

DAUPHIN COUNTY TAX COLLECTION COMMITTEE

SUMMARY MINUTES

September 20, 2023

- Roll Call – A quorum was established.
- Delegates Present: J. Seeds and W. Evans, Middle Paxton Township; D. Grbich, Dauphin Borough; S. Miller, Lower Paxton Township; J. Lahr, Wayne Township and Halifax Area School District; M. Kelley, Harrisburg City; G. Painter, Conewago Township; S. Umberger, East Hanover Township; B. Marchuck, Londonderry Township; R. Cassel, South Hanover Township; K. Ferraro, Williams Valley School District; S. Canazaro, Middletown Borough; A. Jackson, Millersburg Borough; M. Stonbraker, Highspire Borough; A. Knoll, Susquehanna Township; W. Schaeffer, Porter Township; O. Anderson, Susquehanna Township School District; Kaye Thoma, representing Berrysburg Borough, Elizabethville Borough, Gratz Borough, Jefferson Township, Lykens Twp., Lykens Borough, Mifflin Township, Pillow Borough, Washington Township and Upper Dauphin School District; M. Stokes, Harrisburg City School District; M. Carnes, Steelton-Highspire School District; D. Franklin, Lower Dauphin School District and Middletown Area School District; E. Petery, Millersburg Area School District.
Solicitor: G. Beneventano

Keystone Collections: Joe Lazzaro, Esq.
- J. Seeds, Chairperson, called the meeting to order.
- There were no public comments.
- Summary Minutes from May 17, 2023 were presented for approval – A motion was made and seconded to approve the May 2023 summary minutes --accepted and APPROVED.
- Financial report as of August 31, 2023 was presented for approval – A motion was made and seconded to approve the August 31, 2023 financial report --accepted and APPROVED.
- Chairperson Seeds reported that five members of the Executive Management Committee (EMC) traveled to Keystone’s offices in Irwin on July 13th to learn more about its operations; in particular, the EMC focused on Keystone’s cybersecurity and IT capacities. The Chair thanked Marita Kelley, Kaye Thoma, Ann Jackson, Jim Fosselman and Mark Stonbraker for making the trip. The Chair also thanked Keystone for taking the time to meet with the delegates. In response, Joe Lazzaro said: “The doors are always open.”
- The Chair reminded the delegates that Keystone has expressed interest in extending the term of the current contract. The term of the current contract does not expire until December 31, 2024, over a year from now. The Chair explained that she is “working with the Executive Management Committee * * * so that we can be in a position to negotiate

an extension to the contract with Keystone, [one] that could include some possible changes.” The Chair further explained that the Executive Management Committee met during the week of September 11th (via conference call) and in-person immediately before the start of tonight’s meeting. No official action was taken at either meeting. Instead, during both meetings, the Executive Management Committee simply reviewed the terms and conditions of the existing contract.

- Based on her discussion with the EMC, Chairperson Seeds explained that she would like to proceed as follows. First, during the public portion of the November meeting, the EMC will present their thoughts on a new contract to the rest of the TCC. Second, between now and the end of the year, Chairperson Seeds will be in contact with those taxing authorities that refrain from participating in the work of the TCC. She added: “I want to make this extra effort, as Chair, to inform them of the importance of the new contract.” Third, between now and the end of the year, the solicitor will be charged with the duty to begin drafting any proposed changes sought by the EMC. Fourth, the final terms and conditions of any new contract with Keystone will be sent to all TCC delegates (voting and alternate) well before any scheduled vote on a new contract.
- The Chair concluded her opening remarks by saying to all of the assembled delegates: “You can always email me * * * if you a question on anything, please always feel free to reach out to me. I’m always available.”
- Keystone’s Mr. Lazzaro began his report by handing out to the delegates a four-page memorandum, dated July 13th, which he gave to the Executive Management Committee during the July visit in Irwin. (See attachment.) He then said: “Currently, we remain solidly on a good track with revenues right now, year-to-date, up 8 and a half percent over where we were at this point last year.” He went on: “Through August 2022, we were at \$95,556,318.49. In 2023, over that same time frame, January through end of August, your August report * * * [shows] \$103,543,429,95. That’s an increase of \$7,987,111.”
- Mr. Lazzaro then turned to the handout he had just given the delegates. (See attachment.) He said: “If I could call your attention to the graph on page 2 of that July mid-year report [see attachment], you’ll be able to see an illustration of when we came in and how things have progressed [i.e., increase in EIT collections] over time.” Mr. Lazzaro attributed the steady increases to effective “delinquent collections and compliance enforcement.” Mr. Lazzaro added: “I believe [Keystone is] the strongest delinquent earned income tax collector in Pennsylvania with a fully vetted delinquent recovery process. It’s built on technology and completely operating in full automation. It happens like a clock right now.”
- Next, Mr. Lazzaro called the group’s attention to page 3 of Keystone’s July report. (See attachment.) Specifically, he pointed to the sentence on page 3 which reads: “In 2023, we’ve already recovered about \$2.18 million in additional EIT revenue.” Mr. Lazzaro then explained: “That was a snapshot of where we were back then on July 13th. The numbers are stronger now.”

- Mr. Lazzaro then presented to the Chair a complete copy of the SOC 1, Type 2 System and Organization Controls Report for the period July 1, 2022 through June 30, 2023. (Note: on October 24, 2023, Keystone emailed the report to the TCC's solicitor, whereupon he had it distributed to all delegates, voting and alternates, who have provided an email address.)
- A motion was made and seconded to ratify the Executive Management Committee's approval of Boyer & Ritter's yellow book audit for FYE 12/31/2022. (Note: the Executive Management Committee was required to act on the yellow book audit because Act 32 requires its filing with DCED by September 1st.) The motion was accepted and APPROVED.
- A motion was made and seconded to approve Boyer & Ritter's cash account audit for FYE 12/31/2022. The motion was accepted and APPROVED.
- Meeting adjourned at approximately 7:05 p.m.
- The TCC then held an executive session to obtain the advice of legal counsel on pending contract matters with Keystone Collections Group. Chairperson Seeds provided material information the TCC during the executive session, and the solicitor provided his advice upon receiving that information.