<u>2B. Action</u> Date: July 11, 2005

SUBJECT: APPROVAL OF DELINQUENT TAX ATTORNEY AGREEMENT

BOARD GOAL: Budget and Finance

FISCAL NOTE: Paid for by delinquent penalties, specified by law for

collection services

Background Information:

 Section 33.07 of the Texas Property Tax Code provides for a 20% penalty to be assessed to a delinquent taxpayer for the purpose of collecting the delinquent taxes.

• Section 33.48 of the Texas Property Tax Code also provides for court-awarded attorney's fees to pay for litigation of delinquent tax matters.

Administrative Considerations:

- On June 22, 2005, proposals for collection of delinquent property taxes were received by the district.
- On June 30, 2005, the Budget and Finance Committee assisted the administration with interviews of four (4) legal firms that collect delinquent taxes.
- The Budget and Finance Committee interview team consisted of five citizens and four district personnel.
- Since the Budget and Finance Committee has been charged with the review of financial matters for the district, their input in the decision making process was valued by the administration.
- Instructions to the interview team were given that all questions were to be rated on a 1 to 5 scale with 5 being the best. Also the interview team was instructed that if a question was asked beyond the questions developed by the administration, the question was to be asked of all firms.
- The questions were developed from the request for proposal and responses to the RFP.
- Each firm was given a 30 minute time frame to answer questions and if time permitted to make a presentation.
- The interviews and responses to the request for qualification were used to develop the recommendation by the administration to the Board.
- The contract term will be from July 2005 till July 2008 with the ability to extend the contract for two additional one-year periods.

- The joint venture of Perdue, Brackett, Flores, Utt & Burns gave evidence of their experience and methods that are desired by the district. The evidence given was with other Texas school districts of similar or greater size to Keller ISD. This firm also has sufficient technology and staff to meet the needs or the district's collection requirements.
- Reference calls to other Tarrant County districts produced a highly complimentary response to Perdue, Brackett, Flores, Utt & Burns ability to collect delinquent taxes.

The administration recommends that the Board of Trustees approve the three year contract with optional two one-year renewals with the joint venture of Perdue, Brackett, Flores, Utt & Burns for the collection of delinquent taxes.

Respectfully submitted,

Kent Morrison Chief Financial Officer