

Bethel Township, Delaware County, PA  
Board of Auditors Meeting

Date of Meeting: April 28, 2011

Location: John L. Myers, Jr. Township Building  
1082 Bethel Road  
Garnet Valley, PA

Start time: 7:00pm

**Secretary's Summary Report of the Meeting:**

Public Legal Notice of the Meeting was properly given in the Delaware County Times Newspaper and the next meeting was also announced in the same notice for June 22<sup>nd</sup>, 2011 at 7:00pm at the same location.

Meeting was called to order and a Quorum was established with the attendance of the two Auditors listed below present:

Steve Mancini  
Todd Apple

Dawn Saunders was absent for this meeting

Pledge of Allegiance was conducted

Chairman Mancini stated that the meeting was not being recorded

Chairman Mancini noted the board met in executive session prior to this public meeting to conduct employment candidate interviews and discuss other legal matters.

Motion was made by Chairman Mancini to approve the minutes of the January 4<sup>th</sup>, 2011 meeting. The motion was properly seconded by Todd Apple and the motion was adopted by the board with 2 yes votes (Mancini, Apple) and zero no votes.

Old Business

A. Treasurer's Bond (Discussion)

Chairman Mancini reviewed the results of his inquiry into the proper amount of the Treasurer's Bond. After consulting Section 702 of the second class township code of the Commonwealth of Pennsylvania which states in part "...the bond shall equal the highest amount of township funds estimated by the board of supervisors at any time during the current year" Chairman Mancini then requested a report that summarized the Monthly

Cash Balances of Bethel Township for 2010 from Barbacane, Thornton and Company (see Exhibit 1) and determined that the highest monthly cash balance in 2010 was \$1,118,638USD. As noted in Exhibit 2, Chairman Mancini made an inquiry to Ms. Alice Radell of Brokerage Professionals and confirmed that Mr. Mike George was covered by Travelers Casualty and Surety Company of America Public Official Bond in the amount of \$140,000 USD (see Exhibit 2). Chairman Mancini stated the amount of the bond needed to be increased in order to be in compliance with the statutes.

#### B. Appointment of Legal Counsel Discussion

Chairperson Mancini confirmed that a search had been conducted to obtain legal counsel for the Board of Auditors. After reviewing several options, The board conducted a face to face interview with Mr. Robert M. Firkser, Esquire, Del Sordo & Firkser, Media, Pennsylvania. Based on the successful interview, Chairperson Mancini stated he intended to make a motion during the new business portion of the meeting that the Board hire Mr. Firkser in the capacity of Solicitor.

#### New Business

##### A. Resolution 2011-1 (A Resolution Directing the Increase of the Treasurer's Bond) (see attached)

Motion was made by Chairperson Mancini to adopt Resolution 2011-1 directing an increase in the Treasurer's Bond to a total of \$1,120,000USD. Motion was properly seconded by Todd Apple and adopted by the Board with 2 yes votes (Mancini, Apple) and zero no votes.

##### B. Resolution 2012-2 (A resolution to appoint Legal Counsel) (see attached)

Motion was made by Chairperson Mancini to adopt Resolution 2011-2 appointing Mr. Robert M. Firkser, of Del Sordo & Firkser, Media, Pennsylvania as the Board of Auditor's legal counsel at a rate of \$120USD dollars per hour for the calendar year of 2011. Motion was properly seconded by Todd Apple and adopted by the Board with 2 yes votes (Mancini, Apple) and zero no votes.

##### C. Audit 2010 performed by Barbacane & Thornton

Chairman Mancini summarized his review of the audit performed by Barbacane & Thornton and noted two material weaknesses found by the auditor may have resulted in lost revenue or increased cost to the township. Namely Material Weakness 10-5 (Improper Trash Billings) and Material Weakness 10-6 (Principle and Interest Payments on the Construction loan). Chairman Mancini stated it was the board's responsibility to conduct further inquiries into the facts of each situation to make a determination as to whether either resulted in lost revenue or increased cost to the township.

Todd Apple noted that his review of the audit yielded 9 areas of improvement recommended by the auditing firm and that in his opinion the Township should prioritize two major areas to correct first. Namely the areas of Procurement Policy and Procedure with the creation of a roles and responsibilities matrix and delegation of authority table and a procedure for properly coding expenses. In addition a clearly delineated job description with roles and responsibilities for all employees and contract service providers would be required in order to create the policies and procedures.

Todd Apple made a motion that the Board of Auditor's submit a recommendation letter to the Township Supervisors asking them to direct the Supervising CPA firm to solve the aforementioned areas first and to adopt all of the recommendations of the audit from 2010. Motion was properly seconded by Chairman Mancini and adopted by the board with 2 yes votes (Apple, Mancini) and zero no votes. Chairman Mancini will send the letter to the Board of Supervisors

There was no correspondence presented to the board to review

Floor was open for Public Comment

Mr. Pat Rogers of 777 Kellie Lane, Springfield, PA 19064 stated the he was acting as the contracted Supervising CPA on behalf of the township and he had reviewed the audit and his firm was already preparing the recommendations for the Board of Supervisor's to approve the procedures to cure the material weaknesses noted in the audit. He agreed with Mr. Apple that creating the Policy and Procedures should be the first order of business for improving the process.

Ms. Shannon Hannum asked if the Board had an estimate for the likely annual expenses that would be incurred as a result of appointing the Solicitor for the Board of Auditors and whether the Solicitor would attend all meetings of the Auditors. Chairman Mancini responded that it was not possible to give an estimate of the cost since there were no legal matters pending at present but the board would be very judicious in the use of the Solicitor and use the services only when required to fulfill the duties of the board.

Motion for Adjournment was made by Chairperson Mancini and properly seconded by Apple and the motion to adjourn was adopted by the Board with 2 yes votes (Mancini, Apple) and zero no votes.

Meeting was adjourn at approximately 7:55pm

The Public Sign-in sheet was signed by the following two individuals present at the meeting; Robert Firkser and Patrick Rogers. Sharon Hannum also attend the meeting but did not sign the Public Sign-in sheet.

Bethel Township  
Summary of Monthly Cash Balances - All Funds  
For the period January 1, 2010 through December 31, 2010

<u>Month</u>	<u>Amount</u>
January 2010	\$ 879,950
February 2010	769,587
March 2010	714,517
April 2010	948,560
May 2010	933,872
June 2010	961,992
July 2010	1,034,667
August 2010	1,118,638
September 2010	1,084,476
October 2010	928,007
November 2010	897,005
December 2010	<u>805,397</u>
Total	<u>\$ 11,076,668</u>
Average Monthly Cash Balance	<u>\$ 923,056</u>
Cash Balance - Highest Month August 2010	<u>\$ 1,118,638</u>

Exhibit 1  
BOK  
28 Apr 11

# BROKERAGE PROFESSIONALS

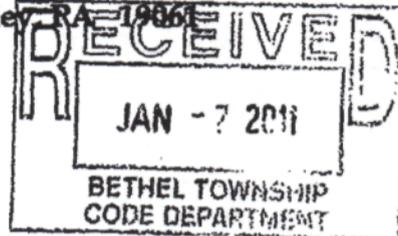
ARTHUR J. GALLAGHER RISK MANAGEMENT SERVICES, INC.

ALICE P. RADELL, BOND SPECIALIST

January 5, 2011

40 WEST FRONT STREET  
MEDIA, PENNSYLVANIA 19063  
P. (610) 566-4920  
F. (610) 566-0147  
Alice\_Radell@ajg.com

L. Michael George, Secretary-Treasurer  
Township of Bethel  
1092 Bethel Road  
Garnet Valley, PA 19061



RE: PUBLIC OFFICIAL BOND  
NO. 105299597 - TRAVELERS  
CASUALTY AND SURETY  
COMPANY OF AMERICA

Dear Mike:

Enclosed please find a Rider for the above captioned Public Official Bond covering you as Secretary-Treasurer of the Township of Bethel, increasing the amount of coverage to \$140,000.00, effective January 1, 2011.

Also enclosed is an invoice in the amount of \$55.00 representing the additional premium for the period 01/01/11 to 07/18/11.

I trust you will find the enclosures to be in order. However, should you have any questions whatsoever, please do not hesitate to contact me directly.

Very truly yours,

A handwritten signature in cursive script that reads "Alice".

ALICE P. RADELL

apr  
enclosures (2)

Exhibit 2,  
BOA  
28 Apr. 11

BETHEL TOWNSHIP, DELAWARE COUNTY, PENNSYLVANIA

BOARD OF AUDITORS

RESOLUTION 2011-1

(A Resolution Directing the Increase of the Treasurer's Bond)

AND NOW, this twenty-eighth day of April, 2011, it appearing to the Bethel Township Board of Auditors that on January 4, 2011, the Board voted unanimously to seek a copy of the Treasurer's Bond as required by Article 7, Section 702, SECOND CLASS TOWNSHIP MUNICIPAL CODE, Commonwealth of Pennsylvania;

AND IT FURTHER appearing to the Board of Auditors that a copy of said bond has been received from the Township Director of Operations and verified by Alice P. Radell, Arthur J. Gallagher Associates, Risk Management Services, Inc., Media, Pennsylvania to be in the amount of One-hundred and Forty thousand, [\$140,000.00], dollars;

AND FURTHER, that this bond is not in a sufficient amount to meet the requirements of Article 7, Section 702, SECOND CLASS TOWNSHIP CODE, Commonwealth of Pennsylvania, which states in part "...the bond shall equal the highest amount of township funds estimated by the board of supervisors at any time during the current year..."

AFTER DUE CONSIDERATION OF THE FACTS CONTAINED HEREIN AND DUTIFUL DELIBERATION, IT IS HEREBY **RESOLVED AND DIRECTED**:

1. THAT the Bethel Township Board of Supervisors be directed to increase the bond of the Township Treasurer from \$140,000.00 to an amount of **One Million One Hundred and Twenty Thousand, (\$1,120,000), Dollars** ;
2. THAT this directive be completed within thirty (30) days of the adoption of this resolution;
3. THAT a copy of the new bond be delivered to the Board of Auditors;
4. FAILURE to comply with the resolution may necessitate the turning over of all records to the appropriate law enforcement officials for investigation of potential criminal violations of the Pennsylvania statutes, while this Board retains the rights and authorities to enforce the Code by civil remedy

BE IT THEREFORE RESOLVED AND DIRECTED, THIS TWENTY- EIGHTH Day of APRIL, 2011

BY THE BOARD:

  
STEPHEN M. MANCINI, CHAIRMAN

*ABSENT.*  
DAWN SAUNDERS, BOARD MEMBER

  
TODD A. APPLE, SECRETARY

BETHEL TOWNSHIP, DELAWARE COUNTY, PENNSYLVANIA

BOARD OF AUDITORS

RESOLUTION 2011-2  
(A RESOLUTION TO APPOINT LEGAL COUNSEL)

AND NOW, this twenty-eighth day of April, 2011, it appearing to the Board of Auditors that it is in need of legal counsel to act to give advice and direction in order to carry out its legally mandated duties and responsibilities;

AND AFTER DUE consideration and deliberation, the Board hereby

RESOLVES AND DIRECTS

That: **Robert M. Firkser, Esquire, Del Sordo & Firkser, Media, Pennsylvania;**

BE APPOINTED to act as its legal counsel, to act in the capacity of solicitor to the Bethel Township Board of Auditors at a rate of: **One Hundred and Twenty, (\$120.00) dollars per hour** for the calendar year 2011 and shall give prudent advice and counsel and when directed shall handle all legal matters for the Board of Auditors;

AND FURTHER, that nothing contained in this resolution is intended nor shall have the meaning of superseding 53 P.S. § 65906 regarding Employment and Compensation of Attorney.

*4/28/11  
S.M. Mancini  
T.A. Apple*  
*AND FURTHER to authorize Robert M. Firkser, Esquire to seek court approval for the appointment of solicitor, if necessary.*

RESOLVED AND ADOPTED, THIS TWENTY-EIGHTH DAY OF APRIL, 2011

BY THE BOARD:

*Stephen M. Mancini*  
\_\_\_\_\_  
Stephen M. Mancini, Chairman

*Absent*  
\_\_\_\_\_  
Dawn Saunders, Board Member

*Todd A. Apple*  
\_\_\_\_\_  
Todd A. Apple, Secretary