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MEMORANDUM

TO: Therese Pac, Town & City Clerk
FROM: Thomas W. Conlin, Assistant Corporation Counsel *TWC*
DATE: October 7, 2020
RE: Branch Tax Payment Processing Service Agreement
CC: Ann Bednaz, Tax Collector

RECEIVED
2020 OCT -7 PM 4:24
TOWN AND CITY CLERK
BRISTOL, CT

Therese, would you kindly include the attached Agreement on the next City Council agenda?
Thank you, and please contact me with any questions.



Branch Tax Payment Processing Service Agreement

This Branch Tax Payment Processing Service Agreement is dated _____ between People's United Bank, National Association having an address at 850 Main Street, Bridgeport, Connecticut 06604 ("People's United" or the "Bank") and the City/Town of Bristol _____ with offices at 111 N Main St, Bristol CT 06010 _____ (the "Municipality").

The Municipality wishes to obtain certain Branch Tax Payment Processing services from the Bank, and the Bank agrees to provide such services to the Municipality on the terms and conditions provided in this Agreement. In consideration of the mutual covenants and agreements contained in this Agreement, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Bank and Municipality agree as follows:

1. Definitions. The following definitions apply to the terms set forth below when used in this Agreement:

Account – The People's United business/municipal deposit account established by a Municipality for deposit of residents' periodic local tax payments.

CAR/LAR (Courtesy Amount Recognition, Legal Amount Recognition) - the process by which a scanning device reads the numeric and written values on a check or other payment document automatically and converts to electronic data.

"Tax Payment or Branch Tax Payment" - A service in which a municipality's tax payments are made by residents of the Municipality ("Municipality Residents") at any Bank branch. All Branch Tax Payments are processed daily by the Bank. Each Payment processed will result in a deposit to the Municipality's Account at the Bank, and information about the Municipality Residents' account numbers and payment amounts are supplied to the Municipality by the Bank.

"Remittance Document" - Also known as the scan document, a tax payment coupon or the tear off portion of the tax bill that is provided to the Bank along with the tax payment. The remittance document contains the CAR/LAR information and is the basis of the transaction process.

"Extract File" - A file that contains the information captured as a result of the Branch Tax Payment processing.

"Report File" - The Report File is a user friendly report that details all payment information that is captured when the branch processed the payment.

"Business Day" - any banking day except Saturdays, Sundays, and Federal Holidays.

2. Branch Tax Payment Services. (a) The Bank shall provide a Branch Tax Payment operation that will accept remittance documents, including checks, cash, and related items. The Bank will: (i) collect, process and deposit all Branch Tax Payments on a same Business Day basis, (ii) provide access via Online Banking of all imaged remittance documents and checks, and (iii) create and send an Extract File and Report File to the Municipality. In the event the Bank is prevented from processing or depositing payments, as a result of an act, event or occurrence that is beyond the reasonable control of the Bank, the Bank will process or deposit payments at the earliest practicable time following such act, event or occurrence.

(b) Unless otherwise set forth in this agreement, Municipality authorizes Bank to collect tax payments from the Municipality Residents who receive tax bills, verify cash, and to endorse all checks, drafts, money orders and all other negotiable instruments of payment presented through the Branch Payment process, except those items specifically enumerated in Paragraph (c) below, in the following manner:

"CREDITED TO ACCOUNT OF WITHIN NAMED PAYEE,
ABSENCE OF ENDORSEMENT GUARANTEED BY PEOPLE'S UNITED BANK, N.A."

provided that all Items are made payable to: The Tax Collector for the City of or Town of
Bristol
or a reasonable facsimile.

(c) The Municipality authorizes the Bank to accept and credit funds (and/or withdraw funds for corrections and/or returns) received through Branch Tax Payment processing. The Bank agrees to process and credit the Municipality for checks and other Items as provided herein. The Municipality agrees that all such Branch Payment deposits received by the Bank are subject to verification, it being expressly understood and agreed that the verification pertains to the amounts of checks and other items contained in the Branch Payment deposit.

(d) The total of all Items collected and processed in accordance with this Agreement will be credited to the Municipality's deposit account designated by the Municipality (the "Account") on the same Business Day as such Items are processed subject to all applicable laws including the Uniform Commercial Code as adopted in the state where the Municipality is located and the terms and conditions set forth herein.

(e) The Municipality will notify Municipality Residents that Municipality Residents must present a Remittance Document at the time the Branch Payment is tendered.

(f) All checks or other items processed on Municipality's behalf shall be subject to and governed by this Agreement and Bank policies and procedures for Branch Tax Payment services as adopted by Bank from time to time.

3. Remittance Document Programming and Print Requirements. The Municipality agrees to have remittance documents developed in accordance with Bank CAR/LAR specifications for the remittance document print file format. It is the responsibility of the Municipality to ensure:

- a) test documents are delivered in accordance with the Bank's defined implementation timeline;
- b) test documents will be delivered to the Bank by the Municipality or the Municipality's third-party provider for testing purpose
- c) active participation by the Municipality in end to end testing with the Bank will be performed during the defined testing window provided by the Bank
- d) said test is deemed successful by executing the formal signoff document required by the Bank prior to the Branch Tax Payment service being activated;
- e) the Bank is notified of any subsequent changes or revisions to the remittance documents and the revised documents are submitted to the Bank to repeat the process described in item 3.a) and b) above. Failure to notify and provide the Bank changed or revised remittance documents could result in circumstances whereby the Bank is unable to process the Municipality's payments due to nonconformity. The Bank will not be responsible for processing items in the Branch if unable to machine read the remittance documents and has the right to refuse to process manually.

4. Extract File Programming. (a) The Bank shall transmit the Extract File to the Municipality for each Business Day. The Extract File will be sent to the Municipality to download after daily processing ends at the end of each Business Day. The Extract File will be sent regardless if tax payments were processed on that Business Day.

(b) The Bank requires the Municipality to test the download of the Extract File onto its computer systems for each cycle. The Bank will provide an appropriate timeframe to execute test file transmission prior to Branch Tax Payment Services being provided under this Agreement. The Municipality is required to sign off on a 'successful test' prior to the Branch Tax Payment Service being activated by the Bank as ready to accept and process payments.

5. Bank Deliveries and Data Storage. (a) Bank will deliver to Municipality on a daily basis, via electronic delivery/processing, courier service, U.S. mail or nationally recognized overnight delivery service, all credit advices, debit advices, unprocessed items, and all correspondence.

(b) The Bank agrees to store electronic images of processed checks and Remittance Documents and deliver such information to the Municipality in a manner specified in the setup instructions. The Municipality will provide the Bank with 15 days' prior written notice if it elects to alter delivery instructions. The Bank will not be required to store electronic images of correspondence or other documents submitted with tax payments. The Bank may supply the Municipality with certain software owned or licensed by the Bank to provide this service.

(c) The Bank will maintain for a period of seven years an electronic image of all Remittance Documents in order to be able to reconstruct any specific deposit. The Bank shall not be responsible for any failure to provide such a record due to oversight, equipment failure or the inability to obtain images or equipment.

6. Exception Processing.

(a) Branch Payment Processing requires the Bank to accept checks and payments based on an internal check cashing policy. The Bank will not be held liable for any notation on checks processed such as "paid in full". In addition, the following Items will not be accepted by the Bank for payment processing:

- (i) Items made payable to any other entity other than those set forth in Section 2(b), above, whether or not endorsed to the order of Municipality, and all dishonored items and items returned for lack of signature, as provided below.
- (ii) Any other Item as specified by Municipality and agreed to by Bank. Bank shall have no liability in the event that it processes either by reason of the exercise of its judgment or through inadvertence or oversight any of the above items for collection and credits such item to Municipality's account.

(b) All returned Items will be handled by Bank in the following manner:

- (i) All NSF or Uncollected dishonored Items under \$4,000.00 returned the first time will be re-presented a second time. All NSF or Uncollected dishonored Items over \$4,000.01 or any other item that is returned for reasons other than NSF or Uncollected will not be represented a second time.
- (ii) All NSF or Uncollected dishonored items returned the second time, NSF or Uncollected items over \$4,000.01 that is returned the first time, or any other Non NSF or Uncollected Item that is returned the first time will be charged back to the Municipality's Account via a debit for the amount of the item and the item will be returned to the Municipality.
- (iii) Any Returned item may incur a Return Deposited Item fee. Fees are subject to change.

7. Compensation. The Municipality agrees to pay to the Bank the fees for relevant services. The Bank reserves the right to assess new fees and charges and, at any time following the anniversary of the date of this Agreement to change the existing charges by providing the Municipality with written notice at least 30 days prior to the effective date of the change. Compensation will be provided by compensating balances, by check or wire transfer of funds, direct debit of account, or by any combination thereof. In the event Municipality makes payment through compensating balances, sufficient balances must be maintained to cover the cost of services through the end of the calendar year. In the event Municipality makes payment by check or wire transfer of funds, such payment shall be made not later than 30 days following receipt of the bank's invoice for such services. Programming expenses associated with setting up the Extract File and scan line will be charged at cost.

8. Limitations of Liability. The Municipality expressly agrees that the use of the Branch Tax Payment services shall be at the sole risk of the Municipality, and the Municipality hereby assumes any and all risk incidental to or arising out of the use of such services. In performing services hereunder, the Bank shall act in good faith and exercise reasonable care. The Bank shall have no liability to the Municipality whatsoever in the absence of gross negligence or willful misconduct

on the Bank's part, and the Bank shall have no liability for any incidental or consequential losses, even if advised of the possibility of the same. The Municipality shall indemnify and hold the Bank harmless for any checks or other items processed in good faith in accordance with this Agreement, and also any instructions provided by any person(s) authorized under the Account to transact business on the Account prior to written notice of any revocation or modification of their authority being received in the Remittance Processing Department of the Bank.

9. Termination. This Agreement will remain in effect for one (1) year following the execution of this Agreement. This Agreement will renew automatically for successive one (1) year terms until terminated by either Party upon 60 days' prior written notice to the other party. Upon termination, Municipality shall promptly notify its residents to discontinue use of the Branch Payment Process. The Municipality agrees to reimburse Bank for its expenses incurred in returning Items after termination. Such termination shall have no effect on the right or responsibilities of the parties hereto with respect to Items processed prior to the effective date.

10. Notices. All unprocessed items, returned items and any other communication or instrument required to be sent or returned to Municipality by Bank pursuant to the terms of this Agreement shall be returned to the Municipality by mail to the address on the first page of this Agreement or by electronic mail. Unless otherwise provided in this Agreement or required by law, the Bank may provide notices regarding this Agreement or the Branch Tax Paying services by posting a change notice online, emailing to the Municipality email address in the Bank's records or by mailing such notices to the Municipality separately or in an account statement mailed to the Municipality's address in the Bank's records. All notices and other communications required to be given to Bank shall be mailed by first class mail or sent by courier of nationally recognized overnight delivery service to: People's United Bank, TM Commercial Services, 850 Main Street, 5th Floor RC 465, Bridgeport, CT 06604 or by electronic mail to: GOVTBANKSUPPORT@peoples.com.

11. Miscellaneous. (a) This Agreement and regulations or agreements governing the Account(s) accessed in this Agreement, constitute the entire understanding and agreement between the Bank and Municipality concerning the subject matter hereof. The parties shall not be bound by or be liable for any statement, representation, promise, inducement or understanding of any kind or nature not set forth herein.

(b) The Bank may amend this Agreement upon ten (10) days prior written notice to the Municipality.

This Agreement shall be deemed to be amended automatically, without notice to either party, to comply with any statute, regulation, or ruling (or any amendment thereof) of any government agency to whose jurisdiction the Bank is subject.

(c) If any provision of this Agreement or the application of any provision to any party or circumstance shall be invalid or unenforceable, neither the balance of this Agreement nor the application of the provision to other persons or circumstances shall be affected. The failure of a party to enforce any provision of this Agreement or exercise any remedy shall not prevent a party from enforcing a provision or remedy at any future time.

(d) Any changes to information provided by the Municipality to the Bank shall be effective only at such time as the Bank has had a reasonable opportunity to act after receipt of written notice from the Municipality. The Bank shall have no liability for losses caused by the Municipality's failure to notify the Bank of changes to persons authorized to engage in any transaction involving the Account in such time to afford the Bank a reasonable opportunity to act.

(e) Neither this Agreement nor the right to use the Branch Payment services may be assigned or transferred by the Municipality without the prior written consent of the Bank. Any such attempted assignment is void. This Agreement shall inure to the benefit of each party's heirs, successors and assigns.

This agreement shall be deemed to have been made in the State of Connecticut and shall be construed in accordance with, and governed by, the laws of the State of Connecticut.

12. Warranty of Company. The Municipality hereby warrants to the Bank that the Municipality has executed this Agreement by an officer or agent authorized to do so by a resolution adopted by the Municipality's governing body.

IN WITNESS WHEREOF, the parties have executed this Agreement effective on the date first written above.

Municipality of **Bristol**

By:

Signature _____

Print Name: _____

Title: _____

PEOPLES UNITED BANK, N.A.

Signature _____

Print Name: _____

Title: _____

MOTION

I MOVE that the Branch Tax Payment Processing Service Agreement between People's United Bank and the City of Bristol be approved and that the Mayor or Acting Mayor be authorized to execute the Agreement on behalf of the City of Bristol.