

March 15, 2017
Radnor Township Municipal Building
Radnorshire Room, Televised
301 Iven Ave., Wayne, PA 19087

Meeting Minutes

Chairman Mark Blair called the meeting to order at 7:04PM. CARFAC members Mark Blair, Leo Marte, Jerry Linden, Michael Antonoplos, Helen Mountain, Jeff Ruben, Carl Rosenfeld and Mary Hoeltzel attended. Committee member Ed Caine was unable to attend. Finance Director Bill White represented the Administration. Board of Commissioners (BOC) Vice-President and Ward 7 Commissioner Phil Ahr and Ward 5 Commissioner John Nagle attended in the audience.

1. Approval of Minutes:
 - a. Mr. Blair asked if there were any corrections or amendments needed to the February 15, 2017 CARFAC meeting minutes. Being none, the Minutes were approved.
2. 2017 Project Review:
 - a. Mr. Blair highlighted CARFAC's recurring responsibilities to the Board, and then reviewed Resolution 2017-03, adopted by the Board of Commissioners at its January 3, 2017 meeting. The Resolution identifies the various projects that CARFAC will be working on in 2017 in addition to its on-going activities.
3. Project Updates:
 - a. Capital and Long-Term Liability: Mr. Linden updated the committee by discussing:
 - i. Capital Plan: After the Board of Commissioners and Administration first review and agree upon the 2018 capital projects, CARFAC will apply those funding levels to the various options that were developed in 2016. The project timing has been set to have CARFAC's analysis complete by August or September, to allow for review by the Board of Commissioners prior to the start of the annual budget process.
 - ii. Long-Term Liabilities: The primary focus is on the pensions, where CARFAC will review the various actuarial assumptions and Township policies on excess fund balance allocations. Additionally, CARFAC will provide analysis of Radnor's situation compared to neighboring peers and statewide peers. In terms of timing, CARFAC plans to have the analysis done in early summer to give the Board ample time to discuss it prior to completion of the next biennial actuarial update (to be dated 1/1/2017). Mr. White noted that the actuarial firm requires two weeks notice, so the timing will consist of (1) CARFAC analysis to the Board of Commissioners in June or July; (2) the review by the Board of Commissioners and the public, with a decision before September; (3) incorporation of amended assumptions into the new update to be used with the 2018 MMO by end of September.
 - b. Payment In Lieu of Taxes ("PILOT"): Mr. Antonoplos described what a PILOT is, highlighting that it is truly a voluntary contribution, leaving the Township with little legal power to institute. Mr. Antonoplos provided some examples, to be incorporated into CARFAC's report to the Board, of where other municipalities have been successful. Further discussion

- from Ms. Hoeltzel included whether the Township had demonstrated a need, such as the expense of snow plowing and maintaining shared roads. Mr. White summarized the Volunteer Contribution for Services program the Township had attempted to negotiate with the three Universities/Colleges in 2012, with no success. Mr. Antonoplos concluded by noting that no firm timetable for completion had yet been set, and that the working group is gathering information and assessing the work to be done.
- c. Stakeholders Report and Financial Metrics Development: Ms. Hoeltzel updated the Committee to include:
 - i. Stakeholders Report: Ms. Hoeltzel will email the working group to begin this project.
 - ii. Financial Metrics Development: Ms. Hoeltzel had developed a summary presentation that included metrics focusing on different areas to include cash flow, liquidity, efficiency, leverage, and profitability. She had met with Mr. White to begin the review and conversion of these metrics from the private sector to public sector. The next step is for her to update her work based on the meeting with Mr. White, then distribute it to the working group. Ms. Hoeltzel expects the working group to report to the entire CARFAC group at its May meeting.
 - d. Credit Rating: Mr. Rosenfeld noted that this project was initiated at the Board's request in 2016, when the outline of the information was first formed. The information now being prepared will consist of a benefit versus cost analysis of seeking an upgrade from Aa1 to Aaa with Moody's. The report will focus on the financial cost, review Moody's methodology and rating process, and provide the Board with information to help them decide whether it is a worthwhile dedication of Township resources. To assemble the needed information, the Township will be assisted by PFM, the Township's financial advisor. The expectation is to have this project complete to present at the May CARFAC meeting. After Mr. Rosenfeld's summary, discussion included surrounding municipalities that have already been awarded a Aaa rating, the question of whether it is easier to upgrade versus downgrade, and whether it would be prudent to rate shop with S&P.
 - e. Audit: In Mr. Caine's absence, Mr. Rosenfeld updated the Committee. The working group recently held a conference call with the Administration and the Auditing firm to discuss project timing and roles. This being the second audit performed by the auditing firm, the working group anticipates additional efficiencies in the audit process and a timely completion.
 - f. Software Implementation: Mr. Linden provided a high-level summary of the phased implementation approach being used by the Township. He noted that the working group had held two steering committee meetings; the most recent being two weeks ago, and that he had attended one of the implementation meetings with Tyler and the Finance Staff.

Overall, it appears that the implementation is progressing as planned and that issues raised are being handled. There are no red flags and the project appears to be on time.

4. Finance Quarterly Update Q4-2016: Mr. White presented his fourth quarter of 2016 finance update to the Committee. He noted that this was one month later than planned and that it had already been presented to the Board of Commissioners. Under normal circumstances, these presentations are first made to CARFAC, then to the Commissioners. Throughout the presentation, CARFAC members asked questions and responses were provided.
5. New Business: None
6. Public Comment: None
7. Being no further business, CARFAC adjourned at 9:04PM