The Westmoreland County Tax Collection Committee (WCTCC) met on Tuesday, August 24, 2010 in the Commissioner's Public Meeting Room at the Westmoreland County Courthouse, 2 North Main Street, Greensburg, PA.

CALL TO ORDER: The WCTCC Chairperson Joe Koluder called the meeting to order at 6:48 p.m. with the following members present:

WCTCC Chairperson	-Joe Koluder	-Derry Area School District
WCTCC Vice-Chairperson	-Diane P. Heming	-Murrysville Municipality
WCTCC Secretary	-Mary Perez	-Greensburg City
WCTCC Treasurer	-Diane Figg	-East Huntingdon Township, Everson Borough-Fayette County
WCTCC Solicitor	-Lawrence Maiello	
George Safin	-Franklin Regional School District	
Dan Watson	-Greater Latrobe School District	
Peggy Gillespie	-Kiski Area School District	
Michael Wrobleski	-Yough School District	
James J. Meyer	-Greensburg Salem School District	
Jude Abraham	-Hempfield Area School District	
James V. Marnell	-Ligonier Valley School District, Ligonier Township, St. Clair Township	
Allison Willis	-Mt. Pleasant Area School District	
John H. Wilson	-Norwin School District	
Dallas Leonard	-Penn Trafford School District	
William Porter	-Southmoreland School District	
Joe Olszewski	-Avonmore Borough, East Vandergrift Borough, Hyde Park Borough, Oklahoma Borough, Vandergrift Borough, Allegheny Township, Bell Township, Washington Township-Westmoreland County	
Margaret Graham	-New Alexandria Borough	
Paul A. Fry	-Ligonier Borough	
Linda Iezzi	-South Greensburg Borough	
Thomas Bompiani	-Youngwood Borough	
Floyd Neiderhiser	-Cook Township	
Vincent DeCario	-Derry Township	
Trudy Harkcom	-Donegal Township	
Thomas Logan	-Hempfield Township	
David Amatangelo	-Rostraver Township	
Dan Pergola	-South Huntingdon Township	
Sherry Kohuth	-South Huntingdon Township	
Donna J. Bitonti	-Belle Vernon Borough-Fayette County	
Mary E. Ralston	-Parks Township-Armstrong County	
Judy Gilpin	-Upper Tyrone Township-Fayette County	
Richard Stadler	-Latrobe Municipality	
Debbie Kelly	-Irwin Borough	
Mary Jane Snyder	-Laurel Mountain Borough	
Gordon Stoves	-North Irwin Borough	
Becky Maruca	-Salem Township	
Ronald D. Martz	-Salem Township	

L. Bud Santimyer	-Scottdale Borough
Jacob Blank	-Unity Township
Joyce A. Ewing	-Upper Burrell Township
Cynthia Delissio	-Export Borough
Scott C. Sistek	-New Stanton Borough
Susan M. Trout	-Greensburg City
Lucille D'Alfonso	-Monessen City
Lori L. Latta	-Derry Borough

PLEDGE OF ALLEGIANCE

Mr. Koluder, "We have 42 entities represented this evening. In Westmoreland County we have 86 entities total, six of which have never sent us anything on any delegates. So that would leave 80 entities that are represented with delegates. Now there are a couple options we can have right now. One is, since we don't have a quorum and we have to have this decision made by September 15, 2010, we could call a special meeting and hopefully we could get 43 people here; actually if we're using 86, we're two people short. Another option we have, as far as our Bylaws and the description of a delegate and a quorum, I'm going to turn this over to Lawrence."
Solicitor Maiello, "Under the definitions in the Bylaws they define a delegate as an official appointed by the governing body of a taxing authority to represent the authority on the TCC. If you go to the quorum definition of the Bylaws, the quorum shall consist of a presence of a majority of all the primary voting delegates. So the Bylaws could be interpreted that if an entity did not appoint a delegate, it's not part of the overall delegate pool so when we read the definition of quorum, presence of a majority of all primary voting delegates, the only pool we'd be looking at are the individuals or delegates that have actually been appointed by taxing bodies. In that instance I think we said there have been 80 appointed, so you would have a quorum. It's an unusual situation."
Mr. Koluder, "We're going to open it up to anyone who has some input."
L. Bud Santimyer, "You said it's a majority of the primary voting delegates?"
Solicitor Maiello, "Or an alternate present in place of a primary voting delegate."
"I believe from the beginning we were going with the 86 municipalities."
Mr. Koluder, "That's correct."
"To waver from that at this point would open up discussions, some discrepancies and maybe some arguments as to why are we changing our policy."
Susan, Trout, "Who are the six that have never responded?"
Mary Perez, "Adamsburg Borough, Donegal Borough, Fayette City Borough, Madison Borough, Penn Borough, Seward Borough and Trafford Borough; I'm sorry there are seven."
"Can we wait a few more minutes and see if more people show up?"
Mr. Koluder, "Diane's calling the Hempfield Township representative now. If anyone knows anyone else or knows their phone number."
Ms. Trout, "Can they participate by phone?"
Solicitor Maiello, "No."
Mr. Koluder, "We'll come back to the minutes when we have a quorum."

NEXT MEETING: Mr. Koluder, "Take note the next meeting is scheduled for Wednesday, September 29, 2010 at 6:30 p.m. at the Westmoreland County Courthouse. We need a new Chairperson for the Finance Committee. If anybody would be interested in serving on that committee who is not currently serving on a committee, please let us know."

COMMITTEE UPDATES:

Tax Collector RFP Committee-Dan Watson. Mr. Watson, "Members of the RFP Committee met with Berkheimer representatives on August 9, 2010. Personally I felt it went very well. I felt that Berkheimer showed up to the meeting wanting to bend over backwards to please us and to meet the requests that we had as well as we're very pleased to have the opportunity to work with them and Westmoreland County to prove that they can do the job. So I felt that the meeting went very well. A couple things I wanted to highlight is we did ask them why they had a delinquent tax collection rate compared to their competitors who had 0% and they were willing to remove that 1.45% they were going to charge the TCC for delinquent tax collection and sort of adjust their Act 192 Schedule, which is the schedule used to charge the delinquent taxpayer. As a committee when we reviewed those schedules we had originally noted that Berkheimer's was not as penalizing to the delinquent taxpayers as the others which made sense why they were charging the TCC a percentage. But they were willing to change that 1.45% down to 0% and we were pleased with that because we felt that it was more consistent with how the competitors were pricing it. We had conversations about interest because all along the companies kept saying the interest didn't mean anything to them, but we felt we wanted to protect the TCC because we felt there could be some potential revenue that comes in from that interest. They were willing to work with us over a 12-month period as long as the interest offset their banking fees whatever went above that they would distribute to the political subdivisions once a year. We felt that was a definite positive because while the rates are minimal now if they spike up that could be some significant revenue we did not want to lose. Some other things we talked about were their billing methods. They were willing to bill both based on the gross and the net depending on what the political subdivision wishes for. We talked about the initial transition policy and they said there would be no fee; we'll take the records as you give them to us and we will get them into the format that they need. There was also a discussion about the third party backup option, and they were willing to do that and we're going to continue to have some dialogue on how frequently that occurred. Basically take the information that we have that Berkheimer controls with all the taxpayer and collection information and put it into a third party backup in case at some point in time we wanted to transition away from Berkheimer, that transition would be a little bit easier because we would have our own records. They were also willing to outline the procedures if we chose to transition from Berkheimer how would that process look. They were willing to put together some procedures as well as agreed to some penalties if they were unable to live up to that part of it. We talked a little bit about delinquent tax collections and the TCC wanting the option of being able to sort of separate the delinquent tax collections from Berkheimer and maybe take control of it themselves or give it to another party. I did explain to Berkheimer that's not our intent. Our intent is to have them do all of our collections, but if for some reason we were dissatisfied with the delinquent tax collections or their services, we wanted to have an option within the agreement that gave us sort of an out. Finally, those political subdivisions that were interested in having Berkheimer do the Act 511 and 679 collections Berkheimer's original proposal was $1.25 per bill plus postage. The other competitors were $.50 per bill plus postage so Berkheimer agreed to reduce that down to $.50. It is equal to what the other proposals were. That is basically a quick overview of a lot of dialogue that we had. I would be happy to answer any questions or turn it over to Lawrence if you want to highlight some of the discussions you had dealing with the TCA because I think that they went relatively well from the discussions that you and I had."

Mr. Koluder, "So basically all the items that the RFP Committee set out to do, keeping interest, being able to separate the delinquents and the currents, everything the RFP Committee asked, they acquiesced?"

Mr. Watson, "They absolutely did and the tracking by political subdivision of all the funds they guaranteed that they were able at any point in time to tell how much of the revenue that was coming in by political subdivision. They were very flexible."
Dallas Leonard, "The Act 511 taxes, would that be something that we anticipate they are going to be collecting or is that still an option?"
Solicitor Maiello, "Just to be clear the agreement only provides for the collection of the Earned Income Tax (EIT) beginning in 2012 for a 3-year term with two 1-year options for renewal that are at the discretion of this Board. The Tax Collector doesn't have the option to bow out. So essentially you have a guaranteed 3-year deal and you can extend it to either four or five years but it only applies to EIT. If you would like them to collect any of the other taxes, Act 511 or 679 taxes, then you can go independently to them and they've indicated they'll perform those services and they'll honor the price that Dan just quoted. Similarly, with 2011 EIT, the agreement doesn't cover that year but if you wanted to go to them independently and want them to take it over now, they would do that. You would have a separate agreement with them for that one year but they would honor the rates they have in this agreement. You have that option to do that. I just want to make it clear with respect to the TCC their services will begin January 1, 2012, not prior to that."
Mr. Leonard, "For the purpose of this discussion when you said 'you' did you mean this entire entity or individual communities?"
Solicitor Maiello, "Individual communities."
Mr. Leonard, "Any community could opt to do that?"
Solicitor Maiello, "You're not bound to; you have the option, but they have agreed to honor those prices."
Ronald Martz, "If you're already with Berkheimer does your collection rate automatically go down or do you have to request that?"
Solicitor Maiello, "They said they would talk to you about that. Dependent upon their contract they'd be more than willing to work with you with respect to that. It was too hard to address each situation independently."
Mr. Koluder, "The agreement for all intents and purposes has been completed. We forwarded that agreement to everyone. Unfortunately there were a couple of people the e-mail didn't go through and Mary has hard copies for you if you didn't receive it via e-mail. Once we get the final, signed contract we'll e-mail that out."
Solicitor Maiello, "Just some additional points; I'll give you an overview of what the agreement covers. It's for a 3-year term beginning January 2012. The applicable taxes are the EIT only. The compensation rate is 1.45% of the current taxes collected and distributed to each political subdivision. They will also pass through costs of postage as well as court filing fees however, as they recover the court filing fees, the political subdivisions (PSDs) will be reimbursed for those fees. Those are the only fees you're responsible for under the agreement; the only costs. Delinquent taxes will be at no cost to the PSDs other than the court filing fees, like I said, and you'll get reimbursed as they collect those. They'll transfer funds on a weekly basis, at a minimum of once a week the ACH transfer. They'll be contacting you to get that information; where you want the funds transferred whenever we get close to that time. They've committed to deposit checks in funds that are properly coded within three to five business days other than peak times. At that point they'd get some additional time to handle that during the peak periods. They will have one, set office in the Derry location. At peak filing times they've committed to put 'floaters' or what they call 'tax sittings' in various locations throughout the County. Someone will be there at peak filing times to meet with residents who have questions and that sort of thing. They've agreed to put them in locations where hopefully municipalities or school districts will provide some sort of room during those time periods, but that can all be coordinated."

Mr. Koluder, "Correct me if I'm wrong they said that office doesn't need to remain in Derry as long as they could get an office that this committee would appoint and someone would be agreeable to let them have that office basically rent-free. So that office doesn't have to remain in Derry. It could be centrally located in the County."
Solicitor Maiello, "They have one there now but they said any mutually, convenient place that the committee agrees upon, they'd be willing to do something."
Mr. Koluder, "So between now and 2012 this committee will decide where that office should be."
"So they have a rent-free facility in Derry?"
Mr. Koluder, "Yes."
"How large of a facility do they need to operate?"
Mr. Koluder, "They're operating now in a small office; it's a big office they share with the property tax collector. It's probably 20' by 15' maybe."
"So it's not hard to accommodate their operation?"
Mr. Koluder, "No, they do everything by computer so no matter where they are as long as they have access to the internet they can do all their work from any location. They need the office space."
Solicitor Maiello, "They're very accommodating with respect to the liquidated damage provisions in the agreement; if reports are not provided timely there's a fee that can be assessed against them if it becomes a continual problem. In addition, at the end of the term if they're not renewed or they're terminated, there's a transition policy, fairly detailed, that's attached to the agreement. Once again they've agreed that if they don't meet the obligations they said they would meet they would be subject to liquidated damages. They've actually even taken the step to agree that prior to the contract's termination, six months prior to that, they will deposit funds in an account that will be available that if they don't transfer records timely upon the term of the agreement expiring, we can assess that fund for the liquidated damages so you wouldn't even have to file suit. So as Dan indicated they were very agreeable. As long as they were clear on what their obligations were they indicated they didn't have an issue with respect to liquidated damages because they felt they can meet those obligations. Annually they're going to provide an audit and there are very specific guidelines in the agreement as to the audit. In accord with Act 32 they have to provide a bond in the amount that is equal to the greatest amount of funds they will ever hold in their account for this taxing district. They really did attempt to go more than halfway to meet the requirements that we requested so I think it was a successful negotiation for everyone."
Mr. Koluder, "Any questions? So you're happy with the agreement, Lawrence?"
Solicitor Maiello, "Yes, it goes into a lot of detail. It took a good bit of time to get it put together with them. For example there's a schedule attached to the agreement that details when they do have to transfer files and the format the files will be in. It's called Data Format Specifications Schedule for the agreement. There isn't any issue with respect to what the format of the files is going to be. They've agreed to transfer them in that format. They made it clear that they will cooperate with respect to the various taxing authorities initially on transferring records. They will not charge to assist with respect to transferring those records. I just ask that you cooperate if you can by putting the data in the format. They're going to give you certain forms."
Ms. Perez, "Those schedules you're referencing, Lawrence, they were not included in the packet that was sent out; they weren't ready yet so none of us have them."
Solicitor Maiello, "Schedule 1 was included. There's a tax fee resolution which turned out to be Schedule 5. Schedules 3 and 4, which are the data format and the transition policy, we were still working on. There was a lot of information that had to be agreed upon. Schedule 2 is what we call Best Practices and that's Act 32. It has certain best practices that they require and they suggest the tax collectors comply with as part of the agreement, and Berkheimer has agreed to

comply with all best practices and anything additional the Department of Community and Economic Development (DCED) recommends that this committee thinks is proper. They've agreed to also comply with that even if that was not currently in the agreement."
Mr. Koluder, "Are they any other questions? When the final agreement is signed we'll e-mail that out to everyone with all the schedules included. I would like to give a special thanks to Dan Watson who chaired that RFP Committee. Also working on this agreement, I'd like to thank Dave Amatangelo and Peggy Gillespie. They all volunteered some additional time to work with Lawrence and the attorneys. Thank you very much. You did a great job."

RECESS: Ronald Martz **MOVED** to recess the meeting at this time, and Dallas Leonard **SECONDED.** No discussion. **All voted unanimously to recess.**

Time: 7:15 p.m.

RECONVENE: Joe Koluder reconvened the meeting with a quorum present.

Time: 7:32 p.m.

APPROVAL OF MINUTES (7/27/2010): Ms. Perez, "There is one amendment to last month's minutes. There was one delegate that was not listed as being in attendance and they were here. That was Derry Borough and they were missed in the original typing of the minutes and that will be amended from the copy you received."
Mr. Koluder, "When we approve the minutes this evening it will be with that correction."
Gordon Stoves **MOVED** to approve the minutes from the 7/27/2010 meeting, and Dallas Leonard **SECONDED.** No discussion. **Unanimously all voted in favor to approve.**

COMMITTEE UPDATES CONTINUED:

Tax Collector RFP Committee Continued-Resolution No. 2010-02. Vincent DeCario **MOVED** to approve Resolution No. 2010-02 approving the Tax Collection Agreement for services with Berkheimer Tax Administrator, and Ronald Martz **SECONDED.** No further discussion. Roll call vote was taken. The percentages of the votes are **yes, ~~85.71~~ 85.68; no, ~~14.29~~ 14.32.** (Percentages corrected after the meeting adjourned.)

Bylaws Committee-No report.

Solicitor Committee-No report.

Finance Committee-No report-no bills.

Tax Appeals Board-No report.

Website-No report.

OTHER CONCERNS:

Upcoming WCTCC Meetings-Joe Koluder. Mr. Koluder, "Before we adjourn I'd like to remind everyone the next meeting will be held, Wednesday, September 29, 2010 at 6:30 p.m. We couldn't get the regular Tuesday night meeting so it will be Wednesday. Dallas and I were talking during the recess and he had a good idea. If you think about it on the day of the meeting please call the delegates in your area and remind them. We'll continue to send e-mails out."

Tax Appeals Board. Mr. Leonard, "The Tax Appeals Board, we didn't have any discussion or comment on that, is there any report?"
Mr. Koluder, "As of right now the Board is appointed and awaiting any appeals, and I don't believe there will be any appeals until after we start collecting which would be January 2012."
Mr. Leonard, "Do you have a listing of who the Board members are?"
Mr. Koluder, "Yes, I do; the Board is chaired by George Safin with Gordon Stoves, Allison Willis and Peggie Watson as the committee members. There has to be more."
Mr. Leonard, "The reason I ask is because there was some discussion and they were short at the last meeting. You had asked for other names and I had put my name in."
Mr. Koluder, "We'll look them up and get that information to you."
Mr. Leonard, "The committee was appointed in March with five members and two alternates."

PUBLIC COMMENT: No public comment this evening.

ADJOURNMENT:

Gordon Stoves **MOVED** to adjourn the meeting. **SECONDED:** Dallas Leonard. All voted unanimously to **adjourn**.

Time: 7:43 p.m.

Respectfully submitted,

Mary Perez
WCTCC Secretary
City Treasurer/Fiscal Director
City of Greensburg