

NOTICE PURSUANT TO GOVERNMENT CODE SEC. 2254.1036

WHEREAS, the Town of Ponder will consider approving the contingent fee contracts (listed below) with the law firm of Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Firm") and hereby posts this notice pursuant to Sec. 2254.1036 of the Government Code.

WHEREAS, this notice shall be posted before or at the time of giving the written notice required by Government Code Sec. 551.041 for a meeting described by Sec. 2254.1036(2) of the Government Code and shall announce the following:

A. The Town of Ponder is pursuing contracts with the Firm for the collection of delinquent ad valorem property tax accounts, delinquent municipal court fines and fees, and delinquent utility accounts owed to the Town of Ponder. Through these contracts the Town of Ponder seeks to increase recovery of its delinquent debts in as expeditious a manner as possible. GOVT. CODE § 2254.1036(1)(A).

B. The Town of Ponder believes the Firm has the competency, qualifications, and experience necessary to fulfill these contracts. GOVT. CODE § 2254.1036(1)(B). The Firm has collected delinquent government receivables for over 50 years, including the collection of delinquent property tax and delinquent municipal court fines and fee accounts. The Firm currently has 14 primary offices and multiple satellite offices throughout Texas, Oklahoma and Florida. It employs more than 400 individuals, including 59 attorneys. It uses a multi-office, fully integrated team approach allowing the Town of Ponder access to all its offices and resources. Its collection team consists of long-term Firm employees, including attorneys, call center associates, paralegals, law clerks, legal secretaries, collection support personnel and information technology experts. The Firm utilizes a proprietary collection software that can be tailored to meet any special need the Town of Ponder may have. This proprietary software also automates many aspects of the collection process, such as: account/debtor research, mailings and phone calls, return mail and address updates, payment notification and processing and workflow.

C. The nature of any relationship between Town of Ponder and the Firm is as follows. GOVT. CODE § 2254.1036(1)(C). The Firm currently does not represent the Town of Ponder in either the collection of delinquent ad valorem property taxes, delinquent municipal court fees and fines, or delinquent utility accounts.

D. The Town of Ponder is unable to collect these accounts on their own. GOVT. CODE § 2254.1036(1)(D). The Town of Ponder currently does not have adequate support staff, computer software/programming, or experience to internally conduct these collection services and acquiring these will result in substantial expense to the Town of Ponder.

E. These collection services cannot be provided for an hourly fee. GOVT. CODE § 2254.1036(1)(E). Texas law allows these accounts to be charged a percentage add-on fee that doesn't charge the Town. This percentage-based fee is assessed only against the debtor and not the Town of Ponder or those who pay their obligations timely. The collection of delinquent accounts is a high-volume practice, requiring a significant amount of research, mailing, and handling of outbound/inbound calls. An hourly fee for such work will likely exceed amount of the delinquent accounts due. Moreover, the Town of Ponder will bear the cost of these hourly fees and not the debtor, because Texas law does not expressly authorize the Town of Ponder to pay for collection services based on an hourly fee.

F. The Town of Ponder believes these contingent fee contracts are in its best interest. GOVT. CODE § 2254.1036(1)(F). Under the contingent fee contracts, the Firm will be paid the amount of the percentage-based collection fee, regardless the number of hours the Firm spends researching, contacting and mailing to collect the delinquent account. Additionally, the percentage-based collection penalty is a pass-through expense to the debtor and not an expense to the Town of Ponder or its taxpayers.