

RESOLUTION NO. 2285

A RESOLUTION OF THE CITY OF SALISBURY, MARYLAND AUTHORIZING RETENTION OF DELMARVA COLLECTIONS TO COLLECT DELINQUENT ACCOUNTS.

WHEREAS, the City has delinquent Personal Property Tax accounts; and

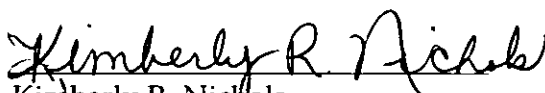
WHEREAS, the City has a need for collection services to collect delinquent amounts due to the city; and

WHEREAS the collection efforts are a form of legal representation

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SALISBURY, MD that the City is authorized to retain Delmarva Collections to collect delinquent Personal Property Taxes due to the city.

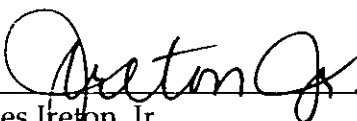
THE RESOLUTION was introduced and duly passed at a meeting of the Council of the City of Salisbury, Maryland held on 10th day of June 2013 and is to become effective immediately upon adoption.

ATTEST:


Kimberly R. Nichols
CITY CLERK


Jacob R. Day
PRESIDENT, City Council

APPROVED by me this 17th day of
June, 2013


James Ifejon, Jr.
MAYOR, City of Salisbury

INTER

OFFICE

MEMO

To: John Pick, City Administrator
From: Keith Cordrey, Director of Internal Services *KAC*
Subject: Resolution authorizing retention of Delmarva Collections to collect delinquent accounts
Date: May 30, 2013

The city has been working with the city legal firm to collect delinquent Personal Property Tax accounts. The city legal team has advised that for smaller balances due to the city, it will be more economical to retain the services of a collection agency.

Since the collection efforts are a form of legal representation, a resolution is needed whereby the council authorizes the retention of such services. Attached is a resolution which would authorize the city to retain Delmarva Collections to collect delinquent accounts.

The commissions and terms for the agreement are defined in the attached proposed agreement. The City will be electing Option 1 under section B whereby primary accounts not requiring legal services will earn a commission of 19%. Accounts requiring legal services will earn a 25% commission. We will execute the agreement once council approves Delmarva Collections, Inc. as a legal representative in the capacity described in the agreement. We can cancel the agreement with 90 days' notice provided however that accounts that have a legal status cannot be canceled.

We plan on submitting balances less than \$500 to Delmarva Collections after legal has sent a legal notice and there is no reply.

DCI

Delmarva Collections, Inc.
P. O. Box 37
Salisbury, MD 21803-0037
(410)546-3742 (800) 426-4664
Fax (410) 742-1675

PROPOSAL FOR COLLECTION OF PERSONAL PROPERTY/ CORP. TAX BILLS

Agreement made this 6th day of February, 2013 between City of Salisbury (hereinafter referred to as "Creditors"), whose principal place of business is 125 N. Division Street Salisbury, MD 21801 and Delmarva Collections Inc. (hereinafter referred to as Collector"), whose principal place of business is 820 East Main Street Salisbury, Maryland 21804.

Witnesseth:

Whereas, Creditor desires from time to time during the term of this agreement to submit to Collector for Collection certain Personal Property / Corp. tax claims, accounts, or other evidences of indebtedness (hereinafter called "Claims"), and

Whereas, Collector desires to provide Creditor with Collection services with the respect to said Claims.

Now therefore, for and in consideration of the mutual covenants hereinafter set forth it is mutually agreed by and between the parties hereto as follows:

A. ASSIGNMENT OF ACCOUNTS

1. DCI will enter all account placement information into its collection system within 48 hours of receipt, and begin such collection activity immediately upon placement. DCI will forward a detailed acknowledgement of placement to Client.
2. Collector agrees that all activities of Collector shall be carried out in compliance with all applicable federal, state, and local laws.
3. Creditor hereby warrants that all Claims forwarded to Collector will be valid and legally enforceable debts, and that the Creditor will, both before and after forwarding said claims, comply with all applicable federal, state, and local laws with respect thereto. Further, Creditor agrees to provide, whenever requested to do so by Collector: a written verification of a claim, a copy of the judgment, if any, on which a claim is based, the name and address of the person or entity to whom the debt was originally owed, if different from Creditor.
4. If any court of competent jurisdiction shall rule that any provisions of this agreement is invalid or unenforceable, the remaining provisions shall remain in full force and effect and shall not be affected by said ruling.

B. COMMISSIONS

1. DCI will earn a commission on the following contingency fee schedule:

Option 1:

- a. Primary Accounts –Nineteen Percent (19%) commission based on total amount collected. Rate is based on a good faith estimate of \$300,000.00 in placements. Defined as accounts referred by Client behind in-house collection department.

- b. Legal Accounts – Twenty-Five Percent (25%) commission based on total collected.

Defined as primary accounts authorized by client for legal action. Creditor is liable for court cost on accounts authorized for litigation.

DCI will utilize the services of Attorney William Hall for legal accounts and DCI will be responsible for his fees.

Option 2:

- a. Primary Accounts –Nineteen Percent (19%) commission based on total amount collected.
Defined as accounts referred by Client behind in-house collection department.
- b. Accounts that are determined uncollectable thru non-legal collection action will be returned to the City of Salisbury after DCI has made all reasonable collections efforts approximately 6 months.

2. Creditor agrees to promptly report all payments within ten (10) days to avoid further collection efforts and will promptly report any bankruptcy notifications to said collector.

C. ADDITIONAL TERMS

1. This agreement shall be binding on the heirs, legal representatives, successors, and assigns of the parties hereto.
2. Collector agrees to hold harmless the Creditor, its officers, agents and employees from and against any and all claims, damages and losses arising out of Agency efforts to collect accounts assigned for collection; except, however, such as may be authorized acts on the part of the Creditor, its officers, agents and employees.
3. Except as necessary to carry out the terms of this agreement and, except as may be required by law, the parties agree to keep the terms of the Agreement and the carrying out of their obligations hereunder completely confidential.

4. This agreement is intended to be solely for the benefit of the parties herein.
5. DCI will report Client data to a credit reporting agency.
6. This agreement shall commence as of the date signed. Either party may terminate this agreement upon ninety (90) days written notice given to the other party. Accounts that have been authorized by Creditor for legal action or that have payment arrangements are not subject to cancelation by creditor.
7. Said Terms and Conditions have been signed by both parties and are hereby made a part of this agreement as fully and effectual as if they were set forth herein. Thus, whenever the term "Agreement" is used herein, it shall be construed to include said Terms and Conditions.

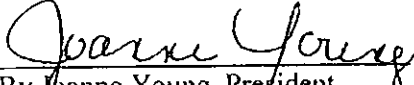
This Agreement, including the Terms and Conditions, contains the entire agreement between the parties hereto and cannot be amended or modified in any respect by any amendment, unless in writing, signed by both parties.

In Witness Whereof, the parties have hereunto set their hands and seals the day and year first above written.

City Of Salisbury
Creditor

Delmarva Collections Inc.
Collector

By Date


By Joanne Young, President

Please print above name