



**CITY OF TORRINGTON**

**Addenda #2**

**ADDENDA #2 HAS BEEN ISSUED REGARDING FIRST AMENDMENT TO THE TAX COLLECTOR CONTRACT**

**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 11, 2014 Purchasing Agent \_\_\_\_\_  
Pennie Zucco

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

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

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

**ADDENDA #2 IS ISSUED REGARDING  
THE CONTRACT OF THE TAX COLLECTOR  
WITH THE FIRST AMENDMENT TO THE CONTRACT**

## 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.

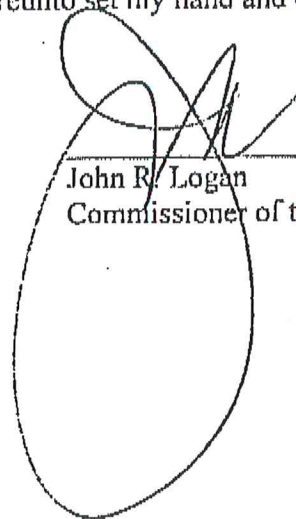
IN WITNESS WHEREOF, I hereunto set my hand and official seal

[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).



# Union Savings Bank

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. <u>Borrower:</u>      | R. Thomas Crovo Tax Collector, LLC  |
| 2. <u>Amount:</u>        | \$7,000,000.00 (Seven Million Dollars & 00/100)   |
| 3. <u>Purpose:</u>       | 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. <u>Interest Rate:</u> | Union Savings Bank Base Rate minus 0.50% (one-half percent). No Floor.  |
| 5. <u>Collateral</u>     | <ul style="list-style-type: none"> <li>• 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.</li> <li>• The Bank will obtain a Collateral Assignment of Contract with the City of Torrington for Tax Collector Services titled the "Tax Collector Agreement".</li> <li>• An Assignment of Life Insurance on Robert T. Crovo in the amount of \$1,000,000.00</li> </ul> |
| 6. <u>Guarantor:</u>     | Robert Thomas Crovo   |
| 7. <u>Term of Loan:</u>  | Payable on demand with annual review  |

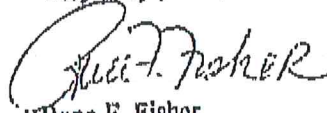


8. Monthly Payment: Interest only monthly with principal payable on demand
9. Expenses: All expenses associated with closing this loan will be paid by the Borrower.
10. Origination Fee: Non Applicable
11. Prepayment Penalty: Non Applicable
12. Advances:
- At the Bank's sole discretion to the Borrower's 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,

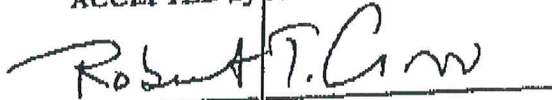


Rene F. Fisher  
Vice President  
Commercial Loan Officer

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

## FIRST AMENDMENT TO TAX COLLECTOR CONTRACT

THIS FIRST AMENDMENT TO THE TAX COLLECTOR AGREEMENT, entered into this 11<sup>th</sup> day of, June 2012, 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."

WHEREAS, the City and Robert Crovo Tax Collector entered into a contract dated as of June 16, 2011 (the "Original Contract"), for tax collection services to the City; the Original Contract and this Amendment collectively referred to as the "Contract"; and

WHEREAS, in a meeting between Robert Crovo Tax Collector and the City's Comptroller, Treasurer and Assistant Treasurer, the parties agreed that the basis and method of payment under the Original Contract should be revised and that the revision would only administratively and not substantively effect the terms of the parties agreement;

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

Paragraph 7 of the Original Contract payment schedule for Commission Payment is hereby replaced with the following substitution:

The payment schedule shall be as follows:

- a. Collected through July 31 - Commission Payment within 5 to 7 business days
- b. Collected through the first Monday in November (settlement date for the first half of the Tax Year) - Commission Payment within 5 to 7 business days
- c. Collected through January 31- Commission Payment within 5 to 7 business days
- d. Collected through the first Monday of May (settlement date for second half of the Tax Year) - Commission Payment within 5 to 7 business days

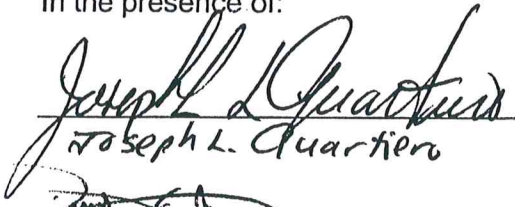



All other terms and provisions of the Original Contract Paragraph 7 are unaffected by this revision.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals this 11<sup>th</sup> day of June 2012.

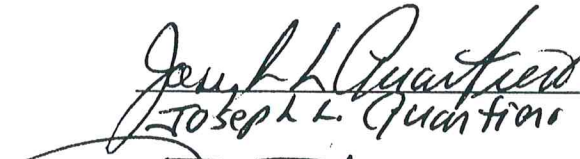
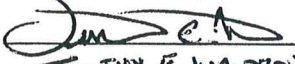
Signed, sealed and delivered  
In the presence of:

CITY OF TORRINGTON

  
\_\_\_\_\_  
Joseph L. Quartieri  
  
\_\_\_\_\_  
TIMOTHY E WALDRON

BY:   
\_\_\_\_\_  
RYAN J. BINGHAM, Its Mayor


BY:   
\_\_\_\_\_  
R. THOMAS CROVO

  
\_\_\_\_\_  
Joseph L. Quartieri  
  
\_\_\_\_\_  
TIMOTHY E WALDRON

STATE OF CONNECTICUT }  
  }SS TORRINGTON  
COUNTY OF LITCHFIELD }

On this the 11<sup>th</sup> day of June, 2012 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

  
\_\_\_\_\_  
Ernestine Yuille Weaver  
Commissioner of the Superior Court

STATE OF CONNECTICUT        }  
  }SS  TORRINGTON  
COUNTY OF LITCHFIELD        }

On this the 11 day of June, 2012 before me, Joseph L. Quarter 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

Joseph L. Quarter  
Notary Public/Commissioner of the Superior Court  
*my commission expires 01-30-2014*

