

Minutes of the Schuylkill Tax Collection Committee Meeting June 26, 2012

The Schuylkill Tax Collection Committee (STCC) held a meeting on Tuesday, June 26, 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 6:03 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), Laine Mack (Asst. Secretary)

Others Present: Paul Datte (Solicitor), Patti McNamara (Berkheimer), John DeRemer (Berkheimer), Stephen Pytak (Republican Herald), Jay Lenan (WPPA)

Members Present:

Blue Mountain SD	Auburn Boro	Cressona Boro	Deer Lake Boro
East Brunswick Twp.	New Ringgold Boro	North Manheim Twp.	Orwigsburg Boro
Wayne Twp.	West Brunswick Twp.	Mahanoy Area SD	Delano Twp.
Gilberton Boro	Mahanoy City Boro	Minersville Area SD	Branch Twp.
Cass Twp.	Foster Twp.	Minersville Boro	North Schuylkill SD
Conyngham Twp.	Gordon Boro	Ringtown Boro	Union Twp.
Pine Grove Area SD	Frailey Twp.	Pine Grove Twp.	Tremont Boro
Washington Twp.	Mechanicsville Boro	Mt. Carbon Boro	Norwegian Twp.
Port Carbon Boro	Pottsville City	Saint Clair Area SD	Blythe Twp.
East Norwegian Twp.	New Castle Twp.	St. Clair Boro	Schuylkill Haven Area SD
Port Clinton Boro	Schuylkill Haven Boro	Shenandoah Valley SD	Shenandoah Boro
Tamaqua Area SD	Schuylkill Twp.	Tamaqua Boro	Tri-Valley SD
Barry Twp.	Hegins Twp.	Hublely Twp.	Upper Mahantongo Twp.

Members Absent:

Mahanoy Twp.	Rush Twp.	Ryan Twp.	Reilly Twp.
Ashland Boro	Butler Twp.	Frackville Boro	Girardville Boro
Pine Grove Boro	Tremont Twp.	Pottsville Area SD	Palo Alto Boro
Middleport Boro	New Philadelphia Boro	Landingville Boro	South Manheim Twp.
West Mahanoy Twp.	Rush Twp.	Walker Twp.	West Penn Twp.
Eldred Twp.			

I. Delegate/Public Comment on Agenda Items - None

II. Minutes from March 27, 2012, and April 17, 2012

Mike Van Allen (Gilberton Boro) made the motion, which was seconded by Linda Tarlecki (Conyngham Twp.), to approve the minutes from March 27, 2012, and April 17, 2012. The motion passed unanimously. (Copy of minutes on file.)

III. Treasurer's Report

Kim Umphrey (Schuylkill Haven SD) noted there is a bank service charge applied to the account. However, she called the bank and the charge will be reversed on the June statement.

On a motion by Linda Tarlecki and seconded by Mike Van Allen, the Treasurer's Report was approved. The motion passed unanimously. (Copy of report on file.)

IV. Invoice from Solicitor Datte

Mike Van Allen made the motion, which was seconded by Brian Canfield (Cass Twp.), to approve the invoice from Solicitor Datte. The motion passed unanimously. (Copy of invoice on file.)

V. Old Business

A. Centax Issues

Solicitor Datte gave an update where things stand with Centax and what he, Larry Padora (New Ringgold Boro) and Leo Schwartz (Pottsville City) feel the direction the TCC should take regarding Centax. Centax is in a breach of contract, and there might be a need to access their surety bond. They were invited to tonight's meeting, but no representatives came. It is clear to he, Larry and Leo that Centax is not in the position to perform up to their agreement. Mike Hill left Centax the evening after the last TCC meeting on June 14. They have not had any problem contacting Berkheimer, and they have two representatives here at tonight's meeting. Centax and Berkheimer have not been able to make arrangements between them. Solicitor Datte has been in contact with other counties that appointed Centax as their collector and they have the same problem as the Schuylkill TCC.

The second quarter is approaching, and they recommend terminating relationships with Centax and bringing Berkheimer on board immediately to undertake the obligations of Centax. The TCC will need a new contact with Berkheimer and a tax collector agreement. In the tax collector agreement with Centax, it is stated there is a right to terminate the agreement if there is cause. However, it is important to see the new resolution with Berkheimer before the TCC takes a vote.

Larry Padora noted that when Mr. Hill left, communications broke down between Centax and Berkheimer. His main concern is to get money flowing to the municipalities/school districts as soon as possible. Berkheimer has agreed to keep with their original bid of 1.7% collection rate. It was questioned what the rate was with Centax, to which Leo Schwartz replied 1.35%. Someone commented that cheaper is not always better. Solicitor Datte noted that Blue Mountain School District and Pottsville City already dealt with Centax and they did not have any issues with them, and since they also had the lowest collection rate, that is why the RFP Committee recommended going with Centax. However, right now there is no light at the end of the tunnel, which is why it makes sense to shift gears and go with Berkheimer.

Mike Van Allen questioned if Centax is being paid, to which Larry Padora replied they do not get paid until the municipalities/school districts are paid. Mr. Van Allen asked if Centax will still need to be paid, to which Mr. Padora stated they will not be paid anything once the contract is terminated. Solicitor Datte noted that money is sitting at Centax; it has not been cashed. He thinks Berkheimer will find a lot of checks there when they go in to Centax and start taking over the collection. They in turn will deposit the money and distribute it appropriately.

B. Motion to Terminate Contract with Centax

Mike Van Allen made the motion, which was seconded by Laine Mack (Tremont Boro), to send the appropriate notice that they are in default and termination notices to Centax. The motion passes unanimously.

C. Reconstitution of RFP Committee

Solicitor Datte stated they have a draft of a tax collection agreement now with Berkheimer, but it will probably take two weeks to revise it and appoint Berkheimer as the tax collector. In the interim, Berkheimer is willing to go in and start processing checks and quarterlies. He suggested that the RFP Committee should be reconstituted so that he has people to work with in revising the tax collector agreement.

Linda DeCindio (Schuylkill Twp.) made the motion, which was seconded by Julian Milewski (Ringtown Boro), to reconstitute the RFP Committee and finalize the draft. The motion passed unanimously.

VI. New Business

A. Discussion with Berkheimer Representatives

Mr. DeRemer stated they would do as much as they can to get the tax rolls, unprocessed checks, etc., and switch things to the Berkheimer system. They will load the information into their system and get money out as soon as possible. Patty McNamara noted that Susquehanna County switched from Centax to their company and Centax gave them the Susquehanna County ACH information, so hopefully they will do the same for Schuylkill County. When they get the tax rolls, they will let the employers know the change of the tax collector. The second quarter will still need some cleaning up, but hopefully by the third quart everything will be in order.

Linda DeCindio questioned since the checks are not cashed that were sent to Centax, how will the money get to Berkheimer? Ms. McNamara replied that Susquehanna County gave Berkheimer permission to deposit the checks sent to Centax. Solicitor Datte asked if Centax endorsed the checks. Ms. McNamara replied no, that if the Schuylkill TCC gives approval for Berkheimer to be the collector, they can deposit the checks.

It was questioned if Berkheimer has enough of staff if they undertook Susquehanna County and will now be the collector for Schuylkill County. Mr. DeRemer responded that they have a staff of temporary workers that they can bring back when needed. Most of the work is data entry, and he is not concerned about having enough staff. They also have custodial care staff, and Berkheimer has held numerous training seminars for their employees. The custodial care staff will be capable of handling calls if anyone has questions for Berkheimer. Linda Tarlecki questioned if Berkheimer will have an office located in the county. Ms. McNamara replied that they like to have a notice on their forms stating a date and time they will have staff available at different locations throughout the county. That way they are available at different places and it is more convenient for the people. Ms. Tarlecki noted that it is in the agreement to have a centralized office. Ms. McNamara stated they could, but the collection amount would be at a higher rate. Mr. DeRemer also commented that it could be negotiated; he is not opposed to that idea. Solicitor Datte stated he thinks it is in their original contract that if Berkheimer had an office located in the county, the collection rate would be five points higher or the TCC could pay the rent. Brian Canfield questioned Solicitor Datte if Berkheimer can legally endorse the checks sent to Centax, to which he responded yes, if there is a motion accordingly.

B. Motion to Approve Berkheimer as the Provisional Tax Collector

Linda DeCindio made the motion, which was seconded by Mike Lonergan (Orwigsburg Boro), to appoint Berkheimer as the provisional tax collector for the Schuylkill TCC in order for them to cash checks from Berkheimer. The motion passed unanimously.

C. Discussion Regarding EIT/LST Collection

Mike Lonergan asked if the contract with Berkheimer will only be for EIT. Solicitor Datte replied the intent is to also include LST. The municipalities/school districts should look as to who signed LST contracts with Centax. Donna Kulpowicz (Shenandoah Boro) asked if Centax worked with Berkheimer when they took over Susquehanna County, to which they responded yes. Brian Canfield asked if they need to notify their bank that Berkheimer will be cashing the checks instead of Centax. Mr. DeRemer responded that the checks will be deposited into a Berkheimer account and from there they will disburse the money. He also noted that their website has a lot of information on it and that it is used by everyone in Pennsylvania. They will get transition packets out as soon as possible. Ms. DeCindio asked when they get their money, will it be the net amount? Mr. DeRemer said yes, and that they will send out a report. Laine Mack questioned what the timeline is to get out the transition packet, to which he replied right now, in the next day or so.

VII. Next Meeting

It was decided there would be a meeting on Tuesday, July 10, 2012, at 6:00 p.m. in the Schuylkill County Courthouse.

VIII. Motion for an Executive Session

Julian Milewski made the motion, which was seconded by Mike Van Allen, to go into an Executive Session for legal issues. The motion passed unanimously.

IX. Executive Session

An Executive Session was held for legal issues from 7:15 p.m. to 7:50 p.m.

X. Adjournment

The meeting adjourned at 7:51 p.m.