically writing them off when they reach the 10-year aging period. Once these fines are sent to collections the debt will appear on the defendants' credit reports making it a more effective collection tool for the out-of-town defendants.

Council Approved:

This option was approved by the Council with the caveat from the Judge that the citations must have been signed by the defendant.

Results:

At the end of April 2012, 78 forfeitable case dockets, totaling \$10,482, were sent to collection. Nine of those dockets, totaling \$1420, were cancelled by CPI as they were 10 years old or older. As of September 18, 2012, \$431.56 has been collected and applied to the appropriate docket; \$185.51 was paid to CPI; and \$640 was additionally written off as deceased accounts. The outstanding balance of these forfeitable cases at collection is \$7,990.44. At this time, there are no outstanding Failure to Appear or Pay warrants.

ORIGINAL RECOMMENDATION 6: Remove jailable offenses from the City Code

Council did not approve this recommendation.

ORIGINAL RECOMMENDATION 7: Implement billing guidelines for court-appointed attorneys

A standardized guideline for billing procedures and allowable reimbursement costs would assist in the consistency of the billing of defendants for court-appointed attorney fees. Currently, court-appointed attorneys may charge for copies, phone calls, and other various expenses in addition to the hourly rate. The guidelines would ensure each attorney is billing on the same basis. The proposed billing guidelines are attached.

Council Approved:

This recommendation was approved by Council.

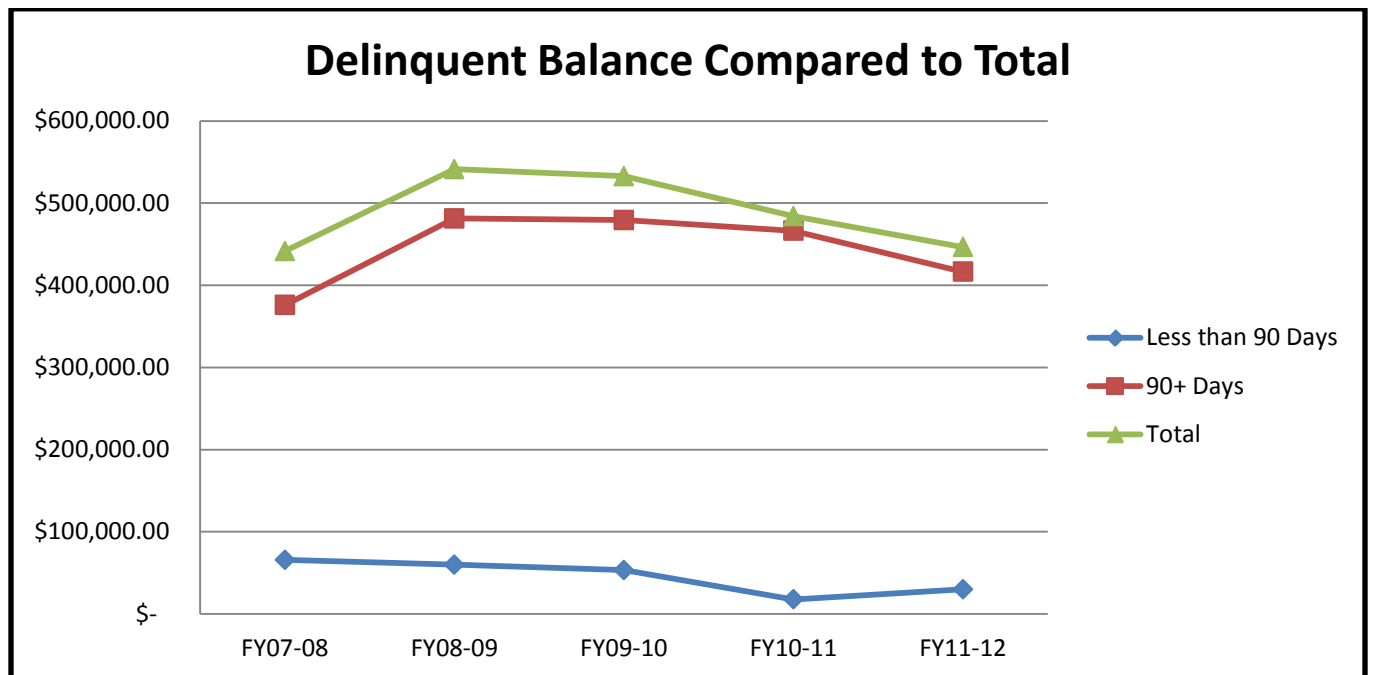
Results:

The City Attorney prepared billing guidelines for the court-appointed attorneys. The guidelines were approved by the Judge and were mailed to the attorneys. With the acceptance of the guidelines, the invoicing by the attorneys is more uniform and invoices are received in a timely manner.

CONCLUSIONS

While the delinquent balance appears to be decreasing based on prior years, the decrease is mostly attributable to the write offs of uncollectible amounts. The write offs for FY12-13 was \$32,439 and future write off projections for FY13-14 is \$36,640 and for FY14-15 is \$64,440. As the following chart shows, the percentage of delinquent balances compared to the total owed has remained between 90 – 96% over the past three years. Delinquent balances have increased approximately 10% since FY07-08.

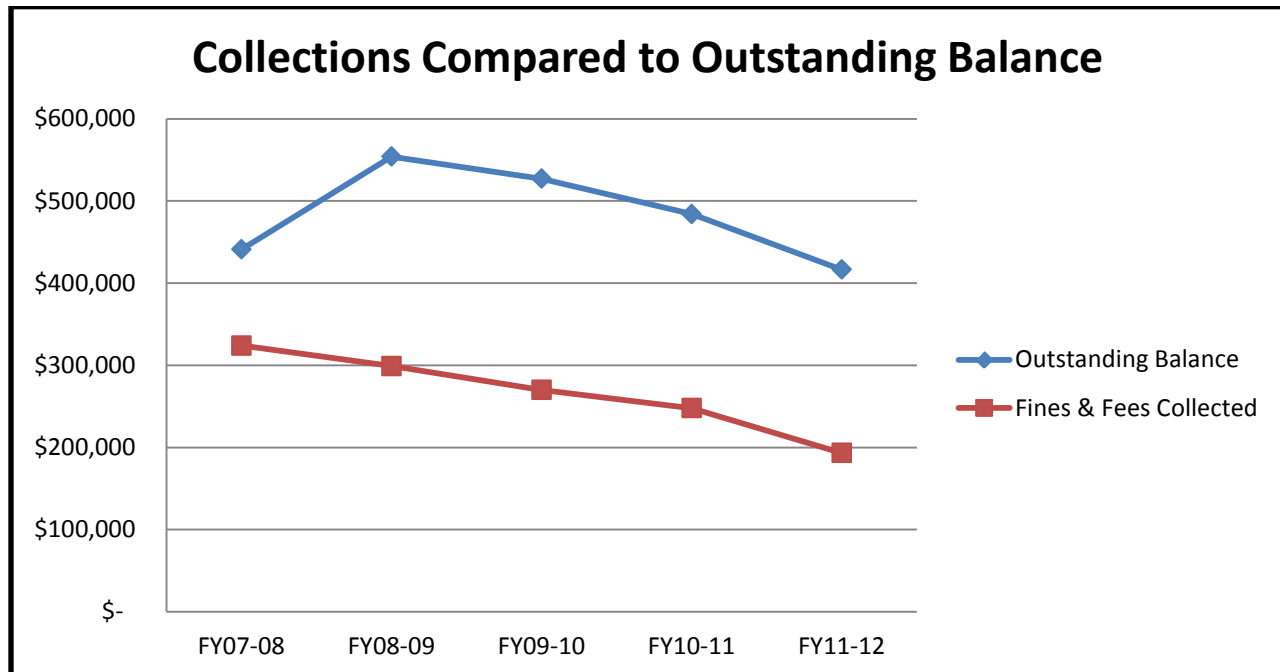
	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12
Delinquent Balance (over 90 days)	\$375,955	\$481,362	\$479,454	\$466,402	\$416,467
Total Outstanding Balance	\$441,693	\$541,403	\$532,829	\$484,074	\$446,537
% of Delinquent Balance to Total Balance Owed	85%	89%	90%	96%	93%
Uncollectible Account Write Offs	\$0	\$5,605	\$25,423	\$21,997	\$20,350



Court collections continue to fall with FY11-12 showing a 22% decrease from FY10-11 and a 40% decrease since FY07-08. In analyzing collections compared to assessments by year it appears that we are collecting the majority of what is assessed each year, collections compared to the overall outstanding balance owed shows that the City collected only 46% of the total owed in FY11-12. In FY07-08 the City collected 73% of the total amount owed, which represents a 27% increase in balances owed compared to amounts collected over the five-year period. One factor affecting both collections and assessments is that the Police Department has been issuing more citations into Circuit Court rather than Municipal Court.

	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12
Fines & Fees Collected*	\$324,049	\$299,049	\$270,013	\$247,853	\$193,301
Fines & Fees Assessed*	\$477,498	\$466,175	\$313,443	\$265,203	\$202,162
# Citations Processed	2,081	1,593	1,151	1,139	859
Total Outstanding Balance	\$440,992	\$554,064	\$527,085	\$484,074	\$416,467
% of Fines Collected to Total Balance Owed	73%	54%	51%	51%	46%

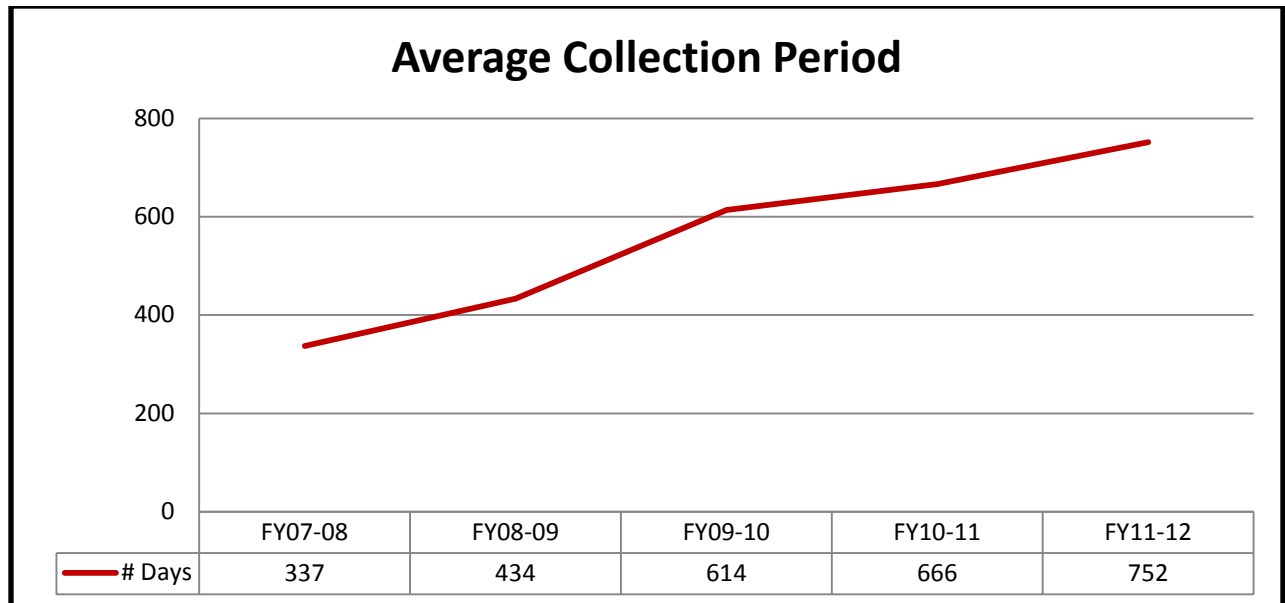
*includes restitution and crime victims compensation



The City's average collection period also continues to show an increasing trend over the past five years with a significant increase between FY10-11 and FY11-12. Not only does this show that defendants are paying their fines more slowly than in past years but there was also a decrease in amounts being assessed compared to outstanding balances and amounts being paid.

	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12
Total Outstanding Balance	\$440,992	\$554,064	\$527,085	\$484,074	\$416,467
Fines & Fees Assessed*	\$477,498	\$466,175	\$313,443	\$265,203	\$202,162
Average # of Days to Collect	337	434	614	666	752

*includes restitution and crime victims compensation



Based on the financial and statistical comparisons, it appears that although the measures approved by Council as a result of the collections analysis have made the Court processes more efficient they have not had much impact on improving revenue collections.

OPTIONS FOR MOVING FORWARD

The processes which were implemented based on the collections analysis have been in place for only a few months so it is possible that given more time revenue collections might improve. At this time the Council may want to consider the following for moving forward:

1. Continue to monitor the current processes for another few months and re-evaluate the results in January 2013 during the mid-year budget review.
2. Revisit the original recommendations and consider implementing the ones which were not originally approved.
3. Appoint a Council committee to discuss and explore other possible options for improving collections.
4. Provide other direction to Staff regarding Court collections.