

A regular meeting of the **FINANCE COMMITTEE** was held tonight, Chairman Baron B. Holland presiding. Members present were Commissioners Brockington, Pransky, Rappoport, Sharkey and Zygmund-Felt. Also present was Ex-Officio Member Commissioner Norris.

Staff members present were Township Manager, Bryan T. Havir; Director of Fiscal Affairs, Bruce Rangnow and Assistant Township Manager Alyson Elliott. Also in attendance was Finance Officer Napoleon Nelson. A Public Attendance List is attached.

Mr. Holland called the meeting of the Finance Committee to order at 8:54 p.m.

1. Upon motion of Mr. Holland, the Committee unanimously accepted the Executive Summary Report for the period ending February 28, 2018.

2. Ed Furman, Audit Partner from Maillie, LLP made a presentation on the preliminary results of the annual financial audit for the year ending December 31, 2017. A draft copy of the preliminary 2017 audit results was distributed to the Committee. The full audit requires pension data from the Township's actuary, Conrad Seigel, along with some additional review work and report footnoting before it can be released to the public. Highlights of the presentation and discussions were as follows:

- The Township's Fund Balance increased by \$75,380 to \$6,309,286. The fund balance as a percentage ratio to the Township's 2017 revenue is at 15%.
- 2017 Revenue increased by about \$1M as compared to the 2016 end results.
- 2017 Expenditures increased by about \$1M as compared to the 2016 results but would have remained relatively unchanged had it not be for a substantial increase in the Township's costs of wastewater treatment.
- The Township's actual 2017 results were favorable in comparison to the 2017 Budget.

3. Pete Nissen, Managing Director of the Acacia Financial Group, Inc., discussed various new money bond fund borrowing scenarios with respect to the Township's borrowing \$10M in 2018 to fund current and future infrastructure and other capital projects. He explained the impact of the 2017 Tax Reform Act on advance refunding of bonds; the pros and cons on 20, 25 and 30 year term debt repayment considerations; and where interest rates will likely be for a bank qualified bond borrowing that will be completed by the end of May or early June of 2018. Given current market conditions and a clear understanding that prevailing interest rates will be trending higher in 2018, Mr. Nissen indicated he favors the underwriting of a \$10M bank qualified bond borrowing using a 30 year back-end loaded debt service repayment schedule.

Recommendation to the Board of Commissioners: Upon motion of Mr. Norris, the Committee unanimously recommended the Board of Commissioners adopt a Resolution authorizing staff and other designated parties to continue the preparation work for underwriting a new money bond in 2018.

4. Mr. Nelson provided a status update on the accomplishments in the Tax Office. He indicated that through the end of February the collection of 2018 property taxes was slow but picked up substantially in March and that 2018 Mercantile/Business Privilege and Earned Income Tax (EIT) payments are in line with similar past comparative time period collections.

Berkheimer provided a listing of current taxpayers making EIT payments that is being used to help identify potential businesses operating in the Township that are not currently licensed. Other plans and considerations are still in the process of being developed for addressing the means by which the discovery of unlicensed business can be achieved. A more detailed progress report on this matter will be presented at the next Finance Committee meeting.

Mr. Nelson also noted that the assessed value of the Township has gone up slightly since the beginning of the year.

5. Old Business – None.

6. New Business – Mr. Holland suggested changing the Sinking Fund Commission meeting times, since it has been difficult for Commissioners to attend the meetings. After discussion, it was decided to hold the required Sinking Fund Commission meetings throughout the year on the same night as the Finance Committee meetings, if possible.

Recommendation to the Board of Commissioners: Upon motion of Mr. Holland, the Committee unanimously recommended to the Board of Commissioners to reschedule all Sinking Fund Commission meetings to follow the Finance Committee meetings on the second Wednesday of the month, as needed.

7. Citizen's Forum – None.

Mr. Holland stated that an executive session of the Board of Commissioners would be held at the conclusion of the Finance Committee meeting to discuss personnel issues.

There being no further business, upon motion of Mr. Holland, the Committee unanimously agreed to adjourn the meeting at 10:00 p.m.



Bryan T. Havir
Township Manager

Per: Bruce Rangnow
Director of Fiscal Affairs

