

ACCOUNTS COMMITTEE MEETING MINUTES

The Accounts Committee met on *Thursday, February 20, 2025 at 6:00 PM* in the *City Council Chamber, Brockton City Hall, 45 School Street*, to consider the following:

1. Instructions and Policies saved to the Auditor's webpage discussion

Councilor Lally

- Delay due to technical difficulties, anything we can't view we will have at the next meeting.
- Auditors instructions posted to website to improve transparency and preserve policy.
- Can we see the vendor setup procedure?

Irene Giannopoulos- City Auditor

- Posted to alleviate questions with turnover. Centralize all processes easily accessible.
- Screenshots from Munis, new staff can follow along.
- Different avenues need to be covered re: time entry, calculations, process per CBA.
- Examples to understand the math. Approval instructions.
- Vendor set up needs W9, Tax ID, reasons being paid.
- We are requiring departments to attach contracts to the vendor profile.
- Created a grant form. Tasks them with expectations of the grant. There is a thinking component that needs to occur.
- A huge part was me also explaining to the staff the why, why is it important?

Councilor Asack

- A lot of information. This is a great job.

Councilor Farwell

- Travel voucher. We have a lot of staff that use their personal vehicle. Is this the form that would be used? What are the sign offs?
- Example of travel to Worcester, turnpike and parking fees, submit this form?
- How long do we keep the records?

Irene Giannopoulos- City Auditor

- They would submit this with their Purchase Order. The dept head would sign the PO.
- Other documentation goes with the form. Mileage needs a google map screen-print to audit the mileage reimbursement.
- 3 years but I like to keep them longer. From banking kept things for 7 years.

Councilor Lally

- Good to see that it is logged and so available.
- How to do things was just passed down, seeing it organized is productive.
- A ton of information that we were hoping to see.

2. Answers to questions asked at Accounts Committee held Jan. 29, 2025

Irene Giannopoulos- City Auditor

- Able to obtain 3 answers, PO 29650123, Pmt for \$700 cut from parking auth for a dumpster. Incurred because the garage accumulates rubbish/yard waste and needed help to gather and dispose of it.
- Payment to Shapiro Law Group, PO 32351470, unfortunately a former employee was overpaid due to a clerical error, that has since been rectified. Essentially had two contracts active at once. When the settlement occurred the school dept decided to settle

to allow payment for legal fees and one months-worth of pay that they paid back to the employee and they went on their way. Forwarded the settlement agreement to the committee.

- School has already implemented controls to not occur again. One place will get all MOA's and CBA's.

Councilor Farwell

- We can't tell you what to do but I would ask if you receive an invoice for legal fees I want to make sure our city solicitor has reviewed. We establish a precedent.
- Law Dept should be included in any agreements and settlements. Not up to us as councilors so should be brought to the mayor.

Councilor Lally

- Per Nystrom, Beckman, Paris reports the school payroll and HR were not talking to each other and they had over 300 employees that HR didn't know they had.
- Good this is being rectified. The guy was paid too much and he sued us so we settled.
- Third item?

Irene Giannopoulos- City Auditor

- The entire council will be seeing restructuring when the school presents their FY26 budget you will see how the controls will be coming into place.
- The cherry sheet revenue. We had a funny "check" paid to the commonwealth.
- It's been discovered in the short time I have been here, myself and my staff have been in overdrive to stop the crisis and find systems that need to be improved.
- Every fiscal we get receipt estimates from the DOR that we will receive from the state. We book it monthly, referred to as the Cherry sheet revenue. We are allotted a certain amount for certain things. Specific line item for chapter 70 school choice.
- Every city in the commonwealth is listed. I have pulled Brockton, Ed, general gvt & total. \$290M. There is an offset of these charges that are called assessments, charges that we technically need to pay back to the state such as county tax the RMV and various other tuition that needs to get paid for school choice and charter.
- In the past this was paid through accounts payable to reflect the expense. I don't necessarily agree with. We don't need to put a "fake check" through the AP system. We can post a simple journal entry. It was through an accounts payable warrant but not an actual payment to the commonwealth. It's simply an accounting of the assessed charges that we need to give back to the state.
- RMV non-renewal surcharge, we buy into a system through the treasurer's office. All cities and towns have the option to 'buy in'. We send out excise tax, the deputy collector sends out notices, there's one last fee, a fourth fee, that you can charge to ensure the tax payer pays their excise. If they don't pay, we tell the RMV their license needs to be put on hold. License and registration will have a flash for the RMV staff to pay before renewing. State wide system the RMV pays for and we are giving a little back by paying to have them help collect the excise taxes.

3. Review of Vendor Warrants P25-078 through P25-083

Councilor Farwell

- Bay State Restaurant Products, spent to date \$17,798.47, suggests there must be a bid or contract. \$8,735 for a purchase. Fairly large expenditure for Bay State. If it were the

vocational it could be their culinary arts program but for the high school would be Chartwell. Do we have a contract or do a bid? Regardless of ARPA needs a bid.

- If they're in compliance with 30B I have no problem.

Irene Giannopoulos- City Auditor

- These are grant funds, ARPA funds with this code.

Councilor Nicastro

- This is a Ward 4 business and had a recent write up about bar pizza
- These funds were for redoing the kitchen at the Shaw Center.

Councilor Asack

- I hope that's not what these funds were for because that was well stocked and should have taken inventory.

Councilor Farwell

- Bradco Inc, \$16,033.39, 2 repairs, would like to know what was repaired and if bid on.
- I know the chair mentioned a future meeting about safeguards for over \$10K. Does something trigger a person entering? Future meeting discussion.
- We have all been sensitized to school transportation. There is a business here in Brockton and to date they have collected \$332,785 in transportation and still 4 months. Thought it has to be a huge fleet to collect that. According to assessor's office there are only 8 vehicles, we collect \$609.67 in excise tax because vehicles range from 2006-2016. This transportation issue has got to be resolved. Auditor has forwarded me invoices that I will get to you. That's just one vendor. Do we want our kids transported in a vehicle that is 19 yrs. old, or even 9? Most districts set limits when bid. This is a favored vendor because they drop what they're doing when needed. We are all in the wrong business and should have gone into school transportation. It surprises me.
- Grail LLC \$25,550, I did research. This is one of the best things the city has done. This company provides cancer screening for our Fire Dept and perhaps others and they have caught people in the early stages. Very progressive. Wish we could afford to do it for others. Early detection is absolutely critical to treatment.
- Home Depot, YTD paid. I think either credit card or buy something on credit. We are all over the place with Lowes, Amazon and would like to know what these particular invoices are for.
- Lexia Learning Systems, in state travel \$5,000. Odd to pay a company for instate. YTD \$111,000, we obviously have an ongoing relationship with them
- Lowe's, tools & hardware, facility maintenance, janitorial supplies. \$66,757.69 YTD. What are we buying? What causes this? What departments?
- I note we buy a lot of things from Ockers, Is this pursuant to a bid or contract?
- Ultra Lum Services LLC, tourism promotion. YTD \$2,179, what tourism are we promoting?
- Medicare premiums, auditor told me many months ago that when they went to Medicare did not select part B and there is a penalty. 501 people were paying. Why are we continuing to pay this? This is a monthly obligation correct? Is there any paperwork that justifies why? Is this an error in perpetuity that as long as they're alive we pay this?

Irene Giannopoulos- City Auditor

- I believe school dept has a contract with Ockers
- From what I've gathered about Medicare, there was some kind of an error decades ago and it's a reimbursement because of that error. Excellent question that I do not know.
- Might be prudent to invite folks to talk about what happened back when.

Councilor Asack

- I would like an answer. It looks like we are paying individuals not an insurance co.
- How do we prevent from happening again?

Councilor Nicastro

- I received notification regarding Medicare Part B that if I don't sign up by March I may be penalized in the future when I do. I think this is what they're doing.

Councilor Farwell

- Solar Mission #2 LLC, we are paying them? \$1.360M. I thought we had a deal with constellation. Don't know if you can tell the dept.

Irene Giannopoulos- City Auditor

- Can't tell dept off the top, likely DPW.

Councilor Teixeira

- Arizona State University, \$6,100
- BH Photo Video Inc, YTD \$17,688.29
- Charlene A Brown, \$9,999

Irene Giannopoulos- City Auditor

- Professional Development, probably tuition reimbursement. Paid out of grant funds, grant number starting with 5 is the school dept.
- Will get more info (BH Photo)

Councilor Nicastro

- \$1 short

Councilor Lally

- Going out to bid, very good catch

Irene Giannopoulos- City Auditor

- Out of school's general fund, some kind of technical instruction, will get information.

Councilor Teixeira

- Not going to mention company name but YTD \$54,240, the reason I ask on check date Feb 5th he got a check for \$3,000, \$3,900 & another check for \$3,000 and another \$3,000 on previous page. We want to find out how old the vehicle, why they have preference. If doable on the contract if they could provide year. I don't want to put any kids in even 6 yr. old. I don't want my kids riding on them. They don't look safe.
- Brockton Day Nursery, YTD \$134,552.06
- Darren Duarte, YTD \$1,348.48, other contract services
- High Point Treatment Center, YTD \$264,973.15 again other contract services.
- Home Depot Credit card, same date I see \$63.72, \$63.72, \$618.80, \$618.80, double charge or same tools at the same time?
- Lowe's same thing here \$177.54, \$177.54 another \$327.58 and \$327.58 twice.
- Lynch, repair for \$12,516.38 and another for \$14,619.59. Would love clarification. That's a lot of money for repair. One invoice?
- On snow removal and ice, how much have we paid YTD? CFO said just over \$500K but I did my math and it's a lot more.

Irene Giannopoulos- City Auditor

- You want the year on the contract? I will look into.
- This is hitting grant funds, more than likely a grant program to assist with treatment.

- Will get more info
- More than one invoice. It's two different invoices.
- We have specific line items for snow removal, can run a budget report.

Councilor Farwell

- Problem is 'other charges' we have no idea what it is

Councilor Lally

- Other charges "don't worry about it" aren't answers this committee particularly likes.
- Again, other contract services.

Councilor Nicastro

- I run my household accounts on quicken and I can do report by name and also account or category, can a warrant be run based on category or account description?
- Would give us a snapshot of what we are spending on a specific category. Couldn't do just snow removal?
- We spend so much on vehicle repair. Would love to show everything on a warrant. Can we save money by having a shop for vehicle repair?
- Wireless phones, Verizon, T-Mobile, look how we reimburse. Make sense to negotiate through one company?
- Just looking at dollars and cents, special ed transportation and tuitions, years ago we did a lot more in-house and if we look at expenses of transportation and tuition vs in-house could perhaps go in a different direction. Can we balance with or own finances?
- Chatterboxes LLC, what is it for?
- Athletic non PR? A lot of these throughout this warrant. What is it for?
- Dawson, Public safety YTD just under \$5K
- EIUS LLC, Sped, would like to know what it's for.
- One-time vendor, YTD \$923,000.
- Snow removal, YTD paid \$2,900 but YTD invoiced is \$230,000.
- US Bank Nat'l Assoc, account description is copy machine supplies and business contract services. YTD \$50,222.00. Is it a credit card and who is it issued to?
- 2 long entries for xerox, other contract services \$8,600, second one XE Systems almost \$54K for copy machine supplies, why aren't they rolled together and what are other contract services for?
- Bargmann Henry and Archetype?
- Note, CDM Inc, traffic lines and signs, almost \$1.5M, not asking to look into, I know what they do, it's just a lot of money.
- Community Counseling of Bristol County, YTD just under \$102K
- Love Transforming Community, other contract services, 4th Qtr. of last year, YTD \$34K
- O'Connor, John, building rent/lease \$2,250/Mo would like to know what for.
- Signs by Tomorrow, acct description is vehicle repair/maintenance.

Councilor Asack

- A few years ago, we were doing in-house repairs, Hired a mechanic. Don't know at what point we send out.
- Possibly vehicle signage

Irene Giannopoulos- City Auditor

- We did discuss last time, I was going to try to export by dept code. I believe we are able.
- I would look for the code for snow expenses but definitely something we could do.
- I can run based on code but may give everything for the entire fiscal for every dept. we can discuss how to make more readable.

- Chatterboxes is a feeding therapy company for children with feeding limitation on IEP.
- One-time vendor, Series of multiple refunds.
- It's not a credit card, usually our debt payments go to US Bank, curious about copy machine.
- I agree description is vague but would be near impossible to be more descriptive. Only so many codes we can put. We can think of a way to extrapolate more info from Munis.
- Hitting ARPA, not sure what dept.

Councilor Lally

- One-time vendors are a cumulative amount of money that has come back in some way.
- Some of it is safety studies on a couple intersections in the last year.

Councilor Asack

- Reiterate my colleagues had really good issues, A lot of facility maintenance, can we find out what buildings? BBE Corp YTD \$85,225 for facility maintenance if we could get more specific. Maintenance supplies, a lot of money spent, would be great to smell the cleanliness and more detail descriptions.
- In past, auditor at time worked with IT in Munis to expand description. Is this being used? Sometimes they hit a wrong button but important to know.

Irene Giannopoulos- City Auditor

- It is more of a report issue. This particular does not have the description that is in the requisition itself.

Councilor Nicastro

- How can the city prevent or reduce fraud?
- Who would be responsible for contacting?

Irene Giannopoulos- City Auditor

- With internal controls and making sure the standards my office has are applied throughout the city. As simple as looking at this, we want to show people what we are looking at and at what we expect and in essence required by you. Acting like an auditor. It's an unwritten function for every AP/Payroll clerk or finance professional. Checks and balances. It's necessary at this point.
- In terms of security and preventing fraud we are strong but only as strong as everyone around. We have high standards and dept heads should too regarding their administrative staff. Accountability and responsibility for their staff. Everyone is expected to.
- The city could solicit all banks in the area and require info regarding opening accounts with Tax ID. It's preventative. Simple fax, something formal requiring the bank. Could be Me the treasurer, CFO, task it to staff. Can do it to credit cards, Amazon, Home Depot.

Councilor Lally

- Flat \$2K, invoice says final pmt. Googled, pmt for AM Radio show host.

Irene Giannopoulos- City Auditor

- I'll find out why we are paying and AM radio, sometimes depts let us know if the PO is open and to notify the staff to shut PO completely.

4. Questions/Comments?

Councilor Farwell

- Received letter from DOR, Cares Act deficit \$3.79M that we are going to have to cover. Have been able to delay with DOR permission but we still are suffering from school dept. I presume it has to come out of local appropriation. Can we have Dr Clarkson and copies of invoices that caused the \$3.9 M deficit spending? Why did we go beyond the stopping point? The taxpayers are going to have to come up with \$3.9M
- Between transportation and these other issues, now this. Where do you cut?
- Special Ed is very expensive. Someone created in-house programs, hearsay, they fell out of favor and work not picked up by someone when they left.
- You lose a lot by going outside the city not knowing your classmates.

Councilor Lally

- Less an accounts issue and more general, there was a change in leadership and philosophy that caused us to forsake internal well-regarded programs for outside programs and led to the largest increase in transportation costs.
- Would widen the scope to cover all Covid money, Cares, ARPA etc. Have CFO come and let us know where it went.