

Borough of Plum

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February 13, 2012

Plum Borough School District
c/o Eugene J. Marraccini, Director of Business Affairs
900 Elicker Road
Plum, PA 15239

**In RE: LOCAL SERVICE TAX COLLECTION
LETTER OF UNDERSTANDING**

Dear Board of Directors:

As per your request, Plum Borough has prepared a Letter of Understanding in regard to collection of the School District's Local Service Tax (LST). I believe this correspondence reflects the arrangements that were agreed to at the Intergovernmental Meeting on 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 2012 and 2013 calendar year LST until the close of business on December 31, 2013.
2. The Borough will continue collecting the School District's Delinquent LST until the close of business on December 31, 2013.
3. It is anticipated that the Borough will continue to utilize its LST tax collector, Ms. Jean Pedrosky.
4. The Borough will charge the District the same rate that is being charged by the Allegheny County Southeast Tax Collection Committee's appointed Collector, Keystone Collections Group. This rate is 1.99% of collections. There will be no other expenses or reimbursements charged to the School District.
5. The net collection method will be used for distributing the LST funds to the School District. That is, the Borough will deduct the 1.99% collection fee from its monthly payment to the School district
6. An itemized statement will follow the Borough's payment (wire) of the LST to the District, which statement will reflect gross collections, less collection fee, and net payment.
7. The School District will rescind its prior resolution wherein, Keystone Collections Group was appointed the LST Collector for the School District.

PLUM BOROUGH

BY: 

Title: Council President

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