

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

July 8, 2015

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

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### **Agenda:**

1. New Business
    - a. Mercantile Tax Regulations Discussion (15 Min)
  2. Project Updates:
    - a. IT / Software Update (10 Min)
    - b. Monetizing Assets Update (10 Min)
    - c. 145 King of Prussia Analysis (formally “BioMed” site) Update (10 Min)
    - d. Capital Asset / Forecast Update (10 Min)
    - e. Unfunded Liability Review (5 Min)
    - f. Engineering Services Review (5 Min)
    - g. Township Staffing Level Review (5 Min)
    - h. Audit Update / Board of Commissioner meeting recap (5 Min)
  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. June 18, 2015 Meeting Minutes

Citizens Audit Review & Financial Advisory Committee  
June 18, 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 7:04PM. The meeting was attended by CARFAC Committee members Mark Blair, Jerry Linden, Jeff Ruben, Marty Dwyer, and Ed Caine. Committee members Michael Antonoplos, Martin Heldring and Carl Rosenfeld had scheduling conflicts and were unable to attend. Assistant Finance Director Bob Tate represented Township staff and Finance Director Bill White was unable to attend. No members from the public were in attendance.

The Committee discussed the following items:

1. Project Updates:
  - a. **Audit Update:** Mr. Caine provided an update noting that he and Mr. Blair along with Nancy Gunza and David Sekerak from Clifton Larson Allen met with the Commissioners in Executive Session on Monday, June 15<sup>th</sup>, 2015 informing them of the clean opinion on the audit and that the auditors expressed no concerns with management during the audit process. Also Mr. Caine informed CARFAC that the recommended resolution on the Consent Agenda to accept the audited financial statements was unanimously adopted by the Commissioners. Also noted was that there were neither questions nor public comment on the audited statements.
  - b. **IT/Software Update:** Mr. Linden provided an update noting that the Township has three viable vendors each offering in-house solutions and hosted products. Although further demos are scheduled for July, the working group will meet to review the updated pricing comparisons that include the additional five years of license and maintenance costs. Mr. Tate noted that Ms. Conn had just received the additional five year quotes and will be updating the cost comparison worksheet. Mr. Linden noted that while SunGard appears to be the cost effective solution, the additional 5 year pricing will likely increase SunGard's overall quote to be less competitive due to the number of customizations the Township would have to maintain. Mr. Linden noted other factors under consideration are the implementation timeline as well as the change management process. Mr. Dwyer inquired as to the feasibility of Beta-testing new software to better understand the product and avoid possible pitfalls of increased consulting and training costs that may occur with a new product implementation. Mr. Blair requested that staff, along with the working group, establish a quantitative analysis to compare the three systems beyond pricing. Mr. Linden noted that the working group will work with staff to develop the analysis.
  - c. **Monetizing Assets Update:** Mr. Antonoplos being absent there was no new information to report however Mr. Dwyer requested to see copies of appraisals that have been ordered on the properties noted to be monetized. Mr. Tate will follow up as to the status of those appraisals.
  - d. **BioMed Analysis:** Discussion ensued on the sale of the property by BioMed to Penn Medicine and no further analysis is expected at this time.

- e. **Capital Asset / Forecast Update:** Mr. Tate informed the committee that the staff were still compiling various pieces of information and once provided to the working group, a follow up meeting would be scheduled. Mr. Linden requested that an analysis be prepared to reconcile the Capital Fund balance and activity to the audited statements.
  - f. **Unfunded Liability Review:** Mr. White will resend the Doodle dates to the working group to get this started. Mr. Linden requested to review the 1/1/2015 pension valuation report when available. Discussion followed on developing a sensitivity analysis on the valuation, assuming varying levels of rates of return. Mr. Tate will inquire of the pension actuary as to the feasibility/cost of such comparison.
  - g. **Engineering Services Review:** Mr. White will resend the Doodle dates to the working group to get this started.
  - h. **Township Staffing Level Review:** Mr. White will resend the Doodle dates to the working group to get this started.
2. Old Business:
    - a. **Comcast Agreement:** Mr. Tate noted that the Board of Commissioners removed the Agreement from the agenda of June 15<sup>th</sup> and will reconsider for their July meeting.
    - b. **Moody's Rating Call:** No new information to report.
    - c. Mr. Linden noted the business tax update indicates the Township is on budget with collections. Mr. Linden requested to review the allocation and distribution of the 2014 excess fund balance and also a 2015 budget vs actual report.
  3. Public Participation: None
  4. Adjourn: There being no further business, Mr. Caine moved, Mr. Linden seconded, to adjourn at 8:24 PM.

**Radnor Township, PA**  
CARFAC 2015 Priority Interest Matrix

	<b>Priorities</b>	Michael Antonoplos	Mark Blair	Edward Caine	Vacant	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		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			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
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
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
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