

Citizens Audit Review & Financial Advisory Committee  
November 19, 2014 7:00PM  
Radnor Township Municipal Building  
Finance Department, 2<sup>nd</sup> Floor  
301 Iven Ave, Wayne, PA 19087

### Meeting Minutes

The meeting was called to order by Chairman Mark Blair at 7:25 PM. The delay in start time was the result of waiting for a quorum. Prior to the start of the meeting, the members present recapped the IT Working Group's meeting with New World System with regard to the ERP System project. Once called to order, the meeting was attended by CARFAC Committee members Mark Blair, Jeff Ruben, Joe Ellis, Jerry Linden and Michael Antonoplos. Committee members Ed Caine, Karl Bupp, 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. Members of the Board of Commissioners present included John Nagle and John Fisher. Outside professionals participating in the meeting included Michael Wolf (Boenning & Scattergood) and Dan Kozloff (PFM). No members from the public were in attendance.

The Committee discussed the following items:

1. Old Business:
  - a. IT Working Group Update: Mr. Linden concluded the recap on the introductory meeting with New World Systems and the outlined the next steps. The Township is going to invite NWS to provide a more detailed demo beginning at 4pm on December 17<sup>th</sup> (prior to the regular CARFAC meeting scheduled to begin at 7pm). At the same time, the Administration will reach out to SunGard and request a project timeline if we were to go in that direction. To that end, a conference call will be scheduled with SunGard to organize this part of the project. Finally, the Township will reach out to Tyler Technologies about coming in January to introduce themselves to the project.
  - b. Ardrossan Bond Discussion: Finance Director White began the discussion by letting the Committee know that the goal of tonight's meeting was to develop a recommendation to the Board of Commissioners on the structure and par amount of the bonds. The Recommendation would be presented to the Board on Monday November 24<sup>th</sup> in advance of the bonds being marketed the first week of December.
    - i. Bond Structure Discussion and Determination
      - Issue Size and Quantity Discussion: Boenning & Scattergood provided an update to the Committee on the movement of interest rates since the October meeting. From there the discussion turned to reviewing the options available: (Option 1) Issue one, bank qualified bond and utilize general fund dollars to finance the gap. At the same time, the park and open space fund would repay the general fund over some period of time. (Option 2) Issue one, non-bank qualified bond to full the full price of the Ardrossan purchase. Some of the key discussions in determining which option to recommend included the following:
        - a. Call Dates: Bank qualified bonds carry a five year call while non-bank qualified bonds carry an 8-10 year call. The five year call allows the Township to consider calling the bonds earlier, which would lead to lower interest / lower cost.

- b. Interest Savings: By having the park and open space fund pay back the general fund, no interest would have to be charged which will save approximately \$20K - \$30K per year over the 30 year term. That results in between \$600K - \$900K in interest savings over the next 30 years.
  - c. General Fund Reserves: The Committee reviewed if the general fund could afford to loan these funds and what would the impact be if revenues fell off in the future. The risk is completely mitigated through reserves in the park and open space fund as well as the ability to borrow and repay in the case of an emergency at any point in the future.
    - Possible 2009 Refunding Opportunity: Given the recent movement in interest rates, and the determinations made with the 2014 Series, any discussion on the 2009 Refunding would be done on its own merits in early 2015.
    - Recommendation: CARFAC moved to have the Administration work up the language recommending Option 1 (noted above) and distribute to the Committee via email after confirming with legal counsel and the auditors.
  - c. Monetize Assets Working Group Update: Mr. Antonoplos updated the Committee on a meeting with interested parties regarding the Senior Center / North Wayne Parking Lot. He further noted that he would send an email to the Committee summarizing the various aspects that are ongoing.
  - d. Act 511 Auditor: CARFAC briefly reviewed the next version of the contract proposal from the Act 511 Auditor. Discussions regarding a regressive scale for larger assessments and/or capping the compensation were had. Additionally, CARFAC members wanted to see an actual application of the new contract language applied to the prior two years to see the impact. The Administration will go back and work with the Act 511 auditor to finalize these final variables.
  - e. Audit Working Group Update: No update at this time
  - f. Long Term Strategy Working Group: No update at this time
  - g. Engineering Working Group: No update at this time
2. New Business - None
  3. Public Participation: None
  4. Adjourn: Being no further business, Chairman Blair moved to adjourn at 10:15 PM.