

Citizens Audit Review & Financial Advisory Committee (CARFAC)

April 18, 2012

7:00PM – Radnor Township Municipal Building, Finance Conference Room

Agenda:

1. Approval of Minutes:
 - a. March 14, 2012
2. Township Manager Planning Session Update
3. Financial Forecast Updates
4. ADP Proposal
5. Working Group Updates:
 - a. Audit Group: 2011 Audit Update
 - b. Planning Group: Pension / OPEB Project Timeline Discussion
 - c. Business Process Group: Act 511 Collection & VCSP Updates
6. General Discussion
7. Public Participation
8. Adjourn (the goal will be no later than 9:00PM)

NOTES:

Meeting Minutes

The meeting was called to order by the Committee Chair, Karl Bupp, at 7:00 p.m. The meeting was attended by Karl Bupp, Mark Blair, Jim Bowes, Laurent Chardonnet, Joe Ellis, Leigh Gourmand and Jerry Linden, being all of the members of the Committee, except for Ed Caine and Peter Novak. Messrs. Caine and Novak did not attend due to scheduling conflicts. The meeting was also attended by Bob Zienkowski, the Township Manager, and Bill White, the Township's Finance Director. The Committee was joined by Commissioners Elaine Schaefer and Bill Spinder.

The Committee agenda was as follows:

1. Approval of Minutes
 - a. January 18, 2012 Meeting – approved.
2. Mr. Bupp provided an overview of the CARFAC and its work to date. The Commissioners provided input as to their thoughts on the role of the Committee and methods of keeping the Commissioners informed of the activity of the CARFAC. Additionally, there was discussion of the nature of CARFAC's independence from the Township's staff. The Commissioners departed at 8:15.
3. Refinancing – There was a discussion of a proposed refinancing of certain of the Township's bonds. Although the refinancing is intended to obtain the benefit of current lower market rates and was scheduled to price in the following week, it was determined that Mr. White would forward additional information about the refinancing for review by the CARFAC.
4. Pension/OPEB Funding Work Plan – A proposed timeline (attached as Exhibit A) for resolution of the Pension/OPEB Funding issues was briefly reviewed and approved.
5. Public Participation – No members of the public attended.

There being no further business, the meeting adjourned at approximately 9:30 p.m.

EXHIBIT A

PENSION/OPEB PROJECT TIMELINE

2012

MARCH

- Agree on CARFAC Goal
- Propose approach in terms of manpower and funding for 3rd party work
- Confirm agreement with Bill, Bob Z and the Commissioners

APRIL

- Meet with Working Group (first week of April) and assign tasks and deadlines, thereafter meet as needed – at least monthly
- Update CARFAC regularly

MAY

- Research or have researched:
 1. General
 - Identify negotiating teams and bring them into the process
 - Deep dive local township practices and approach to reform, if any
 - Develop for review state of the art around the country for dealing with related fiscal challenges
 - Identify source of already available public private market data
 2. Pension
 - Terms & expiration of CBAs
 - Requirements of Act 600 and Act 205
 - Determine what is required by law and what is practice
 - Review State Auditor's report on Radnor Pension Practices
 3. OPEB
 - Deep dive into local and national practices concerning OPEB
 - Project OPEB pay as you go for 5, 15 and 30 years
 - Closer review of OPEB Survey – check applicability to our situation
 - Understand the dynamics of OPEB liability and related assumptions
 - Understand allocation of OPEB Liability between current employees and retirees

JUNE

- Present findings and recommendations to CARFAC and Township Manager
- Present findings and recommendations to Commissioners

JULY

AUGUST

- Prepare presentation to representatives of Bargaining Units
- Prepare Citizen Education piece

SEPTEMBER – DECEMBER

- Incorporate recommendations into budget
- Commence informal discussions with interested parties



Township Manager's Departmental Planning Meeting April 2-3, 2012 8:00 AM - 5:00 PM

DAY 1

- Overview (Goals & Objectives)
- What we hope to accomplish over the next two days
- Review your Department's Mission Statement (Does this still match w/ where you & Township are going)
- Review to date, Issues & Impacts Presented to BOC
- Review Issues still to be discussed w/ BoC (Handouts of BOC's Special Meeting Topics & Schedules to be Provided)
- Presentations
 - Delaware Valley Health Insurance Trust (1 hour)
 - Healthcare cost trends
 - Plan Designs
 - Traveler's Insurance (1 hour)
 - Insurance Trends
 - Workman's Comp
 - Mockenhaupt (1 hour)
 - Pensions
- Roundtable Discussion w/ All Departments
 - Analysis of Operations, Programs, Services, Expenses, Revenues
 - Observations and recommendations for other Departments to look that is not yours
- Creating Your
 - 2013 Budget Model
 - 2013 Capital Equipment Model
 - 5 Yr. Financial Forecast Model
 - 15 Yr. Financial Plan Model

Including:

- Steps, Process, Revenues, Expenses, Retirements, etc. (0%, 1%, 2%, 3% increases)
- Possible New Revenues that your or other Departments/Township can generate
- Possible Cost Savings (including the assessment of outsourcing vs. In-House)
- Possible Re-Organization of your Department
- Possible Partnering w/ Neighboring Communities (Regional Collaboration)

DAY 2

- Overview of days activities
- Roundtable Discussions w/ all Department's (This will be a final opportunity to discuss Township wide operations)
- Budget & Financial Modeling with Departments
- Develop Your Departments
 - 2013 Budget Model
 - 2013 Capital Equipment Model
 - 5 Yr. Financial Forecast Model
 - 15 Yr. Financial Plan Model
- Review Results:
 - Do we have viable budget & plan models
 - Do we have viable options
 - % or tax increase needed to maintain & meet community needs, wants & demands?
 - Changes or modifications needed in how we deliver services?
- Next Steps in the Process
- Future Planning Meetings

Outcomes:

- ✓ Initial Draft of 2013 Budget
- ✓ Initial Draft of 5 year Capital Plan
- ✓ Initial Draft of 5 year Forecast
- ✓ Initial Draft of 15 year Forecast



**Township Manager's
Departmental Planning Meeting
DAY 1
April 2, 2012**

8:00 a.m.	Overview
8:05 a.m.	Review Departmental Mission Statements
8:10 a.m.	Review items discussed by/ with BoC to date
8:40 a.m.	Review items to be discussed w/ BoC
9:05 a.m.	Break
9:15 a.m.	Delaware Valley Health Insurance Trust
10:15 a.m.	Traveler's Insurance
11:15 a.m.	Mockenhaupt
12:30 p.m.	LUNCH
1:30 p.m.	Roundtable discussion
3:00 p.m.	Creating your 2013 Budget
5:00 p.m.	Adjourn for the Day



**Township Manager's
Departmental Planning Meeting
DAY 2
April 3, 2012**

8:00 a.m.	Roundtable Discussion
9:30 a.m.	Budget & Financial Modeling with Departments
12:00 p.m.	LUNCH
1:00 p.m.	Budget & Financial Modeling
3:00 p.m.	Review Results
4:30 p.m.	Next Steps in Process
4:45 p.m.	Future Planning Meetings Setting the Next Planning Meeting date in April
5:00 p.m.	Adjourn for the Day