

RESOLUTION No. 2462

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

WHEREAS, the City has delinquent Accounts Receivable 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.

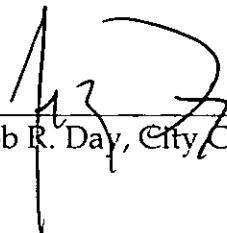
NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SALISBURY, MD that the City is authorized to retain Delmarva Collections to collect delinquent Accounts Receivable due to the city.

THE RESOLUTION was introduced and duly passed at a meeting of the Council of the City of Salisbury, Maryland held on 24 day of November 2014 and is to become effective immediately upon adoption.

ATTEST:



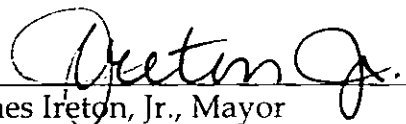
Kimberly R. Nichols, City Clerk



Jacob R. Day, City Council President

APPROVED BY ME THIS

26 day of November, 2014.



James Ireton, Jr., Mayor

City of Salisbury



MARYLAND

Salisbury



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SALISBURY, MARYLAND 21801
Tel: 410-334-3028
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JAMES IRETON, JR.
MAYOR

TOM STEVENSON
CITY ADMINISTRATOR

TERENCE ARRINGTON
ASSISTANT CITY ADMINISTRATOR

KEITH A. CORDREY
DIRECTOR OF INTERNAL SERVICES

To: Tom Stevenson, City Administrator
From: Keith Cordrey, Director of Internal Services
Date: October 9, 2014
Re: Resolution authorizing retention of Delmarva Collections to collect delinquent accounts

The city has been working with the city legal firm to collect delinquent 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. A resolution has previously been passed authorizing Delmarva Collections to collect delinquent Personal Property Tax accounts.

The commissions and terms for the agreement are defined in the attached proposed agreement. 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.



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 MISC. RECEIVABLES

Agreement made this 2nd day of September, 2014 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 miscellaneous 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:
 - a. Primary Accounts –Twenty-Five Percent (25%) commission based on total amount collected.
Defined as accounts referred by Client behind in-house collection department.
 - b. Legal Accounts – Thirty Percent (30%) 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.
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

By James H. Fretton Jr. Date

James H. Fretton Jr., Mayor
Please print above name

Delmarva Collections Inc.
Collector

By Jeanne Young
By Jeanne Young, President