

Citizens Audit Review and Finance Advisory Committee
September 21, 2016
Radnor Township Municipal Building
Finance Department Meeting Room, 2nd Floor
301 Iven Ave., Wayne, PA 19087

Meeting Minutes

Chairman Mark Blair called the meeting to order at 7:02PM. CARFAC members Mark Blair, Jeff Ruben, Leo Marte, Jerry Linden, Michael Antonoplos, and Carl Rosenfeld attended. Committee members Ed Caine and Mary Hoeltzel were unable to attend. Finance Director Bill White attended on behalf of the Township Administration. (Action items are italicized)

1. New Business - none
2. Old Business – none
3. Project Updates:
 - a. **Monetizing Assets Project:** Michael Antonoplos provided a recap of his presentation of the Monetization Assets memorandum at the Board of Commissioners on Monday, October 12. The recap was highlighted by describing the importance of revenue to the Township's budget as well as the Board's hesitation to take certain issues to orphans' court. Additional discussion ensued touching on specific opportunities to monetize assets. The discussion concluded by noting that the Board left the door open for CARFAC to take the next step with a couple of the opportunities described in the memorandum.

Action items: (1) CARFAC will discuss taking this project to the next step with the Public Works Facility, Township Building and potentially the Library/Senior Center/ Administration Facility at the November 2016 meeting. (2) Bill White will distribute the Avison Young site selection report (for the public works facility) to CARFAC members ASAP. Action Items carried forward from August meeting: (1) CARFAC will discuss with the Board in November 2016 the possibility of televising particular meetings in 2017 that focus on public education matters (i.e. financial transparency, long-term planning, etc.). (3) CARFAC discussed the possibility of expanding the quarterly finance reports to include some CARFAC perspectives on ongoing projects. The Committee will discuss this further in September and October.

Completion Goal: This project is considered complete for 2016.

- b. **Staffing Level Review:** Jeff Ruben provided the Committee with an update on the project, and that since the August meeting, the working group had received the data needed to fill in the blanks in the draft report. The draft report was updated and distributed to the working group prior to the meeting. During the discussion, it was recommended that the report include some specific operational/service level changes that correspond with headcount reductions such as changing garbage collection from rear-yard to curb-side in mid-2000's and so on. Mr. Ruben agreed that the report would include those notations.

Action items: *The working group will review and finalize the draft report prior to the October 19 meeting.*

Completion Goal: To have the report ready for CARFAC to finalize and approve at the October 19 meeting.

- c. **Capital Program Review:** [Note: this project was being combined with the long-term liability project due to the competing nature of capital plans and pension funding for available cash.] The group recognized that their working group meeting had been rescheduled from September 20 to September 27. So updates that were planned for this CARFAC meeting were put on hold. The action items from the August CARFAC meeting are still being finalized by the Administration ahead of the September 27 working group meeting. Discussion also included taking pertinent information from the Mockenhaupt and PFM reports, in conjunction with graphs already built by the Township to build the presentation deck.

Action items: *Bill White will (1) email the Mockenhaupt and PFM reports to the working group ASAP and (2) continue to update the financial forecast to include the various capital plans along with the various pension funding options and will circulate dates for the next working group meeting.*

Completion Goal: The working group will work to have information ready in time for the Administration to incorporate recommendations into the Township Manager's Recommended Budget which will be presented to the Board of Commissioners on October 10. Then, CARFAC will have a full review of the project outcomes and presentation at their October 19 meeting.

- d. **Unfunded Liability Review:** As noted in the capital program review, this project is being completed in conjunction with the capital project.
- e. **Business Privilege and Mercantile Tax Review:** Mark Blair updated the committee that the working group is closing in on completion; that they need to finalize the publication / taxpayer assistance plan. Assistant Finance Director/HR Manager Bob Tate is finalizing the data requested by the working group as discussed at the August CARFAC meeting.

Action Items: *Mr. Tate will follow up with the working group with the completed data by September 30.*

Completion Goal: To have a report ready for CARFAC's review by the November 16 meeting.

- f. **Credit Rating Review:** Carl Rosenfeld updated the committee on the working group meeting that was held on September 8. Mr. Rosenfeld touched on the rating methodology; aspects that the Township has some control over, aspects that the Township has no control over, and the items requested of PFM to further the analysis.

Action Items: PFM is working on preparing updated methodology numbers that include the 2015 actual data as well as 2016/2017 pro-forma numbers. PFM is also preparing market data that quantifies savings between AAA and Aa1 as well as market data if the Township were to drop from AAA back to Aa1. This information is expected by September 30. Bill White will distribute the Moody's methodology report to the CARFAC members ASAP.

Completion Goal: Once the additional data is received from PFM, the Working Group will reconvene prior to the October 19 meeting with the goal to have a report for CARFAC's review at the October 19 meeting.

- g. **ERP Project Review:** Bill White updated the committee that the implementation work has begun and that the administration is working on the phase 1 calendar and chart of accounts. Mr. White noted that the phase 1 project calendar has been filled out, so he will be sending that along to the working group, to include the representative from Price-Waterhouse-Coopers ("PwC"). As noted at the August CARFAC meeting, Ms. Hoeltzel will work directly with the PwC rep as the CARFAC point person.

Action Items: Bill White will (1) send out future implementation meetings to the working group, (2) will find out when the steering committee will meet, and (3) provide the working group with chart-of-account information worked on to this point.

Completion Goal: This project is considered complete from a purchasing decision standpoint. CARFAC's role has shifted to oversight as implementation proceeds.

- h. **Financial Control Review:** Committee member Mary Hoeltzel will work with PwC on the integration of proper controls during the ERP implementation.

- i. **Audit Project:** Complete

4. Public Comment: None

5. Being no further business, CARFAC adjourned at 8:21PM