

# Borough of Plum

**MAYOR**  
Richard Hrivnak  
**BOROUGH MANAGER**  
Michael A. Thomas  
**SOLICITOR**  
Bruce E. Dice

4575 New Texas Road  
Plum, PA 15239  
(412)795-6800  
(412)793-4061(FAX)

## **BOROUGH COUNCIL**

Mike Doyle, President  
Keith Nowalk, Vice-President  
John Anderson  
Mike Dell  
Don Knopf  
Steve Taylor  
Len Szarmach

March 5, 2012

Plum Borough School District  
Dr. Timothy Glasspool, Superintendent  
900 Elicker Road  
Plum, PA 15239

**RE: Delinquent Earned Income**

Dear Tim:

I am sure that you recall the intergovernmental meeting back in January of this year at the High School cafeteria. At that meeting, I had presented a proposal to the School Board regarding the collection of the Local Service Tax and the Delinquent earned Income Tax.

I received the executed LOU for the LST collection this morning and I thought we should try and get the EIT issue wrapped up as soon as possible as well. I prepared a DRAFT Letter of Understanding in regard to collection of the School District's Portion of the Delinquent Earned Income Tax. I believe this correspondence reflects the arrangements that were agreed to at the Intergovernmental Meeting of January 10, 2012.

The Borough's and School District's understanding is itemized as follows:

1. The Borough will continue to collect the School District's portion of the Delinquent Earned Income Tax for the years 2011 and prior until the close of business on December 31, 2013.
2. The District will receive 50% of all delinquent taxes collected including penalty & interest.
3. It is anticipated that the Borough will continue to utilize its LST/EIT tax collector, Ms. Jean Pedrosky.
4. The Borough will charge the same rate that is being charged by the Allegheny County Southeast Tax Collection Committee's appointed Collector, Keystone Collections Group. These rates are attached as "Schedule A."

5. All costs of collection to be imposed will be added to delinquent taxes owed.
6. Consistent with the proposal of the Allegheny County Southeast Tax Collection Committee's appointed Collector, Keystone Collections Group, any unrecovered Litigation Expenses which result from the failure to secure delinquent taxes due, shall be split by both parties equally.
7. There will be no other expenses or reimbursements charged to the School District.
8. The net collection method will be used for distributing the EIT funds to the School District. That is, the Borough will deduct the collection fees from its monthly payment to the School District.
9. An itemized statement will accompany the Borough's payment of the Delinquent EIT to the District, which statement will reflect gross collections, less collection fee, and net payment. The Borough will transfer the Districts' portion via EFT.
10. The School District will rescind its prior resolution wherein, Keystone Collections Group was appointed the Delinquent EIT Collector for the School District.

PLUM BOROUGH

BY: \_\_\_\_\_

Title: \_\_\_\_\_

It is agreed that the above Letter of Understanding reflects the Parties' agreement for the collection of the Plum Borough School District Local Service Tax for the period ending midnight, December 31, 2013.

PLUM BOROUGH SCHOOL DISTRICT

Date: \_\_\_\_\_

BY: \_\_\_\_\_

Title: Board President

Sincerely,



Michael A. Thomas  
Borough Manager

## Schedule A

COSTS OF COLLECTION TO BE IMPOSED AND ADDED  
TO DELINQUENT TAXES

## TAXPAYER NOTIFICATION AND ADMINISTRATION

- |    |   |         |
|----|---|---------|
| 1) | Taxpayer late filing or underpayment notice.  | \$10.00 |
| 2) | Employer late filing notice or underpayment penalty notice for quarterly or annual earned income tax or local services tax return.<br>10% of tax, penalty and interest or \$50.00, whichever is greater   |         |
| 3) | Delinquent account servicing fee, including records imaging or other detailed recordkeeping, office staffing, computer equipment and software, office space, telephone, printing and imaging equipment, supplies and postage use to generate delinquent notices and to establish notices and to establish monthly payment plans-10% of tax, penalty and interest or \$50.00, whichever is greater |         |
|    | Partial payment fee—where payment received does not pay accounting full   | \$3.00  |
| 5) | Fee for check returned from bank (NSF, Acct. Closed, etc.)  | \$29.00 |
| 6) | Notice of intent to file civil suit   | \$50.00 |

## WAGE ATTACHMENT

- |    |  |         |
|----|--|---------|
| 1) | Taxpayer notice prior to wage attachment | \$25.00 |
| 2) | Employer wage attachment notice          | \$25.00 |

## LITIGATION

- |    |  |          |
|----|--|----------|
| 1) | Prepare Magisterial District Court complaint       | \$75.00  |
| 2) | Prepare for Magisterial District Court hearing     | \$100.00 |
| 3) | Attend Magisterial District Court trial or hearing | \$150.00 |
| 4) | Attend Constable execution sale                    | \$350.00 |
| 5) | Prepare Arbitration complaint/appeal               | \$150.00 |

6)	Attend Arbitration trial	\$350.00
7)	Enter default judgment	\$150.00
8)	Issue Sheriff Writ of Execution	\$250.00
9)	Attend Sheriff Sale	\$250.00
10)	Non-litigation legal work	\$70.00 hr
11)	Litigation legal work	\$80.00 hr
12)	All other clerical work not itemized above	\$50.00 hr