

A regular meeting of the **FINANCE COMMITTEE** was held tonight, Commissioner Dan Norris presiding. Members present were Commissioners Rappoport, Sharkey, Holland, Simon and Portner.

Staff members present were Township Manager, Bryan Havir, Director of Fiscal Affairs, Bruce Rangnow, Public Works Coordinator Michael Fleming, Chris Clewell, Director of Public Works and Alyson Elliott, Assistant Township Manager. Also in attendance was Finance Officer Stephen Burns, A public Attendance List is attached.

Mr. Norris stated that an executive session of the Board of Commissioners was held prior to the start of the Finance Committee meeting to discuss a possible real estate acquisition, pending and potential litigation issues and privileged client matters.

Mr. Norris called the meeting of the Finance Committee to order at 7:35 p.m.

1. The Executive Financial Summary Report for the five year period ending June 30, 2015 was reviewed and accepted.

2. Ed Furman, Audit Partner from Maillie, LLP, made a summary presentation on the final results of the annual financial audit for the year ending December 31, 2014. A copy of the audit results was distributed to the Committee. Highlights of the presentation and discussions were as follows:

The 2014 audit review and testing produced no financial anomalies.

Operating expenditures only grew 1% in total over the past three years.

The Township's General Fund Balance grew by \$929,196 in 2014 and now stands at \$5,210,970.

Based on current costs, Other Post Retirement Benefits (OPEB) grew by \$5M in 2014, which was added to the Township's unfunded liability total for 2015. As of December 31, 2014, the Township had an OPEB liability obligation of \$30,074,994. The annual required OPEB contribution is \$7,121,542.

The Township currently has a total OPEB unfunded liability of \$79,650,586. This unfunded liability will need to be booked to the Township's government wide balance sheet in 2017 based on the Governmental Accounting Standards Board (GASB) Statement No. 68.

The Township funded 100% of the required Minimum Municipal Obligation (MMO) for all four of its pension plans. The Township's net unfunded liability at the end of 2014 was \$19,953,131. This liability will be required to be booked to the Township's government wide balance sheet at the end of 2015 based on the recently adopted GASB Statement No. 67.

As one means to reduce down some of the OPEB unfunded liability exposure the Township needs to have all employee medical plans integrated with Medicare.

Copies of the handouts distributed for the presentation made at the meeting are attached to the minutes.

**Recommendation to the Board of Commissioners:** Upon motion of Mr. Norris, the Committee made a unanimous recommendation to the Board to accept the 2014 Annual Financial Report

3. Mr. Havir presented the Committee with a proposed resolution for increasing certain fees and adding new fees. After a lengthy discussion it was decided that the Township Manager should re-evaluate the fee schedule and consider multiple definitions of transient vendors based on size of venue and bring back alternative considerations for future discussion. Mr. Havir suggested that this would also impact the Boards' consideration of the "Peddling, Soliciting and Transient Sales" Ordinance for advertisement of a public hearing on August 19, 2015 at its July 15, 2015 meeting. He recommended tabling advertisement of the Ordinance so it can be revised and brought back for further review and discussion along with the fee schedule at the August 5, 2015 Public Affairs Committee meeting.

4. Mr. Havir presented the Committee with his intended process and plans for preparing the 2016 General Operating and Capital Budgets. At next week's management meeting, all department heads will be instructed to begin working on their 2016 budgets with calendar dates set up to meet individually with the Township Manager and Director of Fiscal Affairs the 2<sup>nd</sup> and 3<sup>rd</sup> week of August to review each proposed departmental budget. The preliminary budgets will be given to the Commissioners for their review on October 2, 2015. The first all day long budget workshop with the Commissioners is scheduled for Tuesday, October 6, 2015, as advertised in the Township calendar. A second budget workshop, if needed, will be setup for Tuesday, October 13, 2015 or Tuesday, October 20, 2015.

5. Old Business – None.

6. New Business – Mr. Sharkey presented a suggestion for consideration to have the future number of Finance Committee meetings be increased to nine meetings a year, scheduling all such meetings to be standalone from any other scheduled meetings taking place on the same night, and rolling the yearly Sinking Fund Committee meetings into the Finance Committee meetings. He also suggested eliminating the Parks and Recreation Committee and to incorporate all parks and recreation matters in the Public Affairs Committee. This matter will be discussed at the next Public Affairs meeting scheduled for Wednesday, August 5, 2015.

7. Citizen's Forum - None

There being no further business, upon motion of Mr. Norris, the Committee unanimously agreed to adjourn the meeting at 8:14 p.m.



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Bryan T. Havir  
Township Manager

Per: Bruce Rangnow  
Director of Fiscal Affairs