

Citizens Audit Review & Financial Advisory Committee
May 21, 2014 7:00PM
Radnor Township Municipal Building
Finance Department, 2nd Floor
301 Iven Ave, Wayne, PA 19087

Meeting Minutes

The meeting was called to order by the Chairman Mark Blair at 7:01 PM. The meeting was attended by CARFAC Committee members: Mark Blair, Laurent Chardonnet, Jerry Linden, Leigh Gourmand, Joe Ellis, Karl Bupp, Michael Antonoplos, and Jeff Ruben. Committee members Ed Caine and Carl Rosenfeld had conflicts and were unable to attend. Township staff members present were Assistant Finance Director Bob Tate and Finance Director Bill White. Also in attendance were Nancy Gunza and David Sekerak from CliftonLarsonAllen, CPA. No members from the public were in attendance.

The Committee discussed the following items:

1. 2013 Audit Update from CLA and the Audit Working Group:
 - a. Karl Bupp, representing the audit working group began the discussion with a brief update on the working group meeting that they held with the Administration and members from CLA on Monday May 19. Mr. Bupp also stepped through the remaining project schedule.
 - b. CLA Presentation: Representatives from CLA stepped through their preliminary audit and financial statement summary to the Committee members. Included in their presentation were discussions including new GASB pronouncements, financial statement summary, audit findings / comments and the remaining project schedule.
 - c. Executive Session: At 7:17 PM CARFAC went into executive session and asked the Township Administrative representatives to exit the meeting. During this time, CARFAC reviewed matters of preliminary audit results with CLA. CARFAC came out of executive session at 8:25 PM.

2. Old Business:
 - a. Ardrossan Update: CARFAC reviewed the purchase agreement items with the Administrative representatives. The discussion surrounded the aspects of the purchase agreement that might trigger (a) the need to issue the bonds for the purchase, or (b) failure by either party that might result in the purchase agreement being canceled. To better understand the legal aspects of the purchase agreement, CARFAC requested that the Township Solicitor provide a legal interpretation on those aspects of the purchase agreement. CARFAC asked Bill White to touch base with the Solicitor and get legal opinions on these matters as soon as possible. Other related questions regarding the "Boy Scout" house were raised as well, which the Administration will try to get answers to at the same time as the purchase agreement questions.
 - b. Nonrecurring Revenue / Fund Balance Policy Update: Finance Director White stepped through the Ordinance that was introduced by the Board of Commissioners on Monday May 19th (Ordinance 2014-05). The Ordinance was prepared based on the prior meetings and reviews from CARFAC. The adoption of the Ordinance is scheduled for June 9th. CARFAC then asked Finance Director White to be prepared to discuss the application of the new policy as it relates to the 12/31/2013 financial statements.

Specifically, what portion of the General Fund Balance could be / should be set aside as part of the additional 10% budget stabilization called for in the new Ordinance (if Act 511 revenues exceed 30% of the total general fund revenue).

3. New Business:

- a. New Member project Interest and Assignment: Mr. Ruben, the newest member of CARFAC who was in attendance, provided the Committee with his interest in the various Board priorities for 2014. Those are marked with "yes" in the attached matrix. Finance Director White is going to contact Mr. Rosenfeld to see what his interests are and update the matrix accordingly.

CARFAC then agreed that it is time to mobilize on our remaining priorities. Each work group will have a chairman to organize and drive the conversations. CARFAC volunteered Mr. Antonoplos to take the lead on the engineering services project. Mr. Chardonnet will chair the group that works on the monetizing assets project. Mr. Linden agreed to lead the group that will assist in the design and implementation planning of an information technology solution for the Township. Mr. Blair will lead the group that develops a long-term strategic business approach to how the Township operates; to include potential policy recommendations on public/private partnerships and economic development. As in past years, Finance Director White and Assistant Finance Director Tate will be integral members of our workgroups and we will call upon other resources as needed. Finance Director White recommended that the strategic planning group include the Township Manager, at least for the first meeting.

Finance Director White offered to monitor unfunded liabilities on an ongoing basis and to confer with CARFAC periodically. The idea is to report to the Board of Commissioners at least once per year.

- b. Assistant Finance Director, Bob Tate, brought to the Committee's attention that the Act 511 Auditor was interested in renegotiating his arrangement with the Township. More specifically, he was interested in negotiating a contract that was a hybrid between fixed and contingency based. After a brief discussion, the Committee asked the Administration to prepare some examples on how the new arrangement might impact the Township's costs and bring it back to the Committee for discussion.

4. Public Participation: None

5. Adjourn: Being no further business, Chairman Blair moved to adjourn at 9:35 PM.

Radnor Township, PA
CARFAC 2014 Priority Interest Matrix

Priority	Interest								
	J. Ellis	M. Antonoplos	M. Blair	K. Bupp	L. Chardonnet	J. Linden	E. Caine	Carl Rosenfeld	Jeffrey Ruben
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	Yes	Yes	Yes	Yes					Yes
Recommend an approach towards monetizing assets		Yes	Yes	Yes	Yes			Yes	Yes
Review of unfunded liabilities on an on-going basis, and report back to the Board at least annually ¹			Yes			Yes			
Assist in the design and implementation planning on an information technology solution for the Township		Yes	Yes	Yes		Yes	Yes	Yes	
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.	Yes	Yes	Yes		Yes	Yes		Yes	Yes

1. The Township Administration will prepare updates, at least annually, and run those through CARFAC before presenting to the Board of Commissioners