

Citizens Audit Review & Financial Advisory Committee

January 15, 2014 7:00 p.m.

Radnor Township Municipal Building
Administration Department, 2nd Floor
301 Iven Avenue, Wayne, PA 19087

Meeting Minutes

The meeting was called to order by the Chairman Mark Blair at 7:00 p.m. The meeting was attended by CARFAC Committee members: Leigh Gourmand, Karl Bupp, Mark Blair, Jerry Linden, Joe Ellis and Laurent Chardonnet. Messrs. Ed Caine and Michael Antonoplos had conflicts and were unable to attend. Township Board of Commissioners present for items 1 and 2 below were Elaine Schaefer, John Nagle and Jim Higgins. Township staff members present were Township Manager Robert Zienkowski, Finance Director Bill White, and Assistant Finance Director Bob Tate. No members from the public were present.

The Committee discussed the following items:

1. **Meeting with Board of Commissioner members to discuss 2014 priorities / concerns:** Commissioner Schaefer stepped through the three priorities from the Board's perspective. Those priorities included:
 - Ardrossan Bond Issue: Help prepare the analysis to answer the How, When and How Much questions.
 - Engineering: Review an analysis on whether the Township should continue to use 3rd party engineers or consider hiring a full-time engineer. Considerations include cost and service levels.
 - One-time / Non-Reoccurring Revenue Treatment: Provide the Board with guidance on the treatment and allocation of any future, one-time or non-recurring revenues (similar to the \$8m realized in 2013).

2. **Meeting with Township Manager to discuss his 2014 priorities / concerns:** The Township Manager provided CARFAC with these projects / priorities for 2014 from his perspective:
 - Public / Private Partnerships: The Manager is looking for CARFAC's perspective on the value of these types of arrangements and future input on projects.
 - Capital Improvement / Equipment Funding: Continue to review the program and provide input on the funding options or mechanisms to pursue.
 - Unfunded Liabilities: Continue to provide guidance and insight on the administration of the funding status, and treatment of the new GASB 65 Pronouncement (Pension)
 - Economic Development: The Manager is looking for CARFAC's perspective on the importance of the ED in terms of future sustainability of the Township's services and its impact on future tax rates.
 - Monetizing Assets: The Manager is asking for CARFAC's review and recommendation on opportunities that may exist to generate income from under-utilized assets of the Township (from the Cresa report, 2013).

- **Business Approach (to decision making):** The Manager is looking to CARFAC to provide insight on how to employ best business practices in the Township's analysis and decision-making on public/private partnerships, development and operations.
- **Business Operations:** The Manager offered quarterly updates by each department head. During the discussion on this item, it was determined that the annual review as part of the budget process was sufficient for now.
- **Recreation Center:** The Manager asked CARFAC for input and analysis on the recreation center project, at such time when the project is rolled out publicly.

After stepping through the Manager items, Commissioner Schaefer circled back around on the unfunded liability issue; asking CARFAC to work with the Administration to provide annual updates on the funding status, asset balance, and administration towards funding the programs. Upon the conclusion of these discussions, the Manager and the three Board of Commission members left the meeting (at 7:50pm).

3. **Review 2013 Audit Plan:** Assistant Finance Director Bob Tate stepped through the timeline and plan (attached). During the discussion, CARFAC members insisted that, beginning with the 2014 audit, the Administration work with the Independent Auditor to move the project up and have it complete sooner in the year. The current Plan for the 2013 audit has the process concluding by the end of June, and that is too late.
4. **Citizen Centric Reporting:** Jerry Linden reiterated past decisions on which version of the report to use (Word, Narrative version) and that the report should be authored by the Township (not CARFAC). Acknowledging that the draft was close to complete, the Committee agreed to review the draft via conference call on Friday January 17, 2014 at 9:00am. Finance Director Bill White will distribute the latest version of the draft report to the members participating in the call (Jerry Linden, Mark Blair, Karl Bupp, and Leigh Gourmand). After the last version of the draft is complete and reviewed by CARFAC, it will be determined the best manner in which to distribute to the public (Township newsletter, direct mailing, available on web/township locations, etc.).
5. **CARFAC Discussion Topics:**
 - a. **CARFAC Priorities:** After hearing from the Board and Manager, CARFAC outlined the following as their priorities for 2014:
 - Prepare debt analysis as it relates to Ardrossan and opportunities for refunding current outstanding debt series
 - Recommend treatment of one-time revenue
 - Recommend approach to providing engineering services to the Township: Hire in-house engineer, rely on third party firm (either in a consultant capacity or through full-time office hours), or some other approach
 - Recommend an approach towards monetizing assets
 - Review of unfunded liabilities on an on-going basis, and report back to the Board at least annually

- Assist in the design and implementation planning on an information technology solution for the Township
- Develop a long-term and strategic business approach to how the Township operates to include potential policy recommendations on public / private partnerships and economic development.

- b. **Memorandum to Board of Commissioners on 2013 Completions and 2014 Priorities:** Mark Blair agreed to take the lead on preparing the memo to the Board, along with the assistance from Karl Bupp and Joe Ellis.

6. **Old Business:**

- a. Vacancy: The Township will plan on recognizing Mr. Jim Bowes at the January 27, 2014 Board Meeting, thanking Mr. Bowes for his contributions to CARFAC and the Township during his term with the Committee.
- b. Street Sweeper: Finance Director Bill White apologized for not getting this to the Committee and he will work with Steve to get that ASAP.

7. **Public Participation:** None.

8. **Adjourn:** Being no further business, the meeting was adjourned at 9:27 p.m.

RADNOR TOWNSHIP

Audit Plan – For Year-End December 31, 2013

- 1. **Met w/Clifton Larson Allen (CLA)**..... Dec 18, 2013

Discussion Items:

- a. Review / confirm bond refinance journal entry..... Done
- b. Discussion on new funds & activity for 2013..... Done
- c. Discuss need for current Board minutes Done
- d. Schedule preliminary & final fieldwork..... Done
- e. Schedule audit workgroup meeting w/CLA, notify CARFAC Done
- f. Establish timeline for financial statements & CAFR..... Done
- g. E-mail November, 2013 trial balance..... Done
- h. Confirm pledges, if any, for K-9 fund..... Done
- i. Pension financial statements from Mockenhaupt..... By Mar 15, 2014

2. Preliminary Fieldwork

- Thursday, January 9, 2014
- Friday, January 10, 2014
- Monday, January 13, 2014
- Tuesday, January 14, 2014

3. Audit Workgroup Meeting with CLA during Preliminary Fieldwork

- Monday, January 13, 2014 – 1:30PM

4. Timeline for Final Fieldwork through CAFR submission

- a. Final FieldworkWeeks of Mar 30 & Apr 7
- b. CLA Issues Management Internal Financials Apr 11, 2014
- c. Finance forwards MD&A & CAFR schedules to CLA Apr 18, 2014
- d. CLA meets with Audit workgroupWeek of Apr 21, 2014⁽¹⁾
- e. Finance forwards CAFR Transmittal Letter to CLAMay 2, 2014
- f. CLA issues draft of management letter, audit report & CAFR to FinanceMay 9, 2014
- g. Finance issues draft management letter w/response, audit report & CAFR to Audit WorkgroupMay 13, 2014
- h. Audit Workgroup issues draft management letter w/responses, audit report & CAFR to
full CARFAC CommitteeMay 16, 2014
- i. CLA to meet w/full CARFAC Committee to present/review above reportsMay 21, 2014
- j. CLA follow-up with full CARFAC CommitteeMay 28, 2014⁽²⁾
- k. Draft audit report, management letter w/responses & CAFR issued to Board of CommissionersMay 30, 2014
- l. CLA & CARFAC to present to Board of Commissioners Jun 9, 2014
Alternate date for CLA & CARFAC to present to Board of Commissioners June 23, 2014
- m. Audited Financials issued & CAFR published Jun 10, 2014
- n. CAFR submitted to GFOA On or before Jun 30, 2014

(1) Date & time to be determined

(2) Date reserved for meeting if needed