

TOWN OF GRANBY
Intra-Board Advisory Committee Special Meeting
December 10, 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 and Alan Addley, Superintendent of Schools.

OTHERS Present: Harry Traver, BOE Business Manager; Jon Lambert, BOE IT; and Gary Magoon, Town IT Consultant.

Ronald Walther, Board of Education Chairman called the special meeting to order at 6:04 p.m.

MINUTES

A **MOTION** was made by Mr. Ohannessian, seconded by Ms. Rome, to approve the minutes of November 12, 2014. Mr. Walther asked if there was any discussion of the minutes.

The Committee voted 5-0-0 to approve the minutes as presented.

FINANCE DEPARTMENT AND IT DISCUSSIONS

Finance Department

The Committee requested the town and school be prepared to discuss the three (3) items listed from the previous meeting minutes regarding finance administration operations, which are: 1) Streamlining the reconciliation of 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.

Town Manager Smith provided a report discussing the three (3) items above. From the report, the highlights are:

The Committee asked to review issues pertaining to the check issuance process. The check issuance process involves separate checks drafted by the Board of Education and by the town. As required by law, the checks are signed by the Town Manager and Town Treasurer and journal entries are delivered to the town by a cross-walk that is balanced to the General Fund expenditures. In checking with our auditors, the town is required to balance all issued checks, except those issued otherwise by law, to the General Fund.

The Committee asked for information pertaining to the town's pension system. A summary of the contributions made by the employee and employer (town or BOE) was provided. There are two basic pension plans which are Defined Benefit plan (DB) and Defined Contribution plan (DC). It was mentioned that in the GMEA union all new employees must join the DC plan. The final payout for the DC plan is whatever is available at the time of retirement. The DB plan pay out varies somewhat by years of service, average salary and with a 2% or 2 ½% of salary times years of service upon retirement.

The Committee asked for information pertaining to Retiree Health payment process. In looking at the retiree health benefit process, the Town Manager was unable to identify a more cost effective method than what is presently in place. When rates are established, the town sends notice to retirees of the annual amounts to be paid. The BOE would do the same. Having this process outsourced would work, but would cost more. The town's Finance Officer and the BOE Business Manager agree.

Mr. Traver indicated that the Town of Canton uses a zero balance account that he would like to look at as it may be a better solution in streamlining BOE expenditures. A zero balance account is a checking account in which zero balance is maintained and is funded in an amount only large enough to cover checks presented. From this type of account, a disk or report may be generated showing the balance of the checking account and list of outstanding checks.

Mr. Traver commented that he wanted employees to contribute more to the pension system, in particular under the DB plan. Also he stated that his resource indicated that the town itself needs to make these changes and not by contract negotiation.

Mr. Traver made no other comment regarding the retiree health payment process.

The Committee requested the following actions from the above discussion held this evening.

- 1) A follow-up with the Town of Canton to research what the zero balance account accomplishes and to see if there is anything else that they do which streamlines the reconciliation of expenditures. Also research the pros and cons of having one Finance Department instead of a school and town finance department. A suggestion was to look at the Town of Mansfield as an example of one Finance Department.
- 2) There is some confusion as to how pension plan changes can be made. In remedying the confusion, Town Manager Smith indicated that it can be negotiated at the time of contract negotiations and that the town (Town Manager) is involved in the pension portion of the negotiations. Town Manager Smith indicated that pension contract negotiations are a complex venture. Research and compare the town's pension plan to see where it stands relevant to today's market and if this information will offer an opportunity in future negotiations. If appropriate, assess the pension plan to change the philosophy to be in line with market trends.
- 3) Research the retiree health benefits operation for possibly outsourcing the full administration process and cost of same.

Mr. Traver left the meeting at 7:00 p.m.

Information Technology (IT)

Town Manager Smith reported based on several conversations with Gary Magoon that the IT departments for the school and town should continue as it has in the past by keeping the dialogues open and working together whenever possible. As a new idea, develop a long range plan and create a separate IT account for town budget operations.

Gary Magoon and Jon Lambert both expressed that their collaboration has only increased throughout the years and is a benefit for the town and school. It is important to have both IT personnel share their knowledge and solutions, know the infrastructure of the buildings, and other components of the technology.

The Committee concurred in their response about both school and town IT departments in that there is no formal process for what they work on together. It was suggested to add some wording in the job description of the information and technology personnel regarding collaboration between the school and town or create an information technology memo of understanding to formalize the collaboration relationship that needs to continue to keep up with the ever changing technology enhancements or improvements being introduced. The Committee feels the school and town IT departments should be recognized as one system working on school and town needs.

Mr. Magoon and Mr. Lambert left the meeting at 7:30 p.m.

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 January 14, 2015 at 6:00 p.m. in the Town Manager's Conference Room. An agenda item for this special meeting is a recap of issues discussed in previous meetings for a report in preparation of the Three Board meeting scheduled on January 20, 2015.

Another special meeting of the Intra-Board Advisory Committee is February 3, 2015 at 6:00 p.m. in the Town Manager's Conference Room. An agenda item for this special meeting is the information requested regarding the three (3) finance issues discussed previously.

ADJOURNMENT

ON A MOTION by Ms. Emery, seconded by Ms. Rome, the Board voted unanimously (5-0-0) to adjourn the meeting at 7:48 p.m.

Respectfully submitted,

Patricia I. Chieski
Recording Secretary