

Minutes of the Longmeadow Finance Committee
Wednesday January 16, 2008
Fire Department Meeting Room & Community House:

Members Present	Y	N
Carla Gunn, Chairperson	x	
Mark Barowsky, Vice Chairperson	x	
James Law	x	
Jim Nittoli		x
Peter Greenberg	x	
Judd Peskin	x	
Deborah Haas Wilson	x	

Also present was Thomas J. Bartholomew, Dory Huard, Ernest Welker, Mary Pequinot, Cheryl Cudnik, Peter Landon

Carla began the meeting summarizing the agenda. Everyone at the meeting introduced themselves for the guests that we had at the meeting from Bartholomew. She briefly discussed that the Committee wanted to know if the investments of the Town were safe and if any of the Town's money was being held in the faulty mortgage pools that are taking huge losses. Paul then reviewed how the investment policy was implemented and the reasons for choosing Bartholomew. He then turned it over to the Treasurer and she explained where all our money was being held and the rates of return. She also explained her reasons for choosing Bartholomew. Paul then turned it over to the Dori and Tom for their presentation. Dory spoke first explaining the portfolio and the quarterly information that is given to the Treasurer quarterly. She then turned it over to Tom who explained to the Committee he's viewpoint on the huge losses Springfield was experiencing and the reasons why. His main explanation was that Moody's and Standard & Poor's had rated these high risk mortgage pools with a triple AAA rating which made them desirable investments. Time has moved on and those same high risk mortgagees are now defaulting on their loans and the pools are taking huge losses. He also explained that the Town's investments were not in these pools and were very safe. He summarized where the investments were held and that the three main concerns for his firm were safety, liquidity and rate of return. The Committee then asked several questions and by the end of the meeting they were satisfied with our current investment portfolio. Carla thanked our guests.

The Committee continued the meeting asking questions about our funds and the insurance we have above and beyond the \$100,000 from the FDIC. Mary explained that our money with Webster Bank was 100% backed by Collateral. Mary also stated that she would check on the MMDT Funds to make sure that all of their investments were low risk. The Committee asked Mary for a monthly report on the overall cash and rates of return along with copies of the Bartholomew quarterly report on the investments.

The next item on the agenda concerned review of the FY08 YTD budget vs. actual for revenues and expenditures. Paul reviewed the Revenue Report previously sent stating that overall revenues were on target. Since some Committee members had not received/reviewed the expenditure report it was decided that it would be reviewed at the next meeting. The Committee also discussed the calendar for the Town Meeting and

reviewing the FY09 Budgets. Carla also wanted the Committee to know that the School did not set up a meeting or send any correspondence concerning the information requested by the Committee over two months ago. Peter then told the Committee that he had received an e-mail from the Chair of the School Committee concerning a Request for money for Text books from April of FY2007. Peter responded by letting know that the request had been tabled last year and why didn't they keep some of the turn back money. The Committee decided that the School needed to put in a Reserve Fund Transfer for the text books and show the Committee that they are not able to move funds from another line item. Peter also let the Committee know he was notified that there would be a Sub-Finance Committee meeting at the School on Jan 23rd at 7:00 p.m.

Next item was the approval of the minutes from 11/07/07 and 12/05/07. Carla told the Committee that she wanted to modify the minutes and add more detail concerning the Committees request from the Schools.

Paul explained that the Snow & Ice budget was in a deficit. A report from the DPW itemized the expenditures to date. The Committee voted to allow expenditures in excess of the budget provided that the DPW apprise them with monthly expenditure reports. Judd motioned and Jim seconded all were in favor. The Committee then discussed the revised Sewer Rates from the BOS and Paul told the Committee that Sewer Retained Earnings would be used to fund the Sewer refunds. Last item was the Budget Report Status and the timeline for review. Carla stated that the committee would more than likely have the Town Manger's recommendation sometime in late February early March when the Select Board receive them.

The committee voted to adjourn at 9:50 p.m. and the next scheduled meeting is February 13, 2008 at 7:00.

Respectfully Submitted,
Sandra Choquette, Town Accountant