

July 17, 2013

Derry Borough Council met in special session Wednesday, July 17, 2013 at 6:30 P.M. in the Derry Borough Municipal Building, 114 E. 2nd Avenue, Derry, PA with the following members present: Kristine Melville, presiding, Chad Fabian, Jim Struble, Nelie Smith, Jim Ritenour, and Allen Skopp. Joe Morton and Mayor Dave Bolen were absent. Marie McCandless, Latrobe Bulletin and Greg Reinhold, Tribune Review were reporting.

RECOGNITION OF VISITORS

1. Vince Mastrococco – Observing

SPECIAL BUSINESS

Kristine Melville gave a summary report of the pool.

- As of 7/10/13 the pool has made \$23,723.44
- No donations have been received at this time for the pool
- The cash register at the concessions stand is not working and there is no money in the budget to purchase a new one. There have been six people who have tried to fix the register. There are no register tapes for May or June.
- The Derry Pool employees have been instructed as to what cleaning chemicals they are to use.
- The chlorine is not handled by anyone other than Lou Schmitt when he delivers the chlorine. That was the reason for the purchase of the new automatic chlorinator for the pool.
- Kristine Melville has contacted Dale Hines to assist with the sodium bicarbonate. It is her understanding that anyone over the age of 18 is permitted in the pool house.
- There will be ventilation masks available for pool employees by the end of the week.
- A complete register for all money is in the documentation passed out last week. A copy of this is in the Borough office.
- Due to accusations and rumors I suggest an independent auditor to reconcile the account for the pool, not members of council
- All of the bills which have been paid are in the packet summary in the borough office.
- The pool purchased a printer to make copies at the pool.
- There was a comment that there was a hand written register, and that is not correct. The register is prepared on quick books.
- Payroll is high currently, but will be worked out by the end of the week. There is a quota of how many lifeguards are required by the amount of people are at the pool.
- There were three of us who got that pool open from the middle to the end of May. From the end of May to the middle of June I was at that pool from 10am – 10pm. The fire department had to bring sub pumps down to help with draining the pool because the drains are in need of maintenance.

Nelie Smith explained that she received emails from Lee Demosky and he requested that she get the records needed to review the pool financials. Nelie asked Kristine to provide records so that she could review the pool documentation for Wednesday. The records requested were not made available by Kristine. Kristine explained that she gave reports to the Borough office last week which included receipts. Nelie explained that she needed bank statements, register tapes, and

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daily reports of receipts, and requested this documentation for today. Everyone on the board should have the availability to review the pool records.

When Nelie Smith reviewed records at the pool, there was paperwork for a deposit of \$1,496.00 for the day of 6/23/13. There is no deposit slip or record of the deposit on the bank statement available from 5/31/2013 to 6/28/2013. There were multiple sheets at the beginning of the month with no deposit slips and no cash register tapes which haven't been done since the first of July. They began running cash register tapes at the first of July. There was paperwork for deposit for slips totaling \$3,683.07 which she couldn't connect to any deposits. Nelie Smith also found several deposits which totaled \$9,996.65 that have no documentation. The concession stand cash register is inoperable, but it needs to be taken care of immediately. She agrees with Kristine that an Auditor needs to review the books.

Kristine Melville stated she hasn't been at the pool since June 22, 2013.

Nelie Smith explained that she briefly spoke with Jesse, the pool manager and Jesse has been having a police escort to assist her with taking the deposits to the bank currently and that from the 1st of July through the 10th all the paperwork and documentation was complete and thorough. Nelie Smith is very concerned that there is no documentation provided prior to that date as it is all incomplete.

Allen Skopp stated he was concerned because he was told that there was \$200 check from Adelphoi Village that wasn't deposited and can't be located. Allen Skopp also mentioned the fact that someone offered a donation to the pool, but is concerned how can we accept a donation without the 501-C3 being updated. Allen Skopp asked Kristine Melville who is in charge of the community pool? The 501-C3 status needs reports completed for 2010, 2011, and 2012 in order for the 501-C3 status to be current which was discussed later in the meeting.

Nelie Smith asked why there wasn't a petty cash account at the pool. Kristine Melville replied that there is \$150 in the register at the front office and \$90 in the concession stands. Nelie Smith explained that is completely different from petty cash and no one should be pulling money out of the register for small purchases. A petty cash fund is required to maintain the small expenses with payables receipts. Kristine Melville replied she didn't want cash lying around.

There was discussion and confusion about the receipts for payables and a receipts journal, which was not provided in the documentation at the office.

Nelie Smith explained that she needs a copy of the check register, a receipts ledger showing cash income, and the daily record keeping.

Nelie explained that Lee Demosky our Solicitor suggested that tonight some policies are put in place by resolution to move forward with the pool procedures for safety and handling the financials.

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Allen Skopp brought up a concern regarding the signature holders for the checking account and that Dave Fletcher can't be on as a signatory without council approval and no official recreation board.

A pool employee Kristin Reott recently had a nose bleed possibly due to the use of cleaning agents used in the concessions area. This information was communicated to Allen Skopp and was explained to him by a pool employee that Kristine and Shawn stated the cleaning agent could be used after their review. Allen Skopp explained that there are special cleaning agents that need to be purchased for concessions and food areas specifically that are safe for these types of environments and they have to be selected as such due to safety.

Nelie Smith explained that there are many safety issues that need addressed at the pool and Kristine Melville needs to review these issues.

Allen Skopp commented that the pool employees are doing a good job and Kristine Melville volunteered to manage the pool and she needs to manage the pool. Kristine Melville explained she is managing the pool and dealing with difficult situations.

Allen Skopp brought to comment a concern that Kristine Melville was filling in for life guards at the pool without certification, which could create a liability. Kristine Melville replied that she has a medical degree and she would be available if needed as a first responder.

There was a discussion regarding conducting the council meeting with professionalism and accomplishing the objectives for the purpose of this meeting between Micah Ritenour, Jr. Councilmember and Council.

Procedures need developed for the management of the pool. Nelie Smith restated we need to have policy in place for financials and safety for the pool.

MOTION by Nelie Smith made for Tim Rennie to review and audit the books for the community pool. Motion **SECONDED** by Jim Struble. Kristine Melville abstained. Five members of council voiced "aye" in favor of the motion. Motion passed.

Nelie Smith brought up a discussion with Lee Demosky regarding the pool employees and what would be proper procedure regarding any termination of pool employees. The solicitor advised that any terminations should be voted upon by council.

Nelie Smith found deposits of almost \$10,000.00 with no detail, no register slips, and that can't be handled in that manner.

Kristine Melville explained that she had a conversation with the accountant and it was her understanding that she could have written daily sheets, and they did not need to have register tape receipts.

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Nelie suggested a new register be purchased. A **MOTION** was made by Nelie Smith to purchase a new register for the concessions stand. Motion **SECONDED** by Chad Fabian. Kristine Melville abstained. Five members voted “aye” in favor of the motion. Motion passed. Kristine Melville needs to request a pool employee to purchase the register. The register must produce a daily report on sales.

Nelie Smith suggested that as a standard accounting procedure whoever handles the cash at the pool should not be preparing the bookkeeping.

Kristine Melville, Kristen Reott, and Jessica Patterson should all be signors. Dave Fletcher needs removed from the signature card.

Financial Procedures were discussed as follows:

1. Daily register tapes are needed from both concessions and daily admissions and kept on file and recorded in a daily journal.
2. Nightly deposits should be made routinely in coordination with a receipts journal.
3. There shall be two signatures on all checks.
4. Payables should be paid every two weeks.
5. Reconciliations of bank statements need completed monthly.
6. A petty cash fund should be developed.
7. The individual handling the bookkeeping should not be handling the cash at the pool.
8. Sales from admissions, concessions, and pool passes need to be separated to help prepare for budget for next year.

Council asked Kristine to address these issues and concerns.

Kristine Melville left the meeting at 7:25pm and council met for another 40 minutes.

Safety Issues were discussed and reviewed for the pool by council as follows.

1. Valves on CO2 tank need replaced and should be provided by CO2 gas supplier.
2. The proper cleaning agents need purchased for the pool.
3. Fence needs repaired with barbed wire in back corner section.
4. MSDS sheets need to be available on all chemical and cleaning products in all locations of use including front office.
5. Only adults 18 older can operate the grill and fryers in the concessions area.
6. Only adults 18 and older can enter the filter and chemical house for the pool. Protective gear should be worn upon entering.
7. Grease spills need to be cleaned up with a safe product for grease removal.
8. Gloves should be worn in concession area and pump house.
9. Outdoor shut off valves at the pump house for water may be needed.

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Allen Skopp had concerns about a license being issued for the community pool to Kristine Melville vs. the Borough of Derry. All licenses should be in the municipality's name. He also wondered if our Occupancy permit needs to be updated.

Nelie Smith did some research regarding the requirements on how many lifeguards need to be at the pool and she found information that requiring having one guard for every 4,000 sq ft of the pool. It was her understanding that they were following a rule of one guard for every twenty-five people standard provided by the YMCA.

There was a discussion on researching sales tax for the pool. Kristine Melville will need to research what is required of the community pool regarding sales tax or if we are exempt from sales tax on concessions. Nelie Smith mentioned that anything prepackaged is not taxable, however any prepared food may be taxable.

Council asked the secretary to contact Latrobe to see if they could forward some of their policy and community pool practices so we can review them which will help develop our own policies.

A discussion took place regarding paying Kristine for the month of work she provided for opening and managing the pool in May and June. They will discuss paying her further salaries at a later meeting.

MOTION by Allen Skopp to pay Kristine Melville \$1,000.00 for her work in May and June. Motion **SECONDED** by Chad Fabian. All members present voiced "aye" in favor of the motion. Motion passed.

ADJOURNMENT

MOTION by Chad Fabian to adjourn meeting at 8:15p.m. Motion **SECONDED** by Allen Skopp. All members present voiced "aye" in favor of the motion. Motion passed.

Respectfully submitted,

Lori L. Latta
Secretary