

Longmeadow Audit Committee

Minutes of the May 21, 2019 Meeting

Adopted at the June 18, 2019 Meeting

Members Present: Ernest Welker, Chairman; Pete Landon, Matthew Schoen, PJ Nassar, Chris Sceery

Members Absent: Katie Petrakis

Others Present: Paul Pasterczyk, Town Finance Director

Meeting called to order by Chairman Welker at 5:32 P.M.

Introductions

New members PJ Nassar and Chris Sceery were welcomed to the committee. Mr. Welker described the duties and activities of the Audit Committee to the new members. Mr. Pasterczyk also informed the committee that the replacement process for the outgoing Town Manager will likely take at least 6 – 8 months.

Prior Minutes

Minutes for the November 30, 2018 meeting were reviewed and amended by the Committee. The minutes were then adopted unanimously.

Bond Ratings

Mr. Pasterczyk reported he spoke with Clark Rowell regarding Longmeadow's bond rating. A drop to an Aa3 rating could result in an increase of 15 to 25 basis points in interest costs. In the past, Moody's has expressed concern that Longmeadow maintains insufficient reserve cash levels. However, Longmeadow has not raised taxes up to the 2.5% annual ceiling to increase those funds. Mr. Pasterczyk reports some unspent funds have been conveyed into the Town's operational stabilization fund when available to improve cash reserves. Mr. Pasterczyk reported that Mr. Rowell believes Longmeadow may be rated more favorably by Standard & Poor's rather than Moody's.

The debt structure for the upcoming DPW and Council on Aging construction projects has been planned. Mr. Landon noted that bond rates are currently favorable. However, these projects cannot be financed until they been awarded to a general contractor. Mr. Pasterczyk anticipates financing these projects will be possible around September. Weston & Sampson has been tasked to develop technical specifications to inform the budget and the bonding need.

FY19 Audit Plan

The Audit Committee will meet again in mid June to review the FY 19 Audit Plan with Tanya Campbell of Melanson Heath.

The meeting was adjourned by Chairman Welker at 7:03 P.M.

Respectfully Submitted,
Matthew Schoen
Clerk