

## Minutes of the Schuylkill Tax Collection Committee Meeting June 14, 2012

The Schuylkill Tax Collection Committee (STCC) held a meeting on Thursday, June 14, 2012, 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. A quorum was not present. Discussion took place with Centax and Berkheimer representatives; however, no motions were made at this meeting.

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

Others Present: Paul Datte (Solicitor), Michael Hill (Centax), Patti McNamara (Berkheimer), Sue Ruch (Berkheimer), John DeRemer (Berkheimer), George Halcovage (County Commissioner), Stephen Pytak (Republican Herald)

### Members Present:

Auburn Boro	Cressona Boro	Deer Lake Boro	East Brunswick Twp.
New Ringgold Boro	North Manheim Twp.	Wayne Twp.	Mahanoy Area SD
Gilberton Boro	Ryan Twp.	Minersville Area SD	Branch Twp.
Cass Twp.	Conyngham Twp.	Ringtown Boro	Pine Grove Twp.
Tremont Boro	Mechanicsville Boro	Mt. Carbon Boro	Norwegian Twp.
Palo Alto Boro	Port Carbon Boro	Pottsville City	Blythe Twp.
New Castle Twp.	Schuylkill Haven Area SD	Port Clinton Boro	Shenandoah Boro
Tamaqua Area SD	Schuylkill Twp.	Tamaqua Boro	Tri-Valley SD
Barry Twp.	Hegins Twp.	Hublely Twp.	Upper Mahantongo Twp.

### Members Absent:

Blue Mountain SD	Orwigsburg Boro	West Brunswick Twp.	Delano Twp.
Mahanoy City Boro	Mahanoy Twp.	Rush Twp.	Foster Twp.
Minersville Boro	Reilly Twp.	North Schuylkill SD	Ashland Boro
Butler Twp.	Frackville Boro	Girardville Boro	Gordon Boro
Union Twp.	Pine Grove Area SD	Frailey Twp.	Pine Grove Boro
Tremont Twp.	Washington Twp.	Pottsville Area SD	Saint Clair Area SD
East Norwegian Twp.	Middleport Boro	New Philadelphia Boro	St. Clair Boro
Landingville Boro	Schuylkill Haven Boro	South Manheim Twp.	Shenandoah Valley SD
West Mahanoy Twp.	Rush Twp.	Walker Twp.	West Penn Twp.
Eldred Twp.			

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

### II. Discussion with Centax and Berkheimer Representatives

Mr. Hill, Centax, noted that collections for EIT have been well below standards. There has been \$923,000 disbursed and there is another \$123,000 ready to be released. The amount anticipated

to be disbursed is 5 to 6 million. A Berkheimer team has been at Centax most of the week. An addendum might be needed to subsidize a contract between these two companies. Larry Padora (New Ringgold Boro) questioned how long it would take for Berkheimer to get things straightened out with Centax? Mr. Hill responded two to three weeks; there are still some issues with data basis. Champ Holman (Ryan Twp.) asked what the time frame is to get all the steps completed (all the money that is collected disbursed). Mr. Hill responded 30 days from now. Mr. DeRemer, Berkheimer, stated he feels there are things that can be done short term to get the process going. Some employers did not file properly. Larry Padora also noted that the PSD codes not being filled in are also an issue with the money not being disbursed. Mr. Hill commented that some of the CDs are not properly formatted; social security numbers are missing, etc. Centax's customer service is in constant contact with employers.

Discussion took place regarding an addendum between Centax and Berkheimer for Berkheimer to partnership with Centax to help collect money until the numbers get back to a normal level. Solicitor Datte said another meeting is schedule in two weeks where an addendum could be put on the agenda for Berkheimer to subcontract, but he cannot recommend that. He questioned Mr. DeRemer if his company has experienced problems with collections. Mr. DeRemer responded that no, the counties they are dealing with are pleased with the collections. Larry Padora questioned why it is taking so long for the checks to get cashed that are sent to Centax, to which Mr. Hill responded for the same reasons that it is taking long to disburse the money. Mr. DeRemer noted that he has seen a lot of paper checks outstanding. Solicitor Datte commented that from a TCC perspective, he obviously wants to hold the commission rate. He also stated he is not sure how Berkheimer and Centax are going to work out an arrangement to work together. Mr. DeRemer responded they have started the process of negotiating to work things out with Centax, and that he has to give them credit for asking for help. Champ Holman stated his concern is if they do not come to an agreement, the TCC still has a problem.

Solicitor Datte mentioned that if the TCC terminates the contract with Centax, they could see if Berkheimer would want to provide their services to the TCC. It needs to be understood, especially for the municipalities, EIT is their main revenue. Also, the LST issue should be cleaned up as well. As this unfolds, Centax will continue to still get money out. Larry Padora asked that once an agreement is reached, will Berkheimer send notices out to the employers, to which Mr. DeRemer responded yes. Mr. DeRemer also commented that he feels Centax did not send enough information out to the employers, as there are processing and compliance issues. Champ Holman questioned where the PSD codes are listed, to which Solicitor Datte responded on the DCED data base.

Several people stated their displeasure at the little amount of money they have received. If Centax received the bid, why is Berkheimer involved? When a company bids a job, they should be able to handle it. It was asked if money would be sent to the municipalities so they can operate until they get their EIT money. Larry Padora replied that if someone needs to borrow money, they could get it from the insurance bond. The money being disbursed has been increasing. Solicitor Datte also noted that the Performance Bond is designated to cover losses from Centax not meeting their obligations. They are in violation of the agreement as we sit here today. There are issues that need to be looked at, but it is too early yet to do that. Leo Schwartz (Pottsville City) questioned Mr. Hill if he has any idea how much money they have that is not disbursed. Mr. Hill responded there is around \$750,000 setting at Centax, and there is 6 million statewide not disbursed. Solicitor Datte stated what is not known is the level of compliance of money not being submitted. Larry Padora questioned if money could have been sent to Berkheimer by mistake. Mr. DeRemer said yes, and if they receive money in error they could send it to Berkheimer or scan them an image of the check.

Jack Hurst (Mahanoy Area SD) said since part of the problem was allowing employers to file on CD, will Centax notify those employers since it will soon be time to file again. Mr. Hill replied that they will follow through on this issue, and they will check with Berkheimer to see what they suggest to take care of this problem. Kim Umphrey (Schuylkill Haven Area SD) asked how long it will be to get the password; she is still waiting. Mr. Hill responded that he will check and make sure that each Business Manager receives a password. Brian Canfield (Cass Twp.) asked if a CD is not a good format, what would be a better option. He agrees with Jack Hurst that the second quarter is coming fast. Mr. Hill responded that in his mind, this is the single biggest issue.

James Wosochlo (Deer Lake Boro) stated that Berkheimer mentioned that some checks had been made out to them. He asked if they had an estimate of how much money that was, to which they responded they did not know. Mr. Wosochlo asked if Berkheimer was in agreement to cash the checks and give them to Centax, to which Mr. DeRemer responded it was a possibility. Mr. Wosochlo questioned if the bond would cover to see if the money is going where it is supposed to go, that maybe an audit should be done. Mike Van Allen (Gilberton Boro) also asked if there could be an audit. Solicitor Datte stated that right now is not the time to complete an audit. The money issue needs to be fixed first.

George Halcovage, from the Schuylkill County Commissioner's office, noted that a link could be put on the county website. It was noted that there is a link for the TCC on the county website. Mr. Halcovage stated that if a memo is put together, he will see that it is put on the link.

Linda Tarlecki (Conyngham Twp.) questioned how many hours and days Centax is working on straightening out the issues. Mr. Hill responded that his staff has been offered overtime to get things current. The staff has been working long days and weekends. Mrs. Tarlecki stated that both she and her husband have put in calls to Centax and they never got a return call. She got an email address for Centax from Leo Schwartz, and it took four days till she got a response. Mr. Hill said he would make a note of this. Larry Padora said Centax is working hard to take care of the problems with the Schuylkill TCC. He has been on the phone with them at 11:00 p.m.

Mr. Padora stated he appreciates Centax and Berkheimer coming to tonight's meeting. No action will be able to be taken tonight since there is no quorum. He asked Mr. Pytak of the Republican Herald to put it in his article in the paper urging delegates to attend the meetings.

**III. Delegate/Public Comment – None**

**IV. Next Meeting Date**

The next meeting is scheduled for Tuesday, June 26, 2012, at 6:00 p.m.

**V. Adjournment**

The meeting adjourned at 7:15 p.m.

