

**BOROUGH OF MT. OLIVER**

**Resolution 763-18**

The Council of the Borough of Mt. Oliver hereby resolves to enter into an Agreement with Kratzenberg & Associates, Inc. d/b/a Keystone Collections Group for the collection of current refuse collection fees and delinquent Borough real estate taxes, in the form attached hereto as Exhibit "A." The proper officers of the Borough are authorized and directed to execute the said Agreement and to take any action or execute any documents necessary to implement said Agreement.

This Resolution adopted by the Council of the Borough of Mt. Oliver at a duly assembled public meeting held this 20<sup>th</sup> day of August, 2018.

ATTEST:

BOROUGH OF MT. OLIVER

  
\_\_\_\_\_  
Manager

By:   
\_\_\_\_\_  
President

## AGREEMENT

THIS AGREEMENT, entered this \_\_\_\_\_ day of \_\_\_\_\_, 2018, by and between the BOROUGH OF MOUNT OLIVER of ALLEGHENY COUNTY, PENNSYLVANIA (hereinafter "Borough"), a political subdivision created and existing under the laws of the Commonwealth of Pennsylvania, located in Allegheny County, Pennsylvania and KRATZENBERG & ASSOCIATES, INC. d/b/a KEYSTONE COLLECTIONS GROUP (hereinafter "Agency") of Westmoreland County, Pennsylvania.

WHEREAS, the Commonwealth of Pennsylvania authorizes the collection of garbage fees and real estate taxes;

WHEREAS, the Borough, by resolution has officially appointed Agency as its contractor for the exclusive collection of current garbage fees and delinquent real estate taxes;

WHEREAS, Borough authorizes Agency to provide for attorney services related to delinquent real estate tax collection action by utilizing special counsel on behalf of Borough.

NOW, THEREFORE, the parties hereto, intending to be legally bound hereby, mutually promise, covenant and agree as follows:

### *1. Term*

From the effective date of this Agreement and continuing thereafter for a period of three (3) years from the Effective Date, Agency shall render tax collection services, for and on behalf of the Borough in connection with the exclusive collection of current garbage fees and delinquent real estate taxes levied by the Borough pursuant to applicable Pennsylvania law, statute, ordinance or resolution and all regulations promulgated thereunder. This Agreement shall automatically renew for additional three (3) year terms unless and until either of the parties hereto shall terminate

this Agreement as of any anniversary date by sending to the other party a written notice of termination at least ninety (90) days prior to any such anniversary date.

## 2. *Services and Compensation*

Agency shall provide tax collection services to the Borough and, in turn, the Borough agrees to compensate Agency for such services, as follows:

(A) Agency shall, upon execution of this Agreement, render its collection services to, for and on behalf of the Borough. Agency's services shall include, but not necessarily be limited to, preparation and mailing of current garbage fee and delinquent real estate tax bills/notices/forms and collection and remittance of such taxes and fees to Borough, preparation of any necessary reports to Borough.

(B) The compensation rates herein shall be the below-noted rates:

Current Garbage Fees	\$2.00 per each annual bill mailed, plus actual postage and forms \$0.50 per follow-up/reminder notice mailed plus actual postage and forms
Delinquent Real Estate Tax	Zero (0%) percent commission charged to Borough, under Act 20 Resolution

Note: The above rates are based upon continued use of the Act 20 Resolution and Schedule of Charges by the Borough, the terms of which were adopted as a resolution by the Borough and incorporated and made a part of this Agreement. Agency shall be entitled to retain from collections a sum equal to the amount set forth in the schedule of fees established as reasonable by said resolution.

(C) Agency shall, upon execution of this Agreement and continued use of the Act 20 Resolution and Schedule by the Borough, render its tax collection services to, for and on behalf of the Borough. Agency's services shall include, but not necessarily be limited to letters, notices, rent attachments, wage attachments and the selection and/or recommendation for initiation of criminal

or civil proceedings against delinquent taxpayers before the appropriate Magisterial District Judge of the Commonwealth of Pennsylvania or any other court of law in Allegheny County, Pennsylvania, or the Federal court serving said jurisdiction, which may include legal representation of Special Counsel in any action involving such delinquencies.

(D) Agency shall retain its compensation and any costs advanced from the proceeds of taxes collected.

(E) Pursuant to Act 20 and Borough Resolution, Agency is authorized to provide each delinquent real estate taxpayer with appropriate notice of such delinquency and, upon compliance with such notice requirement, to impose all fees, charges and costs in connection with its collection activity, directly against the delinquent taxpayer. Agency shall be entitled to retain from collections a sum equal to the amount set forth in the schedule of fees established as reasonable by said resolution.

### ***3. Reasonable Cooperation***

(A) Borough shall provide such tax data, assistance and cooperation as are reasonably required by Agency to obtain all tax records and related data and other information and data as may be reasonably required by Agency to fulfill its obligations hereunder.

(B) Agency agrees to make available to any accountant, firm of accountants or auditor appointed by the Borough, the relevant books and records relating to the collection of Borough's current garbage fees and delinquent real estate taxes by Agency and procedures relating to such collection, and agrees to be present and to participate in such audit at Agency's headquarters, provided that such audit shall be performed at a mutually convenient time.

### ***4. Reimbursable Costs and Payment Remittance***

(A) Agency shall advance, for and on behalf of the Borough, any necessary postage

costs, filing fees, services costs and other such costs (reimbursable out-of-pocket costs) if any, necessary and incident to current collections and notification and recovery from delinquent taxpayers.

(B) Agency shall be reimbursed for its out-of-pocket costs from subsequent current or delinquent collections made on behalf of the Borough.

(C) On or before the 20<sup>th</sup> of each month, Agency shall provide to Borough a detail report of current garbage fees and delinquent taxes collected by agency for the prior month. Agency shall remit funds monthly via ACH electronic transfer, minus its commission and any reimbursable costs.

#### ***5. Cross Indemnification***

Agency does hereby indemnify Borough and hold it harmless from any damages, costs, or expenses that directly result from acts or omissions of Agency, its employees, its servants or its agents. Likewise, Borough does hereby indemnify Agency and hold it harmless from any damages, costs, or expenses that result from any challenge to the validity of any ordinance or resolution of Borough or which result from any erroneous information provided to Agency, or from acts or omissions of Borough or other municipal employees, officials or agents, past and present.

#### ***6. Generally Accepted Collection Guidelines***

The parties understand and agree that:

(A) Incorporated by reference into this Agreement are all of the Tax/Garbage Fee Ordinances and/or Resolutions and other pertinent materials relating to the same as adopted from time to time by the Borough.

(B) Agency and Special Counsel shall have the obligation to pursue only those tax

delinquencies, which Agency or Special Counsel determine are reasonably collectible.

(C) With respect to those tax delinquencies more fully described in paragraph 6 (B), Agency and Special Counsel shall have the obligation to pursue such delinquencies only to such extent as Agency or Special Counsel determine such pursuit to be economically feasible.

(D) At no additional cost to the Borough, Agency shall be permitted to collect and retain directly from each delinquent taxpayer, a handling fee of Three (\$3.00) Dollars for each payment received by Agency from such delinquent taxpayer which represents less than the full amount of taxes due (*i.e.*, partial payments only), and a service fee of Twenty-nine (\$29.00) Dollars for any check returned "Not Sufficient Funds", "Stopped Payment" or "Account Closed".

#### ***7. Collection Litigation Commenced Records Remain Property of Borough***

Notwithstanding the fact that this Agreement may be terminated by either party on certain conditions under and pursuant to paragraph I hereof, it is understood and agreed by the parties hereto that Agency shall be entitled to be paid its prescribed, respective fees in connection with payments of any and all delinquent taxes received by Agency or Borough after the date on which this Agreement shall terminate in connection with which Agency or Special Counsel has taken any formal action instituted before a Magisterial District Judge of the Commonwealth of Pennsylvania, Court of Common Pleas of Allegheny County, or other court of law, as more fully stated in paragraph II hereof. Upon expiration of Agreement, Agency shall surrender the open tax account records to the Borough at no cost to Borough. Moreover, open tax account records shall be turned over in a standard electronic format agreed upon by both parties. Agency shall make no claim of proprietary interest in such records. In this regard, it is understood that the collection and tax management software in operation under this Agreement is proprietary in nature, with all rights thereto exclusive to Agency.

**8. Severability**

If any covenant or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

**9. Controlling Law**

This Agreement shall be deemed to have been made under and shall be governed by the laws of the Commonwealth of Pennsylvania. This Agreement represents the entire agreement between the parties and any modifications of same must be in writing to be valid.

**10. Agreement Survival**

This Agreement shall inure to the benefit of and be binding upon the respective parties hereto and their respective successors and assigns.

**11. Commencement**

This Agreement shall become effective upon the expiration of the current agreement on November 17, 2018.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year first above written.

ATTEST:



BOROUGH OF MOUNT OLIVER

By:  (SEAL)  
Duly Authorized Official

ATTEST:

\_\_\_\_\_

KRATZENBERG & ASSOCIATES, INC.  
d/b/a KEYSTONE COLLECTIONS GROUP  
  
By: \_\_\_\_\_ (SEAL)  
T.J. Kratzenberg, Esquire  
President