DAUPHIN COUNTY TAX COLLECTION COMMITTEE

SUMMARY MINUTES

January 16, 2019

- Roll Call – A quorum was established.


Solicitor: G. Beneventano

Keystone Collections: Joe Lazzaro, Esq.

- The Chairman, A. Memmi, called the meeting to order.

- Tax Collector Report: Mr. Lazzaro from Keystone Collections introduced Ms. Amanda Mulheren, one of the attorneys at Keystone Collections. Mr. Lazzaro reported that Keystone has collected and distributed to the taxing authorities $111,151,329.45 – the highest revenue generated in the tax base to date. This is a 1.5% increase over 2017. Keystone has been active on delinquent tax payment enforcement. The PA Department of Revenue is still supplying information that is two years old. Keystone is just now receiving the 2016 tax data from the Pa. Department of Revenue. The local earned income tax forms for 2018 have been mailed to Dauphin County residents. Mr. Lazzaro stated that Keystone has prepared a tax preparer’s manual and several copies are available for TCC delegates. The manual can also be found online. Currently 98% of businesses are filing electronically. More individual taxpayers are now using E-file. Keystone’s website also has extension requests and FAQs.

The Pennsylvania Department of Revenue (DOR) has completed its report on whether the state could do a better job collecting EIT. (The DOR report was prepared pursuant to House Resolution No. 291 of 2017.) The report finds that Act 32 is working and is a success. The report also finds that a change to EIT being collected by the state would be expensive. Keystone is studying the report in depth. The report did come up with three
different models: 1) Make no change to the current system of collecting through Act 32; 2) Have the Department of Revenue collect EIT taxes; and 3) A hybrid system whereby the Department of Revenue receives the funds, but the tax collectors distribute the funds to the individual taxing authorities.

The Chairman noted that Dauphin County TCC and Keystone Collections agreed to a reduced fee of 1.38% when the contract extension was approved last June; nevertheless, Keystone has been collecting more money for Dauphin County taxing authorities. He also pointed out that, as of this date, there have been no tax appeals filed.

- Pennsylvania State Senator John DiSanto was introduced to the Committee to discuss the DOR study of Act 32. Senator DiSanto sits on the Finance Committee. He stated that he will not support House Resolution 291 if it is presented to the Senate. He pointed out that a short summary of the separate report on Act 32 prepared by the Legislative Budget and Finance Committee (LB&FC) is available online on its website.

- Mr. Kuhn, president of the Lebanon County Tax Collection Committee, was introduced to the Committee. The Lebanon County TCC does not want a change to Act 32. The Lebanon County TCC has spoken to Senator Folmer who also does not support a change to Act 32. A member of Lebanon’s TCC contacted 40 other TCCs to see if they were contacted by the Pennsylvania Department of Revenue about their thoughts on changing EIT collections. None of the TCCs were ever contacted by DOR.

- The Chairman introduced Mr. Alan Novak of Novak Strategic Advisors. Mr. Novak is a lobbyist who is representing Keystone and other TCCs in regard to the House Resolution 291 and Act 32. Mr. Novak stated that he has been in the business of government affairs, consulting, and lobbying for almost 20 years. His company was established in 2001. Mr. Novak is interested in lobbying for the Tax Collection Committee in regard to HR No. 291 and spoke to the committee members concerning how he would go about representing the TCC’s interests. A question and answer period ensued with Mr. Novak. Mr. Novak was then excused from the meeting.

- The solicitor, Mr. Beneventano, stated that under the bylaws the TCC is to meet the third Wednesday of January to organize. He called for a motion for a slate of officers. A motion was made to retain Skip Memmi as Chairman, Karen McConnell as Vice-Chair, and Kaye Thoma as Secretary, and the motion was seconded – accepted and APPROVED.

- Ratify Summary Minutes from September 2018 and Accept Summary Minutes of November 2018– A motion was made and seconded to ratify the September 2018 minutes and approve the November 2018 summary minutes --accepted and APPROVED.

- Ratify Financial Report of October 31, 2018 and Accept Financial Report as of December 31, 2018 – A motion was made and seconded to ratify the October 31, 2018 financial report and to approve the December 31, 2018 financial report -- accepted and APPROVED.
• Designation of subcommittees – The solicitor reported that the Bylaws provide that the TCC may designate subcommittees and that such subcommittees are to be established every year at the organization meeting. A motion was made to continue the following subcommittees for 2018 – Audit, Finance and Risk Management. Motion was seconded, accepted and APPROVED.

• Members of the subcommittees require committee approval following the Chairman’s appointment of such members. The Chairman recommended the following delegates for the following subcommittees: Finance – P. Cornell (chair); D. Hummer, M. Shuler and C. Artz; Audit – G. Shade (chair), D. Franklin and D. Kratzer; Risk Management – M. Shuler (chair), J. Seeds and R. Hepner. (Note: The Executive Committee and its membership are established at Art. IV, Section 6 of the Bylaws; therefore, the TCC does not vote on its establishment or membership.) The Tax Appeals Board members recommended are R. Wentzel, D. Rosario, R. Hepner, and B. Weber. A motion was made to approve those members recommended by the Chair. The motion was seconded and APPROVED.

• The TCC has traditionally met on the third Wednesday of the month at 6:30 p.m. at the Middle Paxton Township Building in the months of March, May, July, September and November. A motion was made and seconded to continue meeting in 2019, every other month, as aforementioned, on the third Wednesday at 6:30 p.m. at the Middle Paxton Township building -- APPROVED.

• The Solicitor asked the delegates to complete and return an Ethics Act form. They are due by May 1st, but the Solicitor requested that the forms be returned at the March meeting, if possible. They can also be scanned and emailed to the Solicitor. The Solicitor will also email the Conflict of Interest forms. These may be mailed back or scanned and emailed. If there are any changes in the appointment of delegates (voting or alternates), the Solicitor’s office should be made aware as soon as possible. The solicitor asked for evidence of current appointments to this committee. This can include evidence of the motion and vote at a public meeting, a copy of the page of the minutes that shows the appointment, or a copy of a resolution if one was prepared and approved. The TCC should keep as accurate a database as possible, so please notify the Solicitor when municipalities appoint new delegates, alternates as well as voting delegates.

• Ratification of the annual cash audit of the TCC for fiscal year ended December 31, 2017 -- A motion was made, seconded and APPROVED to ratify the annual cash audit.

• Ratification of the renewal proposal of PennPRIME’S Trust, Coverage Term January 1, 2019 to January 1, 2020; Cost $4,485.00 – A motion was made, seconded and APPROVED to ratify PennPRIME’S insurance coverage.

• A discussion was held in regard to retaining Alan Novak of Novak Strategic Advisors. Mr. Novak would represent the Committee’s interests in regard to HR 291 – EIT tax collection. The Solicitor gave a brief presentation on what the cost would be to the Committee -- $2,500 a month retainer. A motion was made and seconded to retain Mr.
Novak of Novak Strategic Advisors as a lobbyist for the TCC. The roll-call vote was as follows:

FOR RETENTION OF MR. NOVAK (YES VOTES)

A. Memmi      Derry Township
R. Wentzel     Halifax Township
               Jackson Township
               Wayne Township
               Halifax Area School District
A. Harris      South Hanover Township
G. Shade       Halifax Borough
G. Painter     Conewago Township
J. Lovett      Susquehanna Township

AGAINST RETENTION OF MR. NOVAK (NO VOTES)

D. Grbich      Dauphin Borough
T. Houck       Lower Paxton Township
K. McConnell   Central Dauphin School District
J. Seeds       Middle Paxton Township
K. Thoma       Berrysburg Borough
               Elizabethville Borough
               Gratz Borough
               Jefferson Township
               Lykens Township
               Mifflin Township
               Pillow Borough
               Washington Township
               Upper Dauphin School District
M. Shuler      Lower Dauphin School District
D. Franklin    Middletown Area School District
C. Artz        Millersburg Area School District
D. Hummer      Hummelstown Borough
B. Weber       City of Harrisburg
L. Shaw        Derry Township School District
S. Reigert     Steelton-Highspire School District
A. Jackson     Millersburg Borough
R. Hepner      Upper Paxton Township
P. Cornell     East Hanover Township

23 Nays
9 Yeas

Motion NOT APPROVED to accept Novak proposal.
• Ratification of approval of the 2019 Budget – Again this year, $30,000 would come out of the reserve to go towards the annual budget. A motion was made, seconded and APPROVED to ratify approval of the 2019 budget.

• Ratification of Agreement with Round4, LLC for development of the TCC’s website – A motion was made, seconded and APPROVED to ratify approval of the agreement with Round4, LLC.

• Meeting adjourned at 8:29 p.m.