

June 21, 2012

Schuylkill Tax Collection Committee
Schuylkill County, PA

Dear Delegates,

This letter is to inform you of the current situation regarding the Centax Group and the Schuylkill Tax Collection District's Act 32 collections.

As of yesterday, we were informed that negotiations between the Centax Group and Berkheimer Associates have broken down. It appears that there will be no agreement between the two parties to aid in Centax's collection efforts. This leaves the Schuylkill TCC in a difficult position.

Moving forward, we see only two potential options: 1) continue with Centax in hopes that they will correct their collection problems on their own and in a timely manner; or 2) take the necessary steps to void our contract with Centax, with or without cause, and seek another collector to come in to the county and begin collections.

It is our recommendation that we pursue the second option. Through Centax's own admission at our last meeting, they are not currently in a position to process our tax revenues in a timely manner. Without the aid of an outside entity and with the second quarter collection period approaching, we feel that the situation will only continue to get worse with Centax.

Accordingly, we have reached out to Berkheimer Associates, as the next lowest bidder from our previous RFP process, for a bid representation if we were to hire them to take over collections within the TCD. We hope to have further information regarding this at our meeting this Tuesday (we do not expect that the TCC will be ready to vote on such a measure on Tuesday and we will discuss a date for another emergency meeting).

We realize that this is a controversial recommendation and welcome discussion on the subject.

Sincerely,

Larry Padora
Chairman

Leo Schwartz
Vice-Chairman