

LATROBE CITY COUNCIL AGENDA MEETING

August 28, 2023 6:30 PM

1. M B M Collections Proposal. / In house Collections Program.
2. Republic Waste Proposal for automated system using tofers.
3. 2024 Draft General Fund Budget
4. 2024 Draft Storm Water Budget.
5. Police Pension Investment Policy. (Kristin Grabiak)
6. DBB Copier quotes for Transfer Station and Police Unit.
7. TKL Code Contract for 2023-2024.
8. Cohen Law Assessment on our Cable Franchise Agreement / Offer
9. CDBG Project for Curb Cuts to let Bids for Demo and Construction. (PW)
10. Zoning / Code Officer Contract.
11. Adelphoi Ordinance & Resolutions. (Lee)
12. 1701 Jefferson St. update.

Memo: Agenda discussion item # 1

In house collections for City of Latrobe.

I plan to use additional staff time to set up a collections program that will hopefully bring in additional revenue from the Storm Water Fee and Sanitation billing for both commercial and residential.

Currently as of August of 2023 funds owed the city for the following:

Storm Water fee's from 2021 thru July of 2023. \$143,573.

Sanitation fee's for both residential and commercial from January of this year to August. \$151,093 in the first eight months of billing.

This is not accounting for any past due fees before 2023.

The work on collections must begin in house and subcontracted out will be part of the discussion next week.

Terry

Sanitation Collection Process DRAFT

The City needs to collect as much information as possible for current residents. To include phone numbers and email addresses.

Step 1: Phone call 1st attempt

- Place phone calls to customers to remind them of past due balance and attempt to collect. This would also be a good place to try to get email contact and send correspondence via email as well.
 - NEED TO ALERT LANDLORD
 - **If there is no contact information, we will need to move to Step 2**

Step 2: Written letter 2nd attempt

- Muni-Link will have auto generated letters that can be printed to be mailed to any account that is past due.
 - NEED TO ALERT LANDLORD

Step 3: Certified Letter 3rd and final attempt **ONLY SEND TO LANDLORD/HOMEOWNERS**

- Muni-link will auto generate another letter in a different format and terminology to serve as the last attempt to in-house collect the past due balance on the account.
- Customers will have to sign for this letter, which will ensure that it has been received and can be reviewed.
 - We can apply the amount of postage to the balance that is due on the account so the city can recoup all the cost of attempting to collect this debt.

Step 4: Collections

- The City will send to whomever may be contracted to collect on our behalf.

Misc:

1. Need to figure out how long we will inhouse collect before it is sent to collections.
 - I would like to send it to collections at 90 days. That gives the city 3 months to take all steps if need be and give them adequate respond time.
2. Create a payment plan – Muni- Link allows us the options to create payment plans and add that additional charge to each time we bill or break out the billing to monthly payments.
3. How we can take payments over the phone
 - a. Some people, while on the phone are able to make a payment right away – this is a convenience that could help the city get these past due items paid.
4. % of owners vs renters
5. City policy to allow billing tenants – contributes to delinquent accounts.

August 25, 2023

USVI 00820/ARNS INC
5100 TAMARIND REEF
US VIRGIN ISLANDS, VI 00820

Re: 717 ST CLAIR STREET; Account No. 1185

Dear USVI 00820/ARNS INC

In December of 2019, the City of Latrobe enacted an ordinance establishing a Stormwater Management Program and User Fee to provide a dedicated funding source to maintain and reinvest in the City's aging stormwater infrastructure. The ordinance authorized the City of Latrobe to issue invoices to all property owners to collect a fee based upon the Equivalent Residential Unit (ERU), which is based on the median amount of impervious surface on a single-family detached lot.

We have not received your payment for the amount due of \$90.00. Please submit the amount due by September 15, 2023.

If the City of Latrobe does not receive payment by September 15, 2023, a lien will be filed for this property with possible enforcement before the Magisterial District Judge.

Sincerely,

Tracy Legato
Code Officer

1

Sample



COMPREHENSIVE DELINQUENT TAX COLLECTION SERVICES

MBM Collections, LLC has been providing a results-driven tax collections program for over two decades for public sector entities. MBM Collections has transformed the lackluster tax collection burden into a thriving revenue generator for its clients, including clients located in counties with **Tax Claim Bureaus**.

We serve:

- School Districts • Municipalities • Water and Sewer Authorities

Our proprietary software system allows us to deliver a data-driven collections process that provides you a continuous stream of increased collections. Our results far exceed those of other methods previously employed by our clients. With the data we glean through our exclusive collections approach, our team of tax specialists are able to focus their efforts on the precise areas that yield collection success.

CLIENT **7.5 YEARS COLLECTING**
RESULT **\$11.5 MILLION COLLECTED**

92%

**ACCOUNTS
COLLECTED**

CLIENT **FIRST YEAR AFTER TAKING OVER FROM A**
RESULT **TAX CLAIM BUREAU**

400%

**INCREASE IN
COLLECTIONS**

We provide our clients documented successes with consistent and detailed reporting:

- Installment Payment Reports
- Monthly Report of Lien and Unliened Taxes collected
- Lot and block Register detailing delinquency by Lot and Block, and by tax year
- Non-compliance Report
- Open Accounts Sorted by Balance Due
- Monthly Paid-in-Full Report
- Tax Year Collection Efficiency Report
- Numerous additional reports customized upon request
- An annual Lot and Block register detailing all open accounts
- Account reports sorted and summarized by category: vacant properties, bankruptcy, commercial properties

WE ARE NOT YOUR TYPICAL COLLECTIONS FIRM TRUSTED TAX AND LEGAL PROFESSIONALS

The MBM Collections team of tax professionals provide superior results, working with both the collecting public entity and the delinquent taxpayer, to arrive at an agreeable arrangement.

There are times when legal action is necessary, and in those instances, we partner with Maiello Brungo & Maiello, LLP (MBM Law). Their tax attorneys possess comprehensive knowledge and experience with local tax collection laws, ensuring an official and appropriate collection procedure with agreeable outcomes.



MBM Collections delivers tailored and timely tax collection results for:
Real Estate Taxes
Municipal Service Fees
Water and Sewage Claims

CLIENT 7.5 YEARS COLLECTING
RESULT \$27.5 MILLION COLLECTED

87% ACCOUNTS COLLECTED

MBM COLLECTIONS DELINQUENT REAL ESTATE TAX PROGRAM

Collection methods and repayments are based upon public body's guidelines and input
Reports identifying the makeup of your delinquent tax base and the collectability of that base, allowing you to address false impressions created by large open tax balances

Customized monthly reports providing:

- Status of installment payments

- Comparison of unliened taxes collected vs. liened taxes collected

No fees for filing of tax liens

Collection effectiveness reported on a tax year basis, allowing you to gauge MBM Collections' effectiveness

Funds are wired weekly or monthly as requested

Participate in bankruptcy cases

Filing and monitoring of Sheriff Sale claims in connection with foreclosure actions

MBM COLLECTIONS DELINQUENT FEE COLLECTIONS

Garbage Fees • Water & Sewer

TO LEARN MORE ABOUT MBM COLLECTIONS,
CONTACT LAWRENCE J. MAIELLO AT ljm@mbm-law.net.

MBM Collections, LLC

&

Maiello Brungo & Maiello

ATTORNEYS AT LAW

Proposal for Delinquent Tax Collection
Services for the City of Latrobe



I. OVERVIEW OF MB&M DELINQUENT TAX COLLECTION SERVICES

Our firm currently represents and has over the last twenty (20) years represented, a substantial number of local taxing bodies. Maiello, Brungo & Maiello, LLP ("MBM Law") has extensive experience in a wide range of public sector matters, including delinquent real estate tax collection and enforcement actions. We are not merely debt collectors. As Solicitor for numerous local governmental bodies, we interact with the public on a daily basis. As such, we know how to successfully deal with citizens who are also delinquent taxpayers. MBM Collections, LLC ("MBM Collections"), an affiliated entity of MBM Law, handles all delinquent tax collection servicing and administrative work. For purposes of this proposal, in most instances, references to "we" and our "firm" are intended to include the joint services provided by MBM Law and MBM Collections.

LIST OF OUR TAX COLLECTION CLIENTS

Our firm currently serves as appointed delinquent real estate tax collector or special counsel charged with the collection of delinquent real estate taxes and municipal service fees for the following taxing bodies:

ALLEGHENY COUNTY

Bellevue Borough
Borough of Braddock
City of Duquesne
Elizabeth Forward School District
Glassport Borough
Hampton Shaler Water Authority
Jeannette City School District
Jefferson Hills Borough
Keystone Oaks School District
Lincoln Borough
Town of McCandless
North Allegheny School District
Ohio Township
Municipality of Penn Hills
Penn Hills School District
Scott Township
South Allegheny School District
Borough of Wilkinsburg
Wilkinsburg School District
Wilmerding Borough

ADVANTAGES AND BENEFITS OF OUR FIRM

- We are not just a collection firm, but rather a law firm built to serve public sector clients in all respects.
- Our structure provides a full-service law firm to handle litigation matters and our affiliated tax collection servicing and administration firm to provide preliminary collection services and administrative support. This structure allows MBM Law to provide unlimited legal resources to MBM Collections. Our presentation as a law firm to delinquent taxpayers separates us from being viewed as “another collection agency.”
- As a law firm we understand the underlying statutory taxation structure and available collection options.
- Our delinquent tax collection firm utilizes customized software which can be tailored to meet your needs.
- We offer taxpayers the option to pay online via e-check or credit card.
- Taxpayers can schedule automatic online monthly payments.
- Taxpayers have the ability to obtain their current balance due online at any time.
- We regularly work with Municipal auditors and will structure our reports to meet the Auditors specific requests.
- We have been named Solicitor for the following Act 32 Earned Income Tax Collection committees: Westmoreland County, Allegheny County North, and Allegheny County Southwest.

II. DELINQUENT TAX COLLECTION PROGRAM

We operate a unique and aggressive tax collection program involving the basic elements itemized below. Our program is flexible and can be tailored to meet the City of Latrobe’s (the “City”) directives and goals. For example, the installment payment portion of this program can be modified to comply with guidelines provided by the City. Our program will permit the City to control how its delinquent taxpayers will be handled. Generally, our program consists of the following process:

1. **FINANCE SPECIALIST.** Meet with the Manager or applicable finance official when initially appointed to confirm the collection process. We will meet at least annually thereafter to assist in setting realistic revenue expectations from delinquent real estate tax collections for budget purposes.

ANNUAL REVIEW. On an annual basis we will review the overall delinquent account register with a City representative in order for the City to better understand the make-up of the delinquent tax balance. For example, what portion of the balance is attributable to recurring delinquencies generated by unusable vacant lots, bankruptcies, and properties owned by governmental bodies. Based on that analysis, modifications to the collection process can be implemented and a realistic representation of the outstanding tax balance can be presented.

2. **NOTICES OF DELINQUENCY.** We utilize a series of demand letters which vary depending upon the situation. Typically, the following are utilized for each new tax year turned over for collection:

NOTICE OF INTENT TO LIEN AND LIEN OF ACCOUNT. The Letter will give the delinquent taxpayer twenty (20) days to pay in full all outstanding principal, penalty, interest, and costs or contact our office to establish payment terms to ensure payment in full prior to the date liens will be filed for the City. Accounts not paid in full will result in a lien being filed against the property. We will confirm with the City liening thresholds prior to proceeding to lien.

DEMAND LETTERS. If the taxpayer fails to respond to the Notice of Intent to Lien, a second demand for payment will be made indicating a failure to respond will result in enforcement actions.

ACCOUNT STATEMENTS. The Taxpayer will receive, with all notices, a detailed account statement itemizing the current delinquent balance.

3. **INSTALLMENT PLANS.** Under certain circumstances, we have found installment payment plans to be highly successful. Installment plans are reviewed on a case-by-case basis. Based on the City-provided guidelines we can take into account such factors as taxpayer's age, income, health, and employment status. Installment payments are not a delinquent taxpayer's choice. They are used for taxpayers that are truly unable to pay in full. The payment plan parameters would be established by the City and implemented by our firm. Any payment plan would require the following:

- A. A down payment;
- B. Equal monthly installments;
- C. Interest must continue to run on unpaid principal. Our software program calculates and amortizes the installments with interest;
- D. The total amount for which the taxpayer is responsible will include principal, penalties, interest, costs, and attorney's fees; and
- E. Failure to comply with the Installment Payment Plan will result in enforcement actions as more fully described in this proposal.

4. **HARDSHIP APPLICATION AND PROCESSING PROCEDURES.** Hardship requests occur where a taxpayer's financial condition due to extraordinary circumstances does not enable the taxpayer to meet the tax collection program installment payment guidelines approved by the City. Where hardship criteria are satisfied, the time period to pay the taxes can be extended beyond the approved installment payment guidelines. We will work with the City to determine agreeable hardship criteria. We can provide suggested criteria; however, the program structure will be the City's decision. Where a hardship

request is made, and based on the initial telephone conversation it can be determined that preliminarily the taxpayer may qualify for hardship status, a letter is sent to the taxpayer requesting the following information:

- Verification of age or illness where appropriate;
- Verification of income for prior two years;
- Verification of reoccurring monthly expenses along with copies of bills supporting the taxpayer's assertions;
- Short narrative detailing why the hardship request is required, the length of time the hardship will continue along with, where appropriate, supporting documentation;
- Simple budget detailing monthly income and monthly expenses.

Based on the information submitted, an attorney will review the documentation and make a determination whether the hardship request is warranted based on the City's guidelines.

It is our experience that in almost every circumstance, a monthly payment of some amount can be made by the delinquent taxpayer; therefore, we strongly suggest that the City authorize only limited circumstances upon which the hardship request can be granted such as age or illness.

5. **TAXPAYER COMMUNICATION AND CORRESPONDENCE RETENTION** All substantive telephone conversations with taxpayers are summarized and electronically attached to their file. Similarly, all relevant taxpayer generated correspondence is scanned and attached to the taxpayer's electronic file.
6. **ENFORCEMENT ACTIONS** Prior to initiating an enforcement action, we will obtain the City's approval. Depending on the type of action recommended, we will provide our rationale as to why we believe initiating a legal proceeding will assist in the collection process.
 - A. **ASSUMPSIT ACTIONS.** Where we are able to verify the service address of the delinquent taxpayer we may recommend an assumpsit action. Where a taxpayer ignores demand letters, the filing of an assumpsit action with the Court of Common Pleas may significantly increase a taxpayer's willingness to initiate payment of delinquent taxes. We find many taxpayers, particularly absentee land owners, are more likely to pay a tax claim when they realize they are personally liable as a result of a civil complaint being filed. A judgment gives the City the ability to pursue assets other than the subject real estate. An assumpsit action judgment entered against a taxpayer personally enables the City to proceed against other viable real estate or assets (e.g., bank accounts, personal property or vehicles) of the taxpayer.

B. SHERIFF'S SALES. Our office also has significant experience in the Sheriff's Sale of private and commercial businesses on behalf of taxing bodies. In those instances where taxpayers are unwilling to make immediate payment, enter into a payment agreement, or fail to maintain payments pursuant to an installment payment arrangement on a repetitive basis, a Sheriff's Sale is a viable option. We have found the Sheriff Sale process to be an effective means to obtain payment from taxpayers who ignore traditional collection efforts. Prior to pursuing the Sheriff's Sale, our office communicates with the City to obtain their consent to proceed with the sale. If the City agrees to the sale, steps will be taken to determine whether the property is occupied, its current condition, etc. Where the property is vacant land which is not valuable or the structure is so deteriorated that it is unlikely anyone will bid on the property at the sale, we do not proceed with the sale. As part of the property condition verification process, we will work with the City officials who may be familiar with circumstances impacting the property to determine the appropriateness of a sale.

7. FREE AND CLEAR SHERIFF SALES. Before initiating any Sheriff Sale action, our office obtains a property review report from a real estate expert in the business of purchasing and renovating residential and commercial properties for resale. The property report will place the property into one of the following three categories: (1) properties which should sell at a Sheriff Sale; (2) properties which will not sell at a Sheriff Sale; and (3) properties which may sell pursuant to a free and clear order or at a fixed value set below the upset price but in excess of costs.

For those properties in the third category, we consult with the City to confirm how to proceed with the sale. The City can expose the property at the full sale price, which would include the "upset price" (all taxes and municipal claims) plus any other liens/judgments on the property in an attempt to obtain all the taxes owed on the property. Alternatively, we can move directly to a free and clear sale either for a minimum bid covering all costs plus a portion of the tax or proceed with the intent that the sale only recovers costs and expenses.

8. BANKRUPTCY Our office protects the interest of the City when a property owner files for Bankruptcy protection. On a regular basis, we prepare a report of all new and existing Bankruptcies filed with the Court. We cross check the "new filings" list with delinquent taxpayers in our database. In those instances where a debtor is also a delinquent taxpayer, we enter our appearance in the case.

If the property owner files a Chapter 7 Petition, we are generally not permitted to file Proofs of Claim. Our office then monitors the Chapter 7 case. If the property owner files a Chapter 13 or Chapter 11 Petition, we will file Proofs of Claim as part of the approved Plan on behalf of the City. We then attend any meetings or

hearings and file Objections as necessary to ensure that the delinquent taxes will be paid as part of the approved Plan. During the plan period, we continue to monitor the case to ensure that the tax delinquency is paid per the Plan.

As part of our monthly reporting process, we can generate a list of City delinquent taxpayers in bankruptcy. We maintain a single source of Bankruptcy filings and notices.

9. **CITY AS A CREDITOR.** We regularly monitor legal notices and legal filings to determine properties within the City boundaries subject to mortgage foreclosure actions or tax sales by other public bodies. We will file claims on behalf of the City in those instances. Copies of all claims filed will be provided to the City on a regular basis.

III. FINANCIAL

1. INSURANCE/BONDING

MBM Law maintains a Professional Liability policy with the Hartford Insurance Company in the amount of \$2,000,000. In addition, MBM Law maintains a dishonesty policy of \$500,000. MBM Collections as an appointed tax collector utilizes a Public Officials Bond.

2. LITIGATION CLAIMS

Neither MBM Law nor MBM Collections have been defendants in connection with a claim filed by school districts, municipalities, governmental bodies or taxpayers within the last ten years.

3. FINANCIAL INSTITUTIONS

Our office utilizes Dollar Bank in connection with our collection services and online banking.

IV. SYSTEM BENEFITS

1. **REPORTING.** Our System Provides Significant flexibility as to reports available to the City.
 - Installment Payment Report
 - Monthly Report of Lien and Unliened Taxes collected
 - Lot and lock Register detailing delinquency by lot and block as well as by tax year
 - Non-compliance Report

- Open Accounts Sorted by Balance Due
 - Monthly Paid-in-Full Report
 - Tax Year Collection Efficiency Report
 - Numerous additional reports are available and can be customized upon request
 - Annually a Lot and Block register detailing all open accounts
 - Upon request, accounts can be sorted and summarized by category such as vacant properties, bankruptcy, commercial properties, etc.
2. **ONLINE BALANCE.** At any time, Taxpayers have the ability to check their current balance online.
 3. **ONLINE PAYMENT OPTIONS.** Our system provides delinquent taxpayers with the option to pay online by way of an electronic check or credit card. We charge no fee in connection with online payments; however, the online processing company does charge a minimal service fee.
 - Taxpayers also have the option to schedule automatic online monthly payments.
 4. **CITY ONLINE ACCESS AND REPORT DELIVERY.** A designated City representative will be provided online access to delinquent accounts. This account will permit the representative to monitor account balances and activity. At any time, a delinquent account can be viewed by the City. As a client, we will assign the City an online vault for use, if desired, to deliver monthly reports.
 5. **REMITTANCE PROCEDURE.** Collection proceeds are deposited into a separate bank account designated solely for the City. On a frequency requested the balance will be electronically transferred to the City. Proceeds are itemized by taxpayer, cost, penalty, interest and face, thereby creating an audit trail. Other depository arrangements can be made to specifically suit your purposes.
 6. **OFFICE LOCATION.** Our MBM Collections office is located at 100 Purity Road, Suite 3, Pittsburgh, PA 15235. Taxpayers with questions or concerns are welcome to make an appointment with our Account Manager to discuss questions or concerns.
 7. **ACCOUNT REPRESENTATIVE.** An experienced representative will be assigned to supervise day-to-day collection efforts. That individual is available 8:30 a.m. to 4:30 p.m. via phone, email or a scheduled meeting. The Account Representative assigned to this account will have in excess of ten (10) years experience. The Account Manager has several years of experience.

8. **ANNUAL PRESENTATION.** If so desired, we will appear before Council to provide an update and respond to questions and concerns annually or more frequently if requested.
9. **BACKUP OF RECORDS/DATA LOSS.** All tax data is maintained on an in-house server rather than a cloud based information. Our network has two redundant backup systems.
10. **SECURITY/CONFIDENTIALITY.** Our office is monitored by a security company and is equipped with a monitored alarm system. Each office within the building containing tax information is locked on a nightly basis. Confidential information contained within the offices are placed in secured filing cabinets. Our technology consultants have installed secure firewalls and other state of the art security measures in connection with our network. Our tax data is stored on an in-house server rather than a cloud based application. We have not experienced a data breach as of this date. Given we will only be collecting real estate taxes on your behalf, it is unlikely we will obtain individual's social security numbers. In the event we do, all reports redact social security numbers other than the last four digits.

V. STAFF

1. **ATTORNEY-IN-CHARGE.** Your account will be serviced by **LAWRENCE J. MAIELLO.** Mr. Maiello is a graduate of the Pennsylvania State University and the Duquesne University School of Law and Graduate School of Business. He has been practicing in the Public Sector area of law since 1989. Mr. Maiello has managed our Delinquent Tax Collection Program for the last twenty-nine (29) years. He was closely involved in the creation of our Delinquent Tax Collection process, as well as the computer program currently in use today. Due to his length of experience in this area, Mr. Maiello has been able to adapt our Tax Collection Program to address the unique situations arising in connection with each of our various clients.
2. **JENNIFER L. CERCE.** An attorney with MBM Law for the last twenty-two (22) years, has been involved with and assisted in the Delinquent Tax Collection Program for twelve (12) years. Currently, she handles much of the trial work associated with our collection work. She has successfully handled jury trials, as well as bench trials before the Court.
3. **ASSOCIATE ATTORNEYS.** Maiello, Brungo & Maiello, LLP employs multiple associate attorneys experienced in collection matters who handle bankruptcy and tax sale issues which arise during the course of the collection process.

4. **SUPPORT STAFF.** Currently MBM Law and MBM Collections devote ten (10) full-time support staff, including three (3) paralegals, as well as a varying number of part-time staff to our delinquent tax collection program. Each of these individuals is fully knowledgeable in the workings of our delinquent tax collection program and its associated hardware.
5. **CRIMINAL/BACKGROUND CHECK.** No officer, director or employee of MBM Law or MBM Collections has ever been arrested, convicted or entered a plea of guilty or *nolo contendere* to any criminal charge. No one currently employed by MBM Law or MBM Collections has been arrested, convicted or entered a plea of guilty or *nolo contendere* to a criminal charge related to theft or dishonesty. We perform criminal background checks on all new hires.

VI. CURRENT ENGAGEMENTS AND REFERENCES

Our office currently collects delinquent real estate taxes for twenty (20) taxing bodies. The diverse demographics of the taxing bodies demand flexibility and experience as to what represents a fair and reasonable repayment plan. Where immediate payment of a delinquency is not possible, an efficient installment payment program and processing arrangement is necessary. Our installment payment program allows for the quick and efficient acceptance and processing of payments. We are experienced in dealing with hardship claims and the review of information necessary to verify those claims. When necessary, we our experience allows us to determine whether an assumpsit or Sheriff Sale is the appropriate method to obtain taxpayer cooperation. We also have significant experience with vacant and abandoned properties, our experience with Sheriff Sales, whether at the upset price, free and clear or a pre-determined amount enables us to efficiently assist the City in converting the property to an income producing property. We are familiar with the need for communication between the City and MBM Collections with respect to abandoned and deteriorated properties. We are also aware of the need to provide information to potential interested parties in the case of abandoned properties listed for Sheriff Sale. In general, upon obtaining the engagement, we immediately increase collections received by the taxing body.

VII. RELATIONSHIP BETWEEN SERVICING ENTITY AND LEGAL FIRM

MBM Collections will perform all administrative and servicing of delinquent real estate tax accounts including initial file set up, notices of delinquency, payment processing, monitoring of payment arrangements and monthly reporting to the City. Non-responsive or non-compliant taxpayers will be referred to MBM Law who, if necessary and per City authorization, will pursue litigation. MBM Law will also handle bankruptcy proceedings that have been initiated by the delinquent taxpayer. If engaged, MBM Collections will provide the City an Agreement encompassing the terms of this proposal. MBM Collections and MBM Law fees, including the Tax Claim Bureau fee, will be paid by the delinquent taxpayer and NOT the City.

VIII. TRANSITION PLAN

We have transitioned accounts on numerous occasions. Our transition timeline is dependent to a certain degree upon the quality of data provided by the Tax Claim Bureau as well as their cooperation in the transition process. Upon receipt of the data from the Tax Claim Bureau, we will review the quality and accuracy of that information prior to inputting it into our system. For example, do multiple accounts exist for the same lot and block? After inputting the data into our system, we will immediately generate notices to all taxpayers currently on payment plans directing them that all future payments should be forwarded to our office. We will then systematically provide notice to all delinquent taxpayers that our office has been appointed as a delinquent tax and municipal service fee collector for the City and direct that all payments and inquiries be forwarded to our attention. After approximately 90 days, we will meet with the City Manager to review the various types of reports, beyond the standard reports initially provided, that are available as well as review the City lot and block register generated by our system to address questions we may have with respect to particular accounts. We will then confirm with the City Manager parameters for payment arrangements and other collection matters.

Finally, we will introduce the City Manager to our online access capabilities.

In the event if at some point we are required to transition the tax information to a new collector or the Tax Claim Bureau, we can do so with ease. Initially, we would contact the collector/Tax Claim Bureau to determine the format in which they desire the information to be transferred. Based on that information, we would format the data for transfer purposes. In addition, we will provide information regarding outstanding costs advanced by our office which, if recovered by the new tax collector/Tax Claim Bureau, should be forwarded to our attention.

We do not charge for transition services under any circumstances.

IX. FEE STRUCTURE. Our Fee Structure will be based upon the City fee schedule approved and implemented via City Resolution.

1. No Fee or Commission charged to the City. We do not charge a postage fee to the City.
2. MBM Law will advance Court filing fees for litigation pre-approved by the City. The City will be responsible for reimbursing MBM Law for Court filing fees advanced by our firm. The initial collections received from delinquent taxpayers will be used to reimburse the City for Court filing fees BEFORE MBM receives any fee for services.
3. Our fees will be collected pursuant to Resolution and Schedules. We recommend a very basic fee structure. We typically charge a servicing fee representing a percentage of the delinquent tax collected as well as the fee required by the Westmoreland County Tax Claim Bureau pursuant to the Real Estate Tax Sale

Law. Attorney fees are only charged when it is necessary to file a Sheriff Sale action. We do not charge additional fees for letters, notices, payment agreements, or other like services.

4. Allocation of Collections. Unlike most tax collectors, MBM does not pay itself first. Under MBM's system, monies collected are typically allocated as follows: Our first step is to reimburse the City any out-of-pocket expenses such as Court filing fees or annual lien filing fees. MBM is then allocated a prorated portion of its servicing fee which is typically a percentage of the taxes collected. For example, \$100.00 tax payment results in a \$10.00 payment to MBM (assuming 10% servicing fee) and \$90.00 to the City. Note, if at the time MBM received the \$100.00 tax payment the taxpayer's account reflected out-of-pocket costs of \$100.00 due the City, the full \$100.00 tax payment would be provided to the City.

X. SUMMARY

MBM Law and MBM Collections have the breadth and experience in delinquent tax collections to provide the City with the most efficient, comprehensive and effective tax collection program available.

We would be more than willing to answer any and all questions that you may have in connection with this proposal. Should you need any further information or documents, please do not hesitate to contact us at any time.



8/28
Agenda
Meeting

August 10, 2023

8

Terry Carcella
City Manager, City of Latrobe
PO Box 829
Latrobe, PA 15650

RE: Free Legal Assessment of Cable, Wireless, and Broadband Issues

Dear Mr. Carcella:


For over 25 years, our law firm has assisted local governments in cable franchise renewals, franchise fee audits, wireless regulation, and broadband expansion. Our firm’s franchise fee audit efforts have allowed municipalities to recover millions of dollars in unpaid franchise fees. In franchise renewal negotiations, our firm is regularly able to increase municipalities’ franchise fee revenue without raising the franchise fee percentage

In the wireless arena, the rules for municipal regulation of wireless facilities continue to change. Our firm has assisted hundreds of municipalities in amending or rewriting their old cell tower ordinances to address this new technology (known as “small wireless facilities”) and comply with recent changes in the law, including PA Act 50. Our firm has also had the privilege of defending Pennsylvania municipalities in litigation with wireless providers.

The newest area in which our firm is assisting local governments is broadband expansion. There are billions of dollars in new funding available for projects aimed at expanding broadband to unserved and underserved residents. Municipalities have an unprecedented opportunity to play a pivotal role in these projects. Our firm is currently representing a number of PA municipalities and counties in their efforts secure funding and identify the right internet service provider(s) for their broadband expansion projects. These projects have been very successful.

Our firm is offering to perform a **free legal assessment** of your municipality’s cable franchise agreement, wireless ordinance, broadband plan, or any other telecommunications matter **if you contact us by September 15, 2023**. We will review any necessary documents and then schedule a call or virtual meeting to provide the legal assessment. We look forward to discussing these important issues with you.

Sincerely yours,


Daniel S. Cohen