

# TOWN OF GRANBY

## Intra-Board Advisory Committee Special Meeting

November 12, 2014

### MINUTES

**PRESENT:** B. Scott Kuhnly, First Selectman; Jenny Emery (BOE), Ed Ohannessian (BOS), Kelly Rome (BOF); and Ronald Walther, Board of Education Chairman; Ex-officio Members - William F. Smith, Jr., Town Manager. Mr. Walther arrived late.

**OTHER Present:** Harry Traver, BOE Business Manager

B. Scott Kuhnly, First Selectman called the special meeting to order at 6:02 p.m.

### MINUTES

A **MOTION** was made by Mr. Ohannessian, seconded by Ms. Rome, to approve the minutes of October 22, 2014. First Selectman Kuhnly asked if there was any discussion of the minutes.

The Committee voted 4-0-0 to approve the minutes as presented.

### FINANCE DEPARTMENT DISCUSSION

The Committee requested the town and school be prepared to discuss the Finance Departments' operations that are performed during a calendar year, including an organizational chart.

Town Manager Smith gave an overview of the Finance Department operations. He distributed a packet of material with more detail, including an organizational chart. The Finance Department is a blend of administration personnel and tasks. Some highlights from his overview were:

- Department organization shows Town Treasurer, Town Manager, Administration Finance Officer, Fiscal Clerk, Account Clerk, Administrative Assistant. The Administration Finance Officer oversees the revenues and expenditures of the Collector of Revenue and the Tax Assessor.
- Routine activity such as phones, fax, E-mails, walk-ins, personnel payroll issues, etc.
- Department reports such as monthly financials and status of department operations.
- Purchasing such as supplies, equipment, goods and services, and approval of purchase orders from all departments.
- Annual audits (Town Comprehensive Annual Financial Report, State and Federal Single audits.
- Insurance Audits (Workers' Compensation, General Liability, Benefit Plan).
- Pension management.
- Benefit administration of health, life, disability, and FICA.
- Personnel administration such as time keeping, payroll and records, labor relations, and employee evaluation system.
- Budget Development/Budget Management (Revenues, Operations, Capital Program) as required by the Charter.
- Major capital issues.
- Billing for various revenues from various Departments.

- Insurance and Risk Management (property, liability, workers' compensation, professional liability, special coverage)
- Finance Management (maintaining 38 records of funds, the largest fund being General Fund)
- Grant Administration (Youth Services, Police Grants, Small Cities, State Library Grants, etc.)
- Management Coordination (review of goals and objectives per Budget and Charter)
- Future Planning Issues (looking to the future and preparing for items such as debt financing, collective bargaining, and capital issues involving forecasting activity and selection process.

The Committee and Town Manager Smith discussed the above outline and other issues. Some highlights were:

- The finance payroll consists of three personnel ½ town manager, ½ administration finance officer, fiscal clerk and account clerk. The Town Treasurer receives a small stipend and co-signs all checks.
- All monies collected goes through the Collector of Revenue office and then to the Finance office. (example – park and recreation revenues from programs or rentals)
- Total invoices processed last year was 8,359.
- The town and Board of Education purchase the insurance lap coverage together.
- The town uses an insurance agent to assist with the purchase of insurance.
- A purchase policy is in place for the town and all purchase orders are approved by the Town Manager.
- Example of towns with the same form of town finance management is Tolland, Old Saybrook, or East Hampton.
- The Town has received clean audits without comments for 15+ years and the last eight (8) years received the Certificate of Achievement for Excellence in Financial Reporting.
- The audit firm (Scully & Wolf) merged with Blum Shapiro. Subsequently the town has engaged them for a number of years now. However, the auditor partners' keep changing to ensure new eyes are looking at the accounts.

Harry Traver, BOE Business Manager, gave an overview of the Finance Department operations. He distributed a memo with more detail. Some highlights from his overview were:

- Organization: reporting to the business manager are the facilities director, contracted bus manager, contracted food services manager, HR manager, payroll manager, A/P clerk, and an administrative assistant.
- Some responsibilities are:
  - Payroll Manager – manages \$18+ million payroll for about 450 employees, including time sheets and attendance records.
  - HR Manager – oversees all benefits administration, including enrolling new employees, in health, dental, life, disability insurance, and pension plans. Manages hiring process, records retention requirements, employee training,

- including safety, and Title IX. Investigates employee misconduct reports and participates in employee disciplinary proceedings.
- A/P Clerk – processes over 3,000 purchase orders and 6,000 invoices per year. Conducts expense research and tracks utility costs and bus fuel usage.
- Administrative Assistant – billing and collecting \$400-\$500K per year for retiree health and dental insurance premiums, manages three checking accounts for food service, grants, and miscellaneous receipts. Handles the bus route planning, completes annual bus loads survey, and is the first line of bussing requests and complaints. Bills, tracks and collects over \$1M tuitions due and reviews and prepares audit reports for student activity accounts of over \$500K transactions.
- Facilities Director manages the custodial and maintenance staff.
- Business manager's busiest part of the year is October through March. During this period of time, he handles the audit and reporting for the prior year, forecasting for the current year, and budget development for the next year. Summer work includes closing books, reconciling cash to the town, and filing the state annual expenditures report.
  - The responsibilities seem to only increase over time as the state legislature writes more laws regulating schools. Significant amounts of time are being used to administer the security grants, prepare state reports, and handle emergency plan updates, and administrator training, along with the yearly requirement of the Civil Rights Audit report.
- Staff projections – no needs for additional staff anticipated.
- Efficiency Improvements
  - Ground based solar array to address all town and school electricity usage.
  - Increasing employee defined pension contributions would avoid plan shortages. The employer's portion varies year to year depending on how the stock market performs, it has been averaging close to 10% of payroll.
  - Eliminate the duplicate set of books the town keeps to track Board of Education expenditures. A significant amount of time is spent on reconciling each year.

The Committee, Town Manager Smith, and Mr. Traver held a discussion on the similarities of tasks performed in each of the departments (tracking personnel sick and vacation time). The Committee discussed using an outside vendor for payroll functions. Mr. Traver commented typically those outside payroll vendors do not keep track of sick, vacation or special circumstances of all employees because there are changes made all the time. It was concluded each department holds their own and manages them well. Statutory requirement allows the school to manage the budget and the Board of Finance approves the school budget. The Board of Finance oversees the town and school budgets with practices and policies in place (some coming from the Charter). The Committee suggested checking into outsourcing the retiree medical administration since the school indicated a significant amount of time is used for billing and collection which is a standard task.

The Committee agreed that they would like the school and town to explore and plan out three items that were discussed at tonight's meeting, not including the solar array. 1) Streamlining the reconciliation of the Board of Education expenditures 2) How to negotiate changes to the pension contribution plans, in particular the defined benefit contributions, and 3) Checking into an outsource organization for handling retiree medical administration.

#### **DISCUSSION OF OTHER ISSUES PERTAINING TO IBAC CONCEPTS**

No items were discussed.

#### **CONFIRM DATE OF NEXT MEETING**

The next special meeting of the Intra-Board Advisory Committee is December 10, 2014 at 6:00 p.m. in the Town Manager's Conference Room.

Discussion on the three finance enhancement efficiencies mentioned above and IT operations.

#### **ADJOURNMENT**

**ON A MOTION** by Mr. Ohannessian, seconded by Mr. Walther, the Board voted unanimously (5-0-0) to adjourn the meeting at 7:31 p.m.

Respectfully submitted,

Patricia I. Chieski  
Recording Secretary