

DAUPHIN COUNTY TAX COLLECTION COMMITTEE

SUMMARY MINUTES

September 21, 2022

- Roll Call – A quorum was established.
- Delegates Present: J. Seeds, Middle Paxton Township; D. Grbich, Dauphin Borough; S. Miller, Lower Paxton Township; L. Eyer, Derry Township; J. Lahr, Wayne Township and Halifax Area School District; G. Painter, Conewago Township; B. Marchuck, Londonderry Township; R. Cassel, South Hanover Township; M. Stonbraker, Highspire Borough; A. Knoll, Susquehanna Township; W. Schaeffer, Porter Township, M. Stokes, Harrisburg City School District; M. Shuler, Lower Dauphin School District; D. Franklin, Middletown Area School District; E. Petery, Millersburg Area School District; O. Anderson, Susquehanna Township School District; K. Ferraro, Williams Valley School District.

Solicitor: G. Beneventano

Keystone Collections: Joe Lazzaro, Esq.

- The Chairperson called the meeting to order.
- No public comments were made.
- Summary Minutes of the May 18, 2022 meeting were presented for approval – A motion was made to accept and approve the May 18, 2022 summary minutes -- accepted and APPROVED.
- Financial report as of August 31, 2022 was presented for approval – A motion was made and seconded to accept and approve the August 31, 2022 financial report --accepted and APPROVED.
- Chairperson Julie Seeds reported that several members of the Committee went to visit Keystone Collections in Irwin, PA on August 11th. Representatives from Keystone reviewed their tax collection process with the members present. It was an excellent visit. The Chairperson was particularly impressed with Keystone's IT and cybersecurity capacities. She was also impressed with the dedication displayed by the numerous Keystone employees that the TCC representatives interacted with during the visit. She thanked Joe Lazzaro for arranging the tour of the company.
- Mr. Lazzaro thanked the Committee members who visited and toured Keystone. Mr. Lazzaro prepared a report for the TCC that covered collections from January 1 through June 30, 2022. (See attachment.) He also brought copies to the meeting to hand out to those who did not visit Keystone.

He reported that mid-year numbers for Dauphin County were trending up. Collections were over \$7 million ahead of the same time last year. Specifically, from January

through June of 2021, Keystone collected local EIT totaling \$65,025,048, whereas it has collected \$72,129,259 from January through June 2022. That is an 11% increase. As of the end of August 2022, collections are at \$95,566,318, up from \$86,567,158 last year. Almost all taxing authorities within the Dauphin County Tax Collection District are experiencing growth in collections. Indeed, as of June 2022, 18 taxing authorities were seeing double digit growth.

Delinquent collections are at \$1,392,000. (Note: under Act 32, Keystone – the appointed collector – has the duty to collect all delinquent EIT.) Over the last two years, \$3,047,500 in delinquent taxes have been collected. As Mr. Lazzaro explained: “Between Keystone’s legal team and our IT automation, the results [of delinquent collection] have been extremely strong, and we’re really proud. We really believe we are not just at the top of our game in this, but we’re the strongest by far in Pennsylvania at handling the compliance side of tax collection.” Mr. Lazzaro added: “The benefit [of delinquent collections] is twofold because you receive those recovered dollars on previously unreported income, plus those taxpayers or employers, [once caught] they don’t do it again. So you’re increasing the net current year while you’re recovering those dollars that should have been paid when they are due.”

Since the last meeting, Mr. Lazzaro stated that everyone should have received the Yellow Book audit, the financial audit of public funds for FYE 12/31/2021. The SOC audit for July 1, 2021 through June 30, 2022 has also been completed, and a copy was emailed to the solicitor prior to the TCC meeting. The solicitor will email copies of the SOC audit to all Committee members. (Note: the SOC audit has been sent twice to all in our email database: once on September 26th, and again on November 10th.)

Mr. Lazzaro offered brief comments on the SOC audit. “We’ve developed a really expansive pay system[,] not just on the earned income tax, but on real estate tax, per capita tax, LST, business privilege. Everything that you can pay by writing a check, you can pay with a credit card, an ACH from your bank account, Google Pay, Apple Pay, all those things. And all of that is * * * tested [during the SOC audit] to make sure all the securities are in place, there’s a backup for everything.” Mr. Lazzaro went on to explain: “If a ransomware attack were to happen, we have things in place that keep all the operations operating, not just in Keystone, but parallel, outside of Keystone, * * *. So we are as immune as you could be on earth right now from those kinds of things. We’ve invested a lot in not just those kind of protections, [but] some of the best people out there are advising us on a regular basis.”

(Note: the results of the most recent SOC audit will be addressed in more detail by Keystone during the November TCC meeting.)

- Boyer & Ritter recently completed an audit – separate from the yellow book audit – of the TCC’s cash account for FYE 12/31/2021. (Note: the funds in the cash account derive from income tax revenues collected for each taxing authority within the Dauphin County Tax Collection District.) The cash account audit was emailed to all in the TCC’s email data base prior to the September TCC meeting. The cash account audit for FYE 12/31/2021 was unanimously approved by the TCC.

- The TCC's contract with Keystone requires the TCC to approve all refunds in excess of \$10,000.00. Upon the advice of counsel, the Chairperson signed a letter from Keystone authorizing a refund in the sum of \$14,327.00. At the solicitor's request, that refund is on the agenda for "ratification" by the TCC. Upon motion and vote, the Chairperson's signature on Keystone's written request was unanimously ratified by the TCC.
- In closing, the Chairperson noted that tonight's quorum was established through the attendance of delegates from throughout the TCC. She thanks all delegates for their interest and participation; in particular, she thanks those delegates who are new to the TCC's duties and activities. She welcomes input from any delegate who wishes to express thoughts or comments on improved TCC operations. Specifically, she asked whether any delegates would prefer to start meetings at an earlier time (e.g., 5:30 or 6:00).
- The meeting formally adjourned at 7:25 PM.