



TOWN OF BROOKLYN

P.O. Box 356 - Route 6 and 169
BROOKLYN, CONNECTICUT 06234

OFFICE OF SELECTMAN
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**Board of Finance
Special Meeting Minutes
Thursday, March 23, 2017
7:00pm Clifford B. Green Memorial Center**

Present: Jeff Otto, Sandra Brodeur, Ken Dykstra, Drew Dionne and Melissa Bradley; Recording Secretary
Absent: Heather Allen, with notice; and Kim Conroy

Also Present: Bob Kelleher, Joe Voccio, Sherry Holmes, David Fuss, Austin Tanner, Aaron Kerouack, and Fran from the Bulletin

1. **Call to Order:** Jeff Otto called the meeting to order at 7:06pm.
2. **Public Comments:** None
3. **Discussion of Audit:** Discussion held on report and the following errors need correction:
 - Page 2, change form to from
 - Page 9, second sentence, change that to than
 - Page 11, Address is incorrect in the last line
 - Page 35, Sewer collection system amount should be \$1,115,000

Mr. Otto states he compared the audit to previous years. This was a clean report with no significant issues reported. Ms. Holmes states she did verify the financial statements.

The board requests clarification on why the program expense budget is down \$377,792 for education. Ms. Holmes will report back to the board.

4. **Approval of Audit Report:** Ken Dykstra made a motion to accept the audit for year ending June 30, 2016 with the listed typos corrected and pending a satisfactory resolution of the education program expense budget. Drew Dionne seconded the motion. Mr. Dykstra questions what the reference to control policies on the last two pages is. It refers to a book put together regarding procedures and policies for all boards and commissions and what they do. Motion passed 4-0.

5. **Discussion of Management Letter:** No management letters were included in the final draft of the audit in the past so there is no need to include it now. Ms. Holmes states herself and Mr. Ives did respond to the auditors addressing the recommendation letter. Mr. Otto states the Board of Education should respond as well. Ms. Holmes will speak with the school about the letter as well.

- Examination of employee files revealed issues at the school: Dr. Conway is addressing these. Target date for response is May 15th
- Large school entries are to signed off by management: Ms. Holmes already approves them, she will now physically sign the sheet
- Conflict of interest forms should be used: Form will go to all boards to complete. Target date for completion is October 1st
- Ethical behavior statements should be in the policy manual: This is in progress
- There should be disclosure of relatives doing business with the Town or BOE: Look at personnel policy and ethics policy to see if this is covered. Target date for response is May 15th
- Personnel Files at the School: Dr. Conway is correcting this. Target date for a report May 15th
- Updating Emergency Plan: Dr. Conway is in the process of this. Target date for a report is May 15th
- Physical inventory assets are not done: It is believed the Town has been done. Check to see if school has been. Target response date May 15th
- Pension reports not received in a timely manner: Hooker & Holcombe is attending the next meeting for the purpose of this discussion. Target report for May 1st
- Vendors new software for fixed assets was inaccurate: This is an issue with Field Services.
- Certain assets and liability funds need to addressed: Ms. Holmes is researching this. Target report for May 1st
- Expendable asset list to protect those items is needed: Will research to see if the Town has a policy to define expendable. Target report for May 15th
- Next 3 items pertain to the previous item
- New employees should go through a background check: This will be negotiated. Update on target date for completion given on May 15th
- Update the employee manual: Target date for update on May 15th
- OSHA training for employees should be kept in one place: Update from the Selectmen on May 15th
- Personal computer usage should be included in the personnel policy and union contract: Target update on May 15th
- Active cameras should be made aware to employees: This will be discussed with Dr. Conway and the Board of Selectmen. Target date October 15th
- Use a fireproof cabinet for personnel files: Decision up the Board of Selectmen if they wish to get a cabinet
- Develop a fund balance policy: Some suggestions were submitted by the auditors. A target range for the fund balance is in place, but not in writing. Ms. Brodeur would also like the policy to include any restricted funds be approved by the Board of Finance. An example is TAR funds and also include that they can only be used for town aid on roads. Mr. Kelleher states those funds are under the control of the Selectmen. Ms. Brodeur states last year, approximately \$150,000 was borrowed from TAR funds from what would be received this year. Ms. Brodeur is not comfortable with that happening without the Board of Finances

approval. Mr. Otto states TAR funds can also be used for some other things other than roads. Target date for further discussion on September 15th. Ms. Brodeur states Mr. Ives stated when he became First Selectman he would provide this board with reports that would show the status of all the funding of all the grants and only one report was produced. Mr. Otto states he believes the auditor meant a policy for the uncommitted reserve balance. This will be discussed further with Mr. Ives present. If the deadlines cannot be met, the board is willing to work around a better time frame.

6. Approval of Management Letter: No discussion

7. Other Business: No other business allowed at a special meeting

8. Public Comment

- Aaron Kerouack questions how the open space fund is tracked? For example, when you levy a fee, and that fee comes in when the property is transferred, who keeps an eye on this so it is not lost? This would be specified in the land records and it would alert the Town when it is sold.
Mr. Kerouack questions if the East Brooklyn fire district tax goes up when the mill rate is increased? Mr. Otto states no, it is a different entity. Mr. Kerouack states there is many different ways to sharing that tax but agrees it should be assessed in the area it is benefiting.
- Joe Voccio comments on the fund balance policy and cautions against overreach and micromanagement that tends to happened from time to time. Mr. Voccio states the undesignated reserve is at an all-time low and he is disappointed with the management of it and would like to see a different approach.
- Jeff Otto states the Board of Fire Commissioners will present their budget on 4-19-17 and the Board of Finance on 4-5-17 and tentatively the general government on 4-12-17.

9. Adjournment: Drew Dionne made a motion to adjourn the meeting. Sandra Brodeur seconded the motion. Meeting adjourned at 8:15pm

Respectfully Submitted;



Melissa J. Bradley
Recording Secretary

O'Connell, Pace, & Company, P.C.

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March 15, 2017

Town of Brooklyn Finance Committee Board
4 Wolf Den Road
PO Box 356
Brooklyn, CT 06234

Dear Committee Board Members,

The audit preparation was dramatically improved, not perfect but much improved.

The audit resulted in a number of observations for improvements in the school system.

Examination of employee files revealed some problems. (Interim Superintendent is addressing these issues) In Process

1. Stipend agreements were not signed by employees in six instances.
2. There does not appear to be any drug testing done.
3. One case there were four warnings with no referral up the management line.
4. Warnings have to be kept in the Main Office, Not the individual school Principal's Office.

Third: Large Schools Entries are to be signed and dated by management. (Finance Director will sign off on all JE's)

Fourth: Conflict of interest forms should be used by all members of the board of dedication and all management positions.

Fifth: Ethical Behavior Statements should be part of the New Policy Manual. (Town Ordinance Covers this one)

Sixth: There should be a disclosure of any relatives doing business with the Town or Board of Education.

Seventh: The Interim Superintendent is correcting this.

Annual reviews should be in the Main Office Files not in the Principal's Office.

I found college transcripts sealed, never having been opened.

Sexual Harassment Training documentation is not in the files.

Eighth: The emergency plan needed to be updated and is in process now. -In Process by the Interim Superintendent.

Ninth: Physical Inventory of Assets are still not done. There are tags on assets I saw, so, it was done in the past.

Tenth: Pension reports for The Town and LOSAP pensions were not received in a timely manner. The reports were not ready in time for the fieldwork and delayed the completion of the Financial Statements and the preparation of management's discussion and analysis.

Eleventh: The Town uses an outside vendor for fixed assets. The new vendor's software handled the changes inaccurately.

Twelfth: The following funds need to be addressed regarding no changed from 2015 to 2016 in certain assets and liabilities.

- Water Pollution Control Authority
 - oInterest and Liens- \$24,447.00
 - oSpecial Assessments- \$660.00
 - oDeferred Revenue-\$54,138.00
- Capital Run Recurring Fund
 - oIntergovernmental Receivable- \$274,289.00
- Town Aid Road Fun
 - oDue to Other Funds- \$146,477.00
- Special Education Grants Fund
 - oIntergovernmental Receivables- \$1,000.00
 - oDue to Other Funds- \$13,793.00
 - oUnearned Revenue- \$24,649.00

Thirteen: There should be a Small Tool/ Expendable Asset list to protect those things which are not capitalized. Examples of these would be snow blowers, chain saws, plow blades, depending on the Capitalization Policy.

Fourteenth: The selectmen should revisit the issue of capitalized costs to see if the figure should be lowered or just the Small Tool/ Expendable Asset list maintained.

Fifteenth: The Town is sensitive to the safeguarding of assets, but there is something new this year for the Town to do and that is to perform a risk assessment procedure to see where the Town feels that losses or defalcations could occur. Once these are identified then the Town will install procedures to assume that these do not happen. Every Town Report I have seen contains this as a management comment. **This is a comment that is found in MOST municipal audit reports.**

Sixteenth: The disposal of assets should have signoff of another person preferably a Supervisor so that the Employee is protected from assertions of misuse.

Seventeenth: New Employees should go through all **background checks** they do, PLUS credit check and drug testing. These indicate a person who is more likely to steal. The garage is already drug tested. **This is being negotiated.**

Eighteenth: The Employee Manual has not been updated since 2008 and even though it only covers five individuals it needs to be update. Preliminary. **This is done, it is going through review.**

Nineteenth: The Safety and OSHA training should be centralized in one place since I was looking for it in the personnel files and it was not found there.

Twenty: The Employee Manal and the next Union Contract should contain a paragraph which deals with the personal computer usage by Town Employees. **The employee handbook will resolve this issue.**

Twenty-One: The Employees who are working where the cameras are active should have signed a form acknowledging that the area they are working in is under surveillance.

Twenty-Two: The employee files are locked in a file cabinet, BUT a used fireproof file cabinet would be more secure, like the one used in the Board of Education. This is due to the lack of Sprinkler Systems.

Twenty-Three: Need to develop a Fund Balance Policy.

I appreciate the opportunity to work with you and please understand this is not a **Criticism**, but an attempt to not only improve but to protect the Town and The Board.

Sincerely yours,

Walter O'Connell

C.P.A.

O'Connell Pace & CO C.P.A's