

Minutes of the Schuylkill Tax Collection Committee Meeting July 10, 2012

The Schuylkill Tax Collection Committee (STCC) held a meeting on Tuesday, July 10, 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 6:00 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), John DeRemer (Berkheimer), Stephen Pytak (Republican Herald)

Members Present:

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|--------------------------|---------------------|-----------------------|--------------------|
| 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 | Gilberton Boro |
| Mahanoy Twp. | Minersville Area SD | Branch Twp. | Cass Twp. |
| Minersville Boro | North Schuylkill SD | Butler Twp. | Conyngham Twp. |
| Frackville Boro | Ringtown Boro | Pine Grove Area SD | Frailey Twp. |
| Pine Grove Twp. | Tremont Boro | Washington Twp. | Pottsville Area SD |
| Mechanicsville Boro | Mt. Carbon Boro | Norwegian Twp. | Palo Alto Boro |
| Port Carbon Boro | Pottsville City | Saint Clair Area SD | Blythe Twp. |
| East Norwegian Twp. | Middleport Boro | New Castle Twp. | St. Clair Boro |
| Schuylkill Haven Area SD | Landingville Boro | Schuylkill Haven Boro | Shenandoah Boro |
| West Mahanoy Twp. | Tamaqua Area SD | Schuylkill Twp. | Tamaqua Boro |
| Tri-Valley SD | Barry Twp. | Hegins Twp. | Hublely Twp. |
| Upper Mahantongo Twp. | | | |

Members Absent:

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|-----------------------|-------------------|--------------------|----------------------|
| Delano Twp. | Mahanoy City Boro | Rush Twp. | Ryan Twp. |
| Foster Twp. | Reilly Twp. | Ashland Boro | Girardville Boro |
| Gordon Boro | Union Twp. | Pine Grove Boro | Tremont Twp. |
| New Philadelphia Boro | Port Clinton Boro | South Manheim Twp. | Shenandoah Valley SD |
| Rush Twp. | Walker Twp. | West Penn Twp. | Eldred Twp. |

I. Delegate/Public Comment on Agenda Items - None

II. Old Business

A. Centax Issues

Solicitor Datte explained to the committee that a formal position by written notice has been given to Centax to terminate the contract with them as of today, July 10, 2012. It was also indicated in the letter that if the contract is not able to be terminated as of today, it will be terminated on November 10, 2012, which is 120 days after the notice was sent to Centax. Centax was directed to provide all records to the TCC. Insurity was put on notice that there might be a claim. Centax has received all notices regarding the termination of the contract between them and the Schuylkill TCC.

A small package of checks has been received from Centax, which Berkheimer has processed. One time Centax will cooperate with Berkheimer, then the next time it does not, then they cooperate again, etc. One county (Green County) got an injunction against Centax for them to stop processing all paperwork. Larry Padora (New Ringgold Boro) has numerous attempts to contact Mr. Wilkinson at Centax and finally Mr. Villia returned his call. Mr. Padora explained to him that the Schuylkill TCC terminated the contract with Centax as of today. Mr. Villia indicated that tomorrow by 5:30 p.m., the tax rolls would be uploaded to the Berkheimer website. Mr. Padora also explained to Mr. Villia that at tonight's meeting a vote would be taken for an emergency injunction against Centax, and that the TCC feels it needs to move forward to terminate the contract with Centax and vote in Berkheimer.

Solicitor Datte noted that he was contacted by Mr. Wilkinson on July 3 and that it was a positive conversation; Mr. Wilkinson later denied talking with Solicitor Datte. If Centax follows through with what they say they will do, an injunction will not be needed. Otherwise, the TCC will pursue all legal avenues.

It was questioned if there are only two EIT collectors from which to choose. Mr. Padora replied if they do not choose one that originally sent in a bid, the TCC would need to get a new RFP, which would take about three months. Leo Schwartz (Pottsville City) noted there was a total of three bids received: Centax, Berkheimer and Keystone. Keystone's bid was well over twice the cost. They were given the opportunity to give a better bid, but Keystone was not interested in re-bidding. Solicitor Datte also commented that Berkheimer was the collector for about 70% of the businesses in Schuylkill County previously and it would make most sense to go with them. The same person then asked if any of the counties were exempt from appointing an EIT collector, to which the response was only Philadelphia and Pittsburgh. Someone also inquired if the county could collect the EIT. Mr. Padora and Solicitor Datte both stated that the county is not near ready to do that; they do not have the right programming, etc. Leo Schwartz also noted that the collector needs to be certified by the state.

B. Motion to Bring Legal Action Against Centax

Mike Van Allen (Gilberton Boro) made the motion, which was seconded by Sharon Chiao (Mahanoy Twp.), to authorize the Solicitor and the Board Officers to bring legal action against Centax and its Surety Bond, if necessary. The motion passed by a unanimous vote.

C. Discussion Regarding Berkheimer Contract

Solicitor Datte noted that in the original proposal with Berkeimer, the collection rate was 1.7% and they would pay the postage. Now it is 1.7% with the TCC paying the postage or 1.79% and Berkheimer would pay the postage. He feels as the process goes along, there will be less items to mail. Julian Milewski (Ringtown Boro) questioned how many years there are in the contract. Solicitor Datte responded the contract would start as of today (July 10, 2012) to December 2013, with the option of adding one more year. Mr. Milewski also asked if there is less postage later, could the rate be changed. Mr. DeRemer responded that Berkeimer would be willing to look at the postage rate at some point during the contract and be willing to negotiate the cost. Laine Mack (Tremont Boro) questioned what the LST rate would be, to which Mr. DeRemer stated it would be the same at the EIT rate.

D. Motion of Berkheimer Collection Rate

Julian Milewski made the motion, which was seconded by Mike Van Allen, to accept the rate of 1.79%, with Berkheimer paying the postage, for the collection of EIT and LST,

with the option to reopen the contract at a later date to negotiate the postage rate. The motion passed unanimously.

E. Resolution #1 – Appointment of Berkheimer as the Schuylkill TCC Collector

Linda Tarlecki (Conyngham Twp.) made the motion, which was seconded by Jim Wosochlo (Deer Lake Boro), to approve Resolution #1 – Appointment of Berkheimer as the Schuylkill TCC Collector, effective today (July 10, 2012). The motion passed unanimously. (Copy of resolution on file.)

F. Resolution #2 – Approve and Adopt the Tax Collector Agreement with Berkheimer

Julian Milewski made the motion, which was seconded by Linda Tarlecki, to approve Resolution #2 – Approve and Adopt the Tax Collector Agreement with Berkheimer, with changes that were noted, with Larry Padora signing the approved agreement. The motion passed unanimously. (Copy of resolution on file.)

G. Discussion Regarding LST Collection

Leo Schwartz (Pottsville City) mentioned that everyone needs to notify the DCED that their LST collector is Berkheimer. Solicitor Datte noted that the municipalities and school districts do have the option of keeping Centax as the LST collector. Julian Milewski questioned what needed to be done if they already have Berkheimer as their LST collector, to which Mr. DeRemer stated they do not need to do anything. He said there will be sample resolutions, delinquent cost schedule, contact person, etc. in the transition packet that Berkheimer will be sending out.

H. Legal Fees Due to Issues with Centax

Someone commented that there will probably be a lot of legal fees due to all the issues the TCC had with Centax, and that she does not think the committee has a lot of money to cover those expenses. Larry Padora noted that those fees will fall under the Surety Bond. Solicitor Datte stated he will work with the TCC and keep those fees a separate line item on his invoice.

III. Next Meeting

The next meeting will be Tuesday, September 25, 2012, at 6:00 p.m. in the Schuylkill County Courthouse.

IV. Adjournment

Mike Lonergan (Orwigsburg Boro) made the motion, which was seconded by Mike Van Allen, to adjourn the meeting adjourned at 7:00 p.m.