



**CITY OF TORRINGTON**

**Addendum # 1**

**ADDENDUM #1 HAS BEEN ISSUED REGARDING EXTEND THE BID OPENING DATE TO DECEMBER 23, 2014 AT 11:00 AM AND RESPOND TO QUESTIONS/ ANSWERS SUBMITTED**

**RFQ #TCS-011-121614-Tax Collector Services**

**Date of opening:** Dec. 16, 2014 **Time:** 11:00 AM **Location:** City Hall, 140 Main St., Room 206, Torrington, CT

**Submit signed addenda with bid.**

The City of Torrington reserves the right to accept or reject any or all bids or any portion thereof, to waive technicalities, and to award the contract as will best serve the public interest.

Dated in Torrington: December 9, 2014 Purchasing Agent \_\_\_\_\_  
Pennie Zucco

Bid Submitted By: \_\_\_\_\_  
Signature

Name of Company \_\_\_\_\_  
Title

Address \_\_\_\_\_  
Date \_\_\_\_\_

**The Bid Opening Date has been extended to:**  
**DECEMBER 23, 2014 AT 11:00 AM**

**Questions & Answers 12/10/14**

**1-Q)** The RFQ and Contract call for the Tax Collector to remit all un-refunded overpayments to the City of Torrington at the conclusion of the fiscal year. Conn. Gen. Stat. § 12-129 requires that refunds be made upon application made not later than three years from the date such tax was due. Does the reference to 'fiscal year' in the contract coincide with the third year of the three-year application deadline? Or does it coincide with the first year, and if so, will the City handle refund applications after the first year?

**1-A) No, at the conclusion of each fiscal year, all unrefunded overpayments received during that year must be turned over to the city. Yes, the city will handle refund applications.**

**2-Q)** When the Tax Collector notifies the City about a tax execution or jeopardy collection, will the City be allowed to notify the taxpayer?

**2-A) no, any prior notice given to the city will remain confidential**

**3-Q)** Does the Tax Collector have exclusive possession of the office space provided at the Municipal Building?

**3-A) Yes**

**4-Q)** Does the Tax Collector need to name the City as an additional insured on the Automobile Liability policies (RFQ p.4) when that type of insurance is not required under the RFQ or Contract?

**4-A)** N/A

**5-Q)** Why will the City consider the bidder's "experience and expertise in providing actuarial services" in reviewing the bids (RFQ p.5)?

**5-A)** N/A

**6-Q)** Paragraph 1 of the Contract states that the Tax Collector is entitled to retain all back taxes collected during said period and all interest allowed pursuant to the State statute. The audit alleged that the Tax Collector is not entitled to keep interest on back taxes from before November 1. Can you confirm that the Tax Collector is entitled to all interest on back taxes including the amount accrued prior to November 1 of each year?

**6-A)** **Yes, all interest earned is payable to tax collector, provided that the tax bill is not originating from any previous tax collector's term.**

**7-Q)** Are sections 170-7 and 170-9 of the Torrington Code (regarding collection of sewer use charges) applicable to the new contract?

**7-A)** Yes

**8-Q)** Will the new contract include the following provision, as stated in the contract with the prior tax collector:

"the City shall ensure that any appointments of successor tax collectors include a provision in the City's agreement with such successor(s) stating that such successor tax collector "shall cooperate with ROBERT CROVO TAX COLLECTOR, its agents or assigns, as to the collection of any taxes, interest, penalties, or fees due ROBERT CROVO TAX COLLECTOR and shall promptly forward any and all payments due ROBERT CROVO TAX COLLECTOR, its agents and assigns, in accordance with Section 12-144b of the Connecticut Statutes upon receipt and shall communicate any and all relevant information regarding the taxpayers or properties where such amounts are still due ROBERT CROVO TAX COLLECTOR. It is further understood that ROBERT CROVO TAX COLLECTOR, its agents and/or assigns, shall be considered a third party beneficiary to such contract between the City and such successor tax collectors."

**8-A)** Yes

**9-Q)** To the extent the successor Tax Collector is required to apply payments to the oldest taxes owed, what responsibilities will the successor Tax Collector have to provide an accounting to the City of the payments made to the prior Tax Collector?

**9-A)** **Comprehensive accounting of taxes collected and paid to previous tax collector must be submitted to city on a monthly basis**

**10-Q)** The prior contract contained a provision that the Tax Collector did not owe interest for 18 months following a tax sale if the Tax Collector would be the successful bidder. In every other municipality, if the Tax Collector is the winner at a tax sale, the municipality becomes the owner of the property and no taxes are owed until the property is transferred. Will the Tax Collector be required to pay taxes going forward if he is the successful bidder?

**10-A)** **Yes, after 18 months**

**11-Q)** In what manner will the Tax Collector be entitled to challenge the assessment made for property that does not exist or for property that is improperly assessed?

**11-A)** **The topics will be discussed with to be formed committee which will meet monthly and consist of the Tax Collector, Assessor, Treasurer, Comptroller, Mayor's office**

**12-Q)** Considering that personal property and motor vehicle are the most difficult types of property on which to collect taxes, can you state the percentage increase (or decrease) in the value of these categories on the overall Grand List for the upcoming year?

**12-A)** **Information not available**

**13-Q)** How will the City work with the Tax Collector if the Tax Collector becomes the winning bidder of a tax sale on properties that are considered brownfields or otherwise have environmental concerns?

**13-A)** **The City will work with tax collector just as it would with any other property owner. Assist with obtaining information on brownfields grants/remediation etc.**

**14-Q)** If the Tax Collector obtains a letter of credit in the amount of \$7,000,000 guaranteeing the payment of amounts due on tax rate books to the City, will the Tax Collector be required to obtain any other bonds besides a surety bond in accordance with Section 12-136 of the Connecticut General Statutes that guarantees the faithful discharge of his duties?

**14-A)** **No**

**15-Q)** May current mailing of any new grand list bills be conducted prior to July 1 each year and any funds received from said mailing be held until July 1 when they would be remitted to the City Treasurer?

**15-A)** **Typically, any tax revenue received prior due the due date (July 1<sup>st</sup> and/or January 1<sup>st</sup>) are remitted to the City Treasurer as "prepaid taxes".**

**16-Q)** Does the City require that the firm's designated tax collector have a CCMC certification prior to award of contract?

**16-A)** **Neither Torrington City Charter, nor State Statute require the Tax Collector have a CCMC certification, however, such certification is preferred.**

**17-Q)** Expressed in dollars, what was the commission paid to the current tax collector for services for the following City fiscal years:

**17-A)**

<b>Fiscal Year</b>	<b>Commission Paid</b>
<b>FY 2010-2011</b>	<b>\$189,122.42</b>
<b>FY 2011-2012</b>	<b>\$ 95,676.99</b>
<b>FY 2012-2013</b>	<b>\$ 99,032.35</b>
<b>FY 2013-2014</b>	<b>\$102,169.05</b>

**18-Q)** Expressed in dollars, what was the original tax amount by grand list year and receivable type that was boarded to QDS either by the Assessor or the WPCA as a beginning balance for the tax collector to collect:

18-A)

Grand List Year	Real Estate	Motor Vehicle	Personal Property	Sewer Use
GL 2010	\$64,578,120	\$6,471,031	\$4,565,756	\$3,445,076
GL 2011	\$66,705,531	\$6,986,062	\$4,712,048	\$3,465,440
GL 2012	\$68,916,252	\$6,983,857	\$4,875,024	\$3,461,184
GL 2013 (to date)	\$72,635,587	\$7,575,336	\$5,357,573	\$3,564,846

19-Q) What is the City's current estimate regarding the yearly percentage increase of the City Grand List for the term of the new tax collector agreement?

19-A) Not Available

20-Q) Expressed in dollars, what is the total amount collected (including accrued interest and fees) from original due date through June 30, 2014 for each of the grand list years and receivable types listed in the table below:

Grand List Year	Real Estate	Motor Vehicle	Personal Property	Sewer Use
GL 2010				
GL 2011				
GL 2012				
GL 2013 (to date)				

20-A) Information shown on Page 316 of Forensic Audit (link posted on City website, [http://www.torrington-ct.gov/Public\\_Documents/index](http://www.torrington-ct.gov/Public_Documents/index))

21-Q) What are the collection rates, expressed as a percentage to the thousandth place (0.000%), for each of the respective fiscal years?

Grand List Year	Real Estate	Motor Vehicle	Personal Property	Sewer Use
GL 2010				
GL 2011				
GL 2012				
GL 2013 (to date)				

21-A) "See Audit pages 313 – 315" ([http://www.torrington-ct.gov/Public\\_Documents/index](http://www.torrington-ct.gov/Public_Documents/index))

22-Q) Any other City receivables (non-tax) collected by the tax collector? If so, what are they?

22-A) Taxes and Sewer Use Fees are only responsibility of Tax Collector

23-Q) Under previous RFQs the City had a requirement for *pre-payments* wherein the tax collector paid the City for remaining unpaid tax bills as of a certain date. Is this still a requirement? If so, on what dates are the payments to be made?

23-A) Settlement Dates are dictated by Torrington City Charter, Section 14-2: The Board of Councilmen may direct that the Tax Collector of said City shall deposit to the credit of said City all moneys collected at such frequent intervals as it shall provide. The first installment of the total taxes due on the rate books of the City shall be deposited in the City treasury on or before the first Monday in November in each year, and the second installment of said taxes shall be so deposited on or before the first Monday in May of the following year, The Board of Councilmen may direct that the Tax Collector of said City shall deposit to the credit of said City all moneys collected at such frequent

intervals as it shall provide. The first installment of the total taxes due on the rate books of the City shall be deposited in the City treasury on or before the first Monday in November in each year, and the second installment of said taxes shall be so deposited on or before the first Monday in May of the following year. . . .

**24-Q)** If pre-payments are included in any agreement between the tax collector and the City, what is the procedure for reimbursement to the tax collector for taxes paid if a full or partial abatement, bankruptcy discharge, or certificate of change enters on any tax bill?

**24-A) Frequent reconciliations are conducted by Assessor, Finance Department and Corporation Counsel and any necessary tax adjustments are made accordingly.**

**25-Q)** Under any agreement between tax collector and the City, is the tax collector permitted to recover delinquent obligor costs of collections as allowed by statute?

**25-A) Tax collector obligor costs: all fees and costs incurred by tax collector shall be charged to the delinquent taxpayer and recovered by the tax collector at the time of payment. Sec. 12-140. Fees of Tax Collectors**

**26-Q)** Does the City intend to keep for itself interest accruals on the collections account prior to settlement of any tax collector payment to the City?

**26-A) The city has no intention of keeping interest accruals on the collections account prior to settlement of any tax collector payment**

**27-Q)** How does the City intend to account for interest paid by taxpayers who have paid in August, September and October prior to settlement of any tax collector payment to the City?

**27-A) All interest that shall accrue on unpaid taxes from the date due, shall be payable to the tax collector.**

**28-Q)** Have there been any litigation *set-offs* or *claims* paid to the current tax collector from the City? If so, when were the payments made and how much was paid?

**28-A) No legal setoffs or claims paid to the current tax collector**

**29-Q)** In the case of litigation or appeal of an assessed tax where the taxpayer pays the statutory required 75% (for property assessed at under \$500,000) or 90% (for property assessed at over \$500,000) of the tax amount due in order to sustain the litigation, would the tax collector receive reimbursement for any amount of the tax paid to the City that is left unpaid in the case of taxpayer success in the litigation?

**29-A) All Assessment adjustments are done through Certificates of Change issued by the Assessor's office and any tax adjustments are done in accordance with reconciliation procedures states in #10.**

**30-Q)** What is the effect of the issuance of full or partial abatement, bankruptcy discharge or certificate of change regarding the commission paid to the tax collector by the City?

**30-A) Adjustments are done in accordance with reconciliation procedures stated in #10**

**31-Q)** If a full or partial abatement or certificate of change is issued that is a direct consequence of work performed by the tax collector, would there be a commission paid to the tax collector relative to the abatement or certificate of change amounts as that work lead directly to the resolution of the tax?

**31-A) Does not apply**

**32-Q)** How are non-abated taxes resolved with the tax collector where an abatement is requested but the Assessor refuses?

**32-A) Abatements are only issued by the office of the Mayor with City Council approval**

**33-Q)** For prior year taxes controlled by any prior tax collector, for abatements, assessment appeals or litigation, certificates of change, or any other set-off or claim that is made relative to those taxes controlled by the prior tax collector, would the City require the current tax collector to reimburse the prior tax collector from its funds or would the City make that reimbursement?

**33-A) The City is responsible for any adjustments to prior years' taxes controlled by the prior tax collector.**

**34-Q)** Is a copy of the current agreement with all amendments between the City and the current tax collector available?

**34-A) yes, see attached**

**35-Q)** Is the proposed agreement between the City and the tax collector negotiable?

**35-A) Yes**

**36-Q)** Is the City able to provide a copy of the complaint filed by the current tax collector against the City of Torrington? Is the dispute resolved? If so, how was the dispute resolved?

**36-A) Yes, available upon request. The complaint was withdrawn by the plaintiff.**

**37-Q)** Is the City able to identify all defaults in the operation of the tax office of the current tax collector and identify if these defaults were cured? If so, how where they cured?

**37-A) Deficiencies identified through the Forensic Audit and the proposed contract has been drafted to correct said deficiencies.**

**38-Q)** What is the current name and version of the software used by the Assessor, by the Finance Department and by the Treasurer?

**38-A) Assessor's office and Tax Collector's office use QDS which is a Windows based version 3.0.557. The Treasurer and Finance Department use New World.**

**39-Q)** Does the software used currently by the tax office interface electronically with the Finance Director, Treasurer and Assessor software or will the vendor need to provide programming in order to link the systems?

**39-A) The software used by the Tax Collector interfaces with the Assessor's office only.**

**40-Q)** What is the licensing amount paid to the City's current software vendor for use of the tax software? Who pays this amount? If paid by the tax collector, is the cost reimbursed by the City?

**40-A) The annual licensing cost is \$8,850.00 and is paid by the city.**

**41-Q)** What is the layout and approximate square footage of the space leased by the City to the current tax collector?

**41-A) The tax office comprises 1020 square feet of space on the first floor of City Hall**

**42-Q)** Would any office equipment, furniture or fixtures of the current tax collector remain behind for use by the new tax collector?

**42-A) All office equipment, furniture and fixtures are owned by the current tax collector.**

**43-Q)** What is the name and version of the telephone system currently used by the tax office and how many incoming and outgoing phone lines are currently connected to the telephone system? Does the City pay for the telephone lines or does the tax collector?

**43-A) The telephone system consisting of six lines used by the tax collector's office is provided by the city.**

**44-Q)** Does the City permit the tax collector to perform tax deed sales of real estate pursuant to statute?

**44-A) Yes**

**45-Q)** Does the City permit the tax collector to sell tax liens on real estate to third parties pursuant to statute?

**45-A) Yes**

**46-Q)** Are there any City requirements or preference as to how uncollected taxes owned by the present tax collector are to be handled if the City selected a new provider (i.e. can the prior taxes remain with the old collector and any future collections by the new vendor would be applied to the earliest due taxes first)?

**46-A) The city has no preference as to how uncollected taxes owned by the present tax collector are handled by a new provider.**

**47-Q)** Since the City does not own the delinquent accounts, is any new tax collector liable by statute to collect those delinquent accounts?

**47-A) See current contract provision and CGS12-144b**

**48-Q)** As the Torrington situation is unique, regarding references, is it acceptable to provide references from delinquent collection clients located in Connecticut?

**48-A) Yes**

**49-Q)** Will the City affirmatively state that there will be a contract provision obligating the City to abide and adhere to all federal, state and local laws? Will that contract provision include a time period for the City to cure any default? Will that contract provision include a penalty for failing to cure the default within a prescribed time period?

**49-A) The city is obligated to abide by all Federal and State laws and its City Charter. There is no need for contract provisions.**

**50-Q** Does the City pay all expenses of DMV put-on and take-offs or is that the responsibility of the tax collector? If the tax collector, will the City allow a DMV fee to be added to each delinquent bill (as many other towns currently do) to offset this cost?

**50-A) Tax Collector has right to charge all fees allowed by Statute in collection of taxes and may charge the same to the delinquent taxpayer and collect same as part of the tax due.**



## TAX COLLECTOR CONTRACT

THIS AGREEMENT, entered into this 16<sup>th</sup> day of, June 2011, by and between the City of Torrington, a municipal corporation located in the County of Litchfield and State of Connecticut, acting herein by the Honorable Ryan J. Bingham, its Mayor, hereunto duly authorized by the Board of Councilmen and the Board of Finance of the City of Torrington, hereinafter referred to as "City", and Robert Thomas Crovo hereinafter referred to as "Robert Crovo Tax Collector."

WITNESSETH

WHEREAS, the City, pursuant to Title XIV of the "Charter of the City of Torrington Including All Revisions through January 13, 1994", has solicited bids for the position of Tax Collector, and

WHEREAS, Robert Thomas Crovo has submitted satisfactory evidence that it has sufficient financial experience and responsibilities to be able to carry out the duties of Tax Collector, and

WHEREAS, in a joint session of the City of Torrington Board of Councilmen and its Board of Finance on March 9, 2011, Robert Thomas Crovo was appointed to the position of Tax Collector.

NOW THEREFORE, in view of the foregoing and in consideration of the mutual promises herein set forth, the parties agree as follows:

### 1. SCOPE OF WORK

1.1 The City hereby appoints Robert Crovo to the position of Tax Collector and he shall enjoy all the powers commensurate with such appointment and shall perform all the duties of the office as detailed in Title XIV - Tax Collector of the "Charter of the City of Torrington, Including All Revisions to January 13, 1994", attached hereto and made a part hereof. Further, he shall also enjoy all the powers and perform all the duties and responsibilities of a municipal tax collector as stated in the Connecticut General Statutes Chapters 204 and 205 for the collection of real estate, personal property, sewer, motor vehicle and supplemental taxes, to assess interest in conformity with said Sections and other such duties subject to more specific provisions herein.

1.2. ROBERT CROVO TAX COLLECTOR shall also enjoy all the powers and shall perform all the duties imposed as detailed in Sections 170-7 and 170-9 of the Torrington Code and Connecticut General Statutes Section 7-258 which concerns the manner of collection of sewer user fees.

1.3 In the event of an enactment of any statute, regulation or ordinance that imposes any additional duties upon municipal tax collectors, the parties agree that such additional duties will not be the responsibility of ROBERT CROVO TAX COLLECTOR until such time as a negotiated amendment to this contract is agreed upon by the parties.

1.4 ROBERT CROVO TAX COLLECTOR shall make daily deposits equal to prior days receipt of taxes and sewer user fees to the City Treasurer for each installment of total taxes due (July and January) and total sewer user fees due (July and January) until settlement date of each installment (on or before the first Monday in November and May), and no less than once per week reconcile its receivables with the City's Finance Department.

1.5 All prepayments shall be deposited in a separate account to be established by ROBERT CROVO TAX COLLECTOR. All interest on said account shall be the property of the ROBERT CROVO TAX COLLECTOR. Prepayments shall be defined as all receipts of taxes and sewer use fees paid to ROBERT CROVO TAX COLLECTOR prior to the due date of said taxes and sewer user fees. All prepayments shall be due on or before July 1st and January 1st. ROBERT CROVO TAX COLLECTOR shall be entitled to the interest earned on said monies at the then prevailing rate of interest earned on

the City's investment account until the first Monday in September and March. ROBERT CROVO TAX COLLECTOR shall make said payments to the City in increments of at least \$300,000.00 when received prior to July 1st and January 1st of each year.

1.6 The City agrees that it shall not extend the deadline for filing applications for refunds of excess payments under C.G.S. § 12-129, thereby leaving the deadline for any application to refund payments allegedly made in excess of the principal, legal interest, penalties or fees at three (3) years from the date such tax was due. ROBERT CROVO TAX COLLECTOR shall publish on its website a list of all excess payments potentially due a refund for a grand year list three (3) months prior to the deadline for filing an application for refund.

1.7 ROBERT CROVO TAX COLLECTOR shall utilize rental space provided at the Municipal Building, 140 Main Street, Torrington, Connecticut to provide face to face customer service.

1.8 It is specifically understood, however, based on the unique tax collection system utilized by the City of Torrington as outlined in this agreement, that certain of the requirements of the general statutes relating to tax collector duties are already fully discharged by compliance with the terms of this agreement. For example, it is not contemplated that ROBERT CROVO TAX COLLECTOR, under C.G.S. §§ 12-128 and 12-129, would refer applications for refunds of excess tax payments or erroneously collected taxes to any municipal authority. Rather, such refunds would be made directly without notation in the rate book and without the need for an annual report to the City. Likewise, C.G.S. § 12-166's requirement that taxes, when collected, shall be paid to the City is served by compliance with the payment schedule and requirements below. Further, upon the expiration of the term of this agreement, while ROBERT CROVO TAX COLLECTOR will deliver to his immediate successor the uncollected rate bills as contemplated by C.G.S. § 12-135, ROBERT CROVO TAX COLLECTOR shall retain all tax collector powers so as to permit him to continue to collect those unpaid bills which are due to him.

## 2. TAX COLLECTOR'S RESPONSIBILITIES

2.1 ROBERT CROVO TAX COLLECTOR shall be responsible for all costs associated with the printing and mailing of tax bills and sewer user charges including, but not limited to, the printing and mailing costs of housing and building supplement packages, personal property supplement taxes, and motor vehicle supplement taxes. Tax bills must include the Tax Collector's Office address, phone number, and website and instructions for payment of tax bills and other tax payment inquiries. The foregoing notwithstanding, in the event the City requires ROBERT CROVO TAX COLLECTOR to print or mail tax bills or sewer user charge bills other than the one-time standard July 1<sup>st</sup> billing and the January 1<sup>st</sup> supplement bills due to a change in the City's mill rate or assessment established at the date of the July 1<sup>st</sup> billing in any fiscal year, the City shall reimburse ROBERT CROVO TAX COLLECTOR for such additional printing and/or mailing costs, specifically including, but not limited to, ROBERT CROVO TAX COLLECTOR'S actual costs of printing and/or purchasing new tax forms and envelopes, postage and computer reprogramming costs, if any.

### 2.2 Information Technology

2.2.1 ROBERT CROVO TAX COLLECTOR shall use the software program in use by the City. All office staff must receive training on how to use the software. The City shall maintain the software and cover the cost of software upgrades, ROBERT CROVO TAX COLLECTOR must maintain adequate hardware to run the software. The Tax Collector's computers must allow for real time interface with the Assessor's Office and the Finance Department. The parties agree that this real time interface discharges ROBERT CROVO TAX COLLECTOR'S responsibilities under C.G.S. §§ 12-139, 12-147, 12-149, 12-165, 12-167. Both parties agree that C.G.S. §12-151 is inapplicable to the methods established by this agreement.

The City is solely responsible for the maintenance of its computer server and other

equipment/hardware together with any programs/software to which ROBERT CROVO TAX COLLECTOR's hardware and software is connected. The City is aware that the proper maintenance of its hardware and software is essential to the ability of ROBERT CROVO TAX COLECTOR to properly, promptly and efficiently discharge its functions and duties. Therefore, the City agrees that it shall properly maintain such hardware/equipment and any such software and agrees that it shall upgrade, replace and maintain the same in a condition which ensures the peak performance of all the connected hardware/software of ROBERT CROVO TAX COLLECTOR. Specifically excluding the Quality Data Services software, incidental software upgrades to that system and any service contract related to that system all of which shall be provided by the City at its own cost and expense, ROBERT CROVO TAX COLLECTOR is solely responsible for the maintenance of his computer system and other equipment/hardware together with any programs/software to which his hardware and software is connected. Therefore, the ROBERT CROVO TAX COLLECTOR agrees that it shall properly maintain such hardware/equipment and any such software and agrees that it shall upgrade, replace and maintain the same in a condition which ensures the peak performance of all the connected hardware/software of the City.

2.2.2 ROBERT CROVO TAX COLLECTOR shall create and maintain a user friendly website to be linked to the City's website, generally explaining tax collection deadlines, consequences for failure to timely pay taxes due, its policies and procedures and other relevant tax collection information. ROBERT CROVO TAX COLLECTOR shall also be able to accept online payments via credit card, subject to the ability of ROBERT CROVO TAX COLLECTOR's ability to recover all fees or charges associated with such credit cards as enumerated hereafter.

2.2.3 The City shall provide at least four (4) incoming phone lines for voice only transmissions and voice mail, and ROBERT CROVO TAX COLLECTOR shall operate a phone system capable of handling all four incoming lines.

## 2.3 Bonds

2.3.1 Pursuant to the provision of Section 12-136 of the Connecticut General Statutes, ROBERT CROVO TAX COLLECTOR shall give a surety bond to run for the term of his office for the faithful discharge of his duties in the amount of Three Hundred Thousand (\$300,000.00) dollars in a form approved by the State Tax Commissioner. A copy of this bond shall be provided annually to the City.

2.3.2. In addition, ROBERT CROVO TAX COLLECTOR agrees to procure a credit line from a company of good standing acceptable to the City in the amount of Seven Million Dollars (\$7,000,000.00) written for the sole purpose of backing the funding of Robert Thomas Crovo, Tax Collector LLC. This credit line must be maintained throughout the term of office and must be presented to City every six months. Said letter shall be appended to this Agreement.

## 2.4 Customer Service

2.4.1 ROBERT CROVO TAX COLLECTOR shall conduct all official interaction with the public in a professional and courteous manner and shall provide its office staff with a professional customer service training annually. In future years, this training may be conducted in conjunction with the City's Customer Service Training at no cost to ROBERT CROVO TAX COLLECTOR.

2.4.2 ROBERT CROVO TAX COLLECTOR shall in accordance with Section 12-141a of the Connecticut General Statutes accept payment via MasterCard and VISA credit card services. Fees for establishing and maintaining a credit card payment service shall be paid by the Tax Collector. Any and all actual fees for credit card charges shall be paid by the taxpayer. ROBERT CROVO TAX COLLECTOR shall give notice of these fees/charges and a detail of the fees/charges prior to the final submission of payment which notification shall be accomplished by (1) signage in the Tax Collector's office indicating that additional fees/charges will apply to credit card payments and indicating the amounts of such fees/charges and (2) through notice of the same on the tax collector's website. In the

event, however, that any federal or state law should preclude ROBERT CROVO TAX COLLECTOR from the collection or pass through of any such charges or fees, then this contractual requirement (of accepting credit card payments) shall immediately terminate.

2.4.3 The tax collector's office shall be open and available to the public during the same hours that City Hall provides service to the public. Office hours may be changed as needed for one-time or otherwise specific purposes, (i.e. in-house training) with the approval of the Mayor's office. Such approval will not unreasonably be withheld, and the tax collector's office shall make advanced notice of such change in hours to the public by postings throughout City Hall at its own expense.

## 2.5 Meetings

ROBERT CROVO TAX COLLECTOR shall from time to time be called upon for meetings and as minimum will meet as needed with the Mayor or Corporation Counsel, monthly with the Assessor and the Deputy Assessor at least annually with the Board of Finance. Prior to noticing any tax sale ROBERT CROVO TAX COLLECTOR shall notify the Mayor's office of the intent to conduct such tax sale.

## 2.6 Exclusions

2.6.1 In the event the City abates the amount of any tax due the City for hardship under the provisions of C.G.S. 12-124; abates any tax due the City for any other reason provided for in the General Statutes; such as volunteer firefighters or the amount of any property tax due the City is discharged in bankruptcy, ROBERT CROVO TAX COLLECTOR shall not be responsible to the City for the payment of any such abated or discharged tax.

2.6.2 ROBERT CROVO TAX COLLECTOR shall enjoy the right to bid on and purchase real estate which is being sold at a tax sale being held pursuant to C.G.S. §12-157. In the event he is the successful bidder, the City agrees that he shall not be responsible to pay the taxes due the City on any properties he so acquires for a period of 18 months (inclusive of the redemption period). Property he acquires at such tax sale which he retains for more than 18 months (inclusive of the redemption period) shall be subject to taxation. Further, the parties agree that ROBERT CROVO TAX COLLECTOR enjoys the same rights and privileges as the "municipality" as used in C.G.S. §§ 12-157, 12-161, 12-161a and 12-163a.

2.6.3 The City shall not take any action resulting in a waiver of any interest, penalties or fees due as a result of unpaid taxes, unless the City pays such waived interest, penalties and fees to ROBERT CROVO TAX COLLECTOR. Compliance with C.G.S. §§ 12-146a and 12-146b shall be at the discretion of the City upon notice from ROBERT CROVO TAX COLLECTOR that a taxpayer is delinquent more than one year. ROBERT CROVO TAX COLLECTOR is permitted to notify delinquent taxpayers of the terms of these statutes and the risks to the taxpayer from nonpayment.

2.6.4 ROBERT CROVO TAX COLLECTOR shall enjoy the right to jeopardy collection of taxes pursuant to Section 12-163 of the Connecticut Statutes and to collection proceedings pursuant to Sections 12-161a and 12-162. ROBERT CROVO TAX COLLECTOR agrees that when he determines that time is not of the essence he will use his best efforts to provide the City three days notice of his intention to proceed with jeopardy collection of taxes or a bank execution exceeding \$5000.00. The City shall not use this notice to inform the taxpayer and shall retain this notification in strict confidence. Any such notice shall not be subject to Freedom of Information requests and if it is determined that such notices are subject to this law, then this provision shall be deemed null and void.

## 3. FACILITIES

3.1 The City hereby grants to ROBERT CROVO TAX COLLECTOR for the term of his office, adequate floor space in the Municipal Building at 140 Main Street in the City of Torrington, County of Litchfield

and State of Connecticut, or such other suitable office space, to discharge his duties. The City shall also provide eight (8) parking spaces which may be situated in the adjacent municipal parking lot.

3.2 ROBERT CROVO TAX COLLECTOR shall have all rights to means of ingress into and egress out of said premises together with the improvements, fixtures, equipment and facilities located on said premises.

3.3 The City shall paint, at its sole expense, the office space at least once during the term of said appointment and shall further provide, during the term of said appointment, heat, electricity, janitorial services, toilet facilities and one (1) reserved parking for ROBERT CROVO TAX COLLECTOR in the identical location to the current parking space.

3.5 ROBERT CROVO TAX COLLECTOR shall pay rent for said office space in the following manner: Three Hundred-Fifty Dollars (\$350.00) per month for the term of the contract.

#### 4 POLICIES

ROBERT CROVO TAX COLLECTOR shall prepare a pamphlet of its policies of its process for executions, jeopardy tax and tax sales. These pamphlets will be accessible to the public by posting at the tax collector's office and by posting on the Tax Collector's website.

#### 5. DOCUMENTATION

5.1 ROBERT CROVO TAX COLLECTOR shall supply the City's Treasurer's office with copies of any tapes, books or records on a monthly basis showing the prepayments received and deposited in said account.

5.2 The City, its agents, servants and employees reserve the right to inspect and audit any tapes, books or other records of ROBERT CROVO TAX COLLECTOR upon reasonable notice and at reasonable times. ROBERT CROVO TAX COLLECTOR shall supply the City's Treasurer's office with copies of any tapes, books or records on a daily basis showing a reconciliation between the daily deposits received and paid to the City.

5.3 ROBERT CROVO TAX COLLECTOR shall prepare and disclose to the City a list of job descriptions for its staff responsibilities and the qualifications necessary for such positions.

5.4 Once each year, ROBERT CROVO TAX COLLECTOR shall deliver a copy (in an electronic format) of the Tax Rate Book to the City's Treasurer.

#### 6. EVALUATION

ROBERT CROVO TAX COLLECTOR shall complete a contract review form as appended hereto as Exhibit A and submit it to the Board of Finance in May and November. Additionally, the ROBERT CROVO TAX COLLECTOR and the Board of Finance shall meet annually in the month of May to review and discuss with ROBERT CROVO TAX COLLECTOR his performance as well as his delivery of customer service.

#### 7 BASIS AND METHOD OF CONTRACT PAYMENT

Upon verification of the Treasurer's Office of taxes collected and deposited, the commission payable to ROBERT CROVO TAX COLLECTOR for the initial term of this contract from May 2011 to May 2015 shall be the percentage rate of 0.00125 on the total amount of taxes and sewer user fees collected. The payment schedule shall be as follows:

- a. Collected through July 31-Commission Payment on August 2nd

- b. Collected through October 31-Commission Payment on the 2nd Tuesday in November
- c. Collected through January 31-Commission Payment on February 2nd
- d. Collected through April 30-Commission Payment on the 2nd Tuesday in May

In consideration of the nonexistence of suspense accounts for the City of Torrington, the parties agree to the following:

a. That the City Assessors shall immediately compile and provide to the tax collector's office a listing of all personal property accounts where the annual declaration of personal property was not completed by the taxpayer pursuant to C.G.S. §12-41. This listing shall be provided no later than two weeks after the City Assessor's deadline for return of such declarations. Further, for all personal property accounts, the City Assessor's office shall provide ample notification to the tax collector's office of any and all dates and times wherein members of the assessor's office plan to conduct walks, sweeps, reviews or inspections related to such personal property accounts. For any such walks, sweeps, reviews or inspections, a member of the tax collector's staff will be permitted to accompany the assessor's staff and independently verify the information collected relating to the personal property assessment of properties. Last, upon request from the Tax Collector's office, the City Assessor's office shall provide the Tax Collector's office a written document specifying the Assessor's complete basis for any assessment of a particular personal property account.

b. That ROBERT CROVO TAX COLLECTOR shall have the right to challenge any personal property tax assessment as if he were the taxpayer. This right shall permit him to assert such challenges at any time during the term of this contract and for one year thereafter. Such challenges can be asserted regarding any personal property tax assessed at any time so long as the tax associated with such assessment has been paid by ROBERT CROVO TAX COLLECTOR. The parties further agree that any challenges to any such assessment shall be heard by a member of the board of assessment review from a municipality other than Torrington. The parties shall agree upon this individual and the costs of this person's work as hearing officer shall be equally shared by the City and ROBERT CROVO TAX COLLECTOR. At such hearing, in cases where the City Assessor's office provided the Tax Collector's office a written basis for the personal property assessment, the City Assessor's office may only rely on the written reasons provided to the Tax Collector's office in defending the assessment. The rulings of this hearing officer shall be binding on both sides and shall not be subject to appeal. In the event that the hearing officer determines that the assessment shall be reduced or vacated, ROBERT CROVO TAX COLLECTOR shall be entitled to a credit from the City for the taxes paid on that account for all the years the hearing officer determines that the assessment is reduced or vacated

c. Policies and procedures relevant to implementation and execution of the above sections 7(a) and 7(b) will be established within 30 days of execution of this contract.

## 8 LIENS

During the duration of this Contract as defined herein, ROBERT CROVO TAX COLLECTOR shall not, without the express written consent of the Board of Finance, sell or transfer any liens, property taxes, and/or sewer user fees to a third party.

## 9 ASSIGNMENT

ROBERT CROVO TAX COLLECTOR shall have the right to assign or delegate his duties and responsibilities under this agreement with the prior written consent of the City, which consent shall not be unreasonably withheld. Nothing in this paragraph shall be construed to relieve ROBERT CROVO TAX COLLECTOR of his duties and obligations under this Agreement.

10 DURATION

The City's appointment of ROBERT CROVO TAX COLLECTOR to act as the Tax Collector for the City of Torrington is for a period of approximately four (4) years, commencing on June \_\_\_\_\_, 2011 and terminating on May 31, 2015. The terms of this agreement apply only to the "duration" as thus defined herein.

In the event that Robert Crovo becomes unable to discharge the duties under this contract by virtue of death, illness or disability, it is agreed that the powers and duties of ROBERT CROVO TAX COLLECTOR under the terms of this agreement shall be immediately assumed by Jonathon Crovo of Trumbull Connecticut whom shall be appointed by the City as acting tax collector under the provisions of C.G.S. § 12-137 for the duration of this agreement. Such appointment shall not be considered an "assignment" of the contract under paragraph 9 herein.

11 TERMINATION

Upon completion of this contract and any successor contract, ROBERT CROVO TAX COLLECTOR shall supply to Torrington all his records on computer disk and hard copy regarding delinquent and past due sewer use charges, personal, motor vehicle and real property taxes, including the identity and location of the tax payer, the amount of past due or delinquent taxes/charges and any interest. ROBERT CROVO TAX COLLECTOR shall also supply to Torrington all subsequent records regarding payments and amounts still outstanding on a monthly basis until all such amounts are paid in full and any liens have been released. For so long as there are any taxes, interest, penalties or fees due ROBERT CROVO TAX COLLECTOR, the City shall ensure that any appointments of successor tax collectors includes a provision in the City's agreement with such successor(s) stating that such successor tax collector, "shall cooperate with ROBERT CROVO TAX COLLECTOR, its agents or assigns, as to the collection of any taxes, interest, penalties or fees due ROBERT CROVO TAX COLLECTOR, its agent or assigns, and shall promptly forward any and all payments due ROBERT CROVO TAX COLLECTOR, its agents and assigns, in accordance with Section 12-144b of the Connecticut Statutes upon receipt and shall communicate any and all relevant information regarding the taxpayers or properties where such amounts are still due ROBERT CROVO TAX COLLECTOR". It is further understood that ROBERT CROVO TAX COLLECTOR, its agents and/or assigns, shall be considered a third party beneficiary to such contract between the City and such successor tax collectors.

12. INSURANCE PROVISIONS

12.1 The Contractor shall provide the City, at its own expense, certificates of insurance for the below outlined coverage and limits. Each certificate shall require that notice be given to the City not less than thirty days prior to the cancellation or material change in the policy. Liability Insurance shall be in the type and amounts shown below:

General Liability	\$2,000,000
Excess Liability Umbrella Form	\$5,000,000/\$5,000,000
Worker's Compensation and Employer's Liability	\$500,000/\$100,000
Professional Liability	\$1,000,000

12.2 Certificate of Insurance: All insurance policies must include a Waiver of Subrogation whereby the insured waives its right to subrogate against the City, its subsidiaries, employees, volunteers, directors and officers. Proof of proper insurance coverage, Workers Compensation Insurance, Liability and Property damage, and Vehicle Insurance shall be filed with the City of Torrington Purchasing Agent within 10 days after the award of the bid. The Certificate of Insurance must name the City of Torrington, 140 Main St., Torrington, CT, its subsidiaries, employees, volunteers, directors & officers as the "Additional Insured" and filed with the Purchasing Agent prior to commencement of work.

Renewal Certificates of Insurance must be mailed to the Purchasing Agent 10 days prior to the expiration of the required coverage.

### 13. BREACH OF CONTRACT

If the City contends that ROBERT CROVO TAX COLLECTOR is failing to perform this Contract in accordance with its terms, the CITY shall notify ROBERT CROVO TAX COLECTOR of such contention by a writing, sent by certified mail, delineating the claimed breach(es). ROBERT CROVO TAX COLLECTOR shall thereafter have the right to cure such breach(es) within twenty-one (21) days of such written notification. In the event that the City contends that ROBERT CROVO TAX COLLECTOR failed to cure such breach(es) within said twenty-one (21) days, the City shall have the right, in addition to all other remedies it may have, to declare the ROBERT CROVO TAX COLLECTOR in breach of contract, and to resubmit the contract for further bid.

In the event the City declares such a breach, ROBERT CROVO TAX COLLECTOR retains the right, along with any and all other rights to which he is entitled to by law, to thereafter claim damages against the City resulting from the wrongful early termination of his contract. In such a claim, ROBERT CROVO TAX COLLECTOR may prove wrongful early termination by demonstrating to a court of competent jurisdiction (by a preponderance of the evidence) either (1) that the City's original delineation of its claim(s) of breach(es) was in error or (2) by demonstrating that the delineated breaches were cured within the 21 day grace period.

In the event ROBERT CROVO TAX COLLECTOR claims the City is failing to perform this agreement according to its terms, the he shall notify the City of such claimed breach(es) in writing by certified mail. The City shall have twenty-one (21) days with which to cure such claimed breach(es). In the event the City fails to cure said breach(es) within such grace period, then ROBERT CROVOTAX COLLECTOR, in addition to all other remedies he may have, may declare the City in breach of the agreement and request the City immediately appoint a successor tax collector.

In the event either party declares such a breach of contract, the provisions in paragraph 10 and 11 of this agreement regarding "duration" and "termination" shall survive the early termination of this agreement. In such a circumstance, the end date of the "duration" of this contract shall become the date of the City appoints a successor tax collector.

### 14. GENERAL REQUIREMENTS AND CONDITIONS

#### 14.1 Hold Harmless Agreement

The Contractor shall indemnify and hold harmless the City and their agents and employees from and against all claims, damages, losses, and expenses, including attorney's fees of counsel selected by the City, arising out of or resulting from the performance of the terms of this agreement , provided that any such claim, damage, loss or expense is caused in whole or in part by any negligent act or omission of ROBERT CROVO TAX COLLECTOR or anyone directly or indirectly employed by ROBERT CROVO TAX COLLECTOR.

#### 14.2 Affirmative Action Policy

The City of Torrington is an equal opportunity employer, and requires an affirmative action policy for all of its Contractors and Vendors as a condition of doing business with the City, as per Federal Order 11246. ROBERT CROVO TAX COLLECTOR agrees to this condition of doing business with the City and should the City choose to audit ROBERT CROVO TAX COLLECTOR's compliance, he agrees to cooperate fully.

14.3 If ROBERT CROVO TAX COLLECTOR is convicted of any criminal wrongdoing punishable as a felony, the City reserves the right to immediately terminate this Contract without further obligation.



15 CONTRACT DOCUMENTS

This written agreement embodies the whole agreement between the parties and there are no inducements, promises, terms, conditions or obligations made or entered into by either the City or ROBERT CROVO TAX COLLECTOR contained herein.

16. SEVERABILITY

All covenants and agreements herein are severable and in the event that any of them shall be held to be invalid by any competent court, this contract shall be interpreted as if such invalid agreements or covenants were not contained herein.

18. AUDIT

TAX COLLECTOR shall submit to an audit of its operations and shall produce documents necessary for the completion of the audit as requested. ROBERT CROVO TAX COLLECTOR, however, shall not be responsible for the production of any documents already provided to the City or such matters which are available through the City's computer system based on the interface with the tax collector's system. The audit shall be performed by qualified auditors of the City's choosing and shall not occur more than once each contract year. The audit shall be paid by the city.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals this 16<sup>th</sup> day of June 2011.

Signed, sealed and delivered  
In the presence of:

CITY OF TORRINGTON

Maureen M. Wall  
[Signature]  
[Signature]  
[Signature]

BY: [Signature]  
RYAN J. BINGHAM, Its Mayor  
BY: [Signature]  
R. THOMAS CROVO

STATE OF CONNECTICUT        }  
  }SS TORRINGTON  
COUNTY OF LITCHFIELD        }

On this the 16<sup>th</sup> day of June, 2011 before me, Ernestine Yuille Weaver, the undersigned officer, personally appeared RYAN J. BINGHAM who acknowledged himself to be the Mayor of the City of Torrington, a municipal corporation, and that he as such officer, being duly authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as such officer.

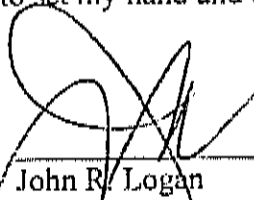
IN WITNESS WHEREOF, I hereunto set my hand and official seal

[Signature]  
Ernestine Yuille Weaver  
Commissioner of the Superior Court

STATE OF CONNECTICUT        }  
  } SS TORRINGTON  
COUNTY OF LITCHFIELD        }

On this the 16<sup>th</sup> day of June, 2011 before me, John R. Logan, the undersigned officer, personally appeared R. THOMAS CROVO, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and who acknowledged that he executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

  
\_\_\_\_\_  
John R. Logan  
Commissioner of the Superior Court

## EXHIBIT A

### OUTLINE OF TAX COLLECTOR REVIEW

Review every 6 months on or about November 15 and May 15.

1. All money due City paid by 1<sup>st</sup> Monday of November or 1<sup>st</sup> Monday of May as per contract (Nov and May).
2. Money paid to City within 24 hours of deposit July 2-Nov 1 and Jan 2-May 1 as per contract (Nov and May).
  - a. Documentation, including copy of deposit slip and computer printout showing source of monies received (Nov and May).
3. Copy of proper bonds (Nov and May).
4. Submission of letter of credit for \$7,000,000 line. (Nov and May)
5. Real Estate and Sewer. Percent collected for a stated time frame of collection.(May only)
6. Motor Vehicle. Percent collected for a stated time frame of collection.(May only)
7. Personal Property. Percent collected for a stated time frame of collection. (May only)
8. List of Real Estate properties with back taxes of 5 years or greater (May only).



March 23, 2011

Dr. Robert T. Crovo  
R. Thomas Crovo Tax Collector, LLC  
140 Main Street, Room 204  
Torrington, CT 06790

Dear Dr. Crovo

We (hereinafter "Union Savings Bank") hereby advise you (hereinafter "Borrower") that based on the information, statements, and representations furnished to us, we have approved your loan request (the "Loan") subject to the terms and conditions stated herein hereto and made a part hereof:

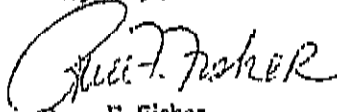
- 1. **Borrower:** R. Thomas Crovo Tax Collector, LLC
- 2. **Amount:** \$7,000,000.00 (Seven Million Dollars & 00/100)
- 3. **Purpose:** Re-affirm previous approval of a \$2MM increase to existing Revolving Line of Credit for general working capital purposes in connection with the performance of its obligations under the Borrower and the City of Torrington.
- 4. **Interest Rate:** Union Savings Bank Base Rate minus 0.50% (one-half percent). No Floor.
- 5. **Collateral**
  - The loan will be secured by a valid priority lien on all assets of the Borrower by way of a Security Agreement and related UCC-1 filing.
  - The Bank will obtain a Collateral Assignment of Contract with the City of Torrington for Tax Collector Services titled the "Tax Collector Agreement".
  - An Assignment of Life Insurance on Robert T. Crovo in the amount of \$1,000,000.00
- 6. **Guarantor:** Robert Thomas Crovo
- 7. **Term of Loan:** Payable on demand with annual review

8. Monthly Payment: Interest only monthly with principal payable on demand
9. Expenses: All expenses associated with closing this loan will be paid by the Borrower.
10. Origination Fee: Non Applicable
11. Prepayment Penalty: Non Applicable
12. Advances:
- At the Bank's sole discretion to the Borrower's checking account with Union Savings Bank; via fax or emailing the completed form (see Exhibit A attached) signed by an authorized person per Borrowing Resolution.
  - Advances will be subject to an amount equal to the lesser of (i) the sum of \$7,000,000.00 (Seven Million dollars & 00/100) or (ii) an amount determined by the "Borrowing Base".
13. Borrowing Base Certificates
- Month end Borrowing Base Certificates will be provided to Union Savings Bank on the 15<sup>th</sup> of the following month (see Exhibit B attached).
  - Borrowing Base Certificates shall include report indicating name, address and property location for any tax payer that is in arrears \$100,000.00 (one-hundred thousand dollars & 00/100) or more.
  - Borrowing Base Certificates shall be pursuant to the Borrowing Base Formula to be further outlined in the Business Loan Agreement.
12. Financial Reporting Requirements:
- Annual financial Statement and tax return for Borrower and Guarantor will be provided to the bank.
14. Other Conditions:
- The Borrower must provide acknowledgment and consent from the City of Torrington for the collateral assignment of the Contract.

This commitment shall not become effective unless the enclosed copy hereof, bearing your written acceptance, is received by the bank within ten (10) days from the date of this letter. Closing must take place within sixty (60) days from the date you accept this commitment.

THE TERMS AND CONDITIONS OF THIS COMMITMENT, TOGETHER WITH THE GENERAL CONDITIONS, SHALL SURVIVE THE LOAN CLOSING.

Very truly yours,

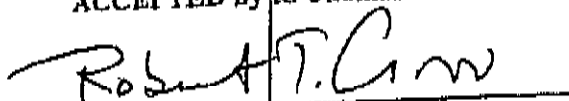


Reno F. Fisher  
Vice President  
Commercial Loan Officer

RFF/cdb

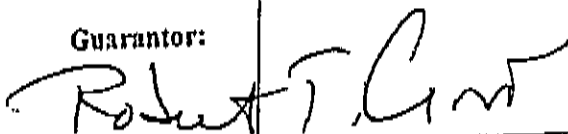
Enclosures

ACCEPTED by R. Thomas Crovo Tax Collector, LLC

  
\_\_\_\_\_  
Robert T. Crovo

Date 3/26, 2011

Guarantor:

  
\_\_\_\_\_  
Robert T. Crovo

Date 3/26, 2011