

OPERATIONS & ADMINISTRATIVE COMMITTEE AGENDA

Called by: Chairman, Keith McDonald
Members: Jaime Salgado, Paul Arena,
Dorothy Redd, Joe Hoffman, John
Butitta, Jean Crosby

DATE: MONDAY, OCTOBER 21, 2019
TIME: 5:00 PM
LOCATION: ROOM 510
COUNTY ADMINISTRATION BLDG
404 ELM STREET
ROCKFORD, IL 61101

AGENDA:

- A. Call to Order
- B. Roll Call
- C. Public Comment – This is the time we invite the public to address the Operations and Administrative Committee with issues and concerns. We ask you to limit your comments to three minutes. Personal attacks or inappropriate language of any sort will not be tolerated. We will allow a maximum of five speakers on a first come basis with sign up at the meeting. Speakers may not address zoning matters which are pending before the ZBA, the Zoning Committee or the County Board. Personnel matters or pending or threatened litigation may not be addressed in open session. An individual may speak a maximum of three times per calendar year on the same topic. This prohibition shall include the repetition of the same topic in a statement on what is purported to be a different topic. After acknowledgement by the chair, please stand and state your name. Thank you.
- D. Resolution Authorizing the Execution of a Contract with Region 1 Planning Council to Act as the County of Winnebago's Agent in the Operation of a Delinquent Tax Program
- E. Other Matters
- F. Adjournment

RESOLUTION

of the

COUNTY BOARD OF THE COUNTY OF WINNEBAGO, ILLINOIS

SUBMITTED BY: OPERATIONS AND ADMINISTRATIVE COMMITTEE

2019 CR

**RESOLUTION AUTHORIZING THE EXECUTION OF A CONTRACT
WITH REGION 1 PLANNING COUNCIL TO ACT AS THE COUNTY OF
WINNEBAGO'S AGENT IN THE OPERATION OF A DELINQUENT TAX PROGRAM**

WHEREAS, since 1997 the County of Winnebago has operated a delinquent tax program pursuant to section 21-90 of the Illinois Property Tax Code; and

WHEREAS, in May of 2019 the County sent out a Request for Qualifications for the purpose of updating its contract with an agent to operate the County's delinquent tax program; and

WHEREAS, after reviewing the responses received to the Request for Qualifications, County Board Chairman Frank Haney has decided he intends to appoint the Region 1 Planning Council to act as the County's agent in the operation of a delinquent tax program; and

WHEREAS, the Operations and Administrative Committee finds it is in the best interests of the citizens and taxing bodies in Winnebago County, Illinois for the County to continue to operate a delinquent tax program, and for Region 1 Planning Council to act as the County's agent in the operation of that program.

NOW, THEREFORE, BE IT RESOLVED, by the County Board of the County of Winnebago, Illinois, that the Winnebago County Board Chairman is County Board hereby authorized and directed to, on behalf of the County of Winnebago, enter into a contract with Region 1 Planning Council to act as the County's agent in the operation of a delinquent tax program.

BE IT FURTHER RESOLVED, that any contract entered into by the Chairman pursuant to the authority granted by this Resolution shall contain substantially the same terms as the contract attached hereto as "Exhibit A".

BE IT FURTHER RESOLVED, that this Resolution shall be in full force and effect immediately upon its adoption.

BE IT FURTHER RESOLVED, that the Clerk of the County Board is hereby directed to prepare and deliver a certified copy of this Resolution to Eric Setter, Land Bank Coordinator, 313 N. Main Street, Rockford, Illinois 61101.

Respectfully submitted,

OPERATIONS AND ADMINISTRATIVE COMMITTEE

AGREE

DISAGREE

Keith McDonald, Chairman

Keith McDonald, Chairman

Paul Arena

Paul Arena

John Butitta

John Butitta

Jean Crosby

Jean Crosby

Joe Hoffman

Joe Hoffman

Dorothy Redd

Dorothy Redd

Jaime Salgado

Jaime Salgado

The above and foregoing Resolution was adopted by the County Board of the County of Winnebago, Illinois, this ___ day of October, 2019.

Frank Haney, Chairman of the
County Board of the County of
Winnebago, Illinois

ATTEST:

Lori Gummow, Clerk of the
County Board of the County
of Winnebago, Illinois

**DELINQUENT TAX SALE TRUSTEE AGENCY
INTERGOVERNMENTAL AGREEMENT
REVISED 10-16-19**

PREAMBLE

Pursuant to the 35 ILCS 200/Property Tax Code 200/21-90, Winnebago County may appoint an Agent to represent the County as Trustee. It is the overall conviction of the County Board of Winnebago County that such appointment and the creation of a Delinquent Tax Program will further two specific goals of the County and taxing districts within the County:

1. To recover delinquent real estate taxes for the benefit of all taxing districts having an interest in the particular parcel of real estate, and,
2. In the case of property to which the County of Winnebago, as Trustee, ultimately takes a tax deed pursuant to the Property Tax Code, it will aid in the expeditious transfer of ownership and the return of that property to a responsible property owner.

The Agent, Region 1 Planning Council, understands the County's purpose for entering into this Intergovernmental Agreement and acknowledges that the appointment of the Agent pursuant to the Property Tax Code places the Agent in a position of representing the County of Winnebago to the public, insofar as the operation of the Delinquent Tax Sale Program is concerned. The Agent further acknowledges that the services to be rendered are uniquely created and described in the Property Tax Code and that these services are intended to inure to the benefit of the public of Winnebago County. As such, both parties believe that the Agent's position shall be in the nature of service to the public and that the Agent must at all times abide by the general principles guiding a fiduciary in the public employ in both the immediate and long term.

The County and the Agent recognize that the operation of the Delinquent Tax Sale Program is a complex matter difficult of precise description and that from time to time the Agent may be required to take action not specifically covered in detail in the body of the Agreement. It is the intention of the parties in setting forth this Preamble, that at such times, the Agent will make the necessary decisions and act only in pursuit of the goals and intentions as hereinabove stated by the parties.

AGREEMENT

This Intergovernmental Agreement is entered into by and between the COUNTY OF WINNEBAGO, ILLINOIS, hereinafter referred to as the COUNTY and, Region 1 Planning Council, hereinafter referred to as the AGENT. Pursuant to a resolution passed by the County Board of Winnebago County, Illinois, at their regular meeting held on _____, 2019, the COUNTY and the AGENT hereby agree:

A. Appointment and Duties of Agent

Pursuant to 35ILCS 200/21-90 Property Tax Code, Region 1 Planning Council shall be appointed the AGENT of the Winnebago County Board, which is the Trustee for all taxing districts, to, during the term of this Agreement, attend the Annual Tax Sale(s) and bid the full amount of taxes and penalties on all tracts of land or lots in the absence of other bidders, in the name of WINNEBAGO COUNTY, TRUSTEE.

Region 1 Planning Council agrees to establish and administer the Delinquent Tax Sale Program of Winnebago County.

Region 1 Planning Council shall act as AGENT of the COUNTY for the purposes of securing redemptions, preparing all notices, assisting in the preparation and filing of petitions, applications and orders for tax deed, locating parties of interest, inspecting properties, preparing notices for service under the authorization of the Sheriff, and assisting in all other procedures necessary for obtaining tax deeds and conveying property so acquired. The AGENT shall diligently pursue a continuous program of collection in the name of the COUNTY, and subject to the direction of the COUNTY Board Chairman or designee, may file extensions of the period of redemption and petition for tax deeds as he may deem necessary. The AGENT shall implement contemporary marketing practices to inform the public, and expeditiously transfer property out of Trust.

The COUNTY OF WINNEBAGO reserves the right to assign tax certificates obtained by the AGENT. In the event the AGENT desires to effect an assignment, such assignment must be with the consent of the Winnebago County Board Chairman.

On property to which a tax deed is taken in the name of WINNEBAGO COUNTY, TRUSTEE, the AGENT, with the advice and consent of the Winnebago County Board Chairman, may establish and collect rents on said property prior to sale or liquidation. All monies collected will be deposited on or before the fifth following business day into the program proceeds account described below.

Continuously throughout the duration of this contract, the AGENT shall market and sell property on which tax deeds have been taken in the name of WINNEBAGO COUNTY, TRUSTEE. The AGENT shall, at their expense, answer all inquiries relating to said properties, furnish sales and marketing material and pursue diligently any action which will produce a responsible disposal of property through a sale. Prior to any sale, the AGENT must accept offers on a property for a reasonable time period.

The AGENT shall inform the COUNTY, through the County Board Chairman, as to the operation of the program and shall cooperate with the Chairman, or a County designated staff member, in establishing minimum sale prices, rules of sales, and general accountability. The COUNTY reserves the right to direct the AGENT not to purchase certain parcels of real property at the county's annual tax sale.

The AGENT shall assist the State's Attorney in periodically pursuing marketable title to items that prove otherwise unmerchantable. All required actions will be pursued in the name of WINNEBAGO COUNTY, as TRUSTEE, and any notices, summons or other papers which may not legally be served by the AGENT will be served by the Sheriff of Winnebago County. The expense of any such legal action concerning merchantable title will be paid from the proceeds of the program (see Section B.), unless the action is made necessary by gross negligence on the part of AGENT or anyone in their employ, in which case the cost shall be borne by the AGENT.

It is the intent of the parties that a special Assistant State's Attorney will be appointed by the Winnebago County State's Attorney to initiate and pursue tax deed proceedings and any necessary quiet title actions, and prepare deeds of conveyance. The special Assistant State's Attorney shall report to, and be under the direction and control of the Winnebago County State's Attorney. All expenses paid by the Special Assistant State's Attorney shall be made from the proceeds of the program, except as provided above. All clerical assistance required by the Special Assistant State's Attorney shall be provided by the AGENT's employees at AGENT's expense.

All files pertaining to its program and maintained by the AGENT shall remain in the office of the AGENT. However, all such files and all papers, documents, letters, and memoranda contained therein or pertaining thereto shall remain the property of the COUNTY, and the COUNTY shall have full access to the files at all times during normal business hours.

B. Program Proceeds

1. In cases of redemptions and assignment of tax certificates, the maximum amount of penalties and fees as provided within the Property Tax Code shall be charged and collected into the Program Proceeds Account. Additionally, an assignment fee of Twenty-Five Dollars (\$25.00) per assigned certificate, except when assigning to a unit of local government, shall be deposited in the Program Proceeds Account. Said assignment fee to be paid by and collected from the assignee at the time of such assignment. Assignments of certificates will not be made without the consent of the AGENT after a Petition for Tax Deed has been filed.
2. After calculating the program costs are disbursed, (refer to Section D.), the balance shall be divided between the AGENT and the Winnebago County Treasurer. The AGENT shall receive 33% of the balance as an investment to continue blight reduction efforts. The Winnebago County Treasurer shall receive the remaining 67% of the balance to distribute to the taxing bodies. The balance distributed to the AGENT and Winnebago County Treasurer shall not include principal interest on redemptions that is owed to taxing bodies.

C. County Fees

The COUNTY, as Trustee, agrees to discount in whole all fees (within its authority) associated with the management of the Trust. This shall include services prescribed by 35 ILCS 200/Property Tax Code to be rendered by the County Treasurer, Judicial Court, Circuit Clerk, County Clerk, Sheriff, and State's Attorney, except as otherwise stated within this agreement.

D. Mechanics of Operation

- a. The COUNTY agrees to deposit a one-time seed sum of One Hundred-Fifty Thousand Dollars (\$150,000) for maintenance of property into the Program Proceeds Account. The COUNTY TREASURER OF WINNEBAGO COUNTY shall draw from this account only the amount necessary for basic maintenance costs of mowing and securing Trustee properties, and to mitigate actual or imminent threats to public health and safety of Trustee properties.
- b. The COUNTY TREASURER and AGENT shall keep a strict accounting of all expenses drawn on the revolving accounts and it shall be the duty of the TREASURER to report the status of said accounts at least monthly to the County Board Chairman. The amount of expenses drawn from the revolving accounts will be reimbursed on a priority basis from the sale or redemption of each item of property.
- c. A Program Proceeds Account shall be created in any Winnebago County Bank and shall be maintained jointly by the AGENT and the Treasurer of Winnebago County for the purpose of depositing program proceeds. All money collected by, or coming into the hands of the AGENT in any manner shall be deposited into the Account on or before the fifth following business day. This account shall be balanced monthly and shall at all times be open to the County Board and any Auditor of the County of Winnebago for inspection. The intent of the account is not to receive redemption funds owed to taxing bodies. Should principal property tax redemption funds be deposited into the account, the funds should be moved to a separate account as soon as possible for disbursement to taxing bodies. Principal property tax payments are not included in the program proceeds distribution set out in Paragraph I.
- d. The AGENT will issue a request for proposals (RFP) for mowing and security Trustee properties. Budget will be monitored to appropriate mowing throughout seasons of growth. The budget and quality of the service will be reviewed after the first year of the contract. The Agent will receive a 12.5% contract management fee.
- e. The COUNTY shall provide an Assistant or Special State's Attorney to represent the Trust in court appearances in the 17th Judicial Court of the State of Illinois. The AGENT retains the right to contract legal counsel for the other necessary legal services.
- f. The COUNTY shall furnish a duplicate or photocopy of each tax sale certificate and shall provide any information known by offices of the County Clerk and/or Recorder, County Treasurer, a Supervisor of Assessments, as to owners, occupants, parties of interest, the condition of the subject property, and all other relevant information in the possession of said offices to be used in obtaining tax redemptions or tax deeds.
- g. Certificates of Purchase acquired through this agreement shall be in the name of WINNEBAGO COUNTY TRUSTEE, and shall be deposited with the Treasurer of Winnebago County. It is the intent of the parties that all redemptions shall be made directly to the Winnebago County Clerk. Subsequent to redemption, the County Clerk shall submit to the Winnebago County Treasurer and AGENT a list of items redeemed. The Treasurer shall forthwith deliver the certificates to the County Clerk of Winnebago County for cancellation. The County Clerk shall then issue to the Treasurer a check, made payable to the Program Proceeds account for the amount received from the

redeeming party, less principal on redemption. The Treasurer shall deposit the check into the Program Proceeds Account and furnish a copy of the deposit slip to the AGENT. The principal redemption amount shall be sent to the Treasurer for direct payment to appropriate taxing bodies.

- h. On all property to which title has been taken in the name of WINNEBAGO COUNTY, TRUSTEE, the AGENT shall exercise diligent effort to expediently sell such property. The AGENT is responsible for marketing and selling the property to the highest, responsible buyer. The AGENT and WINNEBAGO COUNTY agree that the highest bid may not be the most responsible bid. Upon receiving a bid to purchase a property, the AGENT, through its website, will notify the public that a bid has been received on a property. The public will be allowed to present additional bids for a period not less than seven (7) days after the initial bid is received.
- i. A Purchase Agreement for the sale of property which is not paid in full within ninety (90) days shall be considered in default and all money received on said Purchase Agreement shall be treated as liquidated damages.
- j. Upon the determination that the contract has been defaulted, the Program Proceeds shall first be reimbursed the amount of fees and expenses advanced from that account on the item.
- k. Upon receiving proof that payment in full has been received from the purchaser of any parcel of property sold under the provisions of this Delinquent Tax Sale Program and the proceeds deposited into the Account, the County Board Chairman shall execute a quit claim deed conveying the property to the purchaser. The AGENT shall file the deed of conveyance with the Winnebago County Recorder for recordation.
- l. Upon completion of a sale, collection of redemption interest of a parcel of property, or the assignment of a certificate of purchase, the following checks will be drawn as needed from the Program Proceeds Account, with the Treasurer of Winnebago County and the AGENT co-signing all checks. The accounting period closes on September 30 each year. Checks designated to be remitted annually will be disbursed no later than October 31 each year.
 - a. A check will be made payable to the AGENT for the expenses to which it is entitled under the terms of the Agreement. This includes legal expenses, marketing efforts and other expenses required by the AGENT to fulfill the duties of the Agreement. The AGENT shall request a withdrawal from this account to pay for allowable expenses as needed.
 - b. A check will be made payable to the Winnebago County Treasurer for reimbursement up to \$3,750.00 per fiscal quarter for actual costs incurred assisting the program. Valid expenses to be submitted are limited to costs for public publication of notices and postage expenses.
 - c. A minimum balance reserve of \$150,000 will be held in the account for next year's maintenance.
 - d. A check will be drawn for Recorder of Deed expenses. This expense shall be remitted annually.
 - e. A check will be drawn for expenses of the County Clerk for cancellation of certificates. This expense shall be remitted annually.

- f. A check will be made payable to WINNEBAGO COUNTY for repayment of the one-time initial seed funding. This loan repayment will be distributed each year until paid in full.
- g. A check will be made payable to the AGENT for 33% of the balance remaining in Program Proceeds Account. This check shall be remitted annually and will not include the \$150,000 held in reserve for next year's maintenance.
- h. A check will be made payable to the Treasurer of Winnebago County for 67% of the balance remaining from the Program Proceeds Account. The AGENT will provide the Treasurer with property sales information, by tax code, for disbursement. This check shall be remitted annually and will not include the \$150,000 held in reserve for next year's maintenance.

E. Conflict of Interest

Neither the AGENT nor any employed by the AGENT or any relative or representative of the AGENT, during the term of this agreement, shall possess or acquire any pecuniary interest directly, indirectly or beneficially, or by any derivative process, in any real estate tax delinquency or forfeiture in Winnebago County. The foregoing notwithstanding, however, the COUNTY recognizes that the AGENT, their employees, agents or subagents, may, at the date of this Agreement have an interest in real property which would otherwise be in violation of this paragraph, and such present interests shall not be deemed in violation hereof.

F. General Conditions of Agreement

1. Agent not an Employee of the County

It is mutually understood, agreed, and it is the intent of the parties that an independent contractor relationship be and hereby established under the terms and conditions of this Agreement. It is further understood, agreed and it is the intent of the parties that the employees of the AGENT are not nor shall they be deemed employees of the COUNTY and that the employees of the COUNTY are not nor shall they be deemed employees of the AGENT. It is further understood, agreed and is the intent of the parties that the COUNTY has not created any type of COUNTY office through the creation of this Delinquent Tax Collection Program. Nor shall the AGENT be considered a public officer in performing their duties pursuant to this Agreement.

2. Assignment

The AGENT and the COUNTY agree that this Agreement is one contemplating that personal services are to be rendered by the AGENT and their employees, therefore neither party hereto may assign or transfer this Agreement or any part thereof, without the written consent of the other party.

3. Maps and Copies

The COUNTY shall, without expense to AGENT, furnish AGENT with one complete set of current tax maps and plat books for use by AGENT in identifying and locating tax delinquent parcels within the Program. The COUNTY shall, without expense to AGENT, provide copies of recorded documents when ascertaining interested parties of tax delinquent parcels.

4. Written Notices

Any written notices which may be required to be sent pursuant to this Agreement shall be addressed and sent as follows:

The County of Winnebago
Winnebago County Clerk
404 Elm Street - Ground Level
Rockford, Illinois 61101

Region 1 Planning Council, Trustee Agent
313 N Main St
Rockford, IL, 61101

5. Indemnification

AGENT shall indemnify and hold harmless COUNTY from and against all claims, suits, damages, costs, losses, and expenses in any manner arising from, out of, or in any way connected with the improper performance of AGENT, their agents subagents, in actions taken pursuant to this Agreement.

6. Term of Agreement

The term of this Agreement shall be in effect for three (3) years from the date of signing and shall renew annually thereafter until terminated by either the AGENT or the COUNTY. However, either party has the right to terminate this Agreement by giving notice of no less than One Hundred Twenty (120) days prior to the effective date of termination.

Upon termination of this Agreement, AGENT shall be allowed to complete all sales, assignments, and reconveyances in process, and AGENT shall receive the compensation which he would otherwise be entitled to under this Agreement and the normal service charges on money collected. Additionally, the Agent, Treasurer, and County Clerk, shall furnish to the County Board Chairman and Administrator full and accurate records of all annual tax buyer certificate issuances, tax buyer certificates awarded/redeemed/unredeemed, owner redemptions, deed transfers into the Trust, deed transfers out of the Trust, purchase contracts not fully executed, petitions for tax deed, auction records, sales-in-error filed and granted, accounting of proceeds, interests, and fees, and other pertinent records relative to the management of the Trust and transition of agency.

This Agreement entered into and signed at the County Office Building of Winnebago County, Illinois this ____ day of _____, 2019.