

MINUTES

FINANCE COMMITTEE MEETING

November 21, 2017

PRESENT: Committee Members: Kline-Luker-Sanchez-Hecker

EXCUSED: Committee Member: Farren

OTHERS: Finance Director Barron
Township Manager/Secretary Manfredi
Assistant Finance Director Hermann

CALL TO ORDER: 7:31 p.m.

MINUTES:

Commissioner Kline made a MOTION, seconded by Commissioner Sanchez to approve the minutes of the October 17, 2017 Finance Committee Meeting.

MOTION was ADOPTED 4-0.

INVESTMENTS:

Commissioner Kline made a MOTION, seconded by Commissioner Hecker to recommend approval to the full Board investments for October, 2017 in the amount of \$735,000.00 that was reviewed, approved as presented. It was noted that investments yield rate was 1.250%.

MOTION was ADOPTED 4-0.

TOTAL EXPENDITURES:

The Committee reviewed voucher list for the month of October 2017.

Commissioner Kline made a MOTION, seconded by Commissioner Luker to recommend approval to the full Board, expenditures, salaries and wages for October 2017 in the amount of \$5,048,516.19 and \$1,818,342.99, respectively.

Commissioner Sanchez questioned voucher #44020 - Gametime – Playground Structure for Ardsley.

Mr. Barron replied he will look into it.

MOTION was ADOPTED 4-0.

CLEARING FUND/DEFERRED REVENUE/EXPENSE & PETTY CASH

Commissioner Kline made a MOTION, seconded by Commissioner Hecker to recommend approval to the full Board the Clearing Fund activity, Deferred Revenue/Expense activity and Petty Cash balances for the month of October 2017.

Clearing Fund receipts and disbursements for the month of October 2017 were \$845.31 and (\$2,234.34), respectively.

Deferred Revenue/Expense receipts and disbursements for the month of October 2017 were \$40,000.00 and (\$93,349.00), respectively.

Petty Cash balances were approved as presented.

MOTION was ADOPTED 4-0.

TRAINING AND CONFERENCE EXPENDITURES:

Commissioner Kline made a MOTION, seconded by Commissioner Luker to recommend approval to the full Board the Training and Conference Expenditures activity. Advance and Travel expenditures for the month of October 2017 totaled \$0.00 and \$2,422.38, respectively.

YTD Training and Conference Expenditures totaled \$25,252.31.

MOTION was ADOPTED 4-0.

STATEMENT OF CONDITONS:

The Committee reviewed statement of conditions for various funds.

Commissioner Luker referred to Item Aqua/PECO Paving as listed under Liabilities on Statement of Conditions and clarified that the Township is reimbursed for the paving work. Is that correct?

Mr. Barron replied that is correct.

CONTINGENGY EXPENSE REPORTS:

The Committee reviewed contingency expense reports.

OTHER MATTERS:

Board Action Request – Budget Transfer Authorization:

Commissioner Kline made a MOTION, seconded by Commissioner Luker to recommend to the full Board to authorize the Budget Transfers for the year 2017.

Mr. Barron noted this is annual budget transfers by Township departments that are approved by the Board of Commissioners at its meeting in December every year.

MOTION was ADOPTED 4-0.

Board Action Request – Funding For Legal Fees:

Mr. Barron provided a copy of legal expenses as of November 6, 2017 to Finance Committee to review noting that original budget of \$93,540 for legal expenses for 2017 has been exceeded by over \$25,000 due to unforeseen expenses including labor attorney and litigation for Colonade. Additional funds are needed to cover this overage and other fourth quarter expenses. Request is to appropriate up to \$100,000 from fund balance to cover legal fees.

Commissioner Hecker made a MOTION, seconded by Commissioner Sanchez to recommend to the full Board to appropriate up to \$100,000.00 from fund balance to cover known and anticipated legal expenses for remaining calendar year 2017.

Commissioner Kline said he will recuse himself from voting on the motion.

MOTION was ADOPTED 3-0.

Board Action Request – Fire Company Audit Award:

Dave Schramm, Fire Services Administrator, said Fire Department audits for the past 10 years were performed by Maillie Falconiero & Co. and their contract expired with the 2016 audit. An RFP was issued to eight accounting firms and four bids were received. His recommendation is to hire Maillie for another five-year term although they were not the lowest bidder. Reasons for his recommendation were that in Maillie's 10-year history of performance, there has never been a missed deadline and auditing firm has never issued any findings. Through services of Maillie, we developed a common chart of accounts tracking each fire company in relation to the others and developed common software, QuickBooks for bookkeeping. Maillie lowered their price from 2016 and they have 21 fire companies as clients and, in addition to the audit, they also fill out the IRS 990 Form for nonprofit organizations.

The auditing firm of Zelenkofske/Axelrod has no fire company clients and do not fill out IRS 990 Forms for fire companies. There are always indirect costs in running a volunteer fire department and we need to factor in the value of the volunteers' time and he does not want to require the volunteer members of our auditing committee to train Zelenkofske/Axelrod on the nuances of doing the fire company audit.

Copy of fire department audit proposals was provided to Finance committee for review.

Commissioner Kline clarified that Maillie's fee of \$100,000 was for five years and that was included in the RFP, and there was no renegotiation prior to the RFP. Is that correct?

Mr. Schramm replied that is correct.

Manager Manfredi commented that he, along with Mr. Barron fully support Mr. Schramm's recommendation; however, we need to discuss further a three-year term vs. five-year term. He feels a three-year term makes more sense as there is not a significant savings to stay with Maillie for five years.

Commissioner Hecker questioned whether another RFP needs to be issued.

Mr. Schramm noted RFP was issued for a five-year term.

Manager Manfredi replied we will discuss that with Township Solicitor.

Commissioner Kline said his concern about staying with Maillie is that it is a good idea to switch auditors from time-to-time to get a different approach of the audits than what has been done for the past 10 years. However, he is not willing to spend additional money for the next responsible bidder, but he is in favor of reducing Maillie's term.

Mr. Barron said due to timing issue; he recommended either approving a one-year extension to Maillie or discuss with Township Solicitor about a three year term or approve the next responsible bidder, Dunlap & Assoc.

Ms. Hermann questioned whether the Township has the ability to extend Maillie's term for one year.

Mr. Barron replied he will check with Township Solicitor.

There was no recommendation made by Finance Committee, but instead to authorize Township Manager and Finance Director to have Township Solicitor review the RFP in regards to a three-year term for auditing contract of Maillie Falconiero & Co.

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DISCUSSION ITEM ONLY:

Finance Committee discussed appropriating funds for Township Manager position for 2017.

ADJOURNMENT: 8:12 p.m.

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