

## **Citizens Audit Review and Finance Advisory Committee**

November 15, 2017

Radnor Township Municipal Building

Administration Meeting Room, Not Televised

301 Iven Ave., Wayne, PA 19087

### **Meeting Minutes**

Chairman Mark Blair called the meeting to order at 7:07 PM. CARFAC members Mark Blair, Jerry Linden, Leo Marte, Carl Rosenfeld, Helen Mountain, Mary Hoeltzel, and Jeff Ruben attended. Members Michael Antonoplos and Ed Caine were unable to attend. Bill White and Bob Tate represented the Administration.

1. Approval of Minutes:
  - a. Mr. Blair noted that the minutes from the October 18, 2017 meeting had been updated to include Mr. Linden's comments and distributed to the Committee ahead of the meeting. The minutes were approved unanimously, without further amendment.
  
2. Project Updates:
  - a. Capital Review: Mr. Linden updated the Committee that the capital funding plan CARFAC worked on a year ago had been presented by the Administration to the Board at a special meeting on November 6. The plan covered funding for the longer-term infrastructure improvements and included small borrowing transactions every three to four years at roughly \$3.5 million per transaction. Mr. White noted that he anticipated the Board *not* making a formal decision as part of the 2018 budget process, and moving the plan back for CARFAC's review in early 2018. The remaining budget calendar includes introduction of the budget on November 27 and adoption on December 11.
  
  - b. Long-Term Liability Review: Mr. Linden updated the Committee that the Board of Commissioners met in a special meeting in September to review the pension actuary assumptions, and that the Board incorporated all the assumption change inputs CARFAC provided; highlighted by the 0.25 reduction in the assumed rate of return. Mr. Linden further noted that those assumption changes were included in the most recent actuary reports dated January 1, 2017 (published in early October 2017).
  
  - c. PILOT Final Report Update: In Mr. Antonoplos' absence, Chairman Blair asked if anyone had amendments to the draft report submitted back in August.

**Public Vote: A motion was made to accept the report as written by Mr. Ruben, seconded by Mr. Blair. Motion was approved 7 Ayes to 0 Nays.**

*Action Item: Mr. White will format the report and send to the Commissioners on behalf of CARFAC.*

- d. Metrics Final Report Update: Ms. Hoeltzel updated the Committee on the draft report and summary document that was distributed to the Committee prior to the meeting via email. Ms. Hoeltzel noted that she met with the Finance Director back in the spring to identify the metrics and then researched various municipalities' annual reports to gather the data. Mr. Blair recommended that an introductory paragraph be added prior to submitting to the Board of Commissioners. There was some discussion on which municipalities to include in the peer group for this comparison. It was noted that the comparisons were based on municipalities that (a) produce an annual report and (b) are of similar size. It was determined that comparisons can be added or removed over time as more data becomes available [by more municipalities].

*Action Item: It was determined that Mr. Caine, Ms. Hoeltzel, Mr. Blair and Mr. White will meet again to discuss the report and its presentation to the Board. Mr. White will follow up with the smaller group to find a date in the near-term. Once complete, the report will be reviewed by CARFAC via email prior to going to the Board of Commissioners in December.*

- e. Credit Rating Review: Mr. Rosenfeld noted that the work for this project was substantially complete, and all that's needed is to meet with the representative from PFM to update the report and include some Radnor specific aspects.

*Action Item: Mr. Rosenfeld will email Mr. White with the items needed from PFM. Mr. White will then work with PFM to incorporate those items into the report. The draft report will then be reviewed by CARFAC via email prior to being submitted to the Board of Commissioners in December.*

- f. ERP Update: Mr. Linden asked Mr. White for an update. Mr. White noted that Phase 3 was beginning this month. It includes permitting, business licensing, engineering and recreation. Mr. White also noted that the payroll phase went live in October and that it went well. Finally, Mr. White noted that the General Ledger phase, implemented in July, was improving daily as the staff becomes more familiar with the software.

3. 2018 Project Outlook: Significant discussion took place regarding CARFAC's role with the current Board of Commissioners. Frustration has been growing with the perceived disregard by the Commissioners (as a group) regarding various analyses prepared by CARFAC. Specifically, CARFAC was disappointed that little or no public discussion has been held regarding the fiscal impact of various projects including monetization of public assets, library facility concept, 145 King of Prussia, the Willows Mansion, cell towers and capital funding. The discussion noted that the Township has missed out on millions of dollars of additional revenue by foregoing these projects and that the public has no idea how helpful these funds would be in meeting the unfunded liabilities of the Township. Some discussion took place regarding CARFAC's role in addressing these public information gaps and what methods CARFAC could consider to remedy

the gaps. CARFAC will request a meeting with the Board of Commissioners to discuss potential projects and to address these concerns.

Specific to the 2018 schedule, it was suggested that perhaps CARFAC should consider meeting quarterly instead of monthly, and to focus those four meetings on providing the public with CARFAC's insights and perspectives on projects assigned to it by the Board, and other topics the team is analyzing on behalf of the citizens of Radnor Township. In other months, CARFAC's analyses could be completed in smaller working groups.

Members noted that the founding resolution stipulates that *"It is the expectation of the Board that members of CARFAC share their expertise and serve as a network for educating the public on the Township's financial practices and objectives, while continuing to foster the trust and stable accountability between the Township and its stakeholders."* Elsewhere it states that CARFAC *"is an additional layer to enhance the Township's effort to promote transparency in financial accountability and to ensure the appropriate and proper expenditure of taxpayer dollars."* The televised meetings will be an important venue for sharing our analyses, the alternatives we present to the Board, the financial implications of each, and the consequences of not acting. In 2017 the Board forbade CARFAC from making recommendations to the Board, rather, simply to present alternatives and financial implications of each. In 2018 we intend to discuss our recommendations with the public in our televised meetings. Consistent with CARFAC's mission, we hope to educate the public and to foster conversation between citizens and their Commissioner. We'll revisit this at our January meeting.

CARFAC also discussed methods of presenting its position to the Board of Commissioners and the public. Options included (a) present directly to the Commissioners at the Board's regular monthly meetings, (b) township-wide mailing(s), (c) hold public town hall meetings with specific topics. No final decision was made on these suggestions.

Specific to projects to consider for 2018, all members present agreed that it is in the best interest of the taxpayers for CARFAC to provide an in-depth analysis on the sanitary sewer fund situation. We believe that this is a significant unfunded liability of the Township, with many important dimensions to research. CARFAC will discuss this with the Board of Commissioners when they meet in early 2018.

4. 2018 Succession Planning: Two members' terms are expiring at the end of 2017. Both members were unsure whether to apply for reappointment. Also, some discussion was held that three other members will term out at the end of 2018 and that continuity planning should be part of the 2018 agenda.
5. Old Business: Mr. Linden offered, that since the December 20 CARFAC meeting was going to be canceled, to meet with interested CARFAC members to review the ClearGov.com work that he's been preparing with the Staff. Mr. White confirmed that staff will be available for the meeting.

6. Public Comment: None

7. Being no further business, CARFAC adjourned at 9:12 PM

*The above minutes represent a complete record of all public discussions of the CARFAC meeting of November 15, 2017.*