

*Christopher T. Spadoni*  
*Attorney at Law*

*P.O. Box 522*  
*1413 Easton Avenue*  
*Bethlehem, PA 18018*  
*Phone: (610) 867-3938*  
*Fax: (610) 625-4788*

**Revised 4:30pm July 11, 2011**

**INTER-OFFICE MEMORANDUM**

**CITY OF BETHLEHEM**

TO: Honorable Robert J. Donchez, President of Council  
Via Fax 610-997-5738 and Regular Mail

FROM: Christopher T. Spadoni, Esq.

DATE: July 11, 2011

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Please be advised that this date I have talked with Tracey Rash of Maher Duessel and advise as follows:

1. At the July 5, 2011 City Council Meeting, City Council Members questioned whether placing the revenues in City Council's budget would be setting a precedent. Auditor Rash advised that it would be a preccdent in the City of Bethlehem.

2. The placing of expenditures as to these referenced Ordinances in City Council's budget is not in violation of Generally Accepted Accounting Procedures. (Bill No. 17-2011 / Bill No. 18-2011)

3. Ms. Rash suggested that Bill No. 18-2011 (121.08(d)) amend the last sentence to read as follows:

"A separate bank account shall be created for the Gaming Local Share unappropriated funds, to be controlled by City Council under a line item in City Council's Budget, separated and segregated from all other monies."

Auditor Rash advised that her communication of some weeks ago was in reference to Ordinance 2011-8 entitled 121.12 Bond Issues, General Obligation Notes, and Lines of Credit.

I have drafted the following:

121.12 (a) "All proceeds of any bond issue, general obligation note, and line of credit (or any other type of loan or advance) shall be deposited in a separate bank account, separated and segregated from all other monies entitled Bond Issue, General Obligation Note, Line of Credit, as applicable. No expenditures and/or transfers of these funds shall be made from the Bond Issuc, General Obligation Note, Line of Credit separate account(s) without prior written notice to City Council and the City Controller and prior approval by City Council. A separate bank account shall be created for bond issues, general obligation notes, and lines of credit, to be controlled by City Council under a line item in City Council's Budget, separated and segregated from all other monies." (Emphasis supplied)

***Christopher T. Spadoni***  
*Attorney at Law*

I trust that this correspondence being forwarded both via regular mail and fax is fully responsive to our conversations of last week and as you are aware, I am leaving for Alaska July 12, 2011 through July 24, 2011, however, will be in daily contact with my office.

Thanks.

Very truly yours,

Christopher T. Spadoni, Esq.

CIS: ks

cc: Tracy Rash (Via Fax 717-232- 8230 and Regular Mail)  
Dennis Reichard, Business Administrator  
Mark Sivak, Budget Analyst  
Meg Holland, City Controller