

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

August 24, 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: **Emphasis on project status and plans to complete projects by year-end**
  - 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 draft memo has been created with a few data points still needed from the Administration. The memo will be finalized and presented to the full CARFAC once complete (the specific date is to be determined on August 24).
  - c. **Capital Program Review** (Leo, Mike, Mark, Marty, Jerry) (5 Min) | Update: The working group met on July 26 and stepped through a cash-only plan (after reviewing a debt plan on July 12). The meeting concluded with the question of whether the township gets the best return on its cash if used for capital or if it was invested into paying down the pension liability (which would then lower the MMO; thus freeing up cash for capital). The working group agreed to hold off until the pension questions were answered as part of the unfunded liability working group.
  - d. **Unfunded Liability Review** (Leo, Jerry, Ed) (5 Min) | Update: A working group meeting was held on July 20 and then immediately before the CARFAC meeting on August 24. Representatives from the Township's asset management firm and actuary attended the July 20 meeting. Items discussed included the relationship between rate of return and MMO expense, investment policy considerations, discount rate considerations, 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 reviewed the network in early August and has now installed the phase I modules. 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.

- 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, agreed to prepare 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 was held on August 23 and the initial steps have been laid out for PwC to assist in building the control environment.
- h. **Credit Rating Review** (Carl, Marty, Jeff) (1 Min) | Update: We are still working on scheduling a kickoff meeting. 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. Public Participation

5. Adjourn (the goal will be no later than 8:00PM)

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