

## Citizens Audit Review & Financial Advisory Committee (CARFAC)

July 20, 2016

7:00PM – Radnor Township Municipal Building, 2<sup>nd</sup> Floor, Administration Department

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### Agenda:

1. New Business:
  - a. TBD
2. Old Business:
  - a. TBD
3. Project Updates:
  - a. **Monetizing Asset Project** (Mike, Mark, Marty, Mary, Carl) (30 Min) | Update: A draft of the memorandum and accompanying appendices will be discussed. The goal is to make final improvements to the information, finalize the memorandum and authorize distribution to the Board of Commissioners.
  - b. **Staffing Level Review** (5 Min) (Jeff, Mike, Mark) | Update: A working group meeting was held on July 18 with the following updates: Information gathering is being finalized which include current and historical headcount, revised org chart with better job titles/functions, and statistical activity information (i.e. businesses, households, permitting, rental units, etc.). A staffing study proposal has also been obtained and is being evaluated. Next steps will include analyzing the growth or decline in the relationship between these items in order to prepare a presentation to the Board. The goal is to give the Board information that will allow them to decide if they would like to pursue the next level of analysis which would include the staffing study.
  - c. **Capital Program Review** (Leo, Mike, Mark, Marty, Jerry) (5 Min) | Update: The working group met on July 12 and stepped through the recurring debt option (for longer-life assets). The finance staff is working to build another model that only includes cash (to be supplemented by small debt issues in years when cash is tight or large projects hit). A follow up working group meeting is scheduled on July 26.
  - d. **Unfunded Liability Review** (Leo, Jerry, Ed) (5 Min) | Update: A working group meeting is scheduled for July 20 immediately before the CARFAC meeting. Representatives from the Township's asset management firm and actuary will be attending in addition to the working group and township staff. Items to be discussed include the relationship between rate of return and MMO expense, investment policy considerations, discount rate considerations, mortality tables, sensitivity analysis to determine adjustments in rate of return and/or use of one-time revenues and OPEB funding plan updates. More information will be provided at the CARFAC meeting.
  - e. **ERP Project** (Jerry, Mark) (5 Min) | Update: The Township is now fully operating on the new IT platform, complete with Active Directory ("AD"). Now that we are running on AD with the new

server and database, Tyler is scheduled to review the network in August prior to beginning their installation of phase I modules. Assuming all the specs line up, Tyler will perform the installation. At the same time, the Administration has begun the implementation work with Tyler. Since the June 1 kickoff meeting, the team has created an implementation schedule, SWOT analysis, reviewed the statement of work, and discussed some of the data conversion requirements. Meetings are also scheduled for July 20 and 21 to discuss project / grant accounting analysis and begin to develop the chart of accounts.

- f. **Business Privilege and Mercantile Tax Review** (Mark, Leo, Jeff) (5 Min) | Update: The working group held their third meeting on June 15 and reviewed the ability to alter business tax rate and/or exemption, discussed the options surrounding an earned income tax, preparing some comparative data (percentage of revenue, tax rate, etc.), and continued creating a more user-friendly tax regulation document. The group is also reviewing other methods of compensating the auditor.
  - g. **Financial Control Review** (Mary, Ed) (5 Min) | Update: Thanks to the efforts of Mary, the Township has connected with a representative from PwC who will assist, pro-bono, in ensuring best practice internal controls are incorporated into the ERP project. An introductory meeting is being scheduled for early August.
  - h. **Credit Rating Review** (Carl, Marty, Jeff) (1 Min) | Update: A kickoff meeting is being scheduled for early August to begin work on this project. In addition to CARFAC and Township Staff, a representative from PFM will attend to provide input as well.
  - i. **Audit Project** (Ed, Carl, Mary) (1 Min) | Update: This project is complete for 2016. Planning for the 2016 audit, to occur in 2017, will begin in the fall.
- 4. Q2 Finance Update (Township Administration) (30 Min) | Update: See slides attached
  - 5. Public Participation
  - 6. Adjourn (the goal will be no later than 8:30PM)
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