

## Minutes of the Schuylkill Tax Collection Committee Meeting March 25, 2014

The Schuylkill Tax Collection Committee (STCC) held a meeting on Tuesday, March 25, 2014, in Courtroom 1 of the Schuylkill County Courthouse, 401 North Second Street, Pottsville, PA 17901.

Larry Padora, Chairman, called the meeting to order at 6:05 p.m., followed by the Pledge of Allegiance to the Flag. It was verified that a quorum was present.

Officers Present: Larry Padora (Chairman), Leo Schwartz (Co-Chairman), Gail Stehr (Secretary), Kim Umphrey (Treasurer), Lane Mack (Asst. Secretary)

Others Present: Paul Datte (Solicitor)

### Members Present:

Auburn Boro	Cressona Boro	East Brunswick Twp.	New Ringgold Boro
North Manheim Twp.	Orwigsburg Boro	Wayne Twp.	West Brunswick Twp.
Mahanoy Area SD	Gilberton Boro	Minersville Area SD	Branch Twp.
Cass Twp.	Foster Twp.	North Schuylkill SD	Conyngham Twp.
Ringtown Boro	Pine Grove Area SD	Pine Grove Boro	Pine Grove Twp.
Tremont Boro	Washington Twp.	Mechanicsville Boro	Mt. Carbon Boro
Norwegian Twp.	Pottsville City	Saint Clair Area SD	Blythe Twp.
East Norwegian Twp.	New Castle Twp.	Schuylkill Haven Area SD	Schuylkill Haven Boro
South Manheim Twp.	Shenandoah Valley SD	Schuylkill Twp.	Tamaqua Boro
West Penn Twp.	Upper Mahantongo Twp.		

### Members Absent:

Blue Mountain SD	Deer Lake Boro	Delano Twp.	Mahanoy City Boro
Mahanoy Twp.	Rush Twp.	Ryan Twp.	Minersville Boro
Reilly Twp.	Ashland Boro	Butler Twp.	Frackville Boro
Girardville Boro	Gordon Boro	Union Twp.	Frailey Twp.
Tremont Twp.	Pottsville Area SD	Palo Alto Boro	Port Carbon Boro
Middleport Boro	New Philadelphia Boro	St. Clair Boro	Landingville Boro
Port Clinton Boro	Shenandoah Boro	West Mahanoy Twp.	Tamaqua Area SD
Rush Twp.	Walker Twp.	Tri-Valley SD	Barry Twp.
Eldred Twp.	Hegins Twp.	Hublely Twp.	

### I. Delegate/Public Comment on Agenda Items - None

### II. Minutes of December 17, 2013

Linda Tarlecki (Conyngham Twp.) made the motion, which was seconded by Mike Van Allen (Gilberton Boro), to approve the minutes from December 17, 2013. The motion passed unanimously. (Copy of minutes on file.)

### **III. Treasurer's Report**

Kim Umphrey (Schuylkill Haven Area SD) reviewed the Treasurer's Report dated March 25, 2014. The balance as of today is \$11,094.84. The treasurer's bond for \$457.00 was paid in February and is reflected in the report. The liability policy in the amount of \$2,466 was also paid.

Linda Tarlecki made the motion, which was seconded by Julian Milewski (Ringtown Boro), to approve the Treasurer's Report dated March 25, 2014. Motion passed unanimously. (Copy of report on file.)

### **IV. Solicitor's Report – Legal Update**

Solicitor Datte stated he submitted a demand to Traveler's Insurance for approximately \$151,000. This is to recover the difference that was paid for the commission rate to Berkheimer compared to what would have been paid to Centax from July 1, 2012, through September 30, 2013. Atty. Datte is working on getting a resolution to recover the money; however, Traveler's wants to take care of it in one shot. There are two issues with that: the TCC would not recover the attorney fees of \$11,000; and Traveler's position is to take the difference between Berkheimer and Centax bonds. Traveler's position is this is consequential damage and the bond does not cover consequential damage. Paul Datte does not agree that the difference in the rate is a consequential issue. Traveler's proposal is to settle at \$115,000. The amount of out-of-pocket expenses is approximately \$139,000 to \$140,000. The problem with litigation is if it is a consequential issue, the settlement amount will be all or nothing. Atty. Datte recommends settling for \$140,000. Julian Milewski questioned where the \$140,000 will go, to which Paul Datte responded that is the next item on the agenda. Wendell Gainer (Washington Twp.) asked where the \$280,000 comes from. Atty. Datte replied that is the difference in the commission rate and the same amount was figured for the next 15 months. Wendell asked where the money is, isn't it money in our pockets? Larry Padora (New Ringgold Boro) stated no, it is the difference of what was paid in commission. Jack Hurst (Mahanoy Area SD) also commented that the TCC would have got the benefit of the lower rate.

Mike Van Allen made the motion, which was seconded by Julian Milewski, to settle with Traveler's for \$140,000 and authorize Atty. Datte to prepare a resolution to that affect. The motion passed unanimously.

### **V. Old Business - None**

### **VI. New Business**

#### **A. Financial Statements**

The TCC Delegates were reminded to complete and hand in a Financial Statement for 2013.

#### **B. In-House Tax Collection**

Mike Van Allen questioned if the tax collection could be run in-house, what would it cost, and could the settlement money aid in setting it up to be run in-house? Larry Padora

responded that eventually he would like to set up a meeting with Berks County, who collects EIT in-house, and see how they do it and what it costs. Leo Schwartz (Pottsville City) asked to what extent the TCC has to reimburse the municipalities with the money it will receive from the settlement claim with Traveler's. Paul Datte responded it has no duty, but he recommends not making a decision tonight regarding the money and by the next meeting the TCC might know more of what is required to collect EIT in-house. Julian Milewski stated he thinks the money should be put in a specific account until it is decided what to do with it. Atty. Date suggested reimbursing the TCC for attorney fees and put the difference in a CD to get some interest. It was questioned if the EIT collection becomes in-house, does it get turned over to the county. The response was no, it would be a separate entity. Larry Padora stated Berkheimer is so huge, what keeps them honest with the commission rate they charge. Atty. Datte suggested keeping it on the agenda with what to do with the money. Tony Demalis (Shenandoah Valley SD) questioned how would the money be split? Bob Amos (North Schuylkill SD) asked if the money is received by commission, shouldn't it be distributed the same way? Atty. Datte responded that if the money is distributed, it will be done that way.

**C. Payment of Invoices Between Meetings**

Atty. Datte noted that when the Treasurer's Report is approved at the meetings, it includes ratification of bills already paid.

**VII. Delegate Public Comment – None**

**VIII. Next Meeting – June 24, 2014, at 6:00 p.m.**

**IX. Adjournment**

On a motion by Julian Milewski and seconded by Mike Van Allen, the meeting adjourned at 6:45 p.m.

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Gail A. Stehr, TCC Secretary