

AGENDA

Finance & Revenue Committee

September 14th, 2016 – 6:30 pm

Committee Members: Jordan Norley (Chair)
Jim Jones
Michael Galey

Department Head: **Michael A. Cotter**
Jeff DaSilva

1. Comments, suggestions, petitions by residents in attendance regarding items not on the agenda.
2. Discuss Finance & Revenue Chairman's proposal as identified in the supporting material.
3. Discuss 2011 Bond Refinancing
4. Monthly Financial Report
5. Stream Protection Fee Billing Services
6. Approve August Finance Meeting Minutes
7. Other Business

<jdasilva@west-chester.com>

Subject: Financial Reporting, Etc.

Hi BC,

First, I'm going to apologize for the length of this email. Please read! I would recommend a separate and parallel path to the budget or an early 2017 path (depending on everyone's bandwidth) that address recent comments and inquiries regarding the Borough's finances for all of Council.

The comments have highlighted a need for making sure that Council, as a whole, and staff have a shared understanding of the policies and practices underlying local government accounting, budgeting, and financial reporting. The goals of this shared undertaking would be to:

- Improve Council knowledge of government finance;
 - how government accounting and finances differ from the private sector;
 - the budget-accounting interface;
 - the budget-financial reporting interface;
- Review of Borough financial controls, practices, and software; and
- Develop and implement agreed upon accounting, budget, and financial reporting models.

This discussion and policy development program will allow Council to develop uniform approach to Borough accounting, budgeting and financial reporting practices that will inform the development of financial controls, policies, and reporting that will provide Council and the community with deeper insight into Borough finances, creating the foundation for improved transparency and financial decision making. A uniform system, approach, and understanding will also improve the efficiency of our financial operations. Models and templates will be created that will streamline the production of the information provided to Council and the community, and provide a basis for regular performance comparisons and measurements.

We have made significant strides in our reporting to Council in the last 18 months, reflected in our audit findings and in the 2015 and 2016 S&P bond refinancing rating reports (see attached). But we still have progress to be made on developing policies (e.g. pension liability), controls (e.g. purchasing), and reports (e.g. monthly budget report; treasury reports) that guide our operations and provide Council the information it needs to measure performance. Some highlights from the attached:

AUDIT:

- 1) 2015 Audit information:
 - Independent Auditor's Report (see pages 3-5 in attached file):
 - Provides information regarding the responsibilities of the auditor and management, the nature of the audit, and the auditor's opinion based on the audit.
 - The Borough received an unqualified opinion which is the highest rating provided by independent auditors.**
- 2) number of management letter deficiencies decreased from eight (8) in 2014 to two (2) in 2015
- 3) adjusting journal entries needed from fifty-four (54) in 2014 to twenty-one (21) in 2015

S&P Review Comments (see attached report):

The 'AA' GO rating reflects our assessment of the following credit factors, specifically the borough's:

- 1) Strong management : We view the borough's management as strong, with "good" financial policies and practices under our FMA methodology, indicating financial practices exist in most areas, but that governance officials might not formalize or monitor all of them on a regular basis.
- 2) Very strong budgetary flexibility, with an available fund balance in fiscal 2015 at 39% of operating expenditures;

- 3) Management drafts the budget analyzing three to five years of historical data and budgetary estimates are generally conservative, in our opinion, as actuals typically outperform the budget. In addition, we consider the borough's budget monitoring sound, with budget-to-actual performance reports sent to the council monthly. Amendments are seldom made to the budget, but, if necessary, are reviewed by the council. Management has adopted a balanced long-term financial plan that is updated annually during the budget process and projects revenues and expenditures forward five years.
- 4) After posting four consecutive operating surpluses over fiscal years 2011-2014, the borough drew down more than the \$158,581 budgeted in 2015, and drew about \$1.4 million after accounting for adjustments for recurring transfers into the general fund from enterprise funds, which have provided strong support to operations historically.

Also, Our, Best in Class, Financial Accounting Software: Abila:

Abila MIP Fund Accounting is the award-winning nonprofit accounting software solution preferred by nonprofits and government agencies for planning and managing budgets, maximizing grants, and producing accurate reports. Unlike commercial accounting systems, Abila MIP Fund Accounting addresses specific needs such as tracking and reporting on individual funds from multiple sources and complying with FASB, GASB, and other reporting requirements.

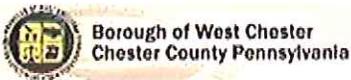
I'm sure that with the help of proven tools with controls, like Abila, and its reporting capabilities, and the recent strong financial practices as memorialized by S&P and the Independent Audit we can find a consensus on reporting and continue to improve the financial practices of the borough. In working with our professionals and council, and councils commitment to Kaizen, it is my goal to be in a position to achieve an S&P AAA rating (or the equivalent) prior to my departure from council on 12-31-19.

Thank you for your consideration and please reply to me whether you agree with my proposal. Thank you.

Best Regards,

Jordan C Norley

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Independent Auditors' Report

To the Members of Council
Borough of West Chester
West Chester, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Borough of West Chester as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Borough of West Chester's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The Borough of West Chester's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the Members of Council
Borough of West Chester
West Chester, Pennsylvania

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Borough of West Chester as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Highway Aid Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Emphasis of Matter

For the year ended December 31, 2015, the Borough of West Chester adopted new accounting guidance, implementing Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pension Plans--An Amendment of GASB Statement No. 27*. Our opinion is not modified with respect to this matter.

Other Matters

Prior-Year Comparative Information

The financial statements include summarized prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended December 31, 2014, from which such summarized information was derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 6 through 13 and pension plan information on pages 62 through 67 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

RatingsDirect®

Summary:

West Chester Boro, Pennsylvania; General Obligation

Primary Credit Analyst:

Michael J Mooney, New York (1) 212-438-4943; michael.mooney1@spglobal.com

Secondary Contact:

Travis L McGahey, New York 212-438-7994; travis.mcgahey@spglobal.com

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Outlook

Related Research

Summary:

West Chester Boro, Pennsylvania; General Obligation

Credit Profile

US\$7.18 mil GO rfdg bnds ser 2016A due 05/15/2040

<i>Long Term Rating</i>	AA/Stable	New
West Chester Boro GO		
<i>Long Term Rating</i>	AA/Stable	Affirmed

Rationale

S&P Global Ratings has assigned its 'AA' rating to West Chester Boro, Pa.'s series 2016A general obligation (GO) bonds. We also affirmed our 'AA' ratings on the borough's existing debt. The outlook is stable.

The borough's full faith, credit, and taxing power pledge secures the bonds. We understand the borough will use bond proceeds to currently refund its series 2011 GO bonds for present value savings. There is no extension of maturity.

The 'AA' GO rating reflects our assessment of the following credit factors, specifically the borough's:

- Adequate economy, with projected per capita effective buying income (EBI) at 78.6% and market value per capita of \$67,962, though that benefits from access to a broad and diverse metropolitan statistical area (MSA);
- Strong management, with "good" financial policies and practices under our financial management assessment (FMA) methodology;
- Adequate budgetary performance, with operating results that we expect could improve in the near term relative to fiscal 2015, which closed with operating deficits in the general fund and at the total governmental fund level in fiscal 2015;
- Very strong budgetary flexibility, with an available fund balance in fiscal 2015 at 39% of operating expenditures;
- Very strong liquidity, with total government available cash at 31.5% of total governmental fund expenditures and 16.2x governmental debt service, as well as access to external liquidity we consider strong;
- Very weak debt and contingent liability position, with debt service carrying charges at 1.9% of expenditures, net direct debt at 94.4% of total governmental fund revenue, and a large pension and other postemployment benefit (OPEB) obligation and the lack of a plan to sufficiently address it; and
- Strong institutional framework score.

Adequate economy

We consider West Chester's economy adequate. The borough, with an estimated population of 18,507, is in Chester County less than 20 miles from Wilmington, Del. and about 25 miles from Philadelphia. It is in the

Philadelphia-Camden-Wilmington MSA, which we consider to be broad and diverse. The borough has a projected per capita EBI of 78.6% of the national level and per capita market value of \$67,962. Overall, market value grew by 4.0% over the past year to \$1.3 billion in 2015. The county unemployment rate was 3.7% in 2015.

The borough is Chester County's seat and serves as the business center for a portion of the county and neighboring Delaware County. Many residents are employed in government, health care, and other professional occupations. We consider the local economy stable and very diverse with access to the deep employment base in Delaware County and throughout the greater Philadelphia MSA. Since the borough is primarily built out, new development has been limited and, although the tax base dipped over fiscal 2012, it has exhibited strong growth since then, increasing 9.1% over 2013-2015.

Strong management

We view the borough's management as strong, with "good" financial policies and practices under our FMA methodology, indicating financial practices exist in most areas, but that governance officials might not formalize or monitor all of them on a regular basis.

Management drafts the budget analyzing three to five years of historical data and budgetary estimates are generally conservative, in our opinion, as actuals typically outperform the budget. In addition, we consider the borough's budget monitoring sound, with budget-to-actual performance reports sent to the council monthly. Amendments are seldom made to the budget, but, if necessary, are reviewed by the council. Management has adopted a balanced long-term financial plan that is updated annually during the budget process and projects revenues and expenditures forward five years. Additionally, the borough plans for capital needs over the next five years with a rolling capital improvement plan that identifies funding sources. Although the borough does not maintain a debt management or reserve policy that outlines a minimum reserve floor, it has adopted a formal investment management policy and reports investment performance and holdings to the board quarterly.

Adequate budgetary performance

West Chester's budgetary performance is adequate, in our opinion. The borough had operating deficits at negative 7.5% of expenditures in the general fund and negative 6.9% across all governmental funds in fiscal 2015. Our assessment accounts for the fact that we expect budgetary results could improve from 2015 results in the near term.

After posting four consecutive operating surpluses over fiscal years 2011-2014, the borough drew down more than the \$158,581 budgeted in 2015, and drew about \$1.4 million after accounting for adjustments for recurring transfers into the general fund from enterprise funds, which have provided strong support to operations historically. Management attributes the draw on reserves primarily to higher-than-budgeted snow removal costs, the upgrade of its parking software, higher legal costs, and the hiring of consultants because of turnover in the finance department. We also note that the transfers from the enterprise funds, which totaled \$1.8 million in 2013 and \$1.9 million in 2014, fell to \$1.5 million in 2015 but are budgeted to increase materially in 2016. Officials note that future transfers are expected to be more in line with the transfers made in 2013 and 2014. Local property taxes comprised about 58.4% of 2015 general fund revenue and state aid 10.9%. Tax collections have been strong and stable, averaging over 100% the last five audited years.

Despite appropriating about \$111,000 in the 2016 budget, we are expecting structural improvement as management is

projecting to finish 2016 with a \$750,000 operating surplus as earned income taxes (which are typically budgeted for conservatively) outperformed the budget, and expenditures are coming in better than anticipated across the board. Additionally, the borough is expecting FEMA money for storm-related costs in 2016, but the amount and timing of the reimbursement are currently uncertain.

The 2017 budget is not yet finalized but officials are expecting another reserve appropriation similar to 2016's or slightly higher to account for capital purchases. Given the strength of the borough's enterprise funds and the positive results projected for fiscal 2016, it is our view that general and governmental fund performance will remain at least adequate in the future.

Very strong budgetary flexibility

West Chester's budgetary flexibility is very strong, in our view, with an available fund balance in fiscal 2015 at 39% of operating expenditures, or \$7.4 million. We expect the available fund balance to remain above 30% of expenditures for the current and next fiscal years, which we view as a positive credit factor. The available fund balance includes \$1.2 million (6.3% of expenditures) in the general fund and \$6.2 million (33%) that is outside the general fund but legally available for operations.

The borough maintains a large fund balance in its capital operating reserve, totaling \$6.2 million as of year-end 2015, equivalent to 32.8% of general fund expenditures. Although the borough does not have a minimum reserve policy, we expect levels in the capital operating reserve to remain very strong as the borough has no future capital needs that would require spending down reserves. The borough established this reserve fund in 1998 with funds from the sale of its water system. As reserves are very strong, management did not raise the tax levy in fiscal years 2014, 2015, or 2016 with no expectation to do so in 2017, but will likely implement a stormwater management fee to finance. Consistent with our view of the borough's adequate budgetary performance, we believe that fund balance available for operations will remain very strong as it is bolstered by very strong levels in the capital operating reserve, positive results projected for 2016, and management's track record of conservative budgeting contributing to five consecutive surpluses in the last six audited years.

Very strong liquidity

In our opinion, West Chester's liquidity is very strong, with total government available cash at 31.5% of total governmental fund expenditures and 16.2x governmental debt service in 2015. In our view, the borough has strong access to external liquidity if necessary.

We believe the borough's strong access to external liquidity is supported by frequent debt issuances (including GO bonds, notes, capital leases, and revenue bonds) within the past 15 years. Although the state allows for what we view as permissive investments, we believe the borough's funds are conservatively managed, with the majority of its investments in U.S. Treasury notes, cash deposits, and highly rated U.S. agency securities.

We note that West Chester historically supplemented its liquidity annually by issuing tax anticipation notes (TANs) due to the timing of tax receipts, repaying each TAN by the end of the fiscal year. The borough issued \$1.4 million in TANs in fiscal years 2013 and 2014 but not in 2015. Management does not expect to issue TANs in the future given the borough's very strong reserves.

The borough also has a 2000 fixed-rate note issued to the Delaware Valley Regional Finance Authority (DVRFA) that is secured by the borough's GO pledge. The loan is one of several made by DVRFA to regional municipalities as part of its ongoing revolving loan pool program. The loan agreement between the authority and West Chester contains certain events of default that we consider permissive that could result in immediate acceleration (although the agreement was amended giving the borough up to 180 days to make payment should this occur). We believe the borough has sufficient cash to cover even the full par value of the bonds in the event of a termination. While there are swap-related risks allocable to the series 2000 notes, the borough is not a direct participant in any swap agreements: the agreements are between DVRFA and the counterparty, Bank of America N.A. Pursuant to the loan agreement, the authority can assess any swap termination costs associated with the notes to the borough. This could occur if:

- The borough defaults on payments due under the notes,
- The borough chooses to prepay or terminate the interest rate on any fixed-rate portion of its loan, or
- The authority's swap agreement is terminated and a replacement agreement cannot be secured.

The swap agreements can be terminated if the ratings on either party fall below 'BBB'. However, we believe there is currently an adequate spread between the current ratings and the credit, even largely mitigating any near-term termination risk. Furthermore, as of Aug. 3, 2016, the valuation of the borough's swap exposure was approximately \$85,981 in the borough's favor. Additionally, the amount of the notes outstanding totals \$429,000, or 6.9% of the borough's total cash.

The borough also entered into a note agreement for about \$1.4 million with QNB Bank in January 2014, of which \$1.2 million remains outstanding. The borough may prepay the note at will without penalty and in no event will the interest rate exceed 9%. There are no covenant violations that would result in acceleration of payment.

The borough has consistently had very strong liquidity and we do not expect a change in its ratios, consistent with our view of its adequate budgetary performance.

Very weak debt and contingent liability profile

In our view, West Chester's debt and contingent liability profile is very weak. Total governmental fund debt service is 1.9% of total governmental fund expenditures, and net direct debt is 94.4% of total governmental fund revenue.

The borough has about \$51.5 million in debt outstanding, about \$31 million of which we view as self-supporting. Given that a large portion of the borough's GO debt is enterprise-supported, governmental fund carrying charges have historically been low, averaging 2.96% over fiscal years 2013-2015. However, approximately 5.8% of the borough's net direct debt carries a variable interest rate, which is capped at 9%. Officials do not expect to issue any additional debt over the next two to three years and all current debt outstanding is expected to be retired by 2040.

In our opinion, a credit weakness is West Chester's large pension and OPEB obligation, without a plan in place that we think will sufficiently address it. West Chester's combined required pension and actual OPEB contributions totaled 13.3% of total governmental fund expenditures in 2015. The borough made 101% of its annual required pension contribution in 2015. The funded ratio of the largest pension plan is 73.6%.

The borough maintains two defined-benefit pension plans, one for police and one for all nonuniformed employees, both of which we view as below adequately funded at 75% and 73.6%, respectively, in 2015, based on GASB 68. We

understand that under Pennsylvania Act 44 of 2009, the borough chose to defer some of its pension costs in 2011, 2012, and 2013 because the discount rate assumption change resulted in higher contribution levels for the near term. Officials indicate that the borough stopped doing so in fiscal years 2014 and 2015. We note that West Chester has returned to making its full annual pension requirement, so the plans' funded ratios are improving. The borough offers OPEBs in the form of health care and life insurance benefits to eligible retirees and funds its liability on a pay-as-you-go basis. In 2015, the borough contributed \$85,453 of its \$405,114 annual required contribution. As of the Jan. 1, 2014 valuation, the unfunded liability was estimated at \$4.3 million.

We note that total retirement costs increased from 11% of 2014 expenditures to 13.3% in fiscal 2015. We also note that management does not have a plan to mitigate this growing liability but officials indicate they plan to start taking it on in 2017. Given the current lack of a plan, pension plans that we view as below adequately funded, and increasing retirement liabilities, we believe that these costs are likely to continue to grow in the future and exert budgetary pressure.

Strong institutional framework

The institutional framework score for Pennsylvania nonhome-rule cities and all boroughs and townships is strong.

Outlook

The stable outlook reflects S&P Global's opinion of West Chester's very strong liquidity and fund balance levels, including reserves in the capital operating reserve fund. Supporting rating stability is the borough's access to jobs in the broad and diverse Philadelphia MSA economy. We therefore do not expect to change the rating in our two-year horizon.

Upside scenario

Upward rating movement depends on returning to a pattern of operating surpluses, in conjunction with the moderation of long-term liabilities and a significant improvement in the borough's property values and income figures to levels in line with peers at a higher rating.

Downside scenario

Downward rating pressure could occur if expenditures, particularly pension and health care costs, grow faster than the borough's revenue base, resulting in structural budget deficits and lower flexibility and liquidity. The rating could also be pressured downward if the financial position of the borough's parking or sewer enterprise funds weakened materially, rendering them unable to provide debt service or operating support at current levels and placing additional strain on the general operating budget.

Related Research

- S&P Public Finance Local GO Criteria: How We Adjust Data For Analytic Consistency, Sept. 12, 2013
- Incorporating GASB 67 And 68: Evaluating Pension/OPEB Obligations Under Standard & Poor's U.S. Local Government GO Criteria, Sept. 2, 2015

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.globalcreditportal.com. All ratings affected by this rating action can be found on the S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

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PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 7, 2016

NEW ISSUE
BOOK ENTRY ONLY

RATING: Standard & Poor's: "AA" (Stable Outlook)
(See "Rating" herein)

In the opinion of Bond Counsel, interest on the Bonds will be excluded from gross income for federal income tax purposes under existing statutes, regulations, rulings and court decisions, subject to the conditions described in "TAX MATTERS" herein. In addition, interest on the Bonds will not be treated as an item of tax preference under Section 57 of the Internal Revenue Code of 1986, as amended (the "Code"), for purposes of the individual and corporate alternative minimum taxes; however, under the Code such interest may be subject to certain other taxes affecting corporate holders of the Bonds. The Borough has designated the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. Under the existing laws of the Commonwealth of Pennsylvania, interest on the Bonds will be free from Pennsylvania personal income taxation and Pennsylvania corporate net income taxation but such exemption does not extend to gift, estate, succession or inheritance taxes or any other taxes not levied or assessed directly on the Bonds or the interest thereon. For a more complete discussion, see "TAX MATTERS" herein.

\$7,135,000*
Borough of West Chester
Chester County, Pennsylvania
General Obligation Bonds, Series A of 2016

Dated: Date of Delivery
Due: May 15 (as shown herein)

Interest Payable: May 15 and November 15
First Interest Payment: May 15, 2017

The General Obligation Bonds, Series A of 2016 in the aggregate principal amount of \$7,135,000* (the "Bonds") are being issued by the Borough of West Chester, Chester County, Pennsylvania (the "Borough"). Interest on each of the Bonds is payable initially on May 15, 2017, and thereafter semiannually on May 15 and November 15 of each year until the maturity date of such Bond or, if such Bond is subject to redemption prior to maturity, until the date fixed for redemption thereof, if payment of the redemption price has been duly made or provided for. The Borough has appointed TD Bank, N.A., Philadelphia, Pennsylvania and Cherry Hill, New Jersey ("TD Bank"), as paying agent and sinking fund depository ("Sinking Fund Depository") for the Bonds (the "Paying Agent"). The Bonds will be issued in fully registered form, without coupons and when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. Beneficial ownership interests in the Bonds will be recorded in book entry only form in denominations of \$5,000 principal amount, or any integral multiple thereof. So long as Cede & Co., as nominee for DTC, is the registered owner of the Bonds, payments of the principal of, redemption premium, if any, and interest on the Bonds, when due for payment will be made directly to DTC by the Paying Agent, and DTC will in turn remit such payments to DTC Participants for subsequent disbursement to the Beneficial Owners of the Bonds. If the use of the Book Entry Only System for the Bonds is ever discontinued, the principal on each of the Bonds will be payable, when due, upon surrender of such Bond to the Paying Agent at its designated corporate trust office located in Philadelphia, Pennsylvania or Cherry Hill, New Jersey or at any other office designated as a payment office by the Paying Agent (or any successor paying agent at its designated office(s)) and interest on such Bond will be payable by check and mailed to the person(s) in whose name(s) such Bond is registered as of the Record Date with respect to the particular interest payment date (See "THE BONDS" herein).

The Bonds are subject to optional and mandatory redemption prior to their stated maturity dates, as provided herein.

The proceeds of the Bonds will provide funds required for: (1) currently refunding all of the Borough's General Obligation Bonds, Series of 2011 (the "2011 Bonds"); and (2) paying the costs and expenses related to the issuance of the Bonds.

The Bonds are general obligations of the Borough, payable from the tax and other general revenues of the Borough. The Borough has covenanted, in the Ordinance (hereinafter defined), that the Borough shall do the following: (1) include the amount of the debt service for the Bonds for each fiscal year in which such sums are payable in its budget for that year; (2) appropriate those amounts from its general revenues for the payment of such debt service, and (3) duly and punctually pay or cause to be paid from its Sinking Fund, as hereinafter defined, or any other of its revenues or funds, the principal of and interest on each of the Bonds at the dates and places and in the manner stated in the Bonds, according to the true intent and meaning thereof. For such budgeting, appropriation and payment in respect of the Bonds, the Borough, under the Ordinance, has irrevocably pledged its full faith, credit and taxing power which taxing power presently includes the power to levy an annual ad valorem tax on all taxable real property within the Borough presently unlimited as to rate or amount for the payment of debt service on the Bonds.

MATURITY SCHEDULE
[See Inside Front Cover]

The Bonds are offered when, as and if issued subject to withdrawal or modification of the offer without notice, and subject to the approving legal opinion of Cozen O'Connor, Philadelphia, Pennsylvania, Bond Counsel, to be furnished upon delivery of the Bonds. Certain matters will be passed upon for the Borough by its Solicitor, Buckley Brion McGuire & Morris, LLP, West Chester, Pennsylvania. It is expected that the Bonds will be available for delivery to DTC or its agent on or about: October __, 2016.

[UNDERWRITER TBD]

September __, 2016

*Preliminary, subject to change

This Preliminary Official Statement and the information contained herein are subject to completion, amendment or other changes without notice. The Bonds may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the applicable securities laws of any such jurisdiction. The Borough has deemed this Preliminary Official Statement to be final for purposes of Rule 15c2-12(b)(1) of the Securities and Exchange Commission, except for certain information which has been omitted in accordance with such Rule and which will be provided in the final Official Statement.

**Borough of West Chester
Chester County, Pennsylvania**

WEST CHESTER BOROUGH COUNCIL

<u>Name</u>	<u>Office</u>	Term Expires <u>January</u>
Carolyn T. Comitta	Mayor	2018
Ellen B. Koopman	President	2018
Jordan C. Norley	Vice President	2020
E. Brian Abbott	Council Member	2018
Donald Braceland	Council Member	2018
James A. Jones	Council Member	2020
Diane C. LeBold	Council Member	2020
William J. Scott	Council Member	2018

BOROUGH MANAGER

Michael A. Cotter

BOROUGH SOLICITOR

Kristin S. Camp, Esquire
Buckley Brion McGuire & Morris, LLP
West Chester, Pennsylvania

BOND COUNSEL

Cozen O'Connor
Philadelphia, Pennsylvania

AUDITOR

Maillie, L.L.P.
West Chester, Pennsylvania

PAYING AGENT

TD Bank, N.A.
Philadelphia, Pennsylvania and Cherry Hill, New Jersey

UNDERWRITER

TBD

FINANCIAL ADVISOR

Financial S&Lutions, LLC
Reading, PA

BOROUGH ADDRESS

401 East Gay Street
West Chester, Pennsylvania 19380



OFFICE OF THE BOROUGH TREASURER WEST CHESTER, PA

401 EAST GAY STREET

WEST CHESTER, PENNSYLVANIA 19380

TELEPHONE: 610-696-0249
FAX: 610-436-0009

The Borough of West Chester recently solicited bids from vendors via PennBid to provide services related to the upcoming Stormwater Billing in 2017. As a result of two bidding posts via PennBid we only received one completed bid. The vendor is MuniBilling of Wyomissing, Pennsylvania and they were awarded the bid.

While we contacted other vendors to see if they were interested in bidding some of the main obstacles encountered were their inability to meet our timeframe requirements and/or they required a longer contractual commitment by the Borough. Munibilling is able to meet our requirements. Additionally, Munibilling provides similar utility billing services to their local clients in East Bradford Township as well as East Fallowfield Township. Finally, in comparing to other potential vendors the costs associated with using MuniBilling's were competitive.

Award Summary:

Vendor: MuniBilling, Wyomissing, PA

Amount: \$5,175 plus production run costs

Total Cost to Borough:

	<u>Option 1</u>	<u>Option 2</u>
One time Costs	\$ 5,175	\$ 5,175
Production Run	1,095	1,095
Envelopes	1,806	2,623
Postage @ \$.39	1,677	1,677
TOTALS	<u>\$ 9,753</u>	<u>\$10,570</u>

Please note that the difference between Option 1 and 2 is the envelope configuration that the lockbox service will accept.

Company	Bid Total	Award Total	Award Comment
Altoona Builders Exchange			
Bergmann Associates			
CHPlanning			
Construction Journal			
Dallas Data Systems, Inc			
Deltek			
DH and Company			
Diversified Technology Corp			
e.Republic			
e4 Health Inc.			
Gibson-Thomas Engineering Co., Inc.			
HRG			
HRG, Inc.			
LANTek			
McMahon Associates, Inc.			
Melchiorre Construction Co			
Michael Baker International			
MuniBilling	\$0.00	\$5,175.00	Cost shown is one time. Production run costs are excluded from display.
Netexus Technologies Inc.			
North America Procurement Council, Inc. PBC			
O'Brien & Gere Engineers			
Onvia			
Paragon Management Group Inc			
Pemcor, LLC			
Stantec Consulting Services Inc.			
Synergy Environmental, Inc.			
The Garland Company, Inc.			
Wampole-Miller, Inc. d/b/a Miller Bros.			
Weidenhammer			
Wells Fargo Bank NA			

PENNBID AWARD INFO

Company	Last Edited By	Bid Date	Bid Receipt Number	Bid Status	User Comment
Altoona Builders Exchange				Incomplete	
Bergmann Associates				Incomplete	
CHPlanning				Incomplete	
Construction Journal				Incomplete	
Dallas Data Systems, Inc				Incomplete	
Deltek				Incomplete	
DH and Company				Incomplete	
Diversified Technology Corp				Incomplete	
e.Republic				Incomplete	
e4 Health Inc.				Incomplete	
Gibson-Thomas Engineering Co., Inc.				Incomplete	
HRG 				Incomplete	
HRG, Inc.				Incomplete	
LANtek				Incomplete	
McMahon Associates, Inc.				Incomplete	
Melchiorre Construction Co				Incomplete	
Michael Baker International				Incomplete	
MuniBilling	John Yergey	8/10/2016 10:29:11 AM	500204377	Complete	
Netexus Technologies Inc.				Incomplete	
North America Procurement Council, Inc. PBC				Incomplete	
O'Brien & Gere Engineers 				Incomplete	
Onvia				Incomplete	
Paragon Management Group Inc				Incomplete	
Pemcor, LLC				Incomplete	
Stantec Consulting Services Inc.				Incomplete	
Synergy Environmental, Inc.				Incomplete	
The Garland Company, Inc.				Incomplete	
Wampole-Miller, Inc. d/b/a Miller Bros.				Incomplete	
Weidenhammer				Incomplete	
Wells Fargo Bank NA				Incomplete	

PENNBID AWARD INFO



Utility Billing Proposal for:

Borough of West Chester

Attn: Theresa Eadie

Submitted by

MuniBilling
San Francisco, CA / Wyomissing, PA
www.MuniBilling.com

John Yergey
john@munibilling.com
(800) 259-7020 x 17

Welcome to MuniBilling

Thank you for taking the time to evaluate MuniBilling as your next utility billing software. We are confident that our product and service will exceed your expectations, and we stand behind our product 100%. If you have any questions at all, please do not hesitate to contact us.

MuniBilling is a state-of-the-art utility billing system currently used by over 450 cities, counties, and private utility companies across the United States and Canada. After decades of working closely with municipalities, our founder recognized the need for a modern yet affordable solution to municipal billing. MuniBilling began as a custom program for a select few towns in Pennsylvania, but quickly grew to be a powerful yet flexible solution that could likely meet the needs of every town in America.

Our software has been developed over the past 10 years, and continues to be updated multiple times every month to keep up with modern technology and stay ahead of our competition. MuniBilling is a cloud-based system with hundreds of configurable features, processes and reports, allowing for the greatest flexibility and customization available in the industry. Recent technology trends show cloud-based software is being widely adopted across all industries, as it can significantly reduce internal technology costs while increasing security, convenience, and efficiency in the work place.

1. Executive Summary

System Description:

MuniBilling handles every aspect of your billing process from the collection of usage data, managing property and ownership information, receiving payments, assessing late fees, collection notices and even a customer portal which allows your customers to access their information. Your customers can have the option of receiving an E-bill and make and manage payments online.

We have developed hundreds of customizable reports, features, wizards and shortcuts to streamline your workflow and save you valuable time. Every piece of your data is easily accessible and can be exported to a CSV (comma separated value) file for additional analysis.

Our primary goal in any project is to understand your needs and work with you to configure a solution that both solves your business case and is the most cost effective solution. We look forward to working with your entire staff to make this the best system for you and your community. We want to work closely together forming a long lasting partnership that provides you with the best possible utility billing system and to provide customer support that is second to none.

Our Approach to a Project

1. Upon acceptance we review the proposal with the internal personnel you assign to lead the project. We will develop a detailed written plan and review with your team.
2. Review – Present Plan and Schedule for Project – After completion of the above we will return a written plan and schedule to you for review outlining the project steps and requirements.
3. Modifications and Setup – Complete any required modifications outlined in the “Scope of Work”, complete the basic company configuration and discuss any questions regarding the company configuration.
4. Conversion / Testing – Importing data and testing of the defined processes and items in the “Scope of Work”
5. Training / Orientation – A formal training schedule will be provided upon completion of the system configuration. Training will include a detailed system overview, walkthroughs of the billing and late fee processes, and other functions pertinent to your utility. Training will be completed using online screen sharing technology and questions may be asked at any time. Upon completion, each trained user will be asked to complete a simple certification test to ensure basic

understanding of how to use MuniBilling. Unlimited phone and email support is available to all certified users of the system.

6. Go Live – Plan for go-live date. Start Up Training and Assistance with Processes.

Personnel

MuniBilling has a management team with over 50 years combined experience in utility billing and software development. For every project we assign a project director, a team leader and a support representative specific to your project. For West Chester your project director would be Jage Schiff. Jage has had leadership roles in projects for MuniBilling for over three years and has over 20 years of technical experience. He will be the lead technical contact for your project. Charles Kittler will be your direct customer service contact. Charles has been with MuniBilling for over five years and functions in both a customer contact as well as customer service supervisor allowing him access to additional resources if needed. Both Charles and Jage have worked on similar projects across the United States most recently completing a contract with NRG/Reliant installing a completely integrated billing solution in 13 metropolitan locations.

Summary

We look forward to the opportunity of working together. We want to provide you with the best solution and develop a long lasting relationship with you. We take pride in the MuniBilling system and strive to provide you with the best solution for your needs. Our team is dedicated to providing you with the best customer service in the industry.

2. Description of Organization and Qualifications

MuniBilling provides service to entities in over 40 states and three countries. We are committed to providing our customers with a complete and powerful solution that is fully cloud-based and uses the latest technology available. We have a large staff of customer service personnel, project managers and system engineers that are available to assist with all your requirements.

MuniBilling has offices on both the East and West Coast of the United States. This diversity has been driven by expansion that has seen MuniBilling have a presence stretching from England (UK) to Hawaii. We provide all services with internal personnel and do not outsource and development or customer service. We have extremely high service standards that insist that we can monitor and control all staff members to insure the best possible customer experience.

MuniBilling has experience providing various levels of service to customers allowing for greater flexibility for our customers. Our customers have the ability to use our system to complete all tasks related to billing services or they can choose to outsource certain functionality or integrate automated services to allow for greater internal efficiencies. We have extensive experience in working with our customers to design and select the best possible solution for their needs. Our staff has analyzed your RFP and in the scope of work outlined many options and/or concerns that are directed at the specific requirements of your project.

MuniBilling is a complete cloud-based solution but also an enterprise solution. You are not forced into a system, product or process that comes from a canned solution but are placed into a system that is designed and customized for your needs. Many companies have done extensive research and searched through many possible solutions before choosing MuniBilling as the only solution that could meet their specific needs. Functionality, power and flexibility are a combination that you may not find in many alternatives but are the benchmark of our system and service.

3. Experience on Similar Projects

MuniBilling has a long list of projects that are very similar to the requirement listed in the RFP provided by the Borough of West Chester. Following I will provide some brief details along with some references that you can contact.

City of Superior – Utilities – 1316 North 4th Street – Superior, WI 54880

The City of Superior approached MuniBilling several years ago as they searched to find a replacement for their legacy system. It was a long and arduous search as they have many unique requirements and internal processes that could not be found in other available systems. They chose MuniBilling as the only solution that could provide them with the functionality they required along with the integration of outside solutions such as external printing and on-line payment options. Senior Engineers from MuniBilling worked closely with the staff from the City of Superior to make the required modifications to the system and then insure a smooth transition of the data provided to complete their first billing. The City of Superior bills over 10,000 active accounts on a quarterly basis. They bill for storm water fees and the calculations are based on several variables including impervious area and the number of edu's for the associated properties.

The City of Superior has been a client of MuniBilling for several years and has stood behind our system and provided an excellent level of service to all the users from the City of Superior. One of our main contacts at the city is Shana Ross who may be reached at rosss@superior.wi.us or 715-395-5833.

Sahuarita Wastewater Utility – 375 West Sahuarita Way – Sahuarita, AZ 85629

Sahuarita Wastewater Utility became a customer of MuniBilling approximately one year ago. They were searching for a better solution than their previous system. They had a limited reporting ability and were unable to integrate outside services such as on-line payments, external printing, a customer portal and other options. MuniBilling was able to work with their staff to select the best options for their requirements. We migrated both current and historical information to our system and integrated a lock box service, on-line payments and an external printing option that has maximized efficiency and reduced internal demands. The bill for wastewater services to about 5,600 accounts on a monthly basis.

Sahuarita has been a client of MuniBilling since June 2015 and we just received a new five year contract with them that runs to June of 2021. Our main contact there is A.C. Marriotti and he can be reached at amarriotti@sahuaritaaz.gov or 520-822-8838.

A few references that are closer to your location:

East Bradford Township – 666 Copeland School Road – West Chester, PA 19380-1822

East Bradford Township has just become a customer of MuniBilling in January of 2016. They wanted to move their billing from another outside source and were referred to MuniBilling by another local client. We worked with them to develop a system that would minimize the demands on internal staff. They have almost all payments sent to a lockbox service that is integrated with MuniBilling and also receive on-line payments. They send all billing information to MuniBilling which is processed and then the bills produced and mailed. This is another example of how MuniBilling works with clients to find the best alternatives to maximize billing efficiencies. They bill approximately 1,200 residential accounts and 30 commercial accounts on a quarterly basis.

Our main contact at East Bradford is Tenley Adams who can be reached at tadams@eastbradford.org or 610-436-5108.

East Fallowfield Township – 2264 Strasburg Road – East Fallowfield, PA 19320

East Fallowfield Township has been a client of MuniBilling for over 5 years. They bill approximately 3,500 accounts on an annual basis but also receive payments that are quarterly. MuniBilling provides a full service option for them. This helps reduce the requirements of their internal staff. They do not receive any payments at their office but all payments are directed to a lockbox or an on-line payment option. Both of these payment options are fully integrated with the MuniBilling system.

Our main contact at East Fallowfield is Pani Martin who can be reached at pmartin@eastfallowfield.org or 610-378-7144.

We are glad to supply a further client list or additional references if needed.

4. Detailed Scope

MuniBilling can provide the following services. The cost for these services and options are listed in #6 pricing. Based on our experience we have listed some options that may or may not be necessary and we would be glad to discuss this in more detail.

Configuration / Data Conversion / Testing

Step #1 – (Configuration) MuniBilling can import your MAF into the MuniBilling system easily. Upon receipt of a test file we could setup the configuration of the import, import the file, test and provide results back to the Borough of West Chester within 2-3 days. Having this configured ahead of the actual start date will allow for a quick turnaround during the start up. (2-3 days from receipt of test file)

Step #2 – (Testing) We will perform the initial configuration and test import, we will also perform test bill run. This will allow us to work with your approved Borough staff to review access to the system, reports and other data analysis. (3-4 days after completion of Step 1)

Step #3 – (Review / Approval) MuniBilling will provide sample bills for review in a pdf format to Borough staff. We can incorporate and changes and modifications and return for final approval so that the billing format is now approved and ready for production.

Note #1 – We can produce the standard OCR code on the 1st Page of the bill. This will be placed on the stub area of the page if required and can contain the necessary check digit and account information. We can place this same information on the 4 stubs of page two however this may require some additional work with your lock box vendor to insure that they can process payment that are remitted with a stub that is not the standard size required by most lock box services.

Production Run

Step #1 – MuniBilling will receive a file to generate the actual billing run scheduled to be mailed on 10/1/2016.

Step #2 – MuniBilling will return an analysis to Borough staff for their review and approval. (Same day as Step #1)

Step #3 – MuniBilling will produce bills and provide Borough staff a pre-billing register for review. (Same day as Step #1)

Step #4 – Borough staff will approve the data analysis and pre-bill register.

Step #5 – Bills will be produced and mailed. (Day after Borough Approval)

Borough of West Chester Access

Approved Borough Staff will have access to all billing and account information immediately. They will be able to run reports, re-print invoices, and view all account information. The Borough Staff will also have the ability to create and print new invoices during the year. All billing information can be exported in the specified format allowing for easy entry into another system that may be used for payment processing.

Billing Format

MuniBilling will produce a two page bill.

The first page will have the customer information and customer mailing address information at the top and then space will be available for fee explanations or other messages that will extend down to the required area for the stub at the bottom of the first page. The extent to which this can be extended will be determined by the stub requirements of your lock box provider. The stub on the first page will contain the payment amount required to make a complete payment for the year. (Include logo)

The second page will contain four coupons (**perforated or non-perforated**) that can be used to make quarterly payments.

A #9 Customer return envelope will be included with the bill. If the stub from the first page of the bill is inserted into the return envelope the remittance address for the payments will be displayed so that the customer will only be required to add their return address.

The two pages of the bill along with the customer return envelope will be inserted into a #10 windowed envelope. (**An option here is to use a double windowed envelope vs. a pre-printed envelope**)

The mailing will be done using all CASS certifications to achieve the best possible postage rates (Currently \$0.37-\$0.39 approximately). Borough of West Chester will review address updates or corrections for their mailing.

5. Warranty and Post Implementation

Service Level Information

Planned Maintenance is communicated in advance. Planned maintenance and updates are done on Wednesday evenings at 10:30 PM EST. The system will be unavailable for up to an hour at that time.

Hours of Availability for online access to the MuniBilling system is 24/7 outside of planned maintenance as described above.

Service Metrics

Critical or Serious Issue – Response targets are less than 1 hour with resolution or workaround within 8 business hours.

Moderate Issue – Response targets are less than 2 hours and resolution or workaround within 16 business hours.

Minor Issue – Response target is within 8 business hours and resolution or workaround provided within 2-3 weeks on next scheduled update or maintenance.

Security & Disaster Recovery

Chief Technology Officer: Josh Harris | josh@munibilling.com

Description of MuniBilling's Technologies

Web Servers:

- 256 bit SSL Secured Traffic
- Redundant / load balanced to ensure speed and stability
- Full server backups made daily
- All servers are hosted and supported by Rackspace (www.rackspace.com), a top choice of Fortune 100 companies. Read more about the high level of security, compliance and controls applied to our servers:
<http://www.rackspace.com/security/management>

Database:

- Real time transactional backups and full hourly backups, stored for 30 days
- MySQL, a reliable and trusted database used by companies like Zappos and Adobe.
- Stored on secure servers, your data can never be accessed by anyone else

Software Development:

- All changes are communicated to all customers prior to deployment
- Free updates performed several times per month
- You are always on the latest version without having to install anything
- Engineers at MuniBilling are constantly working to keep the software up to date so you do not have to worry about security and compatibility with your computers

Disaster Recovery:

- Full database backups are performed hourly on disk (in virtual hosted server) and database backups are moved every 6 hours to Rackspace Cloud File storage. The greatest possible loss of data is not more than one hour at any given time. A loss of the primary database server only would result in virtually no loss of data at all because of real time transactional mirroring of data.
- Both virtual server storage and Cloud File storage is redundant and hosted with Rackspace at the Dallas, TX data center.
- All servers involved in hosting MuniBilling are also backed up daily to Cloud File storage. All backups are retained for 30 days.
- MuniBilling has a managed support level agreement with Rackspace (http://www.rackspace.com/cloud/managed_cloud/) that offers 24/7 support in the event of a server failure. Rackspace personnel will be involved immediately in the event of a server failure. If, under extraordinary circumstances, Rackspace has a complete failure of servers at their Dallas, TX data center, our servers will be brought back online at another one of their US based data centers as soon as possible.
- Rackspace has been able to offer 100% uptime for their Cloud Server platform (http://www.rackspace.com/information/legal/cloud/sla?page=cloudsites#cloud_servers_sla), which is where MuniBilling is hosted.
- In addition to the disaster recovery support that Rackspace offers, MuniBilling personnel will be involved to ensure that services are restored as quickly as possible. MuniBilling engineers are on a rotating on call schedule to ensure a resource is available in the event of any problem including nights and weekends.

If you have any questions regarding the above information please feel free to contact me at your convenience.

Josh Harris – Chief Technology Officer
josh@munibilling.com (800) 259-7020 x15

6. Pricing

Setup / Configuration / Data Conversion / Testing

Setup of Company File in MuniBilling	\$ 1,750.00 / One Time
Configuration of Data Import	\$ 875.00 / One Time
Development of Billing Format	\$ 1,525.00 / One Time
Training of Borough Staff	\$ 1,025.00 / One Time

The above would be "one time" costs and would not have to be repeated in subsequent years if no modifications to the import file or billing format are required.

Possible Additional Cost

Testing and Development for OCR configuration of Lock Box Acceptance

Total One Time Costs **\$ 5,175.00**

Production Runs for Billing

Import File / Bill Production / Review / Approval	\$ 1,095.00 / per production run
2 Page Bills (Option 1 – see below)	\$ 0.42 / Statement
2 Page Bills (Option 2 – see below)	\$ 0.61 / Statement

Postage will be billed at actual postage rate achieved.

Option 1:

Use a #10 double windowed envelope (not pre-printed) which would show both the customer address and remittance address through the windows.

Use a standard format statement without the Borough logo displayed.

Option 2:

Use a pre-printed #10 envelope with a single window for the customer address.

Print the Borough logo on the statement (page 1).

Additional Notes / Considerations / Concerns

It is critical to discuss prior to any final determinations on the billing format the design on the coupons. Some items to consider here:

1. If you are putting four coupons on the second page you may run into two issues.

The first issue is that the stub will not be the standard size if this coupon is to be processed through an automated lockbox at a bank or other collection service. They prefer or sometimes require that the stubs are a standard size.

The second issue is that they lockbox services also many times require or prefer that the bottom of the stub is not a perforated edge. This would be achieved with the stub on the bottom of the first page and the last stub on the second page but not the two stubs at the top of the second page.

2. You may want to consider using the stub on the first page to provide information for a full annual payment and the option to pay the first quarter. If you do this then the second page could be comprised of three payment stubs that would be a standard size. This may be acceptable to lockbox service.

3. If you have four stubs on one page and they are folded and inserted into an envelope this does not work well with the perforations as the folds are one-third page folds and the perforations are one-quarter page.

Finance Committee Minutes

August 2016

Borough Finance Committee Meeting Minutes
August 10, 2016- 6:50 pm

Council Attendance:

Jordan Norley
Jim Jones
Michael Galey

Department Head:
Michael Cotter

1) Comments, suggestions, petitions by residents in attendance regarding items not on agenda.

None

2) Chamber of Commerce Special Event Consideration Proposal

Mark Yoder, President of West Chester Chamber of Commerce spoke about a budgeting problem the Chamber is facing. Because the Borough of West Chester has increased their fees for special events in the Borough, the Chamber is falling short within their operating budget to pay for the event fees. Mr. Yoder presented a proposal to leverage these fees. Mr. Yoder's proposal included a joint venture with the Borough of West Chester. This would include featuring the Borough within Chamber's advertising and social media outlets. (Finance Committee recommendation approval 2-0)

3) June 2016 Financials

Mr. Cotter presented June 2016 Financials.

Mr. Norley noted that Parking Revenue was significantly lower than budget.

Mr. Cotter noted that the smart meters, credit cards, etc. are the reason why revenue is lower.

Ms. Koopman noted that a discussion is needed under the Master Parking Plan on whether the Borough should base its revenue upon parking.

Mr. Jones noted that financial information may need to be presented differently.

4) Budget 2017 Update

Finance Committee to provide agreement on date change recommendations for moving Finance Committee meetings and other special Finance Committee meetings by August 26.

5) Approve July Finance Meeting Minutes

(Finance Committee recommendation approval 1-0 with changes to be made to correct Diane LeBold's name)

6) Other Business

PFM presented 2nd Quarter results for both the Police and Non Uniform pension plans.

- Positive returns for 2nd quarter
- Police Pension- \$23M balance
- Non Uniform- \$13M balance
- Plans met benchmarks in 2nd quarter

Meeting adjourned at 7:52pm