

BOF meeting

February 20, 2019

Heather, Sandra, Ken, Jeff, Drew, Rick, Joe, Kim is on the phone

Members of the audience

7:00PM

Mrs. Buell is taking minutes until the substitute

- 1.
2. Public Comment
3. Action on minutes Drew, Heather passed unanimously
4. Report of the Town's Pension Fund: Mr. Mizner could not attend the meeting due to potential poor road conditions. Mr. Ives stated that he should send out reports tomorrow
5. Old business:
 - reminder of dates for budget reviews (see notes)
- 3/20 Recreation Budget,
- 4/3,
- 4/9 Fire commissioners, Selectman's presentation, 5/7 Capital
- 4/17 date will not be held due to members not present

Mrs. Genna offered to have the BOE move to the 3/20 date.

Mr. Otto moved the following

- 3/20 Recreation, BOE
- 4/3 Selectmen
- 4/9 Board of Fire Commissioners
- 4/17 No meeting

Possible conversation about revenues on May 7th when Capital is presented.

5b. Questions related to fire department reports: No questions

5c. other old business: no one had any other old business

6. New business

6a. Budget hearing date May 15

Hearing May 14th

Mr. Ives Town hearing is June 4th

Mr. Ives will check to see if the charter allows for three weeks between the meetings. If the Selectman finds that the hearing needs to be moved, he will alter the minutes

6b. Mr. Ives indicated that Cheryl Laflame-Miller has assisted the district for several months.

Mrs. Laflame-Miller indicated that in August she was contacted to assist with the 2017-18 audit. She met with the treasurer and Finance director. It was found that there were entries needed to be made for 2016-17 in order to balance the records.

All of the accounts were balanced in December and January of this year. Changes have been made that were needed. All information has been uploaded to the auditors and several co

762,000 credit entry was made. 16-17 a lead sheet was needed, it showed everything between the BOE and Town. All activities were reported on one sheet. The previous auditors were unable to share a lead sheet so Ms. Miller created one. This included all the cash and liabilities for 16-17. There was an error of 610,000 credit account for the stiff account, this error is not possible. There was a place in the audit where this was removed. Actually there was 189,000 in this account and not overdrawn. To create a starting balance for 17-18 there was a large adjustment made. This brought the cash to a correct balance. I do not know how long that account was off for a longer time, this was not investigated. The correction was made and moved forward.

The other issue that was found was a liability account called an exchange account. Balancing entries were made in this account. This is where they recorded items that were not sure how to record. In 16-17 there was a credit balance of 35,000 that was listed as a debit in 17-18 so this was adjusted. I was also using this account to record changes. The final number was 672,000 is shown as an increase to the fund balance. For 17-18 revenue was down by 1,000,000.

That was a change in ECS and special education. That was a net loss of 1,000,000 based on the changes. We anticipated 2,000,000 in revenue and only received 1,100,000. You underspent by 1,400,000 and this will result in a 400,000 net increase fund balance.

She does not anticipate a reduction to the fund balance.

Mr. Otto asked for a repeat and once again there is an increase of about 300,000

There is an adjustment of 49,000. When you have refinanced debts, there has been payments due. The 49,000 will need to be transferred to CNR projects, it is listed as "transfers out" in the general fund

The current auditors have received the letters from Hilltop, who handles financials.

Sandy: 762,000 was the majority from a 800,000 bank account. Either expenditures were over stated or revenues from previous years were understated. This might not

be work the cost to correct this. This is from the stiff account: different state grants are

The Stiff account was making 2%

The bank accounts were not being reconciled for years. It looked like it was balancing but it was not actually reconciled. When you look at the report it appears to be balanced, but it was not correct.

Mr. Ives indicated that the auditors likely missed a lot of things. There were years when the checks were not reconciled so this could not be reconciled. The current auditors are checking on all of the banks. This information has been shared with the current auditors.

Mr. Ives asked that Mrs. Miller.....2018-19 has not been reconciled yet. July-Sept will need to be reconciled. Some of these transactions will be reviewed to see if they should be applied to the current or previous year. This could change the previous

Reconciliation should be completed monthly.

There are some entries, payable entries

Health insurance adjustments have been made.

Anything on your June statement should be zeroed. There may be some changes. But at this point there will need to be a roll over so the reconciliation process can begin. There are still some things in the system that need to be cleared or followed up on.

There is some clean up work that needs to be done, it can be done in 18-19.

The majority of changes need to be corrected from 16-17.

Mrs. Buell has spent significant amount of time on this on the BOE side. She reported that there is a consultant on the BOE side working to develop procedures and protocols.

Otto asked if the BOE budget is in the same place as the town, they are all reconciled as far as it can. The school will be rolled over at the same time. The budgets will need to be rolled over so the current reconciliation can begin.

Sandy has a question for Rick about the things that were lacking due to failure of checks and balances. Going forward, we need checks and balances. Mr. Ives also indicated that he agrees and that the auditor has not clearly reviewed or process.

Do we need assistance from Cheryl regarding procedures? The town will plan to use the same procedures for the town and board.

Mr. Voccio asked if the level of audit we have been asking for, is there anything the BOS or BOF can do to ensure that they get a quality audit. Depending on what you do, a 5 year contract with an out clause. There is an URSA site that will be sent out so you can look at other town's audits and see who the auditors are.

King and King will be giving a fill audit.

There could be a standard list of questions: what did you test, how many items did you test, did you get the bank coms, what did you do? Did you do what your letter said you would do as auditor,

Mr. Ives said that for 8 years before that, there was a team here for a week and they never found anything.

Mr. Otto asked if Cheryl will be doing an audit of July-September. There will be a discussion of this. If we need someone else, we should find them.

Mr. Otto thanked Mrs. Laflamme-Miller for her work on this audit. She has been happy to help and is available to help

B2. 18-19 status:

Mr. Ives indicated that there will be deferred revenue that will be moved once the auditors will begin.

Auto taxes continue to increase.

There were no questions on the budget.

Fees for the accounting work was from 2017-18 and some of it will be put in this fiscal year.

Mr. Otto indicated that the balance will flow to the general budget. The reserves will go from 1,008,000 to 1,400,00

The green building repairs were related to a water heater at the Green Building.

Sandy: Fuel bill to fire department. Not made since October.

B.3 Audit status: no idea until the next meeting. They are working on the audit Mr. Otto asked if the audit firm could offer higher level of audits in the future.

4. Activity on filling the finance position:

- finance

- other finance staff

The union leadership is working with the BOE and Town

CT-CHIP: This is moving forward for both Town and BOE.

The employees have been notified, the Broker will be meeting with the employees for both the Town and BOE

6. Current Solar Project:

Titan Energy is our fuel provider brought in Greenskies. They are leasing company.

The form they asked to have signed was signed and now Greenskies owns the zrecs.

We can't apply to the state without an RFP. There is a building committee.

Attorney present at the meeting:

b. other: none

6.c. Other new business: State numbers today: Teachers retirement

40K, doubles the next year

removal of car tax did not happen, which was good for Brooklyn Public Schools

ECS: 6,796,000 down 186,000 from this year

LOCIP was down \$12,000

That was all that we were cut.

Although these numbers were shared, these numbers will be debated before they are passed.

Mr. Otto: there are other areas to be reviewed. Teacher's Pension will need to be considered. He is very concerned about the small school district consolidation. If they don't there will be a cost.

Mr. Otto is a proponent of regionalization but not forced

There is an item COG to regionalize.

Bottom line for our town. We better start talking about other towns about regionalization.

Would that be discussed at Council of Government? Mr. Ives shared that this has been talked about and the numbers are not working. This has been considered but there is not a savings realized.

Mrs. Buell shared what the RESCS and area superintendents are doing to discuss regionalism.

Liaison reports

Resource recovery: set dates, every other month

Selectmen: consider passing an ordinance for 100% disabled veterans

Mr. Ives indicated that there is a special

This will be discussed at a town meeting. The Town may abate the
Recreation: met and set up the budget and will be ready to report
Housing: no meeting
Board of Fire Commissioners has not met
BOE:

Public Comment: None

Adjourn: 8:30 Sandy/Drew

Patricia Buell
Interim secretary