

Citizens Audit Review & Financial Advisory Committee (CARFAC)

November 14, 2015

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

Agenda:

1. Project Updates: To be presented by the project leaders and will include a brief discussion on how we plan on scheduling working group meetings to get these projects wrapped up:
 - a. IT / Software Update (45 Min)
 - i. Review of Recommendation Summary and Presentation
 - ii. Vote: To recommend that the Board of Commissioners authorize the Township Manager to engage in negotiations with Tyler Technologies to develop an agreement to provide Radnor Township with their latest Munis product either through Cloud-based or on-site hosting.
 - b. Capital Asset / Forecast Update (20 Min)
 - i. Discussion on Bond Repayment options
 - ii. CARFAC's role in upcoming bond transactions
 - c. Monetizing Assets Update (10 Min)
 - i. Update on Appraisals, Space Analysis, Site Search, and Use Study
 - d. Unfunded Liability Review (2 Min)
 - e. Engineering Services Review (2 Min)
 - f. Township Staffing Level Review (2 Min)
 - g. Audit Update - Complete
 2. Old Business:
 3. Public Participation
 4. Adjourn (the goal will be no later than 8:15PM)
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Attachments:

1. ERP Summary Memorandum
2. Bond Transaction Summary (as emailed on November 6th)
3. CARFAC 2015 Priority Matrix
4. October 14, 2015 Meeting Notes (Lack of Quorum, no official minutes)

ENTERPRISE RESOURCE PLANNING SOFTWARE PROJECT – NOVEMBER 2015

Executive Summary

On October 28, 2013, the Radnor Township Board of Commissioners approved Resolution 2013-129 which allocated \$1.0M of an \$8.0M BPT Settlement towards an Enterprise Resource Planning (ERP) Software Program. In August 2014, the Township Finance Department and CARFAC initiated the project to search for an entity-wide software solution to improve operational efficiency, service delivery, transparency, audit comment resolution, interdepartmental cooperation, shared data, as well as many other benefits. The project includes pursuing an integrated software program that addresses the business process needs of the Finance, Community Development, Public Works, Police, and Recreation Departments. These business processes are currently supported by the Township's use of SunGard PLUS software (last major upgrade took place in 2006), in-house applications developed using Microsoft Access, and numerous ancillary spreadsheets and manual processes. Online credit card payment transactions is provided as a hosted internet service from eGov Strategies LLC.

The overall objective of the project is to capitalize on advances in information technology to increase the efficiency of Township staff, improve access to information, and increase direct access to system functions by employees and constituents. Primary objectives include the implementation of an integrated system to eliminate inefficiencies such as duplicate data management, data entry, transactional processes and reconciliation, provide better and timelier information for decision making, streamline workflow, improve ability to access information for staff and constituents, eliminate the need to manually re-enter data to prepare regular and ad hoc reports, increase direct constituent access to information online and performance of online transactions, and improve security, controls, and disaster recovery.

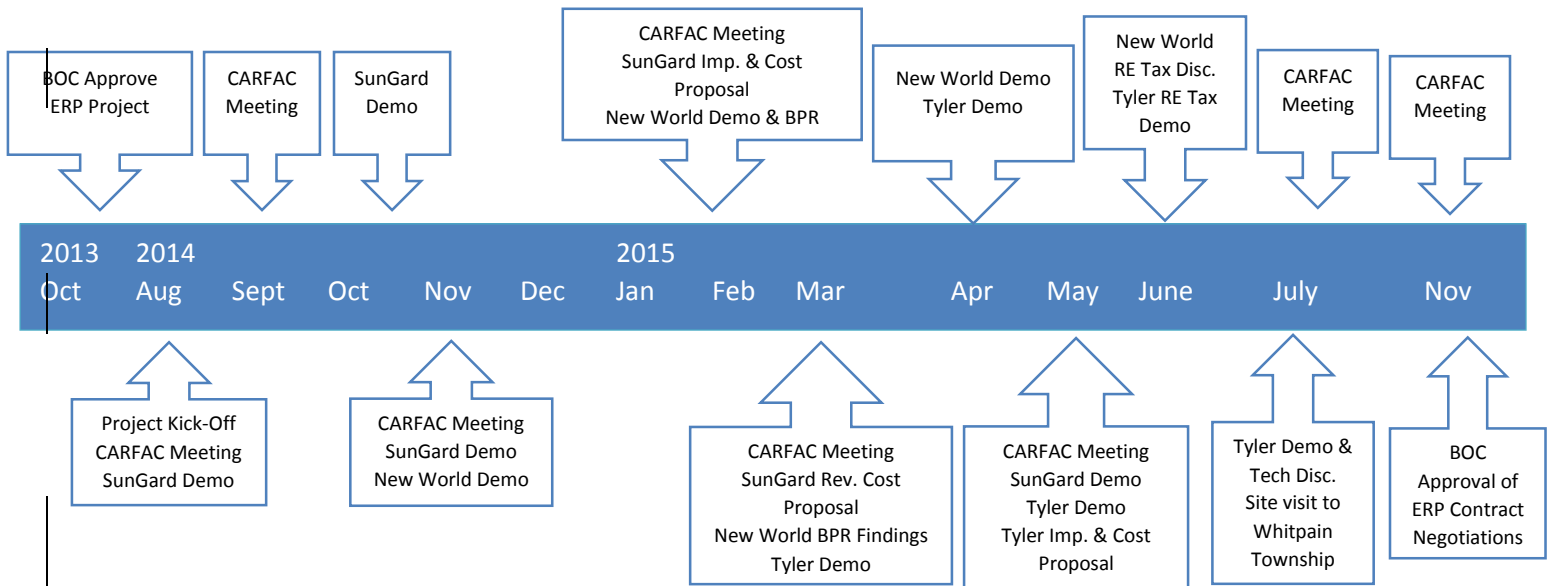
Project Summary

The project kicked off during the summer of 2014 with members of the Township Finance Department presenting the CARFAC IT Subcommittee an overview of departmental level business processes and the inefficiencies in workflow and duplicative efforts caused by the Township's usage of non-integrated pieces of software. The Township's current software provider, SunGard (Bethlehem, PA), was also invited to the kick-off meeting to provide an overview their latest PLUS software release. Over the next several months, Finance Department staff continued to meet with the CARFAC IT Subcommittee to discuss project objectives and goals, address audit comments and disaster recovery options, and identify potential ERP vendors.

Between October 2014 and July 2015 software demonstrations were provided by select market leading ERP vendors. SunGard was invited back to provide software demonstrations to various Township departments and to perform a gap analysis of the Community Development Department. Two additional ERP vendors were identified as potential ERP providers: New World Systems (Troy, Michigan) with their LOGOS.net software and Tyler Technologies (Yarmouth, ME) with their Munis software. Both vendors were invited to present before the CARFAC IT Subcommittee and demonstrate their software to staff. New World Systems performed a business process review (BPR) of all departments, provided a summary to the Township, and based secondary demonstrations on their business process review. Feedback from Township staff was collected and documented after each demonstration.

During the first half of 2015, all three vendors were invited to present an implementation schedule and separate cost proposals for in-house or cloud-based software hosting. Members of the Township Finance Department and the CARFAC IT Subcommittee met to review implementation and cost proposals from all three vendors, narrowing

down the potential ERP vendors to SunGard and Tyler Technologies based on staff feedback, costs, and software offerings. New World Systems proposal did not meet essential software requirements; the Real Estate Tax module, Recreation module, and Document Imaging module were not available out-of-the-box and required integration with third-party vendors. The Finance Department also met with the Finance staff at Whitpain Township, a current client of Tyler Technologies, to gather feedback on their experience with their software and support services.



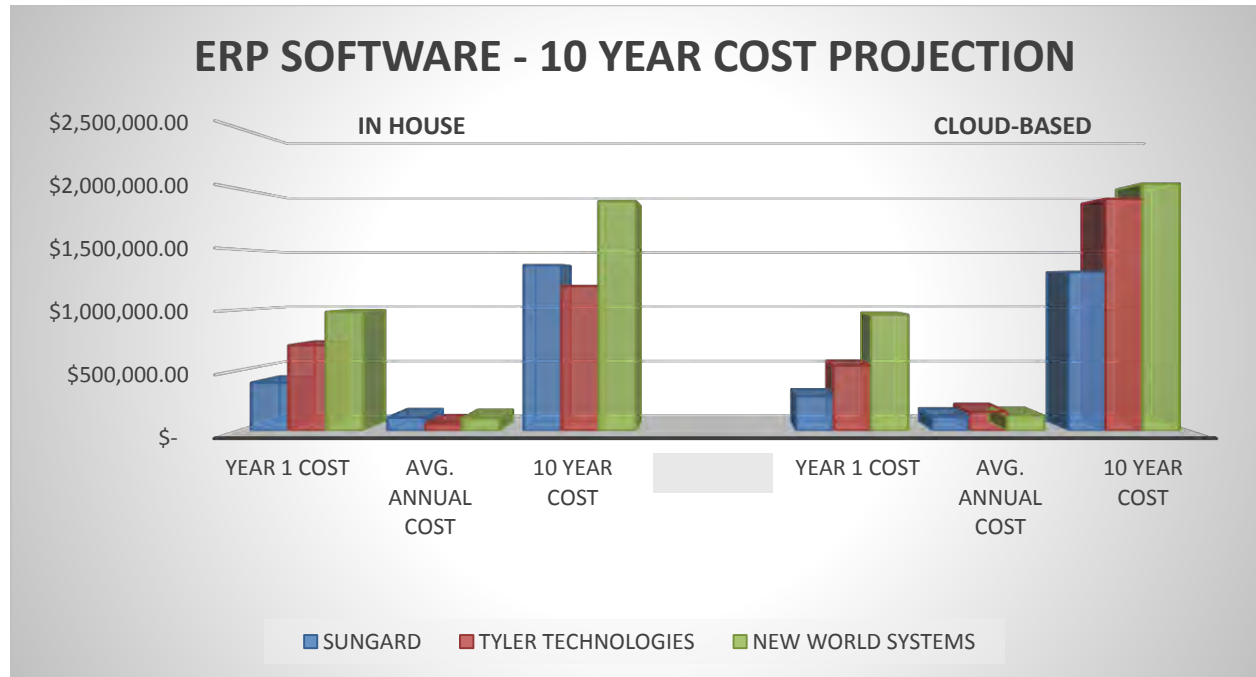
Project Scope

The scope of this project is entity-wide, touching upon every department within the Township. As discussed in the Executive Summary, each department mostly performs business functions independently of other departments. In order to integrate and share data, information is manually processed.

[PROJECT SCOPE VISUAL]

Cost Summary

Cost proposals were submitted by SunGard, New World Systems, and Tyler Technologies. Vendors were asked to provide two cost proposals: hosting software/hardware in-house and hosting software in the cloud. Vendors were also asked to provide costs over a 10-year period. In addition to the costs for software licensing, implementation, and training, the costs for operating system and database administration (OSDBA) services, disaster recovery services, purchase and configuration of hardware, implementation of Active Directory, third-party solutions, and cloud hosting services are included in the chart/table below.



	SUNGARD	TYLER TECHNOLOGIES	NEW WORLD SYSTEMS
IN HOUSE			
Year 1 Cost	\$ 396,327.19	\$ 705,557.98	\$ 983,121.71
Avg. Annual Cost	\$ 108,267.42	\$ 54,500.22	\$ 101,736.89
10 Year Cost	\$ 1,370,734.01 *	\$ 1,196,059.94	\$ 1,898,753.71
CLOUD			
Year 1 Cost	\$ 283,776.00	\$ 536,918.03	\$ 959,843.03
Avg. Annual Cost	\$ 114,532.91	\$ 153,547.00	\$ 120,355.89
10 Year Cost	\$ 1,314,572.23*	\$ 1,918,841.03	\$ 2,043,046.03

- Year 1 Cost is the costs for new software licensing fees, implementation, training, third-party solutions (if required), Active Directory implementation (in house scenario only) and SunGard PLUS software maintenance and support fees.
- Average Annual Cost is the average annual cost for licensing, hosting, and maintenance and support fees for years 2 through 10.
- 10 Year Cost is the cumulative costs for 10 years of licensing, hosting, and maintenance and support fees.

* SunGard's 10 Year Cost does not include the upgrade costs over the 10 year window required for the Township to operate the most current PLUS product. These costs, which include customization, hardware upgrade, and training/travel fees, are estimated to exceed \$100K over the 10 year window. SunGard does not require software upgrades to each new SunGard Plus release while software upgrades are compulsory both for New World Systems and Tyler Technologies, and are reflected in their respective costs.

Recommendation

The staff at Radnor Township recommends Tyler Technologies and Munis, their Financial/ERP software solution, for entity-wide implementation. This recommendation is based on careful consideration of staff feedback on software demonstrations, a review of the software modules offered directly by each vendor without third-party involvement, the availability of operating system and database administration services, disaster recovery services, and implementation schedule and costs. Since the discussion of the Township moving its operations from its current location on several occasions, the staff took into consideration the costs associated with such a move when considering a hosting in-house versus in the cloud.

The Township has been a client of SunGard for almost 17 years, but has only upgraded their software once in 2006. As a result, the current implementation is several versions behind. SunGard's account managers did not encourage or promote the benefits of upgrading to the latest software release on a regular basis. Staff feedback also reflects the downturn of customer support services provided over last several years. During this project, staff found that SunGard's PLUS package is unable to improve functionality and inter-departmental processes as completely as Tyler Technologies' software.

Township staff recommendation of Tyler Technologies is fully supported by CARFAC, whose members have been an integral part of this project.

Several key items that factored into staff and CARFAC recommendation of Tyler Technologies ERP software solution:

- All software modules requested/required by the Township are provided directly by Tyler Technologies, not by third parties
- Software and services are available for purchase through National Joint Powers Alliance (NJPA) contract purchasing solution of which the Township is a current member
- The solution provides a 24/7/365 online citizens self-service portal for constituents to request information and do business with the Township. Additionally, transactions performed through the portal integrate seamlessly with other Munis software modules
- Software modules will integrate with Township's GIS system
- The software provides the tool to account for capital assets, which addresses an outstanding audit comment
- Implementation is completed by Project Management Professional certified Tyler Technologies team members
- A cloud-based solution is available and recommended due to limited IT staff, lack of office space, need for IT infrastructure upgrades, future move considerations, and the lack of active directory deployment on the Township's current network
- Tyler Technologies' "Evergreen" perpetual upgrade process. Updates are deployed on a continual basis with no-relicensing fees required
- Tyler University, Tyler Technologies' continuing education platform, available 24/7/265, allows staff to learn and train on their own schedule
- Tyler Technologies' Content Management module is integrated with Munis, allowing for secure off-site document storage and ease of accessibility

- Munis is fully integrated with Microsoft products (the Township implemented an upgrade to Microsoft Office 365 in August 2015)

Two recent announcements of note:

- August 2015 - Fidelity National Information Services Inc., which provides banking and payments technology services, announced that it was acquiring SunGard
- October 2015 - Tyler Technologies announced that it was acquiring New World Systems Corporation

Appendixes

- Project Scope and Objectives
- Staff feedback
- Detailed Cost Proposal Worksheets
- Survey of Surrounding Municipalities' software providers
- Customer listing for Tyler Technologies
- Detailed Project Timeline

Radnor Township, PA

As Introduced by the Board

Schedule of Sources and Uses

October 12, 2015

For Discussion Purposes Surrounding a Potential General Obligation Bond Issue, Series 2015 and 2016

	<u>Park</u>	<u>Trail</u>	<u>Library</u>	<u>Total</u>	<u>Refunding 2010</u>
Sources:	Improvements	Improvements	Improvements		Series GO Bonds
Grant Proceeds	\$ 579,000 ²	\$ 1,450,000 ⁸	\$ 500,000	\$ 2,529,000	\$ -
Developer Contributions	174,408 ²	-	-	174,408	-
Library Funding	-	-	1,000,000	1,000,000 ⁵	-
Stormwater Funding	-	-	-	-	-
Township Cash Funding	1,000,000 ¹	-	500,000	1,500,000 ⁴	-
Bond Proceeds	4,300,000	1,450,000	2,500,000	8,250,000	3,315,000
Total Sources	\$ 6,053,408	\$ 2,900,000	\$ 4,500,000	\$ 13,453,408	\$ 3,315,000
Uses:					
Bo Connor Park	400,000	-	-	400,000	-
Cappelli Golf Range	66,720	-	-	66,720	-
Clem Macrone Park	1,843,246 ²	-	-	1,843,246	-
Emlen Tunnell Park	185,000	-	-	185,000	-
Encke Park	185,000	-	-	185,000	-
Fenimore Woods	2,027,000	-	-	2,027,000	-
Ithan Valley Park	378,000	-	-	378,000	-
Odorisio Park	-	-	-	-	-
Petrie Park	150,000	-	-	150,000	-
Radnor Trail	160,000	-	-	160,000	-
Skunk Hollow	250,000	-	-	250,000	-
Warren Filipone Park	406,000	-	-	406,000	-
Ardrossan Trail	-	713,000	-	713,000	-
West Wayne Segment (8A-E, 1C, 1D)	-	300,000	-	300,000	-
Martha Brown Segment	-	1,041,810	-	1,041,810	-
Villanova – Chew Segment (16A, 9C, ½)	-	600,000	-	600,000	-
PennMed Segment (9A, 9B, 12A, 12B)	-	-	-	-	-
Chew Young Segment (9D)	-	-	-	-	-
Chew Young Radnor Station (9E, 9C ½)	-	-	-	-	-
Radnor Station to Harford Park (9F)	-	250,000	-	250,000	-
Library Improvements	-	-	4,500,000	4,500,000	-
Refunding Redemption Proceeds	-	-	-	-	3,315,000
Rounding	2,442	(4,810)	-	(2,368)	-
Total Uses	\$ 6,053,408	\$ 2,900,000	\$ 4,500,000	\$ 13,453,408	\$ 3,315,000

Estimated Annual Expense (assuming 20 Year bonds and level debt service)

Park Improvements	283,800
Library	165,000
Trails	95,700
Total	\$ 544,500

Footnotes:

1. Assumes that \$1,000,000 of cash from 2014 Excess will be used for Clem Macrone

2. Grant proceeds and Park impact fees for Clem Macrone

3. Assumes negotiating with Developer for contributions for the Trail (no borrowing)

4. Township provided \$500,000 in 2015 to match the \$500,000 grant for the Library

5. Library to generate \$1,000,000 +/- from endowment and fund raising

6. Stormwater improvements in the following park plans:

Clem Macrone	\$ 324,000
Fenimore Woods	\$ 400,000
Ithan Valley	\$ 100,000

7. Stormwater improvements in conjunction with the trail impr. At West Wayne Segment

8. Assumes that half of the Township funded trails will be paid through grant proceed:

9. Due to several factors relating to the earlier 2015 bond refunding and in order to keep the issue "bank qualified," the issue will need to be broken into two pieces: One closing in 2015 (cannot exceed \$6,615,000) and the remainder closing in 2016

Borrowing Allocations

Refunding	3,315,000
Library	2,500,000
Park and Trail Improvements	<u>5,750,000</u>

Total Borrowing **\$ 11,565,000**

New Money Portion	8,250,000
Refunding Portion	3,315,000

Note: Under a parameters Ordinance, the amount needed in the ordinance will need to be higher than the project total in order to allow the needed flexibility to successfully sell bonds, and comply with the DCED's requirement of reporting per maturity as well as total issuance. However, the total borrowing will not exceed the amount above.

\$5,770,000

Radnor Township

General Obligation Bonds, Series of 2015

Purpose: Refund Series 2010 & New Capital

Total Issue Sources And Uses

Dated 11/25/2015 | Delivered 11/25/2015

	Refunding 2010	New Money	Issue Summary
Sources Of Funds			
Par Amount of Bonds	\$3,250,000.00	\$2,520,000.00	\$5,770,000.00
Reoffering Premium	115,035.50	33,155.95	148,191.45
Transfers from Prior Issue Debt Service Funds	47,484.38	-	47,484.38
Total Sources	\$3,412,519.88	\$2,553,155.95	\$5,965,675.83
Uses Of Funds			
Total Underwriter's Discount (0.650%)	21,125.00	16,380.00	37,505.00
Costs of Issuance	42,244.37	32,755.63	75,000.00
Deposit to Project Construction Fund	-	2,500,000.00	2,500,000.00
Deposit to Current Refunding Fund	3,347,484.38	-	3,347,484.38
Rounding Amount	1,666.13	4,020.32	5,686.45
Total Uses	\$3,412,519.88	\$2,553,155.95	\$5,965,675.83

\$5,770,000

Radnor Township

General Obligation Bonds, Series of 2015

Purpose: Refund Series 2010 & New Capital

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
12/01/2015	-	-	-	-
12/01/2016	130,000.00	2.000%	84,568.75	214,568.75
12/01/2017	100,000.00	2.000%	149,623.76	249,623.76
12/01/2018	525,000.00	3.000%	147,623.76	672,623.76
12/01/2019	545,000.00	3.000%	131,873.76	676,873.76
12/01/2020	560,000.00	4.000%	115,523.76	675,523.76
12/01/2021	575,000.00	2.000%	93,123.76	668,123.76
12/01/2022	590,000.00	2.000%	81,623.76	671,623.76
12/01/2023	605,000.00	2.000%	69,823.76	674,823.76
12/01/2024	620,000.00	2.000%	57,723.76	677,723.76
12/01/2025	120,000.00	2.150%	45,323.76	165,323.76
12/01/2026	125,000.00	2.300%	42,743.76	167,743.76
12/01/2027	125,000.00	2.375%	39,868.76	164,868.76
12/01/2028	130,000.00	2.500%	36,900.00	166,900.00
12/01/2029	135,000.00	3.000%	33,650.00	168,650.00
12/01/2030	135,000.00	3.000%	29,600.00	164,600.00
12/01/2031	140,000.00	3.000%	25,550.00	165,550.00
12/01/2032	145,000.00	3.500%	21,350.00	166,350.00
12/01/2033	150,000.00	3.500%	16,275.00	166,275.00
12/01/2034	155,000.00	3.500%	11,025.00	166,025.00
12/01/2035	160,000.00	3.500%	5,600.00	165,600.00
Total	\$5,770,000.00	-	\$1,239,395.11	\$7,009,395.11

Yield Statistics

Bond Year Dollars	\$45,550.56
Average Life	7.894 Years
Average Coupon	2.7209220%
Net Interest Cost (NIC)	2.4779251%
True Interest Cost (TIC)	2.4225958%
Bond Yield for Arbitrage Purposes	2.1300604%
All Inclusive Cost (AIC)	2.6080867%

IRS Form 8038

Net Interest Cost	2.3613568%
Weighted Average Maturity	7.808 Years

\$5,770,000

Radnor Township

General Obligation Bonds, Series of 2015

Purpose: Refund Series 2010 & New Capital

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price		Dollar Price
06/15/2016	Serial Coupon	2.000%	0.350%	130,000.00	100.914%		131,188.20
06/15/2017	Serial Coupon	2.000%	0.650%	100,000.00	102.085%		102,085.00
06/15/2018	Serial Coupon	3.000%	0.900%	525,000.00	105.293%		552,788.25
06/15/2019	Serial Coupon	3.000%	1.100%	545,000.00	106.606%		581,002.70
06/15/2020	Serial Coupon	4.000%	1.300%	560,000.00	111.904%		626,662.40
06/15/2021	Serial Coupon	2.000%	1.550%	575,000.00	102.248%	c	587,926.00
06/15/2022	Serial Coupon	2.000%	1.800%	590,000.00	100.991%	c	595,846.90
06/15/2023	Serial Coupon	2.000%	2.000%	605,000.00	99.998%	c	604,987.90
06/15/2024	Serial Coupon	2.000%	2.150%	620,000.00	98.832%		612,758.40
06/15/2025	Serial Coupon	2.150%	2.300%	120,000.00	98.719%		118,462.80
06/15/2026	Serial Coupon	2.300%	2.450%	125,000.00	98.611%		123,263.75
06/15/2027	Serial Coupon	2.375%	2.550%	125,000.00	98.257%		122,821.25
06/15/2028	Serial Coupon	2.500%	2.700%	130,000.00	97.881%		127,245.30
06/15/2031	Term 1 Coupon	3.000%	2.950%	410,000.00	100.237%	c	410,971.70
06/15/2035	Term 2 Coupon	3.500%	3.150%	610,000.00	101.669%	c	620,180.90
Total	-	-	-	\$5,770,000.00	-	-	\$5,918,191.45

Bid Information

Par Amount of Bonds	\$5,770,000.00
Reoffering Premium or (Discount)	148,191.45
Gross Production	\$5,918,191.45
Total Underwriter's Discount (0.650%)	\$(37,505.00)
Bid (101.918%)	5,880,686.45
Total Purchase Price	\$5,880,686.45
Bond Year Dollars	\$45,550.56
Average Life	7.894 Years
Average Coupon	2.7209220%
Net Interest Cost (NIC)	2.4779251%
True Interest Cost (TIC)	2.4225958%

\$3,250,000

Radnor Township

General Obligation Bonds, Series of 2015

Purpose: Refund Series 2010

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
12/31/2015	-	-	-	-
12/31/2016	-	-	87,347.22	87,347.22
12/31/2017	-	-	82,750.00	82,750.00
12/31/2018	425,000.00	3.000%	76,375.00	501,375.00
12/31/2019	440,000.00	3.000%	63,400.00	503,400.00
12/31/2020	455,000.00	4.000%	47,700.00	502,700.00
12/31/2021	465,000.00	2.000%	33,950.00	498,950.00
12/31/2022	475,000.00	2.000%	24,550.00	499,550.00
12/31/2023	490,000.00	2.000%	14,900.00	504,900.00
12/31/2024	500,000.00	2.000%	5,000.00	505,000.00
Total	\$3,250,000.00	-	\$435,972.22	\$3,685,972.22

Yield Statistics

Bond Year Dollars	\$18,400.56
Average Life	5.662 Years
Average Coupon	2.3693427%
Net Interest Cost (NIC)	1.8589750%
True Interest Cost (TIC)	1.8340927%
Bond Yield for Arbitrage Purposes	2.1300604%
All Inclusive Cost (AIC)	2.0769281%

IRS Form 8038

Net Interest Cost	1.7028506%
Weighted Average Maturity	5.601 Years

\$3,250,000

Radnor Township

General Obligation Bonds, Series of 2015

Purpose: Refund Series 2010

Debt Service Comparison

Date	Total P+I	Existing D/S	Net New D/S	Old Net D/S	Savings
12/31/2015	-	20,300.00	20,300.00	20,300.00	-
12/31/2016	87,347.22	1,035,550.00	1,122,897.22	1,130,518.76	7,621.54
12/31/2017	82,750.00	1,035,250.00	1,118,000.00	1,130,218.76	12,218.76
12/31/2018	501,375.00	-	501,375.00	525,346.88	23,971.88
12/31/2019	503,400.00	-	503,400.00	525,385.00	21,985.00
12/31/2020	502,700.00	-	502,700.00	523,902.50	21,202.50
12/31/2021	498,950.00	-	498,950.00	520,785.00	21,835.00
12/31/2022	499,550.00	-	499,550.00	521,370.00	21,820.00
12/31/2023	504,900.00	-	504,900.00	525,805.00	20,905.00
12/31/2024	505,000.00	-	505,000.00	528,840.00	23,840.00
Total	\$3,685,972.22	\$2,091,100.00	\$5,777,072.22	\$5,952,471.90	\$175,399.68

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	205,058.49
Net PV Cashflow Savings @ 2.077%(AIC)	205,058.49
Transfers from Prior Issue Debt Service Fund	(47,484.38)
Net Present Value Benefit	\$157,574.11
Net PV Benefit / \$3,300,000 Refunded Principal	4.775%
Net PV Benefit / \$3,250,000 Refunding Principal	4.848%

Refunding Bond Information

Refunding Dated Date	11/25/2015
Refunding Delivery Date	11/25/2015

\$3,250,000

Radnor Township
General Obligation Bonds, Series of 2015
Purpose: Refund Series 2010

Current Refunding Escrow

Date	Principal	Rate	Receipts	Disbursements	Cash Balance
11/25/2015	-	-	0.38	-	0.38
12/15/2015	3,347,484.00	-	3,347,484.00	3,347,484.38	-
Total	\$3,347,484.00	-	\$3,347,484.38	\$3,347,484.38	-

Investment Parameters

Investment Model [PV, GIC, or Securities]	Securities
Default investment yield target	Unrestricted
Cash Deposit	0.38
Cost of Investments Purchased with Bond Proceeds	3,347,484.00
Total Cost of Investments	\$3,347,484.38
Target Cost of Investments at bond yield	\$3,343,546.34
Actual positive or (negative) arbitrage	(3,938.04)
Yield to Receipt	-2.75E-12
Yield for Arbitrage Purposes	2.1300604%
State and Local Government Series (SLGS) rates for	11/03/2015

\$13,735,000

Radnor Township

General Obligation Bonds, Series of 2010

Purpose: Currently Refund Series A of 2002

Debt Service To Maturity And To Call

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
11/25/2015	-	-	-	-	-	-	-
12/15/2015	3,300,000.00	47,484.38	3,347,484.38	-	-	47,484.38	47,484.38
06/15/2016	-	-	-	-	2.000%	47,484.38	47,484.38
12/15/2016	-	-	-	-	-	47,484.38	47,484.38
06/15/2017	-	-	-	-	2.000%	47,484.38	47,484.38
12/15/2017	-	-	-	-	-	47,484.38	47,484.38
06/15/2018	-	-	-	435,000.00	2.125%	47,484.38	482,484.38
12/15/2018	-	-	-	-	-	42,862.50	42,862.50
06/15/2019	-	-	-	445,000.00	2.400%	42,862.50	487,862.50
12/15/2019	-	-	-	-	-	37,522.50	37,522.50
06/15/2020	-	-	-	455,000.00	2.700%	37,522.50	492,522.50
12/15/2020	-	-	-	-	-	31,380.00	31,380.00
06/15/2021	-	-	-	465,000.00	3.000%	31,380.00	496,380.00
12/15/2021	-	-	-	-	-	24,405.00	24,405.00
06/15/2022	-	-	-	480,000.00	3.100%	24,405.00	504,405.00
12/15/2022	-	-	-	-	-	16,965.00	16,965.00
06/15/2023	-	-	-	500,000.00	3.250%	16,965.00	516,965.00
12/15/2023	-	-	-	-	-	8,840.00	8,840.00
06/15/2024	-	-	-	520,000.00	3.400%	8,840.00	528,840.00
Total	\$3,300,000.00	\$47,484.38	\$3,347,484.38	\$3,300,000.00	-	\$608,856.28	\$3,908,856.28

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	11/25/2015
Average Life	5.674 Years
Average Coupon	3.0264266%
Weighted Average Maturity (Par Basis)	5.674 Years

Refunding Bond Information

Refunding Dated Date	11/25/2015
Refunding Delivery Date	11/25/2015

\$13,735,000

Radnor Township

General Obligation Bonds, Series of 2010

Purpose: Currently Refund Series A of 2002

Current Outstanding Debt Service

Date	Principal	Coupon	Interest	Total P+I
12/15/2015	-	-	20,300.00	20,300.00
06/15/2016	1,005,000.00	2.000%	20,300.00	1,025,300.00
12/15/2016	-	-	10,250.00	10,250.00
06/15/2017	1,025,000.00	2.000%	10,250.00	1,035,250.00
Total	\$2,030,000.00	-	\$61,100.00	\$2,091,100.00

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	11/25/2015
Average Life	1.060 Years
Average Coupon	2.0000000%
Weighted Average Maturity (Par Basis)	1.060 Years

Refunding Bond Information

Refunding Dated Date	11/25/2015
Refunding Delivery Date	11/25/2015

\$2,520,000

Radnor Township

General Obligation Bonds, Series of 2015

Purpose: New Capital

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
12/01/2015	-	-	-	-
12/01/2016	130,000.00	2.000%	38,596.53	168,596.53
12/01/2017	100,000.00	2.000%	66,873.76	166,873.76
12/01/2018	100,000.00	3.000%	64,873.76	164,873.76
12/01/2019	105,000.00	3.000%	61,873.76	166,873.76
12/01/2020	105,000.00	4.000%	58,723.76	163,723.76
12/01/2021	110,000.00	2.000%	54,523.76	164,523.76
12/01/2022	115,000.00	2.000%	52,323.76	167,323.76
12/01/2023	115,000.00	2.000%	50,023.76	165,023.76
12/01/2024	120,000.00	2.000%	47,723.76	167,723.76
12/01/2025	120,000.00	2.150%	45,323.76	165,323.76
12/01/2026	125,000.00	2.300%	42,743.76	167,743.76
12/01/2027	125,000.00	2.375%	39,868.76	164,868.76
12/01/2028	130,000.00	2.500%	36,900.00	166,900.00
12/01/2029	135,000.00	3.000%	33,650.00	168,650.00
12/01/2030	135,000.00	3.000%	29,600.00	164,600.00
12/01/2031	140,000.00	3.000%	25,550.00	165,550.00
12/01/2032	145,000.00	3.500%	21,350.00	166,350.00
12/01/2033	150,000.00	3.500%	16,275.00	166,275.00
12/01/2034	155,000.00	3.500%	11,025.00	166,025.00
12/01/2035	160,000.00	3.500%	5,600.00	165,600.00
Total	\$2,520,000.00	-	\$803,422.89	\$3,323,422.89

Yield Statistics

Bond Year Dollars	\$27,150.00
Average Life	10.774 Years
Average Coupon	2.9592003%
Net Interest Cost (NIC)	2.8974105%
True Interest Cost (TIC)	2.8572903%
Bond Yield for Arbitrage Purposes	2.1300604%
All Inclusive Cost (AIC)	3.0033989%

IRS Form 8038

Net Interest Cost	2.8149072%
Weighted Average Maturity	10.718 Years

New Issue: Moody's assigns Aa1 to Radnor Township, PA's \$6M GO Bonds, Series A of 2015

Global Credit Research - 04 Nov 2015

Affirms Aa1 affecting \$55M outstanding parity debt

RADNOR (TOWNSHIP OF) PA
Cities (including Towns, Villages and Townships)
PA

Moody's Rating

ISSUE	RATING
General Obligation Bonds, Series A of 2015	Aa1
Sale Amount	\$6,000,000
Expected Sale Date	11/09/15
Rating Description	General Obligation

Moody's Outlook NOO

NEW YORK, November 04, 2015 –Moody's Investors Service assigns a Aa1 rating to Radnor Township, PA's \$6 million General Obligation Bonds, Series A of 2015. Concurrently, Moody's has affirmed the Aa1 rating on the township's \$55 million of outstanding General Obligation debt.

SUMMARY RATING RATIONALE

The Aa1 rating reflects the township's moderately-sized and affluent tax base in suburban Philadelphia (A2 stable); a strong financial position featuring above average reserves and a solid trend in tax receipts; and a moderate debt and pension burden.

OUTLOOK

Outlooks are usually not assigned to local government credits with this amount of debt outstanding.

WHAT COULD MAKE THE RATING GO UP

- Continued expansion of tax base
- Growth in financial reserves

WHAT COULD MAKE THE RATING GO DOWN

- Significant tax base contraction
- Sustained decline in reserves limiting financial flexibility

STRENGTHS

- Strong management committed to increasing funding for long-term liabilities
- Solid reserve levels
- Positive tax receipt trend

CHALLENGES

-Modest exposure to economically sensitive business tax revenues

RECENT DEVELOPMENTS

Recent developments are included in the Detailed Rating Rationale.

DETAILED RATING RATIONALE

ECONOMY AND TAX BASE: AFFLUENT SUBURBAN TAX BASE WITH ABOVE-AVERAGE WEALTH LEVELS

Radnor Township is expected to see modest growth over the near-term due to ongoing redevelopment. The township is a suburban Philadelphia community with above-average income levels. Benefitting from a favorable location in Delaware County (Aa1) in the affluent Main Line region, the township's median family income is 223% of the US median. The median home value is \$606,300.

The \$4.7 billion tax base has been growing based on new development and replacement of old houses with larger and more expensive homes. Some of the socio-economic indicators of the tax base are influenced by the presence of Villanova University (A1 stable), which has an enrollment of about 10,500. Overall, the presence of Villanova is positive, although the university is partially responsible for the 12% of the township that is tax-exempt.

FINANCIAL OPERATIONS AND POSITION: FINANCIAL POSITION STRENGTHENING ON STRONG TAX REVENUE TREND

A solid upward trend in the township's most important tax revenue sources has led to a well above-average financial position that is expected to be maintained over the near term. The township's \$33 million general fund budget is funded primarily by property taxes (36% of budgeted revenues) and gross receipts taxes levied on businesses (27% of revenues) in fiscal 2014. Gross tax receipts have grown sharply the past few years as the township has strengthened its collection efforts. The property tax levy has continued to grow as the township's board has shown a willingness to increase property taxes to maintain a strong financial position.

Fiscal 2014 ended with a \$3.8 million decline in the General Fund to \$11.6 million or still strong 34.9% of General Fund revenues. This decline in reserves was due to planned transfers made to the OPEB Trust Fund (\$3.3 million) and Capital Improvements Funds (\$1 million). Overall, revenues performed well compared to budget due to growth in the gross receipts tax, while expenditures ended under projections due to conservative budgeting.

The fiscal 2015 budget represents a 7% increase from the prior year and included an \$879,823 increase in reserves despite maintaining a level property tax rate. Based on year-to-date projections through September 30, township management expects to end fiscal 2015 with an operating surplus of approximately \$2.8 million. This projected surplus is primarily attributable to positive revenue performance related to the real estate transfer tax and building permit revenues. Expenditures are tracking relatively close to budget.

The preliminary fiscal 2016 budget represents a 6.9% increase from the previous year primarily due to an increase in debt service related to the current issuance, as well as an additional bond planned for early 2016 to fund various park and trail improvements. If adopted, the property tax rate would increase by 0.1717 mills and generate an additional \$544,500 in revenue that would fully fund the increased debt service costs.

The township maintains a five-year financial forecast with projections that show growth of 2% to 4% for its various non-property taxes, which can be volatile. As a result of the projected tax revenue growth, the township anticipates general fund balances in excess of its 25% target. These excesses will be used for capital funding and improving funding for pension and other post-employment benefit (OPEB) liabilities.

Liquidity

The township has ample liquidity that it is expected to maintain over the near-term. At the end of fiscal 2014, the township's general fund held \$2.8 million of cash plus another \$7.4 million of liquid investments (totaling 30.7% of General Fund revenues). The township also holds cash balances in various funds outside the general fund, providing additional flexibility.

DEBT AND OTHER LIABILITIES: MODERATE DEBT BURDEN

The township's debt burden is expected to remain manageable in the near-term. The township's \$58 million debt burden is equal to 1.3% of full value, growing to a higher 4.7% after incorporating debt from overlapping entities.

The township does maintain a five-year Capital Improvement Plan (2016-2021) totaling \$29.1 million. The plan mainly focused on infrastructure projects and upgrades to department vehicles and equipment. The plan will primarily be funded with storm water fees, the township's liquid fuels allocation from the state, and real estate proceeds.

Debt Structure

The township's debt is all fixed rate and retired at a slow rate of 40.4% within 10 years.

Debt-Related Derivatives

The township is not party to any derivatives.

Pensions and OPEB

The township contributes to two-single employer defined benefit pension plans, one for police and one for civilians. The townships fully funded the ARC, which totaled \$4.1 million or 11% of operating expenditure, in fiscal 2014. The adjusted net pension liability of the township's two plans, under Moody's methodology for adjusting reported pension data, has averaged a moderate 1.45 times operating revenues over the past three years. Moody's uses the adjusted net pension liability to improve comparability of reported pension liabilities. The adjustments are not intended to replace the township's reported liability information, but to improve comparability with other rated entities.

The township also adopted a plan to fully fund its \$18 million of OPEB liabilities over the long term. Beginning in 2014, the township increased its OPEB contribution, funding \$5.3 million (14.2% of operating expenditures), or 118.8% of the OPEB ARC, in fiscal 2014. The township plans to increase its OPEB contribution by at least \$200,000 each year through 2023. The township also eliminated OPEB liabilities for new civilian hires, and is pre-funding OPEB liabilities for new police hires.

MANAGEMENT AND GOVERNANCE

Pennsylvania cities have an institutional framework score of Aa, or strong. Cities enjoy the authority to adjust the property tax millage without limitation. While many cities rely on economically sensitive revenues such as income taxes, they have the authority to increase property taxes to offset any declines in these revenues. Organized labor does have a strong presence in the state, and state labor law gives bargaining groups significant leeway to seek arbitration. Most cities have been challenged to control and predict labor costs.

Radnor's management is strong. The township maintains a policy to maintain fund balance at 25%, which it routinely exceeds in practice. The township's efforts to increase funding for OPEB and pension liabilities also reflect favorably on management.

KEY STATISTICS

Full value: \$4.65 billion

Full value per capita: \$147,478

Median family income: 223%

Fund balance as % of revenues: 38.16%

5-year dollar change in fund balance as % of operating revenues: 28.06%

Cash balance as % of revenues: 30.56%

5-year dollar change in cash balance as % of operating revenues: 20.46%

Institutional framework (PA cities): Aa

5-year average of operating revenues to operating expenditures: 0.98x

Debt to full value: 1.25%

Debt to revenues: 1.75x

Moody's adjusted three-year net pension liability to full value: 1.04%

Moody's adjusted three-year net pension liability to operating revenues: 1.45x

OBLIGOR PROFILE

Radnor Township is an affluent suburb with a population of about 32,000 people located in Delaware County west of Philadelphia. The township is located on the Main Line, and enjoys access to numerous employment centers both in Philadelphia and the surrounding region. The township is also home to Villanova University.

LEGAL SECURITY

The bonds are secured by the township's general obligation unlimited tax pledge.

USE OF PROCEEDS

Approximately \$3.5 million of the proceeds will be used to refund the Series 2010 bonds for an estimated net present value savings of \$143,000, or 4.3% of refunded principal, with no extension of maturity. The remainder of the proceeds will be used to fund library improvements.

RATING METHODOLOGY

The principal methodology used in this rating was US Local Government General Obligation Debt published in January 2014. Please see the Credit Policy page on www.moodys.com for a copy of this methodology.

REGULATORY DISCLOSURES

For ratings issued on a program, series or category/class of debt, this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the rating action on the support provider and in relation to each particular rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moodys.com.

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Radnor Township, PA
CARFAC 2015 Priority Interest Matrix

	Priorities	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

Citizens Audit Review & Financial Advisory Committee
October 14, 2015
Radnor Township Municipal Building
Finance Department, 2nd Floor
301 Iven Ave., Wayne, PA 19087

**NOT OFFICIAL
LACK OF QUORUM**

Meeting Minutes

****Due to the lack of quorum, no official meeting took place. However, these minutes are meant to capture the nature of the conversations that took place by those members who attended.****

Chairman Mark Blair called the meeting to order at 7:15PM. In attendance were CARFAC members Mark Blair, Jerry Linden, Martin Heldring, and Jeff Ruben. Committee members Carl Rosenfeld, Michael Antonoplos, Marty Dwyer, and Ed Caine had other conflicts and were unable to attend. Other persons present included Bill White, Finance Director and Bob Tate, Assistant Finance Director/ HR Manager. No members from the public were in attendance.

The Committee discussed the following items:

1. 2016 Budget and Forecast Review: Finance Director White stepped through the budget presentation (attached) that was presented to the Board of Commissioners on the preceding Monday, October 12, 2015. Significant discussion was held around the following subject matters pertaining to the Budget:

Revenue – Tax and Fee Assumptions: The 2016 Budget assumed “normal” growth in business taxes and assumed accelerated permitting fees resulting from the Villanova Dorm/Parking improvement project.

Expenses – Base Operations: The 2016 Budget assumed the same position count as what currently is in place (no new positions being requested). Payroll increase assumptions included a 2.75% increase for all unionized staff pursuant to their collective bargaining agreements, and assumed increases for all non-union staff of up-to 2.75% based on a performance evaluation. All other elements of the departmental base operations were status quo as 2015 and prior years.

Pension / OPEB: Significant discussion was held regarding the pension expense (“MMO”), and the OPEB funding plan. CARFAC spent some time discussing the MMO forecast (2016-2021) which included the actuarial calculations, the importance of continuing to allocate excess revenues to pension, and the decision as to which actuarial report information should be used in the 2016 MMO calculations. Further, Mr. Linden wanted to make sure that the interest rate assumption decision for future MMO expenses was still up for discussion. Mr. White said it was and that nothing was final at this point. Also, the committee spent some time reviewing the OPEB funding plan and revisited the reasons for the decisions that were made in making the recommendation to the Board to implement the “10-year phase-in model.”

Forecast: Discussions surrounding the forecast included (a) the reliance of one-time development revenue to balance the forecast in future years, (b) whether or not borrowing funds for the park/trail/library improvements should be funded through a direct tax increase, and (c) a brief review of the items outside of the base operations that may / may not be added to the 2016 budget and what those implications might be on the forecast.

2. Project Updates: Mr. White noted that since the last CARFAC meeting on September 30, 2015, that no subcommittee meetings had been held or scheduled due to time constraints from budget work. That being the case, no project updates were discussed.
3. Old Business: None
4. Public Participation: None
5. Adjourn: The informal meeting was concluded at 8:40pm