

**A RESOLUTION RESCINDING RESOLUTION 22-R-100 AND APPROVING
A DEBT COLLECTION SERVICES AGREEMENT BETWEEN MUNICIPAL
COLLECTION SERVICES, LLC, AND THE CITY OF ROLLING MEADOWS**

WHEREAS, the City of Rolling Meadows (the "City") is a home-rule unit of local government under Article VII, Section 6 of the 1970 Illinois Constitution and, except as limited by such section, it may exercise any power and perform any function pertaining to its government and affairs;

WHEREAS, the City previously adopted Resolution No. 22-R-100, approving an agreement with Municipal Collection Services, LLC ("MCS") under parent company, DACRA Tech LLC ("DACRA") for debt collection services for certain outstanding debts owed to the City, with respect to unpaid fines for municipal violations including, but not limited to red light camera violations and municipal violations which have been issued and processed pursuant to the City's administrative adjudication system ("Debt Collection Services");

WHEREAS, since the City's approval of Resolution 22-R-100 and prior to the finalization and execution of the agreement with MCS operating under DACRA as the parent company, MCS was acquired by Reliant Capital Solutions, LLC ("Reliant"); and

WHEREAS, the City desires to properly engage MCS, under its new parent company Reliant, for Debt Collection Services; and

WHEREAS, MCS has experience, expertise and is willing and able to perform the Debt Collection Services required by the City; and

WHEREAS, the City has selected MCS to perform the required Debt Collection Services, in accordance with all legal requirements for the Debt Collection Services; and

WHEREAS, the corporate authorities of the City have determined that it is advisable, necessary and in the public interest that the City rescind Resolution 22-R-100 and authorize and approve a new agreement with MCS, operating under Reliant, for Debt Collection Services.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Rolling Meadows, Illinois, as follows:

Section 1. The facts and statements contained in the preambles to this Resolution are found to be true and correct and are hereby adopted as part of this Resolution.

Section 2. The corporate authorities hereby rescind Resolution No. 22-R-100.

Section 3. The corporate authorities hereby approve the *Agreement for Collection Services between City of Rolling Meadows and Municipal Collection Services, LLC* (“Agreement”), which Agreement is attached hereto as Exhibit A and incorporated herein, to provide Debt Collection Services on behalf of the City upon those terms and conditions set forth in the Agreement.

Section 4. The Mayor be and is hereby authorized and directed to execute the Agreement on behalf of the City, in substantially the form of the Agreement attached hereto as Exhibit A, with such changes therein as may be approved by the Mayor and City Attorney, the execution thereof to constitute conclusive evidence of the approval of such changes, if any.

Section 5. The officials, officers, employees and agents of the City are authorized to take such actions and execute such documents as are necessary to carry out the purpose and intent of this Resolution and the Agreement.

Section 6. This Resolution shall be in full force and effect upon its passage and approval in accordance with law.

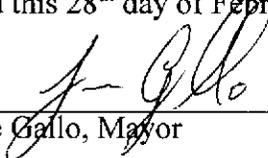
ADOPTED this 28th day of February, 2023, pursuant to a roll call vote as follows:

AYES: Reytez, Sanoica, McHale, Budmats, O’Brien, Vinezeano, Bisesi

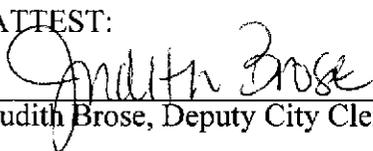
NAYS: 0

ABSENT: 0

Passed and approved this 28th day of February, 2023.



Joe Gallo, Mayor

ATTEST:


Judith Brose, Deputy City Clerk

EXHIBIT A

**Agreement for Collection Services between
City of Rolling Meadows and Municipal Collection Services, LLC**

Agreement for Collection Services between
City of Rolling Meadows
and
Municipal Collection Services LLC

This AGREEMENT made this 14 day of March 2023 by and between **Municipal Collection Services LLC**, a Delaware limited liability company (hereinafter referred to as “MCS”), and the **City of Rolling Meadows** an Illinois Municipal Corporation (hereinafter referred to as the “Municipality”) and shall be effective on the date fully executed by the parties hereto (the “Effective Date”).

WITNESSETH

WHEREAS, MCS is a duly licensed collection agency in the State of Illinois, and;

WHEREAS, the Municipality wishes to list certain debts owed to the Municipality with MCS for collection, and;

WHEREAS, MCS possesses the personnel, experience, expertise and equipment to effectively aid the Municipality in collecting its debts through an effective collection process and court actions, if necessary.

NOW, THEREFORE, in consideration of the mutual and several promises and covenants herein contained, the parties do hereby agree as follows:

1.00 DEBTS LISTED FOR COLLECTION

1.01 The Municipality agrees that all of its unpaid fines for municipal violations including, but not limited to red light camera violations and municipal violations which have been issued and processed pursuant to its administrative adjudication system where “determination orders” or “findings, decisions, and orders” have been entered by the Municipality, will be listed for collection with MCS. The Municipality may list other debts or fines for collection with MCS, during the term of this Agreement, and any fines or other debts listed for collection shall be hereinafter collectively referred to as “Debt” or “Debts”.

1.02 The Municipality agrees that the Debts will be collected and administered pursuant to all of the terms and conditions contained in this Agreement.

1.03 All Debts will be forwarded to MCS, using the forms and procedures that are designated by MCS, from time-to-time.

1.04 Upon request of MCS, the Municipality will provide certified copies of documents necessary for use of MCS in collection of the Debts. The Municipality and MCS agree that in order for MCS to effectively collect the Debts and provide accurate records of collection activity, to the Municipality, including, but not limited to, amounts collected, accounts closed, and other dispositions of Debts; MCS requires access to the Municipality's administrative adjudication database. The Municipality hereby agrees to allow MCS such access, subject to reasonable security measures.

2.00 COLLECTION OF DEBTS

2.01 MCS agrees to use its best efforts and any lawful means, which in its sole judgment and discretion, that it believes will result in the collection of Debts.

2.02 If requested by the Municipality, and in its efforts to collect Debts, MCS will assist the Municipality in managing the Local Debt Recovery Program implemented by The Illinois Office of the Comptroller (IOC). MCS, or its designated technology partner, will prepare and, if allowed to do so by the IOC, will perform the weekly upload of the "add", "change" and "delete" files.

3.00 COMPENSATION

3.01 No fees will be payable to MCS by the Municipality until such time as any money is collected on Debt. The Municipality may add a collection fee of thirty-five percent (35%) to each Debt listed for collection, and said collection fee shall be included as a part of the Debt.

3.02 At such time as any money is collected, MCS shall be paid as follows:

For debts where a collection fee has not been added:

3.02.1 MCS will be entitled to any costs awarded by a court in the collection of Debts. If no additional expense amount is awarded for such costs, this Section 3.02.1 will not apply.

3.02.2 Twenty-five percent (25%) of the balance of the amount collected on each Debt forwarded to MCS for collection, unless the payment is received from the IOC. However, in the event that the Municipality has added a collection fee to a Debt before listing it with MCS, MCS's fee shall be as set forth in Sections 3.02.4 and 3.02.5.

3.02.3 MCS's fee for any services of Debts forwarded to MCS relating to the Local Debt Recovery Program and for Debts collected through the IOC shall be fifteen percent (15%) of the amount received by the Municipality, except where the Municipality has added a collection fee to a Debt, in which case,

MCI's fee shall be as set forth in Sections 3.02.4 and 3.02.5.

For debts where a collection fee has been added:

3.02.4 Twenty-five and 93/100 percent (25.93%) of the balance of the amount collected on each Debt.

3.02.5 MCS's fee for any services relating to the Local Debt Recovery Program and for Debt collected through the IOC shall be twenty-five and 93/100 percent (25.93%) of the amount received by the Municipality.

4.00 COLLECTION AND PAYMENT

4.01 MCS shall have the exclusive right to collect the Debts forwarded to it for collection until such time as it chooses, in its sole discretion, to return any Debt to the Municipality. Any inquiries received by the Municipality concerning any Debt forwarded to it for collection; including attempts to make payments thereon, shall be referred at the earliest possible time to MCS.

4.02 MCS will deposit any money collected in a separate segregated funds bank account established for that purpose.

4.03 After deduction of its fees, and costs allowable by this Agreement, MCS will forward to the Municipality, its share of any amounts collected. Remittance to the Municipality will be made by the 17th of the month for any amounts collected by the last day of the preceding month.

4.04 In the event that any funds are paid to, or collected by the Municipality on any Debts forwarded to MCS for collection, the Municipality will report such collections to MCS daily for accounting under this Section, and MCS may deduct its fees and allowable costs, on those Debts, from the amount that would otherwise be due to the Municipality under Section 4.03.

5.00 SETTLEMENT OF DEBTS

5.01 The Municipality hereby authorizes MCS to compromise or reach negotiated settlements on any Debt. However, unless otherwise authorized by the Municipality in writing, any such settlement shall be in conformance with the minimum amounts set forth herein. The parties agree that no Debt will be settled, negotiated, or compromised for less than fifty percent (50%) of the amount due, unless mutually agreed upon, in writing, between MCS and the Municipality.

5.02 Should the Municipality desire to engage in an amnesty campaign, MCS, at the request of the Municipality, shall assist with the program and shall provide to the Municipality a summary of costs (letter / postcard mailing, etc.) for the amnesty program to be paid by the Municipality. MCS shall only be entitled to the compensation based on the amount collected.

5.03 Should the Municipality make any settlement or otherwise take any action in derogation of MCS's exclusive right to collect Debts forwarded to it for collection, then MCS shall be entitled to payment of its fee in full, as delineated in this Agreement, based on the full amount of the Debt, as listed. The Municipality shall have the right, from time to time, to reduce, settle or forgive any Debt at any time, in its sole and absolute discretion, provided that MCS has not referred the Debt to the Local Debt Recovery Program implemented by The Illinois Office of the Comptroller (IOC). In such instances, no fee shall be due to MCS for any portion of any such Debt so reduced, settled or forgiven.

6.00 INDEMNIFICATION

6.01 MCS agrees to indemnify and hold the Municipality harmless against any and all liability, costs and expenses including reasonable attorney fees, occasioned by claims or suits, including, but not limited to, those brought under the Federal "Fair Debt Collection Practices Act," the Illinois "Collection Agency Act," the Federal Bankruptcy Code, or any other similar consumer protection law; for loss or damages arising out of the acts, or omissions of the officers, agents, servants or employees of MCS during the term of this Agreement. Conversely, the Municipality agrees to indemnify and hold MCS harmless against any and all liability, costs and expenses including reasonable attorney fees, occasioned by claims or suits for loss or damages arising out of the acts, or omissions, of the Municipality, its officers, agents, servants or employees.

6.02 Further, the Municipality warrants and represents to MCS that any Debt listed for collection will be a legal and valid debt owed to the Municipality, that has not been discharged in bankruptcy. The Municipality also warrants and represents that it will immediately notify MCS of any notice of bankruptcy received relative to any Debt and that it will also immediately inform MCS of any payments of Debts received by the Municipality. In addition to the indemnities listed above, the Municipality agrees to indemnify and hold MCS harmless against any and all liability, costs and expenses including reasonable attorneys' fees occasioned by claims or suits under the Federal "Fair Debt Collection Practices Act", the Illinois "Collection Agency Act", the Federal Bankruptcy Code, or any other similar consumer protection law, due to the breach of these warranties and representations.

7.00 TERM

7.01 The term of this Agreement is for a period of 36 months from the date first written above ("Initial Period") and will automatically renew for subsequent one-year periods thereafter. Notwithstanding, either Party may terminate this agreement upon (30) days written notice prior to the expiration of the Term. Either party may terminate this Agreement for "cause," subject to an accounting and payment being made as herein provided for services performed during the period this Agreement was in effect. The terminating party must notify the other party in writing, by certified mail, return receipt requested, of its intention to terminate for cause. For purposes of this Agreement, cause shall be defined as a breach of any term or condition of this Agreement that remains uncured for a period of thirty (30) days after service of a written demand to cure by the non-breaching party.

employment, or joint venture relationship, or any other relationship which could allow the Municipality to exercise control or direction over the manner or method by which the MCS or its sub-Contractors provide services hereunder.

MCS warrants that all personnel provided by it with respect to the Project shall be employees of MCS. At all times during the course of performing services hereunder, MCS's employees shall be and remain employees of the MCS and not employees of the Municipality. MCS shall be solely and exclusively responsible to pay wages; salaries; pensions; overtime, holiday, sick and vacation pay; federal and state withholding and unemployment taxes; FICA and Social Security on behalf of its employees.

11.00 CONFLICT OF INTEREST

MCS covenants that it has no conflicting public or private interest and shall not acquire, directly or indirectly, any such interest which would conflict in any manner with the performance of its services under this Agreement. Collection of debts for its other clients, including any municipalities, shall not be considered a conflict of interest.

12.00 INSURANCE REQUIREMENTS

MCS shall procure and maintain for the duration of the Agreement, and for a three (3) year period thereafter, a claims made policy. MCS shall also maintain insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work by MCS, its agents, representatives, and employees.

12.01 MINIMUM SCOPE OF INSURANCE

Coverage for the insurance procured and maintained by MCS against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work by MCS, its agents, representatives, employees or subcontractors shall be at least as broad as:

- (1) Insurance Services Office Commercial General Liability occurrence form CG 0001; and
- (2) Insurance Services Office form number CA0001 covering Automobile Liability, Symbols 8 & 9 ("non-owned" and "hired") and endorsement changes in Business Auto and Truckers coverage forms - Insured Contract or ISO form number CA 0001; and
- (3) Worker's Compensation as required by the Labor Code of the State of Illinois and Employer's Liability Insurance; and
- (4) Professional Liability insurance insuring against errors and omissions of the Contractor.

12.02 MINIMUM LIMITS OF INSURANCE

With regard to insurance procured and maintained by MCS against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work by the Contractor, its agents, representatives, employees or subcontractors, MCS shall maintain limits no less than:

- (1) Commercial General Liability: \$1,000,000 combined single limit per occurrence for bodily injury, personal injury, and property damage. Minimum General Aggregate shall be no less than \$1,000,000 aggregate.
- (2) Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage.
- (3) Professional Liability: \$1,000,000 single limit for errors and omissions, professional/malpractice liability.
- (4) Worker's Compensation and Employers' Liability: Worker's Compensation limits as required by the Labor Code of the State of Illinois and Employers' Liability limits of \$500,000 per accident.

13.00 STANDARD OF PERFORMANCE

MCS, its employees and any sub-contractors shall exercise reasonable skill, care and diligence in the performance of the services required under this Agreement.

All services provided by MCS shall be performed in a reasonably prompt manner. MCS shall perform all duties and services and make all decisions called for hereunder promptly and without unreasonable delay.

14.00 CERTIFICATIONS

If any errors, omissions or acts, intentional or negligent, are made by MCS or any sub-contractor, in any phase of the work, the correction of which requires additional field or office work, MCS shall be required to perform such additional work as may be necessary to remedy same without undue delay and without any cost to the Municipality. Acceptance of the work by the Municipality shall not relieve MCS of its responsibility for the quality of its work, or for its liability for loss or damage resulting therefrom.

1. MCS certifies that MCS, its shareholders holding more than five percent (5%) of the outstanding shares of MCS, its officers and directors are:
 - a. not delinquent in the payment of taxes to the Illinois Department of Revenue in accordance with 65 ILCS 5/11-42.1-1;

- b. not barred from contracting as a result of a violation of either Section 33E-3 (bid rigging) or Section 33E-4 (bid rotating) of the Criminal Code of 1961 (720 ILCS 5/33E-3 and 5/33E-4);
- c. not in default, as defined in 5 ILCS 385/2, on an educational loan, as defined in 5 ILCS 385/1;
- d. in compliance with equal employment opportunities and that during the performance of this Agreement, the Contractor shall:
 - (1) Not discriminate against any employee or applicant for employment because of race, color, religion, sex, marital status, national origin or ancestry, age, physical or mental handicap unrelated to ability, or an unfavorable discharge from military service; and further that it will examine all job classifications to determine if minority persons or women are underutilized and will take appropriate affirmative action to rectify any such underutilization.
 - (2) If it hires additional employees in order to perform this Agreement or any portion hereof, it will determine the availability (in accordance with the Illinois Department of Human Right's Rules and Regulations) of minorities and women in the area(s) from which it may reasonably recruit and it will hire for each job classification for which employees are hired in such a way that minorities and women are not underutilized.
 - (3) In all solicitations or advertisements for employees placed by it or on its behalf, it will state that all applicants will be afforded equal opportunity without discrimination because of race, color, religion, sex, marital status, national origin or ancestry, age, physical or mental handicap unrelated to ability, or an unfavorable discharge from military service.
 - (4) Submit reports as required by the Illinois Department of Human Rights, Rules and Regulations, furnish all relevant information as may from time to time be requested by the Department or the contracting agency, and in all respects comply with the Illinois Human Rights Act and the Department's Rules and Regulations.

- (5) Permit access to all relevant books, records, accounts, and work sites by personnel of the contracting agency and the Illinois Department of Human Rights for purposes of investigation to ascertain compliance with the Illinois Human Rights Act and the Department's Rules and Regulations.
 - (6) Not maintain or provide for its employees any segregated facilities at any of its establishments, and not permit its employees to perform their services at any location, under its control, where segregated facilities are maintained. As used in this section, the term "segregated facilities" means any waiting rooms, work areas, restrooms and washrooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, creed, color, or national origin because of habit, local custom, or otherwise.
- e. in compliance with 775 ILCS 5/2-105(A)(4) by having in place and enforcing a written sexual harassment policy.
 - f. in agreement that in the event of non-compliance with the provisions of this certification relating to equal employment opportunity, the Illinois Human Rights Act or the Illinois Department of Human Rights, Rules and Regulations, MCS may be declared ineligible for future contracts with the Municipality, and this Agreement may be canceled or voided in whole or in part, and such other sanctions or penalties may be imposed or remedies invoked as provided by statute or regulation.
 - g. in compliance with 30 ILCS 580/1 *et seq.* (Drug Free Workplace Act) by providing a drug-free workplace by:
 - (1) Publishing a statement:
 - (a) Notifying employees that the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance, including cannabis, is prohibited in the Contractor's workplace.
 - (b) Specifying the actions that will be taken against employees for violations of such prohibition.

- (c) Notifying the employee that, as a condition of employment on such Agreement, the employee will:
 - (i) abide by the terms of the statement; and
 - (ii) notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction.
- h. not in violation of the Municipal Code of the Municipality by an officer or employee of the Municipality having solicited any gratuity, discount, entertainment, hospitality, loan, forbearance, or other tangible or intangible item having monetary value including, but not limited to, cash, food and drink, and honoraria for speaking engagements related to or attributable to the government employment or the official position of the employee or officer from MCS.
- i. not in violation of the Municipal Code of the Municipality by MCS having given to any officer or employee of the Municipality any gratuity, discount, entertainment, hospitality, loan, forbearance, or other tangible or intangible item having monetary value including, but not limited to, cash, food and drink, and honoraria for speaking engagements related to or attributable to the government employment or the official position of the employee or officer.
- j. MCS acknowledges that, pursuant to the provisions of the Illinois Freedom of Information Act, (5 ILCS 140/1 *et seq.*), certain documents or records prepared or used in relation to work performed under this Agreement may be considered a public record of the Municipality; and MCS shall produce to the Municipality such records not in the possession of the Municipality within three (3) business days of a request for such records from the Municipality at no additional cost to the Municipality. However, any of MCS's records, documents, files, manuals, databases, and the like, whether in electronic or any other format, and whether or not previously provided to the Municipality, which contain any of MCS's procedures, means, or methods of conducting its collection activities, and any such records which deal with its collection activities regarding individual debtors or accounts may be deemed to be exempt from disclosure under Section 7(1)(g) of the Freedom of Information Act. These records are claimed by MCS to be trade secret, commercial, or financial information which is proprietary, privileged, or confidential, and disclosure of such records would cause competitive harm to MCS and be an unwarranted invasion of the personal privacy of those

whose information may be contained in such records. If additional time is necessary to compile records in response to a request, then MCS shall so promptly notify the Municipality and if possible, the Municipality shall request an extension so as to comply with the Act. Similarly, the parties will reasonably cooperate to protect any of MCS's trade secret, commercial, and financial information, as described above, from disclosure within the terms of the Act.

15.00 GOVERNING LAW

This Agreement shall be governed by the laws of the State of Illinois as to interpretation, performance and enforcement.

The forum for resolving any disputes concerning the parties' respective performance or Failure to perform under this Agreement shall be the Circuit Court of Cook County, Illinois.

16.00 SEVERABILITY

If any term, covenant, or condition of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or such other document; or the applications of such term, covenant or condition, to persons or circumstances other than those as to which it held invalid or unenforceable shall not be affected thereby, and each term, covenant or condition of this Agreement or such other document shall be valid and shall be enforced to the fullest extent permitted by law.

17.00 ENTIRE AGREEMENT

This constitutes the entire agreement between the parties, and supersedes all prior negotiations, representations or understandings, whether written or oral. This Agreement may only be amended or a provision hereof waived by the parties, by written instrument, executed by authorized signatories of the Municipality and MCS.

The division of this Agreement into articles, paragraphs, clauses or other subdivisions, and insertion of headings are for convenience and reference only.

18.00 FAILURE TO ENFORCE BREACH NOT A WAIVER

The parties agree that the waiver of or failure to enforce any breach of this Agreement by the other party shall not be construed or otherwise operate as a waiver of any future breach of this Agreement, and shall not bar or prevent the other party from enforcing this Agreement with respect to any other breach.

19.00 RELEASES AND RETURN OF ACCOUNTS

MCS agrees to release and return specified accounts assigned and in process of collection within three (3) days of the receipt of a written request from the Municipality or by any other date mutually agreed upon in writing by the parties. All accounts returned will be listed in alphabetical order along with the current balance of each account with the exception of those accounts identified in Section 7.03

20.00 FORCE MAJEURE

Neither party shall be liable to the other for any delay or non-performance of their respective obligations under this Agreement if such delay or non-performance is caused by any contingency beyond their control, including but not limited to acts of God, war, civil unrest, walkouts, fires or natural disasters.

IN WITNESS WHEREOF, the parties have signed this Agreement effective as of the date first above written.

City of Rolling Meadows

MUNICIPAL COLLECTION SERVICES LLC

By: 
(SIGNATURE)

By: _____
(SIGNATURE)

Joe Gallo
(PRINT NAME)

Feroze Waheed

Its: Mayor
(Title)

Its: Chief Strategy Officer

Date: March 1, 2023

Date: _____