

**SOLEBURY TOWNSHIP BOARD OF SUPERVISORS**

**May 17, 2016 – 7:00 P.M.**

**Solebury Township Hall**

**MINUTES**

Attendance: Helen Tai, Chair, James Searing, Vice-chair, Noel Barrett, Paul Cosdon and Kevin Morrissey. Dennis H. Carney, Manager, Michele Blood, Finance Director, Bucky Closser, Esquire and C. Robert Wynn, Twp. Engineer, were also in attendance.

The meeting was called to order followed by the Pledge of Allegiance.

Approval of Bills Payable

**Res. 2016-75 – Upon a motion by Mr. Barrett, seconded by Mr. Cosdon, the lists of Bills Payable dated April 28, 2016 and May 12, 2016 were unanimously approved as prepared and posted.**

Approval of Minutes – April 5, 2016 Work Session – The Board requested revisions to the comments made regarding the New Hope Crushed Stone Quarry.

**Res. 2016-76 – Upon a motion by Mr. Cosdon, seconded by Mr. Morrissey, it was unanimously agreed to approve the Minutes of the April 5, 2016 Work Session with revisions.**

Approval of Minutes – April 19, 2016 Regular Meeting – The Board requested revisions to comments made regarding deer permits issued.

**Res. 2016-77 – Upon a motion by Mr. Barrett, seconded by Mr. Searing, it was unanimously agreed to approve the Minutes of the April 19, 2016 Regular Meeting with revisions.**

Announcements/Resignations/Appointments

- The Board announced an executive session held prior to the meeting to discuss personnel, litigation and land preservation.

- The Board acknowledged the resignation of Lisa Lori from the Zoning Hearing Board and Jane Wilson from the Parks & Recreation Board.

The Chair thanked Lisa, who has served on the ZHB since October of 2009 and Jane, who has served on three Township boards over the past twelve years – EAC from 2004 to 2009; STPC from 2009 to 2013 and P&R since 2014. *"Solebury is fortunate to have so many citizen volunteers serving on our various boards and we will certainly miss Lisa and Jane's participation in the future."*

With their departures and the creation of a new committee, the Township now has several openings on boards, including a licensed architect for HARB, an opening on P&R, an alternate for ZHB and for the Agricultural Security/Farm Committees. If any resident is interested in being appointed to any of these committees, please contact Gretchen Rice.

**Res. 2016-78 – Upon a motion by Ms. Tai, seconded by Mr. Cosdon, it was unanimously agreed to appoint Michael Warden as a regular member to the Zoning Hearing Board for a term to expire December 31, 2016.**

- Ms. Tai was pleased to announce that the Solebury Township Police Department hired its first female officer. Casey Harell started on May 4 as a part time patrol officer.

Supervisor Comment

- Mr. Morrissey announced that the first email blast containing links to the Board Agendas and Minutes was sent on May 13, 2016, and that the Township will continue to send email twice monthly with said information. Currently there are approximately 955 email recipients signed up.
- Mr. Cosdon commented that there was a newspaper article related to the cessation of work on the Route 32 PennDOT project due to the collapse of the retaining wall. He questioned what the Township can do as it relates to PennDOT and on-going work, noting that there always seems to be delays.

Public Comment – No early public comment was offered.

PRESENTATION: 2015 Audit Report

Mr. Searing opened the presentation with the following comments:

*“Our audit was completed at the end of April. I’m delighted tonight to welcome Nancy Gunza of Clifton Larsen Allen, our independent public accounting firm. Nancy is the partner responsible for the audit of our financial statements. She has been with Clifton Larsen & Allen for six years, focused on the public sector, higher education and state and local government units. She served as Director at Deloitte, where she became a CPA. Nancy has served as chair of the Pennsylvania Institute of CPAs Not for Profit Committee. She is a graduate of Drexel University.*

*The Financial Statements issued by our Township span 72 pages and cover all aspects of our financial reporting. We asked Nancy to be here tonight for a number of reasons:*

*We wanted to give the Board the opportunity to ask any questions about the reports that were issued;*

*As well, it is important that all Board members know Nancy and the good work of her team and how it works with our Finance Director and the administration;*

*And, with changes that are occurring in pension accounting and reporting I wanted to update the Board on challenges that we are going to need to address over time to more fully fund one of our pension plans.*

*The format for tonight is that Nancy will make some brief remarks, answer questions and then we can get into the pension issues. Welcome Nancy.”*

2015 Audit Report – Nancy Gunza and Kristen Deissler presented the 2015 Audit Report. A copy of the slide show is attached to these Minutes.

Mr. Searing noted that *"overall, the Township's financial condition improved in 2015. We were able to increase the General Fund balance to almost \$2.2 million, up from \$1.9 million in 2014. In addition, our capital reserve grew from \$900,000 to almost \$1.2 million. These reserves are a critical element in having a sound fiscal base, especially given the slow economy and the possibility of a recession which would result in reduced tax collections.*

*As a result of this stronger financial base, Moody's raised the Township's rating to Aa2 from Aa3...so it gave us a medium double A instead of the previous medium low Aa."*

Mr. Searing then offered the following comments regarding the change in Pension reporting requirements and the underfunded pension liability in the Police Pension Fund.

*"All pension funds are challenged by fundamental changes in the economy, in bond returns, equity market returns and slow and sometimes negative economic growth. As well, retirees are living longer, and the combination of low returns and long lives mean that pensions are challenged to have sufficient funding over the long haul.*

*The accounting profession has been working on a long term project to make pension funding assumptions more conservative, with more disclosures required. The newest rules impacted the 2015 financial statements, and in fact, we had to wait one month to issue our reports because we had to wait for the state pension plans to report their assumptions.*

*We have 2 defined benefit plans – a non-uniformed pension plan administered by the PA Municipal Retirement System (PMRS), and the police pension plan.*

*The non-uniform plan is actually overfunded, even under the new accounting requirements. It has a pension liability of 3.3 million, and net funded assets of almost \$3.6 million. This overfunding means that the Township will have some benefit from lower pension expense in coming years, as the actuaries take that surplus into account.*

*The issue that we are going to have to address over time is in the police pension plan. In 2014, under the old requirements, our police pension fund was 98% funded. The Township still wanted to close that gap, and actually made additional contributions to the fund in 2014 and 2015. Yet, under new, more conservative requirements, the police pension liability increased from \$4.2 million in 2014 to \$5.9 million in 2015. Thus we went from a plan that was 98% funded to 74% funded.*

*We are in better shape than many other municipalities and the State of PA, but that gives me no comfort. The state has four categories for pension plans: not distressed, minimally distressed, moderately distressed, and severely distressed.*

*Our police pension plan is considered minimally distressed.*

*Now, pension estimates are long term in nature. Pension funding is long term in nature. It is dependent on how many people are in the plan, what their ages are, how long they serve, what our investment returns will be, and how fast will inflation and wages grow. Most of these variables are not known; hence that's why we have actuaries who work to make assumptions.*



*Yet, since we all want to stay on top of our finances, as we go into later this year, it may be prudent to add additional funds to this pension plan to start to close the gap, and to fund additional amounts in 2017 and the years thereafter so that we can consistently move to close the gap.*

*This Board appointed me to the investment committee of the police pension plan. There has been just one meeting so far this year, and we did not have these new estimates when we met. I intend to bring this to the committee's attention, and to look at returns on the portfolio and, as well, look at the advisor's performance. I will be bringing back to the Board of Supervisors my findings, and we should be cognizant of this as an issue that we will need to deal with over the short, medium and longer term. We are in better shape than many other municipalities and the State of PA., but that gives me no comfort.*

*Just as previous Boards and the administration worked together over a long period of time to fix the financial condition of the Township, I'm confident that we can all work together to address the pension plan issue in the medium term."*

Mr. Cosdon thanked the auditors for getting the report done as quickly as possible while having to wait for detailed information from PMRS.

PRESENTATION: Update on Permitting Process & Proposed Fee Schedule – Ms. Tai presented an update on the project underway known as the Permitting Process Improvement Project (PPIP). The presentation included an overview of the committee's objectives, approach, work to date, findings to date and proposed next steps. A copy of the presentation is attached to these Minutes.

The committee, consisting of Solebury resident architect Michael Graeff, resident builder Patrick Pastella, former Z.O. Gretchen Rice and the Township BCO and current Z.O Matt Wojaczyk, recommended some specific revisions to the 2016 Fee Schedule be considered as follows:

1. Eliminating the fee for residential plan reviews – the current fee of \$25 would be covered by fees already imposed by the permit;
2. Adding a category under residential/mechanical for repairs and replacement to existing mechanical for a flat fee of \$75.00 instead of basing the fee on the cost of the project. It was noted that the current fee schedule would be continued for new installations;
3. Eliminating a fee for a zoning permit IF the project includes a building, mechanical, plumbing or grading component;
4. Eliminating the fee for residential electrical plan review noting that the current fee of \$25 would be covered by fees already imposed by the electrical permit.

Based upon permits issued over the past two years, it was noted that these recommendations would result in reduced annual revenue of approximately \$17,500.00.

Ms. Tai commented that due to the complexity of the project and the length of time that will be involved, periodic recommendations will most likely be forthcoming during the committee's review rather than waiting until the entire project is completed.

In response to concerns expressed by Mr. Searing about reducing the revenue by \$17,500, Ms. Tai explained that Gretchen Rice and Matt Wojaczyk were deliberate in this recommendation to ensure that costs associated with any permit would be covered.



Residents Ed Leydon and Dennis Mankin expressed support for the recommended revision to the 2016 Fee Schedule.

**Res. 2016-79 – Upon a motion by Ms. Tai, seconded by Mr. Barrett, it was agreed to adopt the revisions to the 2016 Fee Schedule as recommended.**

**In Favor: Ms. Tai, Mr. Barrett and Mr. Morrissey**

**Opposed: Mr. Searing and Mr. Cosdon**

**Motion carries**

PEMA Agent Resolution – PEMA has declared the January 2016 snow storm as a disaster. The Township is eligible for a reimbursement of approximately \$30,000 in expenses incurred as a result of that storm. In order to receive the reimbursement, the Township must appoint an “agent” to execute documents on behalf of the Township.

**Res. 2016-80 – Upon a motion by Ms. Tai, seconded by Mr. Cosdon, it was unanimously agreed to appoint the Township Manager, Dennis H. Carney, as the Township’s agent to execute all necessary documents related to the January 2016 snow storm disaster.**

#### OLD BUSINESS

New Hope Crushed Stone Quarry - Ms. Tai offered the following comments regarding New Hope Crushed Stone:

##### *“Supersedeas Denied*

*As mentioned previously, NHCS filed supersedeas actions with the Environmental Hearing Board on April 15. I.e., they petitioned for a stay of the 500,000 gallons per day pumping limitation pending resolution of the appeal on the January 29 letter.*

*The reason this is important to the quarry is that the limitation will result in the pit slowly filling with water, which reduces the amount of rock they can mine. The reason this is important to the community is that the water table can now start to recharge, which should result in fewer wells running dry and less likelihood of new sinkholes forming.*

*The Pennsylvania Environmental Hearing Board held a hearing on Thursday, May 5 regarding New Hope Crushed Stone’s petition for supersedeas. Township Solicitor Jordan Yeager represented Solebury Township and provided the following information to us.*

*After NHCS, DEP, Solebury School and the Township called its witnesses and presented their cases, the judge issued a decision. The judge discussed the main factors that need to be balanced for these types of petitions: 1) the risk to the public if the Department’s action is stayed; 2) whether the quarry will suffer irreparable harm if the stay/supersedeas is not granted; and 3) how likely the quarry will ultimately prevail in its appeal.*

*On the first issue, the judge found that he was precluded from issuing the supersedeas because there is a continuing nuisance / continuing harm. The testimony was unrefuted that there have been at least 4 sinkholes since the Adjudication in July 2014 and that the groundwater levels are no better than they were at the time of the Adjudication.*

*On the second issue, the judge agreed that there will be "some harm" to the quarry if there is no supersedeas, as there always is, but that the quarry did not meet its burden of proving the extent of any such harm. The judge also expressed that he was bothered by the quarry's lack of planning for reclamation, booking reclamation as a liability but not saving any money toward that requirement.*

*On the third issue, the judge pointed to the finality of the Fall 2015 compliance order, which is the basis for the Jan 29 letter and which can't be challenged in this case. He also expressed his view that the DEP had authority for its action. He framed the ultimate question in the appeal as whether the Jan 29 letter was "a reasonable exercise of the Department's discretion." His view, based on the evidence and argument at the supersedeas hearing was, "it's hard to believe that it's not (a reasonable exercise of the DEP's discretion)." He concluded, based on the limited record established at the supersedeas hearing, that he "can't imagine" finding an abuse of discretion, and that it is "hard to even see what the argument would be."*

*The hearing on the appeal has not yet been scheduled.*

- 1. Appeal/settlement discussions – DEP and NHCS are continuing to have settlement discussions on the appeal of the January 29 letter. They met last week and discussed several issues, including the EHB decision. NHCS is working on a revised proposal.*
- 2. Bond: As previously mentioned DEP is in the process of raising NHCS' bond. DEP has reviewed the reclamation info and bond calculations that NHCS submitted and sent them a deficiency letter.*
- 3. NPDES permit renewal review: no work has been done on the NPDES as DEP believes that the settlement terms could have possible impacts to that permit.*
- 4. The next Communication Group meeting between DEP, Solebury School, PCWA and Solebury Township will be held on May 25."*

#### **Policy & Procedure for Consultant Selection -**

Earlier this year the Board adopted the Policies and Procedure for Consultant Selection (Small Projects) ECMS by Resolution #2016-49, as required by PennDOT. A committee consisting of Dennis Carney, Manager, Gretchen Rice Asst. Manager, Stephanie Butler of McMahon Assoc., and Bob Wynn, as Twp. Engineer, was appointed.

The general administration and monitoring of the agreements were originally estimated to be less than \$150,000, therefore the Policy and Procedure for a Small Project was requested by PennDOT and ultimately adopted by the Board on March 1<sup>st</sup>.

PennDOT now anticipates that the general administration and monitoring may exceed the \$150,000 threshold so the Policies and Procedure for Consultant Selection applicable for large projects is now required by PennDOT for the project to continue forward.

This policy and procedure requires that the Board of Supervisors review the selection and rankings recommended by the appointed selection committee. In addition, the Board must appoint a person to perform liaison activities between the Township, PennDOT and the selected consultant. The committee recommends the Township Engineer be appointed as the liaison and he has agreed to act in this capacity.



The selection committee has met, and reviewed and compiled its recommendation for the consultant selection. Of the seven statements of interest received, the committee was unanimous in its selection and rankings as follows:

1. Traffic Planning and Design, Inc. (TPD)
2. Michael Baker International
3. Pennoni

The selection and ranking was based upon the following criteria:

1. Staffing
2. Work experience w/PennDOT
3. Past performance
4. Quality Control
5. Management Strategy

**Res. 2016-81 – Upon a motion by Mr. Barrett, seconded by Mr. Cosdon, it was unanimously agreed to adopt the new Policy and Procedures for Consultant Selection; to approve the three firms recommended by the selection committee including the criteria used and the committee’s ranking of those firms; and to appoint C. Robert Wynn, Township Engineer as liaison.**

Disposal of Personal Property – The Board reviewed a draft resolution establishing a policy for disposition of personal property with an estimated value of less than \$1,000.00. A number of wording revisions were recommended and the Township Solicitor was directed to make those changes for the Board’s signature upon adoption.

**Res. 2016-82 – Upon a motion by Mr. Cosdon, seconded by Mr. Morrissey, it was unanimously agreed to adopt the Resolution Establishing A Policy For The Disposition Of Township Personal Property With An Estimated Value Of Less Than One Thousand Dollars, with revision.**

#### NEW BUSINESS

Bucks County Consortium Bid – Stone & Blacktop - Bucks County Consortium has received and reviewed bids for Highway materials. The low bidders were identified as follows:

Hansen Materials for assorted blacktop products and Plumstead Materials for assorted stone products.

**Res. 2016-83 – Upon a motion by Ms. Tai, seconded by Mr. Cosdon, it was unanimously agreed to award the bid for assorted blacktop products to Hansen Materials and the bid for assorted stone products to Plumstead Materials, as submitted.**

#### SUBDIVISIONS/LAND DEVELOPMENTS/CONDITIONAL USES

Giuliano Escrow Release - The Township Engineer has reviewed the request and recommends that the Board release \$2,416.58 to reimburse the Township for legal, engineering and administrative fees.

**Res. 2016-84 – Upon a motion by Mr. Cosdon, seconded by Ms. Tai, it was unanimously agreed to authorize the release of escrow funds in the amount of \$2,416.58 as approved by the Township Engineer for costs associated with the Giuliano subdivision.**

Public Comment – No additional public comment was offered.

Adjournment

**Res. 2016-85 – Upon a motion by Mr. Cosdon, seconded by Mr. Barrett, the meeting was adjourned at 9:12 p.m.**

Respectfully submitted,  
Dennis H. Carney, Manager



# Permitting Process Improvement Project (PPIP)

1

MAY 17, 2016  
UPDATE TO BOARD OF SUPERVISORS



## Top Priorities for 2016

2

- Continue the township's land preservation program, focusing on farmland preservation
- **Improve Zoning/Construction permitting**
- Develop strategy for New Hope Crushed Stone
- Develop plan for appropriate regulation of fracking
- Improve Township-Community Communications
- Address deer overpopulation issue
- Complete construction of Public Works Building and Evaluate Phase 2 (Salt Building, Police Lockers, demolition of existing building)
- Address ambulance situation

## Objectives

3

- **Improve Zoning/Construction Permitting Process**
  - Assess timeline for issuance of permits and shorten if appropriate
  - Improve applicant/residence experience while maintaining the integrity of the ordinances
  - Confirm intention of ordinances with Board of Supervisors

## Approach

4

- **Team**
  - Michael Graeff – Resident & licensed architect
  - Patrick Pastella – Resident & builder
  - Gretchen Rice – Former Township Zoning Officer
  - Matt Wojaczyk – Township Building Inspector & Zoning Officer
  - Helen Tai – Township Supervisor & resident
- **Action Steps**
  - Determine requirements (county, state & federal vs. township)
  - Obtain input from residents, contractors, and township staff
  - Develop recommendations for BOS



## What Have We Done So Far?

5

- Collected input from over 30 residents and contractors
- Team meets monthly
- In process of reviewing and making recommendations based on:
  - Input from residents and contractors
  - Input from current & former zoning officer and building inspector
  - Input from builder & architect
- Some specific areas of interest:
  - Pre-1999 code requirements
  - Permitting process & policies
  - Storm water & grading requirements, including Bucks County Conservation District requirements

## Key Themes From Applicants (Work in Progress)

6

**WE ARE IN THE PROCESS OF  
REVIEWING THE FEEDBACK,  
UNDERSTANDING THE CAUSES  
BEHIND EACH AND MAKING  
RECOMMENDATIONS**

**FEEDBACK IS GENERALLY FROM  
PEOPLE WHO EXPERIENCED  
PROBLEMS**

## General

7

- **Process is unnecessarily onerous and difficult**
  - Requirements are often way beyond what's really necessary and don't provide additional value
  - Rule book trumps common sense, especially for small modifications
- **Storm water and grading process and requirements result in the most complaints**

Note: many of these comments are the OPINIONS of residents/contractors

## Administration / Staff

8

- **Pros**
  - Some staff are very helpful & responsive
  - Inspector is thorough, helpful, and good to work with
  - The permitting process is 1000x better than it was 10 years ago
- **Cons**
  - Some staff do not return phone calls, are short or rude, do not apologize when they've made mistakes
  - "No" Attitude from Township Staff
    - ✦ Tend to interpret nebulous areas with the strictest interpretation possible
    - ✦ When something isn't clear, the answer is "no" rather than, "what can we do to figure this out?"

Note: many of these comments are the OPINIONS of residents/contractors



## Clarity of Requirements

9

- **Pros**
  - Website has flowcharts that explain the permitting process
  - Free meeting with township engineer
- **Cons**
  - Requirements are:
    - ✦ Often unclear or not communicated well
    - ✦ Communicated incrementally

Note: many of these comments are the OPINIONS of residents/contractors

## Policies that are not user friendly

10

- unable to get definitive yes or no answers at pre-meetings
- snail mail / paper requirements
- unavailability of online forms
- no weekend or evening office hours
- notarized agent authorization form

Note: many of these comments are the OPINIONS of residents/contractors

## Time to process permits

11

- For bigger projects OR for homeowners who don't understand the process, takes too long to get permits
- For simple projects OR experienced applicants, time to get permit is reasonable

Note: many of these comments are the OPINIONS of residents/contractors

## Permit Costs

12

- The fees are now more in line with surrounding townships
- For small projects, cost of permit is often a significant percentage of the total cost or in some cases higher than the cost of the work itself
- Total costs are high – hiring attorneys, engineers and surveyors; cost of surveys, permits, and storm water management
- Should offer discounts, credits or refunds for
  - Good/Green Building
  - Non-profits

Note: many of these comments are the OPINIONS of residents/contractors

## A Change We've Already Made

13

- The township requires a grading permit for projects with > 1000 SF footprint or > 2000 SF disturbance
- Due to unclear & contradictory requirements from Bucks County Conservation District (BCCD), the township previously believed that BCCD required review for projects with disturbance > 1000 SF
- With this threshold, even moderately small additions would trigger BCCD review
- However, BCCD has confirmed that they do not set the rules for what a municipality is required to do, and thus the township is no longer sending projects under 2000 SF disturbance to BCCD

## Next Steps

14

- Continue to work through the feedback and information
- Given the volume of information, it will take us many months to get through everything
- Recommendations for improvements will
  - be made over time rather than all at the end
  - likely include both administrative changes and those requiring BOS approval and/or ordinance changes
- One recommendation will be made tonight



## Questions?

15

## Fee Schedule for Small Projects

16

- For small projects, cost of permit is often a significant percentage of the total cost or in some cases higher than the cost of the work itself
- E.g., Permit fees for a small roof repair (\$154) and for replacing an air conditioning unit (\$359) are about 10% of the total project cost
- The PPIP team:
  - Feels that the permit fees are unreasonably high for these projects
  - Recognizes that when fees are out of proportion or the process is overly onerous, many people will simply cheat and not get a permit
  - Questioned whether permits should even be required for routine repairs

## Recommendations

17

- **Medium/Longer Term**
  - Continue work on remainder of project, including review of the pre-1999 requirements
  - Make additional recommendations over time
- **Now**
  - Interim revision to the fee schedule
    - Based on a careful analysis of fees and intentionally limited in scope
    - More reasonable fees for the type of work done and are in line with costs incurred by the township

## Specific Proposed Revisions to Fee Schedule

18

1. Eliminate fee for residential plan reviews. Current fee of \$25 would be covered by the fees already imposed in the permit.
2. Add a category under residential/mechanical "Existing Residential: Repair/Replacement" that is a flat fee of \$75 rather than based on cost of the project. Note: the current fee schedule would continue for new installations.
3. Eliminate zoning permit fee IF the project includes building, mechanical, plumbing, or grading components.
4. Eliminate fee for residential electrical plan review. Current fee of \$25 would be covered by fees already imposed in the electrical permit.

This would result in reduced annual revenue of approximately \$17,500 (Based on permits issued in the last couple years).

## Impact on A/C Replacement Permit Costs

19

Item	Current	Proposed
Zoning Permit	\$25	\$0
Mechanical Permit	\$180	\$75
Electrical Plan Review	\$25	\$0
Electrical Permit	\$75	\$75
Mechanical Plan Review	\$25	\$0
PA State L&I	\$4	\$4
Certificate of Occupancy	\$25	\$25
Total	\$359	\$179

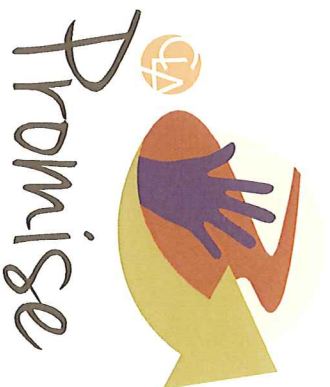
Note: based on information provided by an HVAC contractor, permit fees in 8 neighboring municipalities range from \$106 to \$204 with an average of \$140.

## Impact on Roof Replacement not Requiring Structural Component

20

Item	Current	Proposed
Building Permit	\$75	\$75
Residential Plan Review	\$25	\$0
Zoning Permit	\$25	\$0
PA State L&I	\$4	\$4
Certificate of Occupancy	\$25	\$25
Total	\$159	\$104





# Solebury Township Board of Supervisors

2015 Audit Summary  
May 17, 2016

# Responsibility Overview

## Those Charged with Governance

- Oversight of the audit process
- Policy related to external and internal audits

## Management

- Preparation of financial statements
- Selection of accounting policies
- Design and implementation of internal controls over financial reporting and over compliance

## Auditors

- Perform an audit in accordance with GAAS and GAGAS
- Express opinion on whether financial statements are fairly presented in conformity with GAAP in all material respects
- Communicate significant matters



# Audit Results

## Governance Communication

- Auditor's responsibility
  - Issue auditor's opinion based on our audit performed in accordance with Generally Accepted Auditing Standards
  - Solebury Township Financial Statements – financial statements considered free from material misstatement - Unmodified opinion
- Accounting policies
  - Policies selected by management are disclosed in Note 1 to the financial statements
  - NEW! - GASB Statements 68/71 were implemented in fiscal 2015
    - ◇ Impact of adoption – Note 7
    - ◇ New disclosures in Notes 8 and 9





# Audit Results

## Governance Communication (continued)

- Significant estimates
  - Earned income tax receivables/revenues
  - Useful lives of capital assets to determine depreciation expense
  - Net pension asset and liability and related deferred inflows/outflows
  - Compensated absences liability
- We concluded that management has a reasonable basis for significant judgments and estimates that impact the financial statements



# Audit Results

## Governance Communication (continued)

- No disagreements with management
- No difficulties encountered in performing the audit
- No material misstatements were noted during the audit
- We are not aware of any consultations with other accountants on any accounting or auditing matters
- Information presented as RSI is unaudited
  - Management's Discussion and Analysis
  - Budget versus Actual Schedules
  - Pension trend information
- Other supplementary information – audited “in relation to” the financial statements taken as a whole



# Audit Results

## Internal Controls

- We consider internal controls for the purpose of determining the nature, timing and extent of audit procedures
- We gain an understanding of the design and implementation of internal controls over financial reporting through:
  - Inquiries of management and other Township personnel
  - Past experience
  - Walkthroughs of significant processes/cycles
- We do not express an opinion on the effectiveness of the Township's internal controls – not required by current standards for governments
- No *material weaknesses* identified
- We provide best practices and recommendations for operational improvements to Township management when identified.





# GASB Update

## Effective Dates—June 30, 2016

- Statement 72—Fair value - Measurement and application
- Statement 73—Pensions—Related assets (outside the scope of Statements 67 and 68) and Statements 67 and 68 amendments
- Statement 76—GAAP hierarchy
- Statement 79—External investment pools
- Implementation Guide—2015-1



**GASB**

GOVERNMENTAL  
ACCOUNTING  
STANDARDS BOARD



# GASB Update

## Effective Dates—June 30, 2017

- Statement 73—Pensions—Employers (outside the scope of Statement 68)
- Statement 74—Other Postemployment Benefits (OPEB) plan reporting
- Statement 77—Tax abatements disclosures
- Statement 78—Pensions provided through certain multiple-employer defined benefit pension plans
- Statement 80—Blending requirements for certain component units
- **Statement 82—Pension Issues**
- **Implementation Guide—2016-1**



# GASB

GOVERNMENTAL  
ACCOUNTING  
STANDARDS BOARD



# GASB Update

## Effective Dates—June 30,

### 2018

- Statement 75—OPEB—Employers
- Statement 81—Irrevocable split-interest agreement

### 2019

- **Fiduciary activities**
- Asset retirement obligations

### 2020

- **Leases**



**GASB**

GOVERNMENTAL  
ACCOUNTING  
STANDARDS BOARD





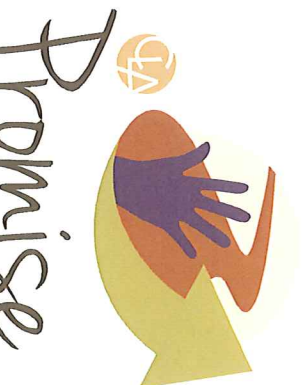
**THANK YOU!**

Nancy Gunza, CPA

Principal

267-419-1162

[Nancy.Gunza@claconnect.com](mailto:Nancy.Gunza@claconnect.com)



Kristin Deissler, CFE

Senior Accountant

267-419-1155

[Kristin.Deissler@claconnect.com](mailto:Kristin.Deissler@claconnect.com)