

Citizens Audit Review & Financial Advisory Committee (CARFAC)

May 20, 2015

7:00PM – Radnor Township Municipal Building, 2nd Floor, Administration Department

Agenda:

1. New Business
 - a. None
 2. Project Updates:
 - a. Audit Update (10 Min)
 - b. IT / Software Update (10 Min)
 - c. Monetizing Assets Update (10 Min)
 - d. BioMed Analysis Update (10 Min)
 - e. Capital Asset / Forecast Update (10 Min)
 - f. Unfunded Liability Review
 - g. Engineering Services Review
 - h. Township Staffing Level Review
 3. Old Business:
 - a. Comcast Agreement Update (5 Min)
 - b. Moody's Rating Call Update (5 Min)
 4. Public Participation
 5. Adjourn (the goal will be no later than 8:00PM)
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Attachments:

1. CARFAC 2015 Priority Matrix
2. April 15, 2015 Meeting Minutes

Radnor Township, PA
CARFAC 2015 Priority Interest Matrix

| | Priorities | Michael Antonoplos | Mark Blair | Edward Caine | Kirstin Krug | E. Martin Heldring | Jerry Linden | Carl Rosenfield | Jeff Ruben | Marty Dwyer | Township Staff |
|--------------------------|--|--------------------|------------|--------------|--------------|--------------------|--------------|-----------------|------------|-------------|----------------|
| 1 | Prepare BioMed Redevelopment Analysis: CARFAC to prepare an analysis highlighting the financial impact that the redevelopment would have on the Township's long-term forecast (to include quality of life / traffic as well) | Yes | Lead | | | | | | Yes | Yes | Yes |
| 2 | Review the unfunded liabilities on an on-going basis and report back to the Board annually. In addition, with respect to the pension liability, review the legality and financial impact of "pension spiking." This analysis will look at the impact of modifying this practice as it relates to the decision to reduce or eliminate the 20% bump-up assumption in the actuarial report. | | Yes | | Yes | Yes | Yes | | Lead | | Yes |
| 3 | Continue to update, refine and design additional approaches to using the five-year planning model. Further, in 2015, conduct a comprehensive review of the Township's capital program, with the goal of providing recommendations on program funding, execution, forecasting and any other aspects as they relate to the Township's finances. | Yes | Yes | | Yes | Lead | Yes | | | | Yes |
| 4 | Assist in the design and implementation planning on an information technology solution for the Township | | Yes | | | | Lead | | | | Yes |
| 5 | Monetizing Real Assets: Continue to work with Board and Administration on identifying and making recommendations regarding assets to monetize | Lead | Yes | | Yes | | | Yes | | Yes | Yes |
| 6 | Reopen analysis of the Township's approach to providing engineering services to the Township. Expand the project to include specific performance/ delivery metrics that can be tracked and reported | | Yes | | | | | | | Yes | Lead |
| 7 | Review the Township's current and historical full-time staffing levels, and examine the levels required to provide services to taxpayers up to the standards specified by the Board; report to the Board. | | Yes | | | Yes | | | Yes | | Lead |
| Section Separator | | | | | | | | | | | |
| 8 | Oversee the Audit Plan and process; interact with the public accounting firm's staff. | | Yes | Lead | | | | Yes | | | Yes |
| 9 | Continue to work with staff to improve financial controls and processes. | | Yes | Lead | | | | Yes | | | Yes |
| Section Separator | | | | | | | | | | | |
| 10 | Participate in reviewing public-private partnership possibilities on a case-by-case basis for any non-real assets (to include tangible assets and services) | Yes | Yes | | | | | Lead | | Yes | Yes |

Citizens Audit Review & Financial Advisory Committee
April 15, 2015 7:00PM
Radnor Township Municipal Building
Finance Department, 2nd Floor
301 Iven Ave., Wayne, PA 19087

Meeting Minutes

The meeting was called to order by Chairman Mark Blair at 7:01PM. The meeting was attended by CARFAC Committee members Mark Blair, Jeff Ruben, Michael Antonoplos, Jerry Linden, Marty Dwyer, Martin Heldring and Carl Rosenfeld. Kirsten Krug, pending approval of her appointment by her employer, attended this public meeting as a resident of Radnor Township. Committee member Ed Caine had a scheduling conflict and was unable to attend. Assistant Finance Director Bob Tate represented Township staff. Finance Director Bill White had a scheduling conflict.

The Committee discussed the following items:

1. New Business:

- a. Chairman Mark Blair welcomed new committee member Kirsten Krug to her first CARFAC meeting since being recently appointed by the Board of Commissioners. Kirsten noted she looks forward to getting involved and indicated her intention to participate in the following workgroups:
 - Priority #2 – Unfunded Liabilities
 - Priority #3 – Five Year Planning Model
 - Priority #5 – Monetizing Assets

The members also discussed moving to the 1 hour meeting schedule as much of the work is being accomplished in the workgroups, with the next two workgroup meetings scheduled for Tuesday, April 21st and Friday, April 24th.

Mr. Linden mentioned the need for reappointment by the Board of Commissioners of Mr. Blair, Mr. Caine and Mr. Linden.

- b. Chairman Blair offered a brief report on his experience participating in the Radnor Township Citizen's Police Academy, highlighting the multitude of opportunities that the Academy offers for resident volunteers to participate in Township non-policing activities. Chairman Blair noted that this is the Township's first Citizen's Police Academy offered by the Police Department, with a class of 20 residents enrolled for the 9 week course and as part of the class participants receive training in the Police Department's Firearms Training Simulator (FATS). Chairman Blair learned from the Police Department that the equipment was more than 20 years old and 2 previous budget requests for new equipment, costing \$55,000, have been withdrawn or denied. Given the recent spate of shootings by and of police in other municipalities, Chairman Blair speculated about Radnor Township's liability if such an unfortunate circumstance occurred here. Chairman Blair inquired whether CARFAC would consider recommending to the Commissioners to approve purchasing the new equipment. Discussion ensued on the issue and Mr. Linden recommended that CARFAC, rather than support a singular purchase, assist in the budget process to ensure the inclusion of the new equipment in the capital plan and for CARFAC to then demonstrate support of the budget and capital

plan when presented to the Board of Commissioners. In addition, Mr. Antonoplos would inquire with State Representatives regarding grant opportunities that may be available.

2. Old Business:

- a. Comcast Agreement: Mr. Linden attended the Cable Committee meeting earlier in the evening and indicated there was no action on the proposed renewal of the 15-year term Comcast Agreement but noted there would be a public meeting on May 7th to discuss the proposed agreement. Mr. Tate noted that Mr. White would develop a financial comparison of the provisions of the expiring agreement and the proposed renewal agreement. Discussion ensued on the monetary value and allocation of the PEG (Public/Education/Government) Grant, one of the components of the agreement. Mr. Dwyer indicated his desire to address not only the quantitative aspects of the agreement but also the qualitative aspects.
- b. Moody's Rating Call: Discussion ensued on the attached Moody's Rating Scorecard Data and the factors influencing the scoring for ratings measurement. The merits of achieving the Aaa rating were discussed with consideration given to:
 - i. Cost savings attributable to a rating of Aaa
 - ii. Cost to achieve a rating of Aaa
 - iii. Effect of a downgrade from a rating of Aaa

Ms. Krug noted that with a rating of Aaa the Township could lose flexibility, as the need for maintaining cash on the balance sheet would increase. Chairman Blair noted that the added fiscal discipline might benefit the Township over the long term.

Actions items are for staff to prepare a two-year extrapolation of operating revenues and expenditures to measure the impact on the Scorecard and verify from Moody's the impact on the Township's overall score. As noted by Mr. Rosenfeld, if the Township continues on a positive trend, simply with the passage of time the scorecard indicators may improve toward the Aaa rating.

3. Project Updates:

- a. IT/Software Update: Mr. Linden provided an update regarding the three vendors in various stages of presenting product demonstrations. Two of the vendors, incumbent Sungard and New World Systems, have presented preliminary pricing proposals and a demonstration by the third vendor, Tyler Technologies is scheduled. Discussion followed on the pricing proposals and Chairman Blair noted that upgrading the incumbent vendor's products would be cost effective and could be favorable when compared with an 18 month implementation of a more expensive product. Mr. Dwyer noted the significant challenges associated with changing software and technology, especially when staff are comfortable and familiar with the existing product and support personnel. Further updates will be provided as the process evolves.
- b. Monetizing Assets Update: Mr. Antonoplos noted that there is an upcoming work group meeting scheduled for Friday, April 24th and will provide an update at the May CARFAC meeting.

- c. BioMed Analysis Update: Mr. Blair noted he was waiting on notes from a prior work group meeting of April 7th and that the next work group meeting was scheduled for Tuesday, April 21st.
 - d. Schedule Work Group Meetings for other Projects: Mr. Rosenfeld inquired if the public private partnership working group should initiate a meeting request with the Manager or whether to wait for the Manager to initiate as needed. Mr. Tate confirmed that he would follow up with the Manager for direction.
4. Public Participation: Kirsten Krug
5. Adjourn: There being no further business, Chairman Blair moved to adjourn at 8:30 PM.