

Longmeadow Audit Committee

Minutes of January 28, 2019 Meeting

Adopted at the May 21, 2019 Meeting

Members Present: Ernest Welker, Chairman; Pete Landon, Matthew Schoen

Members Absent: Katie Petrakis

Others Present: Paul Pasterczyk, Town Finance Director

Meeting called to order by Chairman Welker at 5:30 P.M.

Melanson Heath Contract Addendum

Mr. Welker moved that the Audit Committee vote on providing a recommendation to the Select Board regarding an extension to Melanson Heath's auditing contract through FY21. Mr. Landon seconded. The Audit Committee then voted unanimously to recommend that Melanson Heath's contract be extended. Mr. Welker will offer that recommendation to the Select Board.

Prior Minutes

Mr. Landon moved that the minutes of the November 30, 2018 meeting be adopted. The November 30, 2018 minutes were adopted unanimously.

Subcommittee Reports

- Bond Ratings

There was discussion over the potential to slip from an Aa2 to an Aa3 rating and how that might impact Longmeadow. Mr. Pasterczyk stated the debt plan is to pay BANs within 5 -10 years. Long term debts carry a higher fixed cost. For example, \$21 million to finance the DPW/Dwight Road project resulted in a \$100K issuance cost. Additionally, access to a Moody's rating cost \$28,000. Mr. Pasterczyk agreed that there is concern that Longmeadow is approaching its policy limits on debt. However, recent property value increases project the prop 2.5 limit will not be reached until FY24.

- LPVEC and compliance activities

Mr. Welker advised waiting on this issue while the School Committee was in flux.

- Hampden County Regional Board of Retirement

Mr. Landon reported that he, Mr. Pasterczyk, and Mr. Mark Gold attended the latest meeting of the Retirement Board. Mr. Landon noted the Board was debating whether to change their financial management. The County retirement board has \$369M in assets and \$711M in liabilities. Longmeadow's portion is 12.47 percent of those totals and thus represents ~\$43M in liabilities. Mr. Landon recalled that 15 recommendations were made in approximately 2010 for changes in the retirement statutes but does not believe any of those recommendations were implemented.

- CAFR

Statutory changes for state aid and transportation may affect revenues in upcoming years.

The meeting was adjourned by Chairman Welker at 6:32 P.M.

Respectfully Submitted,  
Matthew Schoen  
Clerk