

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

June 18, 2015

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

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### **Agenda:**

1. New Business
    - a. None
  2. Project Updates:
    - a. Audit Update / Board of Commissioner meeting recap (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 – Doodle Sent to Working group (6/12)
    - g. Engineering Services Review – Doodle Sent to Working group (6/12)
    - h. Township Staffing Level Review – Doodle Sent to Working group (6/12)
  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. May 20, 2015 Meeting Minutes
3. June 1, 2015 Special Meeting Minutes
4. Member Roster

**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
<b>Section Separator</b>											
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
<b>Section Separator</b>											
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  
May 20, 2015  
Radnor Township Municipal Building  
Finance Department, 2<sup>nd</sup> Floor  
301 Iven Ave., Wayne, PA 19087

### Meeting Minutes

The meeting was called to order by Chairman Mark Blair at 7:05PM. The meeting was attended by CARFAC Committee members Mark Blair, Michael Antonoplos, Jerry Linden, Marty Dwyer, Ed Caine and Carl Rosenfeld. Committee members Jeff Ruben, Martin Heldring and Kirsten Krug had scheduling conflicts and were unable to attend. Assistant Finance Director Bob Tate and Finance Director Bill White represented Township staff. No members from the public were in attendance.

The Committee discussed the following items:

1. New Business:
  - a. **Business Privilege and Mercantile Tax Updates:** Mr. Linden asked if the Township had an update on revenue collections from these two major sources. Finance Director White noted that the staff was still entering the rush of returns that came in on Friday (May 15<sup>th</sup>) and once they were entered into the system, an update would be distributed to CARFAC.
  - b. **Willows Lease Update:** Mr. Linden asked if there was an update on this topic after seeing that it was pulled from the latest Board of Commissioner meeting. Mr. White noted that the leasing company met with the Board of Commissioners in executive session to provide an update on the status.
2. Project Updates:
  - a. **Audit Update:** Mr. Caine provided an update that included (a) a clean audit based on the information we know about up to this point and (b) that the schedule to provide the Board with a recommendation to accept the audited statements was running about one week behind. The Township is expecting finalized draft statements by May 22<sup>nd</sup> at which time they would be reviewed by the Working Group and then distributed to the entire CARFAC. Then, CARFAC scheduled a special meeting on June 1, 2015 at 1:00pm to discuss any questions and vote on the recommendation to the Board of Commissioners. Mr. White will notify the CARFAC members regarding the special meeting.
  - b. **IT/Software Update:** Mr. Linden provided an update that the working group met with the third (of three) companies asked to participate in a review / demo evaluation prior to CARFAC's meeting tonight (5/20). The meeting covered Tyler Technologies' pricing and implementation plan if the Township were to go in that direction. The Township has now seen all three company's software, pricing and had a chance to review their implementation plan. At this point, the working group will schedule a follow up meeting to discuss how to proceed with the overall process. Mr. Linden will schedule the meeting while the staff finalize the pricing comparison (in advance of the follow up meeting).
  - c. **Monetizing Assets Update:** Mr. Antonoplos updated the Committee that the working group has developed a three phase approach to getting the information needed to

prepare recommendations: Appraisals of the properties in question, programming analysis of the Township's departments and then an engagement with a vendor to take the information and develop a highest and best use recommendation. Mr. White noted that the appraisals were underway and that the staff was waiting on a pricing proposal from Kimmel Bogrette for the programming piece of the project. Mr. Antonoplos and Mr. Dwyer asked staff to provide them with the appraisers name and background and to see if the Township could engage a different appraiser; one that has more specific expertise of the Radnor market.

- d. **BioMed Analysis Update:** Mr. White updated the Committee that BioMed has provided the Township with two extensions which prevented their project from being discussed / voted on during the last two Board meetings. The current extension expires prior to the June 15, 2015 Board meeting, so unless another extension is granted by BioMed, their project will be reviewed at the June 15<sup>th</sup> Board meeting. Further discussion was held on the rationale behind BioMed's extensions. No further action is anticipated until we learn the intent of BioMed and the BoC.
  - e. **Capital Asset / Forecast Update:** Mr. White provided the Committee with the update that the working group held their initial meeting on May 12 where they discussed the goal of the working group and the time frame in which to get the project done. Mr. White noted that the staff were compiling various pieces of information and once provided to the working group, a follow up meeting would be scheduled.
  - f. **Unfunded Liability Review:** Mr. White will reach out to Mr. Ruben to see when this project will get up and running. Mr. Linden requested a copy of the most recent OPEB Valuation Report in advance of this project getting going. Chairman Blair noted that our goal needs to be to get all projects done and to the Board by the end of the year.
  - g. **Engineering Services Review:** Mr. White will send out Doodle dates to the working group to get this started.
  - h. **Township Staffing Level Review:** Mr. White will send out Doodle dates to the working group to get this started.
3. Old Business:
- a. **Comcast Agreement:** Mr. White noted that he is waiting on information from Radnor Studio 21 as well as Comcast in order to provide a value comparison of the new agreement and the expired agreement. Further discussion was held regarding the use and distribution of the "PEG" funds.
  - b. **Moody's Rating Call:** Mr. White noted that he has not completed the requested calculation of the two year percentage of revenue to expense ratio. Once completed, it will be distributed to the group to continue the discussion regarding thoughts on seeking an upgrade to Aaa.
4. Public Participation: None
5. Adjourn: There being no further business, Mr. Antonoplos moved, Mr. Rosenfeld seconded, to adjourn at 8:15 PM.

Citizens Audit Review & Financial Advisory Committee  
June 1, 2015  
Radnor Township Municipal Building  
Finance Department, 2<sup>nd</sup> Floor  
301 Iven Ave., Wayne, PA 19087

### Meeting Minutes

The meeting was called to order by Chairman Mark Blair at 1:00PM. The meeting was attended in person by CARFAC Committee members Mark Blair, Michael Antonoplos, Marty Dwyer, Ed Caine and Carl Rosenfeld, and by Committee members Jerry Linden and Martin Heldring via conference call. Committee member Jeff Ruben had a scheduling conflict and was unable to attend. Committee member Kirsten Krug was not in attendance as she is still seeking approval from her employer to participate. Assistant Finance Director Bob Tate and Finance Director Bill White represented Township staff. No members of the public attended.

The Committee discussed the following items:

1. New Business:

- a. **Audit Update:** Mr. Caine opened the discussion by stating the purpose for the meeting: To provide the Board of Commissioners with a recommendation to accept the 2014 audit and the 2014 audited financial statements. As in the past three years, with CARFAC's approval of the recommendation, a resolution (attached) would be forwarded to the Board of Commissioners for their review / approval at the June 15, 2015 regular Board meeting.

Mr. White then began the review by stepping through various comments and questions posed by Mr. Linden. Additionally, Messrs. Blair, Caine and Rosenfeld had specific corrections to be made to the draft prior to the Board's consideration of the acceptance resolution. Mr. Tate will ensure that CLA makes the changes properly. Thereafter, the plan is to re-send the report to CARFAC for any final comments. Mr. White will distribute the transmittal letter when that is ready later in June.

Then Mr. Caine made specific reference to the Footnote disclosure regarding future GASB reporting requirements for pension obligations. The Committee reviewed the footnote disclosure, discussed the importance of doing the pro-forma presentation, and discussed if additional disclosure in the MD&A or transmittal letter would be prudent. The Committee agreed that the Staff should provide specific reference to the Township's efforts to be proactive in its presentation of the new requirements in the transmittal letter. Mr. White will ensure that the transmittal letter includes that discussion.

There being no further review comments, Mr. Caine moved to provide the Board of Commissioners with CARFAC's recommendation to accept the 2014 audit and 2014 audited financial statements when they have been modified to reflect the abovementioned changes. Mr. Rosenfeld seconded and the Committee unanimously voted to support the motion.

2. Old Business: None
3. Public Participation: None
4. Adjourn: There being no further business, Mr. Blair moved, and Mr. Caine seconded, to adjourn at 1:45 PM.

**RESOLUTION NO. 2015-69**

**A RESOLUTION OF RADNOR TOWNSHIP, DELAWARE COUNTY, PENNSYLVANIA, FORMALLY ACCEPTING THE INDEPENDENT AUDITORS' REPORT AND 2014 AUDITED FINANCIAL STATEMENTS OF RADNOR TOWNSHIP TO BE INCLUDED IN THE 2014 COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**WHEREAS**, The Township engaged CliftonLarsonAllen LLP (the "Auditors") to perform the annual financial audit pursuant to the Township's Home Rule Charter §7.13 for the year ending December 31, 2014; and

**WHEREAS**, Township Management bears the sole responsibility for the completeness and accuracy of the 2014 Financial Statements; and

**WHEREAS**, CliftonLarsonAllen LLP, in its capacity as the Township's independent CPA, is responsible for expressing an opinion on the financial statements as prepared by Management and is responsible for issuing an opinion based upon the results of their audit of the Township as summarized in the Independent Auditors' Report; and

**WHEREAS**, The Citizens' Audit Review & Financial Advisory Committee ("CARFAC"), made up of nine volunteer residents as appointed by the Board of Commissioners, was involved in the audit process by overseeing project schedules and timelines, discussing internal control deficiency resolutions from prior years' audit results with management and the auditors, and by meeting independently with representatives of the Auditors to review possible audit findings, including but not limited to those specifically addressed in the SAS 115 Letter to Management prepared by the Auditors; and

**WHEREAS**, CARFAC accepts no responsibility and takes no position on the completeness or accuracy of either the Independent Auditors' Report or the Audited Financial Statements; and

**WHEREAS**, Exclusively based on the foregoing, CARFAC has recommended that the Board of Commissioners adopt a resolution during a public meeting accepting the Independent Auditors' Report and management's 2014 Audited Financial Statements.

**NOW, THEREFORE**, it is hereby **RESOLVED** that the Radnor Township Board of Commissioners formally accept the Independent Auditors' Report as prepared by CliftonLarsonAllen LLP and the 2014 Audited Financial Statements as prepared by Management, both of which are to be included in the Township's 2014 Comprehensive Annual Financial Report (CAFR).

**SO RESOLVED**, this 15<sup>th</sup> day of June, A.D., 2015

RADNOR TOWNSHIP

By: \_\_\_\_\_

Name: William Spingler  
Title: President

ATTEST: \_\_\_\_\_

Name: Robert A. Zienkowski,  
Title: Township Manager / Secretary

# Radnor Township



## PROPOSED LEGISLATION

**DATE:** June 1, 2015

**TO:** Board of Commissioners

**FROM:** William White, Director of Finance

A handwritten signature in black ink, appearing to read 'William White', written over the printed name.

**LEGISLATION:** Resolution 2015-69 Accepting the 2014 Audited Financial Statements and Independent Auditors' Report as recommended by the Citizens' Audit Review & Financial Advisory Committee (CARFAC).

**LEGISLATIVE HISTORY:** The Township engaged CliftonLarsonAllen, LLP as Independent Auditors for the 2014 audit period, which has now been completed. The Township's 2014 Comprehensive Annual Financial Report (CAFR) will be completed and filed by June 30<sup>th</sup> and will be available on the Township's web site.

**PURPOSE AND EXPLANATION:** This Resolution formally concludes the 2014 audit period by publically and transparently *accepting* the 2014 Audited Financial Statements and Independent Auditors' Report. It is imperative to note:

- Management is solely responsible for the content and accuracy of the 2014 Audited Financial Statements
- CliftonLarsonAllen is solely responsible for expressing an opinion on the 2013 Audited Financial Statements as detailed in their Auditor's Report (to be included on page 1 of the Comprehensive Annual Financial Report)
- CARFAC has recommended that the Board of Commissioners accept this document as outlined in the attached Recommendation
- By accepting this document, the Board of Commissioners is not accepting responsibility for the content or accuracy of the Audited Statements or the Independent Auditors' Report

**FISCAL IMPACT:** There is no fiscal impact associated with this Resolution.

**RECOMMENDED ACTION:** In the interest of adding transparency and to conclude the 2014 audit process, the Administration and CARFAC both respectfully recommend that the Board adopt Resolution 2015-69.

Name			Contact Information			
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9	Vacant	Vacant				