

**CITY OF EL PASO, TEXAS**  
**AGENDA ITEM DEPARTMENT HEAD'S SUMMARY FORM**

**DEPARTMENT:** Tax

**AGENDA DATE:** 8/09/2011

**CONTACT PERSON/PHONE:** Juan F. Sandoval - Ext. 4369

**DISTRICT(S) AFFECTED:** All Districts & County

**SUBJECT:**

**APPROVE a resolution / ordinance / lease to do what? OR AUTHORIZE the City Manager to do what? Be descriptive of what we want Council to approve. Include \$ amount if applicable.**

Approve a Resolution Authorizing the City Manager to sign an amendment for the collection of delinquent taxes with the firm of Delgado, Acosta, Spencer, Linebarger, & Perez, L.L.P.

**BACKGROUND / DISCUSSION:**

**Discussion of the what, why, where, when, and how to enable Council to have reasonably complete description of the contemplated action. This should include attachment of bid tabulation, or ordinance or resolution if appropriate. What are the benefits to the City of this action? What are the citizen concerns?**

Approval of this amendment would allow Delgado, Acosta, Spencer, Linebarger & Perez to collect amounts due to placement of demolition, condemnation, and sanitation liens.

**PRIOR COUNCIL ACTION:**

**Has the Council previously considered this item or a closely related one?**

Yes, eleven years ago.

**AMOUNT AND SOURCE OF FUNDING:**

**How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?**

A 25% fee will be added to the lien amounts due upon collection. Expenditures recognized in account #06010022-502201. No net cost to the city.

**BOARD / COMMISSION ACTION:**

**Enter appropriate comments or**

\*\*\*\*\*REQUIRED AUTHORIZATION\*\*\*\*\*

**LEGAL:** (if required) \_\_\_\_\_ **FINANCE:** (if required) \_\_\_\_\_

**DEPARTMENT HEAD:** \_\_\_\_\_  
(Example: if RCA is initiated by Purchasing, client department should sign also)  
*Information copy to appropriate Deputy City Manager*

**APPROVED FOR AGENDA:**

**CITY MANAGER:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

That the City Manager be authorized to sign the First Amendment to Contract for Professional Services with Delgado Acosta Spencer Linebarger & Perez LLP, for the purpose of amending the contract to provide for collection of demolition, condemnation, and sanitation liens in connection with delinquent tax collection legal services.

ADOPTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 2011.

CITY OF EL PASO:

\_\_\_\_\_  
John F. Cook, Mayor

ATTEST:

\_\_\_\_\_  
Richarda Duffy Momsen, City Clerk

APPROVED AS TO FORM:

APPROVED AS TO CONTENT

\_\_\_\_\_  
Marie A. Taylor  
Assistant City Attorney

\_\_\_\_\_  
Juan Sandoval  
Tax Assessor Collector

STATE OF TEXAS            )  
  )  
  )  
COUNTY OF EL PASO    )    **FIRST AMENDMENT TO CONTRACT  
FOR PROFESSIONAL SERVICES WITH DELGADO  
ACOSTA SPENCER LINEBARGER & PEREZ, LLP**

THIS FIRST AMENDMENT TO CONTRACT FOR PROFESSIONAL SERVICES (“First Amendment”) is executed effective for all purposes as of this \_\_\_\_ day of \_\_\_\_\_, 2011 by and between the City of El Paso, a Texas home rule municipal corporation, (the “City”) and Delgado Acosta Spencer Linebarger & Perez, LLP, a Texas limited liability partnership (the “Contractor”).

**RECITALS**

**WHEREAS**, on or about January 1, 2006, the City and Contractor entered into a Contract for the Collection of Delinquent Property Taxes (“Original Contract”) for Contractor to provide professional legal services to enforce the collection of taxes and penalties and interest and related penalties and fees on behalf of the City and all participating taxing entities that have entered into an Interlocal Tax Agreement that consolidates the assessment and collection of property taxes; and

**WHEREAS**, on December 2, 2009, the City agreed to extend the term of the Original Contract to December 31, 2015; and

**WHEREAS**, the City desires to amend the Original Contract to provide additional professional legal services to the City for the collection of delinquent sanitation and condemnation liens and Contractor is qualified and willing to provide such professional services.

**AGREEMENT:**

**NOW THEREFORE**, in consideration of the mutual promises set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Article VI, Demolition Liens, of the Original Contract is hereby amended to read as follows:

**VI.**

**MUNICIPAL LIENS**

The Contract will also enforce by delinquent tax suit, the collection of all demolition liens, sanitation liens, and condemnation liens (to be referred to collectively as "municipal liens") and penalty (if any) and interest thereto, owing to the City. Payment of municipal liens and penalty (if any) and interest related thereto owing to the City may be made in full or pursuant to a payment schedule to be determined by the Contractor.

In performance of the Contractor's duties outlined in this section, the Contractor shall perform, at a minimum, those services outlined in Addendum I attached hereto and incorporated herein for all purposes. The City agrees to pay to the Contractor compensation for services required in this section twenty-five percent (25%) of the amount of all municipal liens, penalty (if any) and interest for the years covered by this Contract actually collected and paid to the City during the term of this Contract as and when collected. The City shall pay over said funds monthly by the method most convenient to the City. The collection services provided for in this Contract do not include services for the collection of civil penalties, if any, imposed by the City Council or a court of competent jurisdiction.

2. A revised Addendum I, attached hereto, shall replace the Addendum I in the Original Contract.

3. Except as set forth herein, all terms and conditions of the Original Contract shall remain in full force and effect.

**IN WITNESS WHEREOF**, the parties hereto executed this First Amendment in El Paso, Texas, effective as of the date first written above.

**CITY OF EL PASO**

\_\_\_\_\_  
Joyce A. Wilson, City Manager

[Signatures Continue on Following Page]

**APPROVED AS TO FORM:**

  
Marie A. Taylor  
Assistant City Attorney

**APPROVED AS TO CONTENT:**

  
Juan Sandoval  
Tax Assessor Collector

**CONTRACTOR:  
DELGADO ACOSTA SPENCER  
LINEBARGER & PEREZ, LLP**

  
Carmen I. Perez, Capital Partner

**ADDENDUM I**  
**CITY OF EL PASO**  
**OUTSIDE COUNSEL FOR DELINQUENT TAX COLLECTION**  
**MUNICIPAL LIENS**  
**(DEMOLITION, SANITATION, AND CONDEMNATION LIENS)**

SERVICES

Contractor will:

1. Request on a monthly basis from the City's Comptroller's Office copies of all outstanding municipal liens that have been filed of record with the El Paso County Clerk's Office and which remain unpaid at least sixty (60) days from the date the City Comptroller's Office mailed an invoice to the property owner(s).
2. Maintain a database of delinquent outstanding municipal liens that have been filed of record with the El Paso County Clerk's Office, as provided by the City Comptroller's Office, and update the database after receiving the monthly lien file from the City Comptroller's Office.
3. Update said database upon receipt of payment information from the City's Comptroller's Office.
4. Contact persons legally responsible for delinquent account(s) by telephone and mail and attempt to induce voluntary payment.
5. Conduct searches for unknown or absentee owners.
6. Enforce by delinquent tax suit the collection of delinquent assessment levied in connection with municipal liens with expenditures, interest, and add-on collection fees when applicable, to include collection of excess proceeds from tax sales as it relates to municipal liens that were not included in a delinquent tax suit.
7. Obtain the City's approval on all settlement agreements of any claim, suit or proceeding involving the collection of municipal liens.
8. Represent the City in all bankruptcy proceedings related to or in connection with the collection of municipal liens. The Contractor will file claims, monitor the bankruptcy process, and attend hearings to ensure the City's interests are protected with respect to assessments of municipal liens.
9. Receive and forward all full and partial payments to the City Comptroller, with a report detailing the breakdown of the base amount, penalty and interest (if any), attorney fees, or add-on collection fees paid.



**City tax office**

# Memorandum

**TO:** Mayor & Council

**FROM:** Juan Sandoval, M.P.A., C.T.A., R.T.A.  
Tax Assessor/Collector

**DATE:** August 9, 2011

**RE:** Backup to item 3G - City Council Agenda of August 9, 2011

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This resolution seeks the approval of an amendment to the Delinquent Tax Collection Contract with the law firm of Delgado, Acosta, Spencer, Linebarger & Perez LLP. Approval would allow the firm to enforce collection on demolition, condemnation, & sanitation liens. It represents an outsourcing of the collection efforts at no cost to the city since the vendor will be paid through the addition of a 25% fee on the amount due and collected.

I recommend approval.