

Minutes for Audit Committee Meeting of February 28, 2008
Held at Greenwood Center Dining Room
Adopted April 16, 2008

Members Present: Ernest Welker (Chair), Glenn Rosenberg, Paul Smith Absent: Larry Egan
Invited Others: Mark Barowsky, Vice Chair Finance Committee
Others: Ray McCarthy, applicant for appointment to the AC

Ernie called the meeting to order at 7:06 p.m.

Minutes of the January 31, 2008 meeting were approved.

Budget Formats

Paul Smith reported on his research of the Government Finance Officers Association 2006 award winning budget presentations by local governments in MA. The awards were given to ten local governments based on established criteria determined by the GFOA. Three of the award winning budgets (Lexington, Concord, and Chelsea) were provided, along with the overview comments of the Town Manager for the FY08 Longmeadow Budget Report (the line-item detail having been distributed earlier). Paul initiated discussion about needing to review the Budget presentation as two distinct documents – an overview (summary) intended for residents and the detailed format for the budget developers. Members agreed in principle. In open discussion on the winning budgets vs. Longmeadow's budget members also generally agreed the winners more effectively present information, including significant budgetary issues and trends, through more focused figures and graphs along with narrative statements explaining what they mean. This being the first opportunity to see and discuss alternative formats, no specific action was proposed or taken.

Of particular note was a report of the Municipal Operating Budget Subcommittee of the Comprehensive Financial Advisory Committee (CFAC) of the Town of Barnstable aimed at filling "a perceived gap between the finance professionals who prepare the budget and the community of people who may wish to review and understand it." This report was briefly reviewed. There was general agreement that Longmeadow might be well served to form a similar task force and, if one is formed, that this report and Barnstable's experience might serve well as guide for the Town.

In ending, Ray asked for the criteria for good budget communications that Paul had made brief reference to. Paul said he would send the website address to Members.

Other Topics

Mr. Barowsky joined the meeting at 7:55 p.m. Paul Smith gave him a short summary of what had transpired before his arrival. He expressed agreement that the present budget format falls far short of communicating effectively all that is important. As an example, he mentioned that the departmental budget lines for personnel costs don't include the costs of benefits. For a couple of years he has asked Paul Pastercyk (PP) to provide the personnel costs with the cost of benefits included, and he reported that PP told him such data would be provided to him within a week or so. Mark said he did not know what they would show and offered to pass on to the AC Chair what he receives, for forwarding to all AC members.

Regarding the controversy over the Town's Investment Policy Statement, Ernie reported that Robin Crosbie appointed an Investment Policy Task Force on Feb. 14 consisting of Pete Landon, Jim Nittoli, Mike Giampietro, and Janine Idelson. Ernie was included but withdrew to remain independent of the policy developed in the event the AC decides to criticize the work of the Task Force. Jim Nittoli will be organizing the IPTF's first meeting after Pete becomes available in late March.

Ernie also reported that the Pension Review Task force would be presenting its report and recommendation regarding the HCRRB's investments (move the local's funds to the MA PRIT/PRIM pool) to the Select Board at one of its upcoming meetings and also will be presenting to representatives of other neighboring communities.

Regarding internal control and procedures, Ernie suggested that Glenn and he seek a meeting with Tom Mazza, School Business Manager, to get to know him and to go over Scanlon's ML Findings and Recommendations that pertain to the Schools. Ernie will arrange a date and time.

Regarding the FY2007 IA's report, Ernie said he expected the SB would invite Scanlon to present at one of its meetings and expected an AC representative would also be invited. Glenn agreed to represent the AC.

Date of next meeting to be called by Chair.

Meeting adjourned 9:17 p.m.

Respectfully submitted,
Paul D. Smith
Ernie Welker