DAUPHIN COUNTY TAX COLLECTION COMMITTEE

SUMMARY MINUTES

January 18, 2017

- Roll Call – A quorum was established.


Solicitor: G. Beneventano

Keystone Collections: Joe Lazzaro, Esq.

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

- The Chair stated that this is the annual organizational meeting and typically the solicitor acts as temporary chairperson. There was no opposition to the solicitor acting in this capacity.

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

- Summary Minutes from November 2016 – A clarification was made in regard to the Keystone Collections report. It was identified as a typographical error. It was reported that “Mr. Lazzaro reported collections year-to-date of 85 million 415 million plus”. It should read “* * * collection year-to-date of 85 million with an increase of 4.15 million over the prior year.” The summary minutes were then accepted and APPROVED.

- Financial report as of December 31, 2016 – accepted and APPROVED.

- Mr. Lazzaro from Keystone Collections reported that collections for 2016 ended very strong at $105,989,000, plus. This was actually up $4.8 million for the year over the prior year. Act 32 is working and it is working well. Individual returns for 2016 have
been sent out. Delinquent collections in 2016 were $2,878,000.00. This is a result of a comparative analysis from state tax returns, the earned income tax reported on the PA-40s. Keystone is mailing approximately 1,800 delinquent notices soon. Over the course of 2016, 8,666 individuals were notified of their delinquency and are either on a payment plan or have paid. As stated at the last meeting, New Jersey Governor Christie was ending the reciprocity agreement. However, prior to the end of the year, he withdrew that. This means that New Jersey will not tax Pennsylvania residents under their system if they work in New Jersey, and Pennsylvania will not tax New Jersey residents if they’re working in Pennsylvania. There are some out-of-state crediting issues that have changed this year. Information regarding this was distributed to the delegates present. He also handed out local tax preparation guides and handy telephone numbers. If a business is handling payroll withholding, there is a special number for them to get to the right person at Keystone who can help them. There is also a number for client services. This is just for the individuals in your municipal or school office. It should not be shared with taxpayers. There is a separate number for that.

- Designation of subcommittees – The solicitor reported that the Bylaws provide that the TCC may designate subcommittees and these are required to be established every year. A motion was made to continue the following subcommittees for 2017 – Audit, Finance and Risk Management. Motion was seconded, accepted and APPROVED.

- Members of the subcommittees require committee approval. The Chairman recommended the following delegates for the following subcommittees: Finance – P. Cornell (chair); D. Hummer, M. Shuler and John McHale; Audit – G. Shade (chair), C. Craig and D. Kratzer; Risk Management – M. Shuler (chair), C. Artz 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 H. Eby, J. Seeds, R. Hepner, K. Cramer and R. Patackis. A motion was made to accepted those members recommended. The motion was seconded and APPROVED.

- A motion was made and seconded to continue meeting in 2017, every other month on the third Wednesday at 6:30 p.m. at the Middle Paxton Township building -- APPROVED.

- The Solicitor asked the delegates to take an Ethics Act form. They are due by May 1st, but asked that they be returned at the March meeting. 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. He also stated that he likes to keep as accurate a database as possible, so please notify him when municipalities appoint new delegates.

- The Chairman presented the charter for the Audit Subcommittee. The Chair of this committee was unable to attend this evening’s meeting, but sent his written email comments regarding the charter, as follows:
Having sub-committees is one of the reasons that the Dauphin TCC is successful and, if we have sub-committees, we need guidelines for these sub-committees.

The Audit Sub-Committee Charter clearly lays out the structure, authority, responsibility, etc., of the sub-committee. Additionally, the charter establishes the requirements for membership in and meetings of the sub-committee.

The Audit Sub-Committee does not conduct audits or get involved in the day to day operation of the Tax Collector, but its value is in reading, understanding and explaining audit reports from outside CPA firms. Additionally, the Audit Sub-Committee provides financial expertise in other areas such as evaluating responses to RFPs and assisting in resolving banking and other issues.

The Audit Sub-Committee Charter should be approved as presented.

A motion was made and seconded to accept the charter – APPROVED.

- The first item of old business is the ratification of the renewal of the PennPRIME insurance coverage at a cost of $4,390. The Solicitor pointed out that this was a result of a request for proposals that was issued following the November meeting. Two proposals were received and the recommendation of the Audit Sub committee and the Executive Committee was to renew with PennPRIME for another year. A motion was made and seconded to ratify the one year renewal with PennPRIME at a cost of $4,390.00 – APPROVED.

- The Solicitor reported that a report on Act 32 was completed and was emailed to the full TCC. We are now in the sixth year of county-wide collections under Act 32 and have met the duty of establishing an Appeals Board. However, in six years, there has never been an appeal. This is mainly due to the work with taxpayers that Keystone does. Mr. Lazzaro stated that even though there have been no appeals, there are certainly issues that arise. Keystone is very conservative in their approach and follows the same process regardless of who is filing that tax return, whether it’s an issue of timing or an issue of taxability or liability. When there is a question, Keystone provides a full in-depth answer. Disputes with employers occur more frequently, but they have been resolved through legal proceedings much more readily than going in front of the appeals board.

- The Chairman indicated that the chair of the Audit Subcommittee prepared a statement regarding the Act 32 report. It represents what the committee has done in the past six years to make sure that the dollars we collect are handled correctly, distributed correctly and have performed the duty of oversight that is required under Act 32. The statement is as follows:
In my opinion the aspects of the Dauphin County TCC that make it successful is the willingness of the members to participate and the structure of the by-laws.

I have been on the TCC since its inception and the participation of the member districts has been fantastic. Members not only attend but they actively participate, ask questions and make suggestions that make the TCC better.

One section of the by-laws that makes it easier for the members to participate is the elimination of the weighted average vote and the ability for one member to represent multiple taxing authorities. Because of these by-law provisions we regularly have a quorum which results in continuous oversight of the tax collector.

The other section of the by-laws that allows the TCC to function efficiently is the sub-committee provisions. Our primary mission is to transfer money from the employer to the taxing authorities, the oversight of which requires financial expertise not only to oversee the tax collector but to understand banking and audit issues that may arise. Having sub-committees allows members with specific expertise to address questions and issues that may not be within the comfort zone of all members.

The Act 32 report addresses the structure that works for the Dauphin County TCC and is presented as a blueprint for other TCCs to follow if they wish to exercise the oversight they should be performing. This report should be approved as presented.

The delegate from Lower Dauphin SD thanked the solicitor for putting together the ACT 32 report. Some of the things that this TCC has put into place have been very beneficial and could be a blueprint for other TCCs to use. The report is well written, showing the process; it documents the history of what the committee has done so future delegates will see that process. The delegate from Steelton-Highspire SD stated that this TCC is probably one of the leaders in the state of Pennsylvania. The work the committee did will benefit multiple organizations throughout the state. Mr. Lazzaro also stated that the report is well written and very understandable. It was also well documented.

The Chairman stated that copies of the report will be bound and mailed to every taxing jurisdiction in Dauphin County. Copies will also be distributed to the legislative delegation that represents Dauphin County. The Dauphin County Commissioners will also receive a copy. PSATS and PASBO will be receiving copies as well.

A question was raised asking if there was a standing committee within the PA General Assembly that handled Act 32. The Solicitor reported that the Legislative Budget & Finance Committee released its own report on Act 32 in October which was sent to
Chairs of the Finance Committees of the Senate and House, DCED and to the Auditor General. Our report will also be sent to these individuals.

A motion was made and seconded to accept the Act 32 report – APPROVED.

- The Chairman thanked the delegates for attending the meeting. The next meeting will be held on Wednesday, March 15, 2017 at the Middle Paxton Township building.

- Meeting adjourned at 7:23 p.m.