

Citizens Audit Review & Financial Advisory Committee
August 20, 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 7:40 PM. The reason for the delay in starting the meeting was to allow the IT working group to finish their meeting. Consequently, there was no IT working group update provided during the regular CARFAC Meeting as all members were present for the conclusion of SunGard's presentation (by Mr. Chris McAtee). The meeting was attended by CARFAC Committee members: Mark Blair, Karl Bupp, Jeff Ruben, Joe Ellis and Jerry Linden. Committee members Laurent Chardonnet, Ed Caine, Michael Antonoplos and Carl Rosenfeld had conflicts and were unable to attend. Township staff member present was Assistant Finance Director Bob Tate and Finance Director Bill White. No members from the public were in attendance.

The Committee discussed the following items:

1. Old Business:

- a. Act 511 Auditor Contract Update: The Township's Act 511 Tax Auditor, Kevin Barrett, attended the meeting and presented an overview of his proposed fee arrangement. The Committee reviewed the aspects of the fee arrangement, reviewed example applications and discussed timing. The action item from the discussion was that Mr. Barrett was going to draft an amended contract, clean up the example application (as an attachment to the agreement) and get to the Committee in early September in advance of the September 17th CARFAC meeting for review and consideration.
- b. Long-Term Strategy Working Group Update: There was no update at this time. Finance Director White is going to review this project with the Township Manager to determine direction and priority and report back to CARFAC. In the meantime, Chairman Blair recalled an article published on August 1st regarding Frank Rapoport and Public / Private Partnerships and asked the Committee about scheduling a meeting with Mr. Rapoport to provide his insights to our working group. Mr. White will include that in his discussion with the Township Manager.
- c. Engineering Review Working Group Update: Karl Bupp updated the Committee that at the last working group meeting (July 31), the conclusion was reached that the current mix of contract engineering expertise along with the township staff was the right mix. However, the Township needs to work on the service delivery aspect to include better communication on engineer's hours, how to direct resident inquiries, and so on. The action items moving forward include (a) Township staff to reach out to surrounding communities to get a feel on how they provide the service, and (b) Mr. Bupp will draft a summary conclusion letter for the September 17 CARFAC meeting.
- d. Monetize Assets Working Group Update: In Mr. Antonoplos' absence, Chairman Blair updated the Committee recapping a meeting with Valley Forge Military Academy and the Township Manager regarding a possible equestrian center at Skunk Hollow. The meeting went well and VFMA is preparing cost estimates. A follow up meeting will be scheduled when VFMA is prepared. Further, a bus tour is being scheduled (tentatively

for September 12) with members from the Parks Board to visit the various properties identified for sale/lease/monetization.

- e. Audit Working Group Update: Assistant Finance Director Tate updated the Committee that the Management Letter was received from CLA and updated with management's comments on the two "other" comments from the audit. Mr. Tate will forward the letter to members of the audit working group and schedule a conference call to finalize the letter. It's expected that the letter will be finalized prior to the September 17 CARFAC meeting.
 - f. Ardrossan: Discussion on Purchase Agreement / Bond Issue: Mr. White provided an update to the Committee on the Solicitor's response to the question, "what are some examples of invalid reasons that would cause the Township to forfeit the \$500,000?" The answer is basically anything short of completing the transaction. The message from the Solicitor was: Provided the Land Development proposal for the development is approved by the Board and if the Township can successfully issue the bonds, that the deal is done. At this point, the Committee should be focused on issuing the bonds in late 2014 / first quarter 2015 as required in the purchase agreement. Additionally, Mr. White updated the Committee on a meeting that he had with the Underwriter regarding Moody's, the Official Statement progress, and interest rates. Mr. White told the Committee that he would summarize this information in a memo, to be completed in the coming days.
2. New Business:
 - a. RATE / FOP Update: Mr. White provided CARFAC with an update on certain negotiations and other issues that could impact the Township's agreement with RATE as well as some financial impacts relating to a situation with the FOP and the Township's unfunded Pension and OPEB liabilities.
 3. Public Participation: None
 4. Adjourn: Being no further business, Chairman Blair moved to adjourn at 9:14 PM.