

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

May 15, 2013

7:00PM – Radnor Township Municipal Building, Finance Department

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**Agenda:**

1. Approval of Minutes from April 17, 2013 Meeting (attached)
  2. Audit: Presentation by Clifton Larson Allen on 2012 Audit and Financial Reporting
  3. 2013 Action Item Updates by Working Group (see action items attached):
    - a. Planning:
      - i. OPEB / Pension Funding Project
      - ii. Five Year Plan Updates (to include capital funding)
      - iii. Swaption / 2004 Bond Refunding (Complete!)
      - iv. Strategy for Bond Payments
    - b. Operations:
      - i. Open Space / Willows Adaptive Reuse Proposal Analysis
      - ii. Open Space / Ardrossan Analysis
      - iii. Open Space / Cresa Report Analysis
      - iv. Storm Water Funding
      - v. Act 511 Discovery Contract Proposal (from Administration)
  4. General Discussion:
    - a. Citizen Centric Reporting Review (Jerry's May 11<sup>th</sup> email attached)
  5. Public Participation
  6. Adjourn
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**NOTES:**

Citizens Audit Review & Financial Advisory Committee  
April 17, 7:00 p.m.  
Radnor Township Municipal Building  
Administration Department, 2<sup>nd</sup> Floor  
301 Iven Avenue, Wayne, PA 19087

DRAFT

### Meeting Minutes

The meeting was called to order by the Chairman Mark Blair at 7:02pm. The meeting was attended by Jerry Linden, Karl Bupp, Leigh Gourmand, Jim Bowes, Michael Antonoplos, Mark Blair, Joe Ellis, and Ed Caine. Mr. Laurent Chardonnet notified the committee of a last minute scheduling conflict and was unable to attend. Township staff members present were Bob Tate, Township Assistant Finance Director and Bill White, Township Finance Director. There were no members from the public present.

The Committee discussed the following items:

1. **Approval of Minutes:**

a. Public Meetings:

- i. March 20, 2013 Meeting minutes – Approved 7-0 as written (Mr. Caine was not in attendance for the vote)

2. **Commissioner Schaefer Update:** Mark Blair started the meeting by providing an update on a conversation that he had with Commissioner Schaefer regarding Ardrossan, Willows, Storm Water timing, and her priorities for CARFAC moving forward. With regard to Ardrossan, the process will consist of the Board of Commissioners negotiating a tentative agreement of sale, vet that agreement in the public, renegotiate changes, and then execute the purchase. CARFAC will be asked to provide input during the public vetting process. The same process will exist for the Willows lease and storm water program (both upcoming). Finally, Mr. Blair noted that Commissioner Schaefer's priorities for CARFAC for 2013 are:

- OPEB Funding Plan
- Willows
- RATE Contract
- Storm Water Management
- Ardrossan

3. **Working Group Project Updates:**

a. Planning Group:

- i. Swaption: Jerry Linden provided the update that the Board approved the termination agreement and that the next steps were to issue fixed rate bonds within the next two months. A follow up meeting is needed with the Underwriter to review the structure of the bonds as well as a review of the bond sale process. Finance Director White will work on setting up that meeting.
- ii. OPEB/Pension Funding Project: Jerry Linden provided the update that the FOP agreement was basically done and that the RATE contract negotiations were just

getting started. At this point, the Township had provided RATE with an outline of items to be negotiated. The next steps include setting up a meeting to review the outline and its impact to the Township's OPEB/Pension obligations. Finance Director White will work on setting up that meeting.

- iii. Five Year Plan Updates: There were no specific updates other than the need to set up a working group meeting to begin to review this information and plug in some of the new assumption / items. Finance Director White will work on setting up this meeting.
- iv. Strategy for Bond Payments: There were no specific updates other than the need to set up a meeting, which should be done in coordination with the Five Year Plan meeting.

b. Operations Group:

- i. Open Space / Ardrossan Analysis: An in depth discussion was held regarding the process and what CARFAC's role is in providing the Board with information. While no firm decision was made, the members agreed that the process starts now so that information is ready for the Board at the time an agreement of sale is reached. The Operations Working Group will work on this in conjunction with the Cresa report in order to report a holistic open space / true cost to own analysis. The Operations Group agreed that a meeting was needed to get organized and get the project moving.

Follow Up Items: Finance Director White was asked to follow up with the Solicitor and get (a) the Orphan's Court process outlined, (b) a written opinion on the 29 year lease issue, (c) a timeline / follow up report on the Cresa report's "clean up" items needed at the County level. CARFAC would like to see a specific time line and due date on when these items will be completed by the Solicitor.

- ii. Open Space / Cresa Analysis: This update was given in conjunction with the Ardrossan discussion. The Operations Group will review the Cresa report and verify the cost to own certain properties. It was agreed that the analysis is needed now, in advance of Board action so that CARFAC can provide accurate information prior to final Board decisions being made. A working meeting will need to be held to get this project started as well.
- iii. Open Space / Willows Adaptive Reuse Proposal Analysis: Finance Director White provided an update on this process. Being that this project is closer to a decision point; the Operations Group will need to meet soon to outline questions / analysis points for the two final proposers. The understanding is that the Board will be considering a final decision in May. Finance Director White will work on setting up this meeting.

iv. **Storm Water Funding:** There was no specific update on this item. Finance Director White noted that there are some questions with regard to timing and what the process is moving forward. He will work on getting those addressed and get back to the operations working group.

c. **Audit Group:**

i. **2012 Financial Audit:** Ed Caine provided an update to the Committee noting that he spoke with the Independent Auditors and that the project was moving as projected. It is expected that the 2012 CAFR will be completed on-time, which is by the end of May.

ii. **Financial Systems:** No specific update was provided. Instead the working group noted that other projects had higher priorities at this time and that perhaps this can get started later in 2013. Jerry Linden volunteered to assist the Audit Working Group with this particular item when the time comes.

4. **General Discussion:** No general discussion was had.

a. **Citizen Centric Reporting:** CARFAC reviewed a draft of a citizen focused report that was prepared by Jerry Linden (attached). Discussions were held with regard to identifying the specific audience and intended message and then crafting the report to meet those objectives. Discussions were also had regarding the method of distribution of the report: Should it be mailed to every home, should it just be available on the web site and in written format at the Township Building, are there other options? Further review will occur at future meetings as no clear decision was made moving forward.

b. **Weekly Email Newsletters:** CARFAC learned that the Township emails weekly updates to a group of citizens. Finance Director White was going to work on getting CARFAC added to the distribution list and to find out how big the distribution list was... Could this be a good list for the distribution of the Citizen Centric Reporting?

5. **Public Participation:** No members from the public were present.

Being no further business, the meeting was adjourned at 9:32p.m.

**Radnor Township**  
**CARFAC – List of Action Items**  
**Updated May 14, 2013**

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**CARFAC – Committee as a Whole**

- I. CARFAC Scorecard
  - a. Tax refunds, Swaption discount renegotiation
    - Mercantile Tax Refunds: proactively returned \$59,160 to nine establishments to-date
    - Swap: Increased Swap discount from 11.4% to 12.0%, generating \$31,078 in savings
    - Swap: Eliminated future costs and risks associated with variable rate bond market and swap payments to Counter Party (conservatively estimated to have saved the Township \$2.6 million, documented)
    - 2004 Bond Refund: NPV savings of \$2,013,920 or 14.198% of Refunded Principal
  - b. Identify direct costs of CARFAC & requests

**Planning Working Group**

- I. Swaption
  - a. Schedule meeting w/Michael Wolf - Prepare possible refunding bond structures (fixed rate serial, zero coupon, term, etc.) and report back to CARFAC **\*\*COMPLETE\*\***
  - b. Negotiate Termination Fee: Report back to CARFAC **\*\*COMPLETE\*\***
  - b. Prepare possible refunding bond structures (fixed rate serial, zero coupon, term, etc.) and report back to CARFAC **\*\*COMPLETE\*\***
  
- II. Five Year Plan Updates
  
- III. Strategy for Bond Payments:
  - a. Develop strategy for analyzing bond restructuring opportunities in 2013 **\*\*COMPLETE\*\***
  - b. Capital Plan funding: Review the 2013 capital plan funding to determine best option (i.e. cash, capital lease, bond funding, others?) **\*\*COMPLETE\*\***
  - c. Research/publish the citizen-centric reporting approach – agree on theme, frequency & format – meet with web-site developer/consider e-mail strategy
  
- IV. OPEB Funding Strategy
  - a. Follow up with Mockenhaupt on status from January meeting **\*\*COMPLETE\*\***
  - b. Reconcile open items w/ Jerry regarding specific questions **\*\*COMPLETE\*\***
  - c. Incorporate strategy into five-year plan updates
  - d. Request Mockenhaupt to review our new report in September for fresher data for planning purposes **\*\*COMPLETE\*\*** [Mockenhaupt running numbers now]

**Operations Working Group**

- I. Analyze Willows proposals
  - a. Consider solicitor/outside counsel for drafting of catering agreement **\*\*COMPLETE\*\***

**Radnor Township**  
**CARFAC – List of Action Items**  
**Updated May 14, 2013**

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II. Open Space / Ardrossan

- a. Obtain Solicitor written description of Orphan Court procedures
  - b. Mark: reach out to Commissioner Schaefer **\*\*COMPLETE\*\***
  - c. Manager to confirm Solicitor availability to meet on April 4<sup>th</sup> at 9:00am:
    - i. CARFAC Members to email Finance Director their questions by Friday March 22<sup>nd</sup>
    - ii. Solicitor to review the “deal” as it exists
    - iii. Provide for dial in access
- \*\*ABOVE ITEMS COMPLETED\*\***

III. Open Space / Cresa Report

- a. Review report and verify the Township’s cost to own property
- b. Report back to the Board of Commissioners in 2013

IV. Storm Water Strategy

- a. No action items at this time

**Audit Working Group**

- a. Financial Systems – consider framework for evaluation of software
- b. Audit close-out meeting – Friday, April 26<sup>th</sup> @9:30AM **\*\*COMPLETE\*\***
- c. CARFAC to meet with CLA and review Audit and Financials
- d. Issue CAFR by June 30, 2013 GFOA Deadline

**Township Administration**

- a. Reassess ADP as a vendor [4/17 meeting] **\*\*COMPLETE\*\***
- c. Finalize 4/17 minutes and distribute ASAP [4/17 meeting] **\*\*COMPLETE\*\***
- d. Request Orphans Court process outline (from Solicitor) [4/17 meeting]
- e. Request Solicitor’s written opinion on 29 year lease option (from Solicitor) [4/17 meeting]
- f. Establish outline and deadline for Solicitor to “clean up” outstanding property items identified in the Cresa report (from Solicitor) [4/17 meeting]
- g. Add CARFAC to weekly Email of newsletters [4/17 meeting] **\*\*COMPLETE\*\***
- h. Document need for Street Sweeper (PW Director) [3/20 meeting]
- i. E-Mail FOP & RATE proposals to Planning [3/20 meeting] **\*\*COMPLETE\*\***
- j. E-mail website link for Willows proposals [3/20 meeting] **\*\*COMPLETE\*\***
- k. E-mail Open Space Acquisition Policy [3/20 meeting] **\*\*COMPLETE\*\***
- l. Request Mockenhaupt analysis of incremental ramp-up of ARC (10 yrs.) with 30 yr. amortization. **\*\*REQUEST MADE / WAITING FOR RESPONSE\*\***
- m. Send Cresa report to CARFAC [3/20 meeting] **\*\*COMPLETE\*\***
- n. Send 12/31/2012 Pension Asset information to CARFAC [3/20 meeting] **\*\*COMPLETE\*\***
- o. Finalize 3/20 minutes and distribute ASAP [3/20 meeting] **\*\*COMPLETE\*\***

## White, William

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**From:** Jerry Linden <jerrylinden@yahoo.com>  
**Sent:** Saturday, May 11, 2013 2:56 PM  
**To:** Jerry Linden; Tate, Robert; Edward Caine; Jim Bowes; Joe Ellis; Karl Bupp; Laurent Chardonnet; Leigh Jarvis; Mark Blair; 'Michael J. Antonoplos'; White, William  
**Subject:** Re: Citizen Centric Reporting  
**Attachments:** Stakeholders Report v2 - Draft.pptx

Bill and I watched the webcast that AGA presented on this topic. Hope we can put this on our agenda for Wednesday.

Here is the link to AGA's website for the program:

[http://www.agacgfm.org/Tools---Resources/Citizen-Centric-Reporting-\(CCR\).aspx](http://www.agacgfm.org/Tools---Resources/Citizen-Centric-Reporting-(CCR).aspx)

There are additional examples of reports. Here is one I found particularly interesting:

[http://www.agacgfm.org/AGA/ToolsResources/CCR/2013/ccr\\_Scottsdale2012.pdf](http://www.agacgfm.org/AGA/ToolsResources/CCR/2013/ccr_Scottsdale2012.pdf)

I've also attached another approach for our report - using a powerpoint format. I just sampled the table of contents and one page.

I'd like to discuss:

- Summary from webcast
- Format
- Scope (financial information only, or broader)
- Certificates (CCR and PAFR)
- Timing (mid-year with CAFR, or end of year with budget)

Thanks. Jerry

**From:** Jerry Linden <jerrylinden@yahoo.com>  
**To:** "Tate, Robert" <rtate@radnor.org>; Edward Caine <epcaine@clcpas.net>; Jim Bowes <Jbowes@libertyproperty.com>; Joe Ellis <jfellis@aol.com>; Karl Bupp <karl.bupp@gmail.com>; Laurent Chardonnet <laurentc@incyte.com>; Leigh Jarvis <leighjarvis@yahoo.com>; Mark Blair <wdci@verizon.net>; 'Michael J. Antonoplos' <mja@bayardst.com>; "White, William" <wwhite@radnor.org>  
**Sent:** Sunday, April 14, 2013 10:27 AM  
**Subject:** Citizen Centric Reporting

Hi all,

Following up on this item from our last meeting, attached is a rough draft idea for a "Citizen Centric" or "Stakeholder" report.

I'm hoping we can put this on the agenda for our meeting this week. I can run through some of the thinking on the scope and approach behind this.

Last month, I had mentioned a performance reporting dashboard for the state. Here is is the link:

<http://www.performanceplan.state.pa.us/Dashboard2011-12/Performance%20Manager%20Dashboard.html>

Also, here is a link to a very sophisticated reporting portal for the City of Palo Alto, CA. From this link, look at "Launch Open Budget", as well as other reports.

<http://data.cityofpaloalto.org/>

Thanks. Jerry





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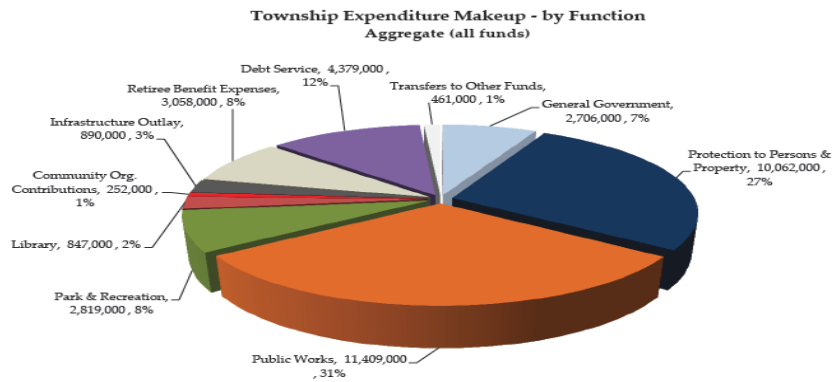
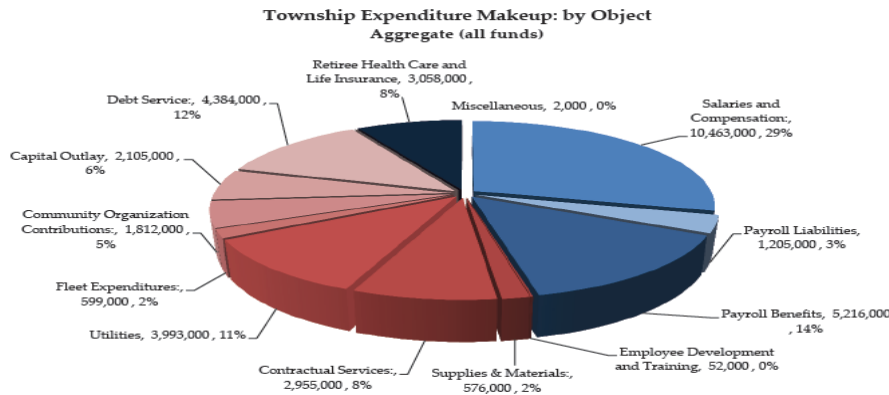
# Radnor Township Stakeholders' Financial Summary June 1, 2013

- Overview
- Revenues
- Expenditures
- Real Estate Tax
- Fund Balance
- Long Term Liabilities
- Financial Forecast
- Major Initiatives
- What's Next

# Radnor Township Stakeholders' Financial Summary

## Expenditures

- Largest expense object is salaries and benefits
- Largest expense functions are Public Works and Protection of Persons and Property



For 2013, expenditures are slightly higher than revenues, using prior accumulated fund balance. These charts present two different views of those expenditures. The pie chart on the top shows the expenditures by object – the type of expenditure. As seen in the chart, the largest component of expenditures is for salaries and benefits (indicated in shades of blue), which is typical for local governments. Other large components of expenditure are for debt service and capital outlay. The large expenditure for utilities includes payment by the township to the regional sewerage authority and is funded by the sewer rent fee.

The second pie chart depicts the same expenditures by township function. As the chart shows, the largest expenditures, comprising more than half of the budget are for Protection to Persons and Property, which includes police, and for Public Works.