

EAST FALLOWFIELD TOWNSHIP  
BOARD OF SUPERVISORS MEETING  
May 31, 2011  
Special Meeting  
Approved minutes  
7:00 PM

CALL TO ORDER, SILENT MEDITATION, AND PLEDGE OF ALLEGIANCE

IN ATTENDANCE: Chris Amentas, Chairman; Chris Makely, Vice Chairman; George Broadbent, Member; Gary Barach, Member; Mark Toth, Member; Jill Bukata, Township Manager and Treasurer.

Executive Sessions - Mr. Amentas announced that there was an Executive Session at 6:30 PM before the special meeting to discuss the water and sewer franchise area and the possible expansion of that area in connection with the Act 537 plan and with respect to the expansion of South Brandywine Middle School. Mr. Amentas also stated that the Board is very close to reaching a consensus with PAWC and the sewer district.

Audit Firm update – Mr. Amentas asked Mrs. Bukata what was McGladrey and Pullen’s response to capping their submitted figure and categorizing it as a “not to exceed” fee. Mrs. Bukata replied that on page 11 under fees they state “their all inclusive maximum fee for the auditing services described will not exceed \$20,500.00 plus out of pocket costs” which should not be significant. The proposal also states “our fee proposal is based on budgeted hours and discounted hourly rates as provided to the township.” “If our actual hours incurred are less than anticipated we will pass the savings onto the township.” Mrs. Bukata also stated that she received a budgeted hours by staff classification. Mr. Makely asked Mrs. Bukata the quote for the 2008 audit. Mrs. Bukata replied “2008 and 2009 is for \$23,000.00 each year.” Mr. Makely also asked how much did the township actually pay. Mrs. Bukata replied that the township is paying \$23,000.00 for each year. Mr. Amentas asked Mrs. Bukata if she knows how long the delay would be if a new auditor firm came in to do the 2010 audit. Mrs. Bukata replied “approximately one month.” Mr. Makely asked if that is an assumption. Mrs. Bukata replied that it is her opinion based on being a former auditor. Mr. Makely asked Mrs. Bukata if she was the one that put out the bid. Mrs. Bukata replied “yes.” Mr. Makely also asked if any time frames were in the bid. Mrs. Bukata replied “I don’t believe I did.” Mr. Makely stated that if there are legal time lines shouldn’t that have been an important part of the bid. Mr. Barach stated that a CPA firm is not going to commit to a time frame because here are standards that have to be met. Mr. Makely made a motion to hire Mingis, Gutowski and Company, LLC for the reported price of \$13,500.00 for 2010 and the proposal of \$14,000.00 for 2010. Mr. Amentas seconded for purpose of discussion. Mr. Barach asked Mrs. Bukata if she has any idea of what the savings would be realistically of her and her staff completing some of the audit schedules. Mrs. Bukata replied “approximately ten to twenty hours of supervisor staff time.” Mr. Barach asked the supervisor rate. Mrs. Bukata replied “\$102.50 per hour and the staff is \$80.00 per hour.” Mr. Makely asked Mrs. Bukata if she offered “Mingis” the same “not to exceed” opportunity. Mrs. Bukata replied “no.” The Board agreed to have Mrs. Bukata offer “Mingis” the “not to exceed” option. Mr. Amentas asked Mrs. Bukata to contact other townships that use “Mingis” and see how much they bill over their proposal. Mr. Makely told Mr. Barach that he truly respects his expertise as far as the finances and the audits but he is strictly looking at the savings to the township because of the financial situation the township is in. Mr. Barach stated “unfortunately as in any profession there is a different level of confidence among firms and if you think you are going to go to a CPA firm and get the same product or the same level of competency.” Mr. Barach also stated that he has no prior business dealings with any of the proposed audit firms. Mr. Makely suggested revising the bid document and putting it out to bid again. Mr. Amentas stated that his concern is not with the apparent delay that would accompany the transition; it’s with the ability of “Mingis” to perform the audit in a professional, competent manner for what was proposed. Mr. Amentas also stated that he would need to know the success rate of “Mingis” in other Townships and how reliable the quote is before approving them to do the audit. Steve White gave his opinion of the audit. Mr. Amentas called for a vote. Mr. Makely voted yea. Vote failed due to lack of vote. Mr. Makely made a motion to withdraw the three submitted bids and rebid the audit with the proper requirements and language such as “not to exceed.” Mr. Broadbent seconded. Mr. Barach suggested sending a letter to each party stating “please confirm our understanding about the terms of your proposal.” Mr. Barach asked Mrs. Bukata to find out the ramification of auditing firms CPA’S being licensed out of state versus Pennsylvania. Mr. Barach asked if Mr. Makely want the bids received thrown out and a new bid package

advertised. Mr. Makely replied that he doesn't think that the township should be making contact with a company when the township puts something out and bids are submitted. Mrs. Bukata replied that this was not advertised during a normal bid process because these are professional service firms and you are not obligated to advertise a bid. Mr. Makely withdrew his motion. Mr. Amentas asked Mrs. Bukata to find out what "Mingis" is charging other townships because if the bid is based on getting a new client then that's the reason their bid is low. Mrs. Bukata replied that a township said they were charged \$9,000.00 for their DCED report only. Mrs. Bukata asked if asking about the audit firms scope, fees on a "not to exceed basis, take out any language that talks about unforeseen circumstances and ask them to do a budgeted hour basis with any savings to come back to the township all the questions that the Board wants asked to the three audit firms. Mr. Barach suggested drafting a letter. Mr. Amentas suggested sending the letter out by email. Mr. Amentas also suggested calling "Mingis" and ask why their bid is low.

Comp Plan –The Board agreed to authorize Mrs. Bukata to ask Ray Ott to submit the Comp Plan application for free and if he says "no" then authorize no more than \$2500.00. Mrs. Bukata replied that she will call Mr. Ott with the intention that the grant submittal is free.

Dave Thomas of the Wagner Lane Subdivision –Mr. Thomas would like to pave from Wagner Lane to Chelsey Drive in exchange for the Board to give him a waiver on the 250 trees and shrubs that he is obligated to plant. Mr. Makely asked how many feet of road would be paved. Mr. Thomas replied "700 feet." Mr. Makely asked if the "overlay" is included. Mr. Thomas replied "he is trying to get that now." Mr. Makely asked Mr. Thomas "what is the rough course of 700 feet of roadway. Mr. Thomas replied "almost fifteen now and to do the other two hundred feet it would be \$4,500.00 right now. Mr. Makely asked if Mr. Thomas knows how much it will cost to plant two hundred and fifty trees. Mr. Thomas replied "he does not know." Mr. Makely asked Mrs. Bukata to get a letter from Chris Della Penna explaining this issue. Mrs. Bukata replied that this is an approved Subdivision from 2005. The Board asked Mrs. Bukata to have Chris Della Penna attend the June 14, 2011 workshop meeting.

Mr. Amentas made a motion at 9:30 PM. Mr. Makely seconded. Vote: Unanimous.

Respectfully submitted,

Denise Miller