

## MINUTES OF MEETING OF TOWNSHIP OF PINE BOARD OF SUPERVISORS

Monday, August 3, 2009

Pine Community Center

### ROLL CALL

Members in attendance were: Michael J. Dennehy, Chair; Philip D. Henry, Vice-Chair; Edward J. Owen; Frank J. Spagnolo; and Edward J. Holdcroft. Also in attendance were Gary Gushard, Tucker Arensberg, P.C., Solicitor; Cheryl N. Fischer, Manager; Scott D. Anderson, Assistant Manager; and Amy Pampiks, Accounting Administrator.

There were no visitors present.

### 2008 AUDIT

Mr. Jack Ellsworth, Cottrill, Arbutina & Associates, P.C., stated that his firm has submitted their audit of the financial statements, the business-type activities, each major fund, and the aggregate remaining fund information of the Township for the year ended December 31, 2008. He added that professional standards require that they provide certain information related to the audit.

Mr. Dennehy questioned the content of the accompanying letter's use of the terms "material weaknesses" and "significant deficiency".

Mr. Ellsworth explained those terms are a requirement of the new auditing standard and are noted due to the Township's limited staff which does not provide for the ultimate effective internal control system, which requires the proper segregation of accounting duties between various individuals.

Mr. Dennehy questioned if Mrs. Fischer, as Township Manager, believed that existing staff was sufficient to operate successfully, to which she replied affirmatively. He then questioned if the Board of Supervisors should provide a reply to the Cottrill, Arbutina & Associates.

Mr. Ellsworth stated that a response is not required, but is encouraged.

Mr. Dennehy questioned if he felt the indicated "material weaknesses" and "significant deficiency" would pertain if one additional staff member was added and Mr. Ellsworth stated that he did not believe that would change their finding.

The Board agreed that after considering Cottrill, Arbutina & Associates' recommendations and consulting with staff, they believed that the number of existing staff is sufficient and that it would be financially imprudent to retain additional staff

Mr. Gushard questioned if Mr. Ellsworth felt the Board of Supervisors is sufficiently involved in Township financial matters.

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2008 AUDIT (Continued)

Mr. Ellsworth replied that Pine's Board of Supervisors appear to be very active in all financial matters.

Mr. Owen questioned if it would be beneficial if an audit committee of two Supervisors were created.

Mr. Ellsworth replied that future audit correspondence could make reference to such audit committee. He concluded by commending the staff and the Board on the state of the Township's financial matters.

Mr. Ellsworth took leave at 6:10 p.m.

REGULAR MEETING

This meeting of the Township of Pine Board of Supervisors was called to order at 6:30 p.m. by Michael J. Dennehy, Chair.

PLEDGE OF ALLEGIANCE

ROLL CALL

Members in attendance were: Michael J. Dennehy, Chair; Philip D. Henry, Vice-Chair; Edward J. Owen; Frank J. Spagnolo; and Edward J. Holdcroft. Also in attendance were Gary Gushard, Tucker Arensberg, P.C., Solicitor; Cheryl N. Fischer, Manager; Scott D. Anderson, Assistant Manager; Joni Patsko, Director of Parks and Recreation; and Amy Pampiks, Accounting Administrator.

There were two visitors present.

CORRESPONDENCE

There was no additional correspondence.

PUBLIC COMMENT

There were no requests to address the Board of Supervisors at this time.

APPROVAL OF MINUTES

Motion was made by Mr. Owen and seconded by Mr. Spagnolo to approve the minutes of the July 22, 2009 Board of Supervisors meeting. The aye vote on the motion was unanimous with the exception of Mr. Henry who abstained, due to his absence at that meeting. Motion carried.

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UNFINISHED BUSINESS

None

NEW BUSINESS

COMMUNITY CENTER LOAN

Mr. Dennehy advised that the Township's interest rate on the Community Center financing is 4.35% interest, with no penalty to prepay debt. He referred to the Cash Flow Report memorandum prepared by Mrs. Fischer and supported her recommendation for prepayment of \$1,000,000 before October 1, 2009 and another prepayment in March or April 2010, after the 2009 financial records are closed and the end of year fund balance is determined.

Motion was made by Mr. Owen and seconded by Mr. Spagnolo to authorize the additional payment of \$1,000,000 on the Community Center loan. The aye vote on the motion was unanimous.

Mr. Owen commended Mrs. Fischer on her preparation of the cash flow report.

LINE OF CREDIT

Mr. Gushard reported that, after the Board's prior discussion in regard to establishing a line of credit, he contacted the Department of Community Economic Development and found that under the Unit Debt Act, the Township is not permitted to borrow without a defined project. He added that if there is a shortfall of revenue, a tax anticipation note could be approved, but payment is within six months. He advised that the Township would be permitted to obtain a pre-commitment letter from a local bank in advance of a specific need.

Mr. Dennehy asked that Mr. Gushard consult with Nextier Bank for their requirements to establish a pre-commitment letter.

ADJOURN

Motion was made by Mr. Henry and seconded by Mr. Spagnolo to adjourn. The aye vote on the motion was unanimous. Motion carried.

The meeting adjourned at 6:50 p.m.