

Town of Longmeadow  
Audit Committee

Minutes of meeting held on March 29, 2006

Present: Pete Landon, Paul Adornato, Emanuel Wenig, Ernie Walker (alternate), Ned Steiger (alternate), Paul Pasterczyk.

Other Guests: Bill Toner, Mark Gold

Absent: Larry Eagan

The meeting was held at the Fire Department conference room and was called to order at 7:05 PM. There was no public comment.

Town Insurance Program – Bill Toner conducted a comprehensive review of insurance coverage purchased by the town through the Massachusetts Interlocal Insurance Association (MIIA) at the request of the Audit Committee. Mr. Toner's review included two documents (1) a summary of insurance coverage and limits from MIIA dated 3/05 and (2) a list of premium costs from MIIA dated August 4, 2005. Based upon his review, Mr. Toner suggested that the town review the Statement of Values to be sure the assessed value of buildings are accurate in the event a loss occurs. Paul Pasterczyk agreed to review the schedule of values and report back to the committee with his findings. Mr. Toner reviewed deductibles and history of losses. It was agreed that Paul Pasterczyk would evaluate the benefit of raising deductible levels for some of the coverages in order to determine possible cost savings. It was also noted that the town should inquire about service provided by MIIA as it relates to handling claims that may fall below deductible limits. Paul Pasterczyk agreed to evaluate raising deductible limits on buildings. Present umbrella coverage limits should be reassessed. A question was raised as to whether there are legal limits set by the Commonwealth. Paul Pasterczyk agreed to investigate this matter and will consider raising limits. Mr. Toner suggested a specific higher limit would not be unreasonable. Other areas requiring follow-up include whether MIIA could assess all group members in the event of a catastrophe and creating uniform deductibles for town vehicles. A question was raised about the involvement of town department heads in reviewing and evaluating claims and it was reported that the town's safety committee is actively engaged in this process. Finally, Mr. Toner suggested that the town inquire about the availability of vandalism and terrorism coverage. Members of the committee thanked Mr. Toner for volunteering his time and sharing his expertise with the committee.

Capital Planning Program – Mark Gold, chair of the Capital Planning Committee, provided an update on long-term capital planning activities. He noted that a funding request will be proposed on the May town warrant to fund a study which would evaluate the condition of all town facilities (except the high school). The goal of the study is to identify deferred maintenance needs and to prioritize them. There was a discussion about the general condition of school facilities and about who has responsibility for overseeing

the maintenance and repair of the town's school buildings. It was noted that the Charter Commission transferred this responsibility from the School Department to the Department of Public Works. Members of the committee expressed general concern that this transition of responsibility was not progressing satisfactorily and agreed to communicate this concern to the Select Board.

Short-term Overnight Investments – Paul Pasterczyk agreed to gather more information about this issue and he will report back to the committee at the next meeting.

Annual Independent Accountant Report – There was a discussion about the presentation of the annual audit and financial statements to the Select Board. No recommendation was made regarding this matter. It was noted that the contract with the town's independent auditor concludes at the end of fiscal year 2006. The committee discussed the need to define a process to select an independent auditor. It was agreed that Paul Pasterczyk would present a sample bid specification and timetable at the next committee meeting.

Town Energy Program – This item was tabled until the next meeting. Paul Pasterczyk will provide a summary of town-wide energy contracts.

Other Business – Paul Pasterczyk distributed a draft investment policy. Committee members will review the draft. This item will be placed on a future agenda for further discussion.

The chair stated that the next meeting will be on May 4 at 7:00 PM at the Fire Station.

The meeting adjourned at 9:15 PM

Respectfully submitted,

Michael Giampietro