

# Town of Trumbull

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## Tri-Board Meeting MINUTES November 8, 2012

Chairman Carl A. Massaro, Jr. called the special Tri-Board meeting to order at 8:05 p.m. Chairman Massaro noted for the record a quorum of the Trumbull Town Council, Board of Finance and Board of Education.

### ROLL CALL:

#### Town Council Members Present:

James Blöse	Debra A. Lamberti	Gregg Basbagill
Suzanne S. Testani	Kristy Waizenegger	Martha A. Jankovic-Mark
Chadwick Ciocci	Carl A. Massaro, Jr.	Fred Palmieri, Jr.
James F. Meisner	Tony J. Scinto	Jane Deyoe
Michael J. London	Mark LeClair	Thomas Whitmoyer
Vicki Tesoro	Jeff Jenkins	John DelVecchio, Jr.
Ann Marie Evangelista		

Absent: David R. Pia and Jeff Donofrio

#### Board of Finance Member Present:

Elaine Hammers - Chairman	Cindy Penkoff, Alternate
Andrew Palo	Thomas S. Tesoro
Paul S. Lavoie	Susan LaFrance
David Rutigliani	Vincent DeGennaro, Alternate

Absent: Steven Lupien

#### Board of Education Members Present:

Stephen Wright, Chairman	Deborah Herbst, Vice-Chairman
Rosemary Seaman	Loretta Chory
Lisa Labella	Edward Ward
Thomas Kelly	

#### Also Present:

First Selectman Timothy M. Herbst, Daniel Nelson, Chief of Staff, Maria Pires Director of Finance, Superintendent of Schools Ralph Iassogna, Assistant Superintendent of Schools Dr. Gary Cialfi, Shawn O'Keefe BoE Business Manager, Steve Kennedy BoE Facilities Director, Mr. Jeff Hackett, BoE Technology Director and Mr. Greg Gibson of the Gibson Consulting Group.

First Selectman Timothy M. Herbst extended his gratitude to the people who volunteered during Hurricane Sandy, many of whom are present at this meeting especially Mr. Ralph Iassogna for his help in evacuating Stern Village.

Approximately six (6) months ago First Selectman Herbst empanelled a bi-partisan group to study whether the Town should pursue outside assistance in exploring the feasibility of a joinder of services between the Town and the BoE. The panel was comprised of Trumbull residents -two (2) representatives from the BoE, Chairman Stephen Wright and Loretta Chory, former First Selectman Paul Timpanelli, Retired Assistant Superintendent of Schools Dan Shamos, Trumbull resident, volunteer firefighter Joseph Peddle, and Budget Director under Governor O'Neil Anthony Milano. The panel reviewed the RFP's (Request for Proposals), after which Mr. Gibson was chosen to perform the review. The report will serve as a blueprint to the collective decision by the Town's decision makers and policy makers that will ultimately have to be made over the next several months in determining which recommendations to pursue and which not to pursue.

Mr. Greg Gibson, president and founder of the Gibson Consulting Group reviewed the structured presentation entitled *Opportunities for Operational Efficiencies & Shared Services for the Town of Trumbull and Trumbull Board of Education dated November 8, 2012* (Full Presentation Attached). The full report entitled *Report of Opportunities for Operational Efficiencies and Shared Services for the Town of Trumbull and the Trumbull Board of Education* is attached.

The primary focus of the report is on shared and collaborative services. The Gibson Consulting Group was selected through the competitive process.

Highlights of Mr. Gibson's presentation are as follows:

- There is the potential for \$2.7 million a year in net savings after full implementation of the recommendations by 2014-2015, assuming the Town implements everything in the report.
- The Town and school district do have existing shared services in place; there are other shared service opportunities that can be implemented. The existing shared services should be more formalized.
- The Town and school district information systems are underutilized, technology is outdated and as a result many processes in the Town and school district are still manual and paper intensive.
- Joining or at least applying for the state health insurance program could save the Town money, this would need to be negotiated with the unions.
- Long term efficiency and transparency could be improved by incorporating efficiency measurements into the budget process.

Mr. Gibson explained that the goal of this report is to eliminate the need of the Town to have to hire a consultant group such as his to come in again and to evaluate efficiency. The town will be able to internalize this review process.

Mr. Gibson reviewed the Fiscal Impact Summary explaining that there are one time investments to be made, there is not much savings realized in the 2102-2013 year, in 2013-2014 savings start to be phased in and by 2014-2015 the Town is seeing the potential for \$2.6 million in savings. Over 5 years the savings increases to \$9.5 million. The most important number is the annual savings of

\$2.6 million. The single largest savings is seen in health insurance followed closely by Custodial/Maintenance then by Transportation.

Mr. Gibson indicated that some sharing services already exist between the Town and school district. Recommendations made will allow the Town to get into new shared services and to improve the effectiveness of the services already being shared. The district staff levels for custodial and school clerical are in line with standards. These are typical areas that out of line with standards but that is not the case here. The food and transportation services are well run. Typically food service operations are well run because they are run as a small business. The project's main focus was on shared service opportunities, not only administrative operations but also auxiliary operations: technology and the like. The scope excluded police, parks, and public works. This was agreed upon at the start of the project.

The Trumbull Public School budget has become a slightly larger percentage of the town budget over the past ten (10) years. There is currently a consistent spending pattern, in the last three (3) years the spending pattern has become tighter, the percentage increases in the budget have become smaller.

Mr. Gibson spoke in favor of shared services. CT is behind other states in the northeast for shared structured services. There is a growing trend of larger school systems and municipalities taking advantage of regional opportunities which was once geared towards the smaller districts and municipalities. There is a broader view of shared services emerging not only between a town and its school system but also between towns and in some cases 3-4 towns or between 3-4 school systems.

There are currently informal arrangements between the Town and the school system with some services charged to the Board and others not.

The opportunities for increased shared services that Gibson believes the Town should go to first are as follows:

Payroll, purchasing, accounts payable, technology, internal audit, maintenance and custodial and tax assessments and collection - with neighboring towns and fire districts.

The Town's internal auditor does not have any responsibilities over the audit of the school district, although the Charter as it is currently written provides this authority. There is a legal question with regard to that; this has not been resolved to date. The school system should have an internal audit function, whether it is done as a shared service agreement or on its own. Mr. Gibson spoke in favor of this as a shared service.

Mr. Gibson reviewed the Shared Services Fiscal Impacts by area. In the year 2014-2015 there would be \$266,912 realized in savings. There would be \$92,000 savings in technology by sharing the technology licenses alone. Gibson Consulting thinks the Town should spend the rest of this year figuring out what it wants to do with shared services and not try to do anything now or in January. There are some recommendations where the Town may want to take even longer before implementing them. The Shared Services Committee is the key to making this all happen. There are shared services that exist now and there are shared services that are recommended but there are concerns about the quality responsiveness of some of the work. A service has to be made efficient, effective and responsive before it can be shared. In a lot of cases we are not ready to share the

service, a lot of that has to do with the technology issues. Before services are shared it has to be made sure that the service in place is independent of the person running it so that, if that person leaves the job, the quality of that service should not diminish. The processes have to be reengineered to maximize the use of our technology and minimize paper flow. We may even realize more savings by reengineering the services. The decision making framework has to be signed off on before the Town starts this process. Migration planning involves the actual people. There will be changes that are made within the organization structure and it will have to be determined how it is that the Town will migrate from where we are now to where we need to be. It will need to be determined how long that would take and how that would be done. Monitoring and reporting will establish if the Town is meeting the service level expectations, being responsible and efficient and whether money is being saved. Mr. Gibson spoke in favor of piloting some of the areas, achieving some successes and then becoming more aggressive in the implementation of the recommendations.

Health Insurance - More than \$20 million a year is currently spent on health insurance, the participation levels are low at 58.5%, which brings the Town close to disqualification for participation in the current plan. One cause of low participation is the payment of cash in lieu of benefits. The cash in lieu of benefits program should be phased out. There are recent loss ratio trends that are unfavorable. The State of CT Partnership Plan opened up to municipalities and school boards last year. When Gibson Consulting first looked at this, they believed premium savings could be much as much as \$5 million a year but listed in the report a much more conservative estimate of \$1 million dollars a year in savings. Until the Town goes through the application process the actual savings will not be known. Participation would have to be negotiated with the labor unions. Gibson Consulting recommended that this be looked at.

Technology - Computers are significantly outdated. Mr. Gibson stated that he was surprised and was not expecting to see this. 60% of the equipment is 6-10 years old. This may explain the manual processes discussed earlier. This has not gone unnoticed by the Town as it has been identified in the Town's Technology Plan. There probably have been other priority needs in the Town that required funding. For the Town to become more efficient this is an area, the MUNIS software program( the financial and human resource system used by the Town) needs greater implementation. The Town had acquired it some time ago but the processes have to be reengineered to get the full use of the software and efficiencies for MUNIS. There are duplicate information systems at the school district but now MUNIS has the capacity to be used by the Board and the Town. It will take some work to become completely reliant on the MUNIS system. There is no automated time clock system, it was used a few years ago but there were problems with that system and it was abandoned. Processing a timesheet takes a lot of time and creates opportunities for errors. Instead of a swipe card, a thumb print can be used to enter the time the hourly employees work. There is limited wireless connectivity on the Town side and at the schools. This is something where the operating efficiency can be improved upon and can help support individualized instruction. The recommendation is not just to spend money on technology, but to be deliberate and figure out what it is that is needed to get the full benefit out of emerging technologies, (i.e. the cloud computing and tablet computers). Increased collaboration with regard to technology would benefit the Town and the school district in the tech support function, network broadband, disaster recovery function and wireless & cell phone functions.

Mr. Gibson reviewed the payroll process. The process is streamlined and more efficient after the reengineering process; noting that it can be simple, better controlled and save time.

Mr. Gibson reviewed the Major Recommendations as follows:

- Custodial and Maintenance recommendation, this is an area that can be consolidated within the Town and school district.
- The energy costs to the Town are higher than the neighboring towns and recommended a comprehensive energy audit. The Town is paying more for its energy. The contract is coming up in 2014. The Town should make sure it is paying market rates and are energy efficient. There are significant savings in this area, conservatively estimating \$400,000 per year.
- The custodial workforce at the schools is a 12-month workforce, this is not necessary. The Town's school facilities do have a lot of summer demands, the Gibson Consulting Group was careful with regard to this. Some school districts can get by with 50% of the workforce for the summer; they are recommending for Trumbull only to trim the current level by 25% over time through attrition. The last recommendation is to consider outsourcing once the contract comes up in this area, it is not because you have too many staff, but the cost structure is high, privatizing may provide an opportunity to save money. The gross square foot per custodian is at or above the industry standard.
- There are a number of things that the Town's general fund pays for on behalf of the Food Service operation that the operation is not charged for (custodial services, utilities and pest control). The Food Service operation's financial statements do not reflect all of the costs. These costs should be allocated to the Food Service operation; they belong to the operation and this would offer relief to the general fund. But this could cause the operate at a deficit and the general fund would have to make up the shortage resulting in no savings realized. The Food Service would have to make some changes to make it work. Overall the Food Services is a highly efficient operation. The high school efficiency is limited by the school schedule, there is a 30 minute gap between lunches, and the high school is the only school under the standard. Meal participation rates are low. Menu prices should be increased more frequently to cover inflation most districts do not raise rates often enough.
- Student Transportation operations are outsourced-routing is done in-house. Would like to see the town revisit the policy with regard to offering this service to all elementary students. He has never seen this policy in place before. If the Town adopted a policy similar to other school districts there is a potential savings of \$400,000 per year, 10% of the transportation costs. The transportation contract should be renegotiated in 2013 to avoid excess costs (minimum staffing, training and bus specifications).

Other Major Recommendations are as follows:

- School district chart of accounts overhauled. In MUNIS, each element of the account code needs to be distinguishable from the other without having to go through a duplicate system. This will take some work, not a lot. The State of CT does not have a standard chart of accounts for municipal school districts, presently. There are national standards or Trumbull could borrow from other states to model. This is the key to transparency and better expenditure management.
- Incorporation of efficiency measurement into the budget process. Most organizations have worked with annual budget increments looking at the difference between what was spent last year and what is proposed for the coming year. Whether it is a percentage increase or decrease, the attention is on the increment not the core. This assumes that the core is fine-but it may not be fine. This can not be assumed until after certain efficiency measures are done. Included in the back of the full report is a list of efficiency measures. It is

challenging, a lot of the data is not routinely collected or audited, and data collection integrity validation exercises have to be gone through. It should be a centrally controlled exercise to make sure the data is accurate. One of the more important recommendations to sustain efficiencies is to incorporate these into the budget process.

Highlights of the Questions & Comments by topic are as follows:

Health Insurance:

- Mr. Gibson explained that the Town would need to go through the state application process; it is unclear if the state pool is one pool that everyone participates in or if there are separate pools for school boards, municipalities and the state
- Mr. Gibson explained that there is a clause in the unions' contract with regard to "equal to or better" coverage. He does not think the Town would have to wait for contract negotiations. Mr. Iassogna indicated who defines what is equal to or better is the question. They may have to open the contract a year in advance to do so; labor counsel does not recommend opening the contract early. Ms. Labella indicated that labor counsel would need to be involved since both the Town and the BoE have staggered contracts. The savings are based on best case scenarios.
- Mr. Gibson indicated that they had not looked into why other towns had not used the state program. Mr. Wright indicated that there is a penalty if the Town were to withdraw from the program early. Mr. Gibson agreed and indicated that they had not looked at self insurance. Ms. Hammers indicated the penalty is important; the Town does not control the increase. Mr. Gibson indicated the exact savings if the Town was to participate in the state program would not be identified until the Town goes through the application process, there is much to learn. Through their research they were able to approximate the average percentage savings is 5%, this is not a published number. Based on the research his consultant had done he felt the Town could get something "equal to or better" for a lower cost. Ms. Hammers indicated each group would be done as the contract came up, this would take several years. Ms. Hammers indicated that there is the possibility for arbitration any time they change from the current carrier or plan. The state plan tends to be a very high end plan and may in fact end up costing more. It could expand benefits and because of the Town's experience rating may cost the Town more. Ms. Hammers questioned the recommendation of phasing out the stipend for opting out of participation in the current plan, noting that could double the cost by the added participation. Mr. Gibson indicated that the Town is on the verge of not being able to participate in programs due to the 58.5% program participation rate, increasing the participation and getting a lower rate through the state, (we may need a higher participation rate to be able to get into the state program) would create a net benefit. Mr. Tesoro stated the theory is that the people with the lower experience are the ones who opt out of the insurance program; that may not be the case in reality. The key is to look at different ideas, different options and different structures of plans. Mr. Gibson stated that the application to the state program does not commit the Town to participating. Mr. Gibson indicated that he did not know the answer to the question if they had considered the Affordable Care Act. The intent of the recommendation is that this was something that should be looked at.
- Mr. Ponzio stated that the Town had discussed combining the BoE and the Town pools, with the understanding that the BoE pool is slightly younger than the Town pool. Mr. Gibson stated with that they had focused their effort looking at the state plan. He would

need to confer with his consultant with regard to combining the BoE and the Town pools and could address these issues in writing.

- Chairman Massaro stated for analytical purposes it made sense looking at the state health insurance, it is the new option and a young program which may explain why there is not a lot of participation. There were various conversations in years past on how to handle the health insurance. There was the option of combining the Town and the BoE, there was regionalization with nearby communities, the CT plan is something new. The committee could go back and look at all of those options noting it is a fluid industry.
- Ms. Hammers indicated for Ms. Chory; given the Town employee demographics the people who opt out of the health care do so because their spouse has coverage. Chairman Massaro stated that our participation rate is low enough to threaten our eligibility. Mr. Gibson stated that if we do not pay a stipend to the people who are not participating, money would be directly saved. Trumbull has more claims people in our pool, so if the Town brought in lower risk people it would lower the overall experience rating. Those are plausible scenarios.
- Mr. Gibson indicated for Mrs. Herbst stated that they do not have data with regard to putting the Town and the BoE under one umbrella. Mr. Iassogna indicated the payout for no participation is per contract and is in more than one contract. It is their understanding that the Town and the BoE are already being considered as one entity under one umbrella by Anthem. We need to know whether this is true or not. Mr. O'Keefe stated that we are being considered as one plan and are receiving a \$45,000 rebate.

## ENERGY

- Mr. Gibson stated that they had looked at electricity cost per sq. ft; they looked at Trumbull, Bridgeport and New Haven. Mr. Wright explained that we have a bad contract. There are so many other options that it makes no sense to have the contract we have, and it is almost double of what is available now. First Selectman Herbst confirmed it is a bad contract, the prior contract was negotiated by the Conference of CT Municipalities (CCM), with Trans Canada. An extension to that contract was negotiated and signed the third week of November 2009; the extension locked them in for five years at 9.77 cents per kWh. The Town is paying approximately \$400,000 more than current market rates It is not right to lock into a 5 year contract at that price with such a volatile industry. CCM, in addition to the dues paid to them by Town also received a vig for negotiating the contract, which is why the First Selectman recommended cancelling their membership with CCM. He conferred with the Town attorneys to see if it would be possible to break the Trans Canada contract. Mr. O'Keefe stated that they have offered them an opportunity to reduce the rate per kwh if they extend the contract. First Selectman Herbst stated that new Town Charter includes language which addresses signing contracts during transition periods between administrations which will address these issues moving forward.
- Mr. Kennedy stated they are currently working on the possibility of a project at the high school which would involve alternate energy, fuel cell and solar power which could take them off of the grid.
- Ms. Labella referred to page 53 of the report. Mr. Gibson stated that comparison is neutralized when based on sq. ft. The rate differential explains some of why Trumbull is paying more but does not feel that is the whole reason why the energy costs are higher.

### Timeframe to Implement Recommendations and General Questions & Comments

- Mr. Gibson indicated for Mr. Palmieri that the timetable for the savings would be over the next two to three years. When you go through the planning process for the shared services there will be some that will be able to start next year. Others will take more time. By the beginning of the third year of implementation, the Town would realize most of the shared services. Mr. Gibson stated that implementing these measures in the departmental areas of the Town and the school district may require some training for the leaders of those areas to become better analysts of the data. This will become embedded in each department head and each would become their biggest self critic. Before anyone else attacks their spending they would be all over it as they know all of the reasons for their spending and will be held accountable for it.
- Mr. Gibson indicated for Mr. Blöse that to update the technology he would start with the planning process and the needs of all of the departments and schools. Computer labs are disappearing from schools. Science has gone from labs, to carts and now we are looking IPads, tablets and cloud computing in the classroom. This starts with academic planning and each Town department, not technology planning. Mr. Gibson explained for Mr. Ciocci that his son's school paid \$250-\$300 for each notebook which was less than what they were paying for a desktop or laptop and they reduced some of the text book costs, but not as much as they thought due to the licensing fees. Text book companies are finding ways to charge full price for the text book whether it is an on-line application or not. There are apps available that are free or low cost and are very useful for special student applications. Part of this is about reaching some students in ways they were not able to before not saving money. Chairman Massaro asked if the graph of the technology in the presentation represented hardware. Mr. Gibson confirmed and indicated that they were pc and laptops. Most school districts have a replacement plan of 3-5 years, and will not operate a computer over 5 years old.
- Ms. Labella stated they do have a technology plan and it is program driven. Mr. Hackett stated that he has made the statement as recent as last year that 60% of their technology is outdated. There is a 3-year technology plan and it is very dynamic, the last bonding was 2005-2006. Trumbull does an excellent job with the 3-year Technology Plan it is reviewed every 6-8 months. They meet every two weeks with Mr. Chialfi they discuss what curriculum is available and what technology is available; he disagreed with Mr. Gibson's comment with regard to computer labs. Over the next two years students are taking all of the state tests on computers in labs, the computer labs are not leaving anytime soon. In response to Ms. Hammers, Mr. Hackett confirmed they will be moving to the cloud. Wireless is included in the 3-year plan. The need for Wi-Fi is greater today. Mr. Scinto questioned why the BoE crosses platforms. Mr. Hackett stated that many of the apps for apple are free, there are some special ed apps that are phenomenal and are a fraction of the cost available from Apple overall there are some that are better for some curriculum but not for all. The curriculum dictates the hardware.
- Mr. Chialfi stated that the technology topic is two-fold one is how it engages the students the other is cost, the curriculum piece is important as well as the cost savings. Mr. Basbagill spoke in favor of Wi-Fi.
- Ms. Hammers indicated that the reason so much time was being spent on technology was not based on the amount of savings that could be realized but because the Town is looking at totally revamping their technology. They are in the millions of dollars on how to upgrade the Town, BoE and the Police Station. Technology is a huge issue it is

not the \$92,000 in savings, it is the \$2 million that they are going to spend. First Selectman Herbst indicated that the reason the technology discussion is germane is all of the issues identified in the report are interwoven. Government is all about priorities, everything that we do costs money, there is only so much the taxpayers can afford, but there are priorities. This report is important; we may only be saving \$92,000 in technology but every other additional dollar saved in the report is based on the money invested in the technology. Mr. Tesoro stated that the way he read the report was that it challenged all of them to begin the process through which they can look for efficiencies within their system. This is the assessment phase, what comes next is the important piece, that is to set up a process where we can look at what our opportunities are, grab the low hanging fruit and keep the process going until they get to the harder and more difficult items. Ms. Penkoff agreed with Mr. Tesoro and spoke from the perspective of having a special needs child. Technology has made his first year at the high school so much easier because he has the cloud. She believes that high school should be about learning and achieving but it should not be a chore and we should be able to give the students that benefit. It gives the students an opportunity to learn on a completely different level, it lowers the stress. The technology aspect has been a very positive aspect of her son's transition to high school. Ms. Penkoff indicated that the report is very detailed and does validate the concerns the Town has had, what is missing is combining the human resources. Mr. Gibson indicated that they did look at human resources and the finance function. There was a strategy applied that if consolidating transaction processing is easier than consolidating management, particularly when those managing functions are crucial to the mission of that organization, HR and Finance are key to each organization, that does not mean you could never consider it.

(Mr. Basbagill left the meeting at 10:05 p.m.)

(Mr. Basbagill returned to the meeting at 10:06 p.m.)

Mr. Gibson stated that they thought more efficiencies would be obtained through the consolidation of transactions. Custodial Maintenance was not seen as key to the mission of that organization. Once they have successes in the areas outlined they could look at expanding the scope, he almost had considered the new hire processing and applicant processing but there are only two people that do all of that. They did look at this globally but were selective in what areas that would consider. Ease of implementation was looked at, for example the internal auditor, once they get past the legal issue it is easy to implement. Criteria was applied, one of which was savings, but they wanted it to be successful in shared services and then would build on those successes.

- Mr. Gibson indicated for Ms. Labella that the primary purpose of the chart on page 30 is to show the different workloads. One side has more transactions to process than the other, if the work is distributed more evenly, you might be able to free a ¼ position to do something else. The school system is a sub-set of the Town they did not think it made sense for the school system to be managing the payroll of the police department because the police department is not their mission. That is why they emphasized that if the Town is going to be the lead on the shared services that you go through the responsiveness of services. If you are going to share the services this should be structured formally, there should be a Memorandum of Understanding and agreement that outlines what will be provided, how it will be provided, how responsive we are

going to be and identify the cost. The school is a sub-set of the town, vice versa is not really true.

- Mr. Gibson indicated that they did not think it was a problem with the internal auditor and the BoE, but there has been a legal challenge that needs to be resolved. Mr. Iassogna stated that the Charter does say it but they are looking for consistency in the CGS. That is why they are looking for a legal opinion. There are other ways to make sure your operation is being audited, external auditors once a year, and there are other independent auditors that come in. First Selectman Herbst stated that there were more layers of the process of the health insurance audit to go through on the BoE side vs. the Town side, the internal auditor can go into the Civil Service Dept and can request x,y & z and they will turn it over to him, that did not happen at the BoE. He is not saying that is wrong he is just saying that it did not happen, that is one of the issues. Ms. Labella stated on page 33 states that a formal risk assessment has not been done in years; Ms. Labella stated that has been done. Ms. Hammers indicated that anywhere they see cash receipts they will send the auditor in, one of the issues that has come up recently has been to look at the process that we have and is there anywhere in the process that funds could be diverted, even if it is not cash. In the beginning of the year they set up a list of assignments. One of the risk assessments is that the BoE has only one person processing payroll, the person can do it remotely, is this ever audited? The Town has one person but there is a back-up. The BoE may come up with another risk area; we have an internal auditor who could be made available to the BoE for certain types of reviews. Mr. Iassogna stated he would be receptive if they came to the town and asked if they could use the internal auditor, but one of Mr. O'Keefe's key priorities is the payroll and is focusing on that. Ms. Labella asked if part of the issue is who has the legal authority to direct the internal auditor. Mr. Iassogna indicated that is part of it, does the Town Charter say that the internal auditor can come over without the BoE's permission. Ms. Hammers stated that this is an example of where they could share services, at the beginning of the year the BoF creates a list for the internal auditor, the auditor suggests to the BoF as well. Everything seems to link back to the MUNIS system that is not fully utilized, some of the suggestions with regard to payroll are an example of how inefficient the timesheets are and the room for errors. Mr. Iassogna stated this is one of the areas that they agree on making MUNIS work and if we can expand on what we do now on the new MUNIS that would be a positive. Ms. Hammers stated that the Town has never used the tax collector piece of MUNIS because about a year before the Town had MUNIS they had bought a new tax collector system and nobody wanted to by another new tax collecting piece, the problem is that one system does not talk to the other and they to have manually tell MUNIS what has been collected, not an ideal situation, maybe now that it is ten years later the Town can find the money to buy the module needed.

(Mr. LeClair and Mr. Blöse left the meeting at 10:24 p.m.)

Ms. Hammers stated that the BoE is on MUNIS and so is the Town but the budget formats do not look at all the same, it is hard to jump back and forth. Mr. Iassogna stated that due to transparency there accounts have evolved this way; there are 1,000 people on the BoE side and 250 on the Town side. They have won awards for accountability and transparency.

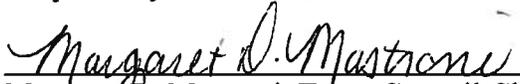
- Ms. Penkoff stated that the Gibson Report is meant to give them a starting point for conversations the detail is minutia.

(Ms. Mark left the meeting at 10:26 p.m.

Chairman Massaro thanked Mr. Gibson for his presentation and for all those present and their participation.

By unanimous consent the Tri-Board special meeting adjourned at 10:27 p.m.

Respectfully Submitted,

  
Margaret D. Mastroni, Town Council Clerk



OPPORTUNITIES  
FOR OPERATIONAL  
EFFICIENCIES &  
SHARED SERVICES

Town of Trumbull and  
Trumbull Board of Education

November 8, 2012

**GIBSON**  
CONSULTING GROUP

# AGENDA

- ▶ Introductions
- ▶ Project Summary
- ▶ Project Scope and Methodology
- ▶ Shared Services Recommendations
- ▶ Other Major Recommendations by Area
- ▶ Questions

# INTRODUCTIONS

- ▶ Gibson Consulting Group, Inc.
  - Based in Austin, Texas
  - Efficiency consultants for 20 years
  - Recently conducted efficiency study in Bridgeport Public Schools
  - Selected through competitive process
- ▶ Greg Gibson, CPA
  - Founder and President of firm
  - Formerly led Austin office of Coopers & Lybrand (now Price Waterhouse Coopers)
  - Director and consultant on project

## PROJECT SUMMARY

- ▶ \$2.7 million a year in net savings after full implementation of recommendations by 2014-15
- ▶ Shared service opportunities exist between the town and school district to improve efficiency
- ▶ Information systems underutilized and technology is outdated; many processes still manual and paper intensive at town and school district
- ▶ Joining state health insurance program could save money; must be negotiated with unions
- ▶ Long-term efficiency and transparency could be improved by incorporating efficiency measurement into the town and district budget process

# FISCAL IMPACT SUMMARY

(IN \$ THOUSANDS)

Area	One Time	2012-13	2013-14	2014-15	2015-16	2016-17	5-Yr Total
Adm. Services	(\$268,000)	\$0	(\$20,000)	\$43,835	\$43,835	\$43,835	(\$156,495)
Technology	(\$10,000)	\$0	\$0	\$92,000	\$92,000	\$92,000	\$266,000
Custodial / Maintenance	\$0	\$0	\$169,077	\$927,077	\$985,077	\$985,077	\$3,066,308
Food Service	\$0	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000	\$675,000
Transportation	\$0	\$0	\$427,000	\$427,000	\$427,000	\$427,000	\$1,708,000
Health Insurance	\$0	\$0	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$4,000,000
Tax Collection	TBD	TBD	TBD	TBD	TBD	TBD	TBD
<b>Totals</b>	<b>(\$278,000)</b>	<b>\$135,000</b>	<b>\$1,711,077</b>	<b>\$2,624,912</b>	<b>\$2,682,912</b>	<b>\$2,682,912</b>	<b>\$9,558,813</b>

## WHAT WE LIKED

- ▶ Some sharing of services already exists between the town and school district
- ▶ District staff levels for custodial, school clerical in line with standards
- ▶ District food service, transportation operations well run

## PROJECT SCOPE

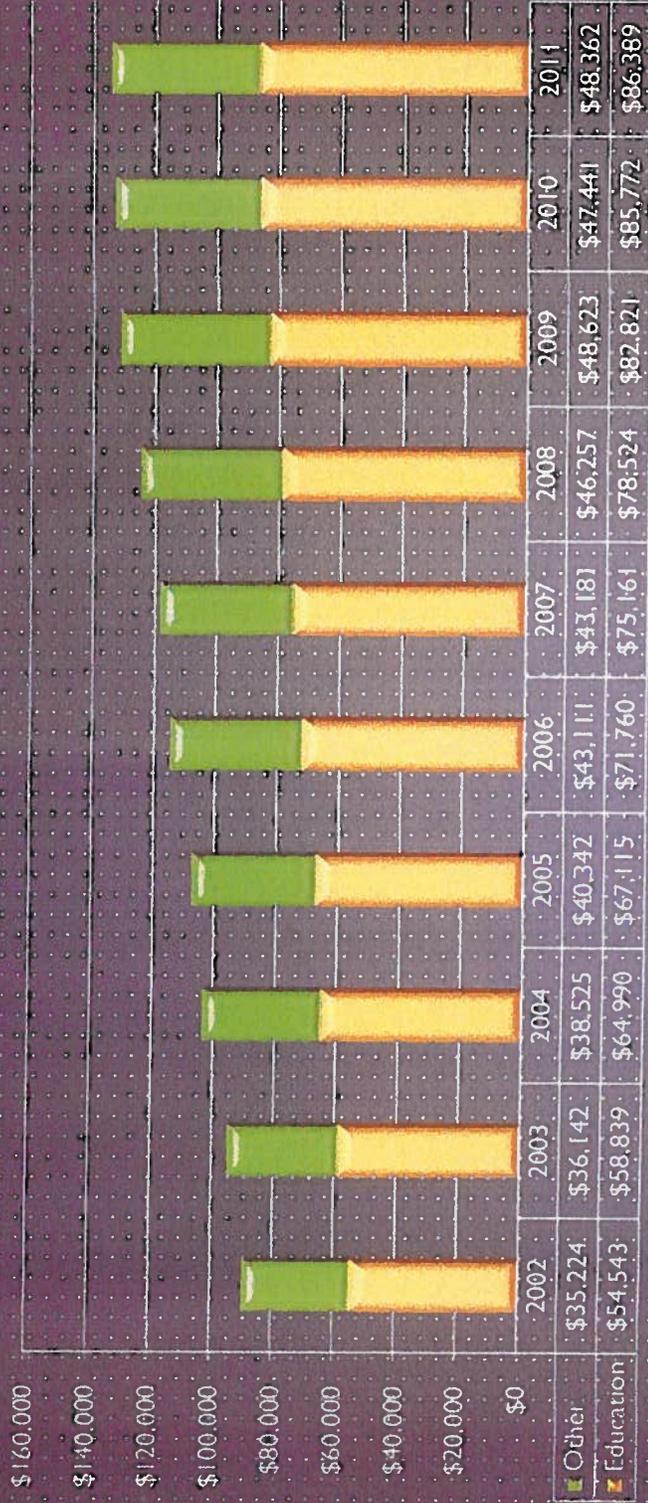
- ▶ Focus on shared service opportunities and efficiencies between the town and school district
- ▶ More emphasis on school system since it represents larger portion of town budget
- ▶ Scope excluded town police, parks, public works – focused more on town administrative operations

# PROJECT METHODOLOGY

- ▶ Comprehensive data analysis
- ▶ Site visits, interviews, observations
- ▶ Independent research
- ▶ Analysis of alternatives
- ▶ Development of recommendations and fiscal impact
- ▶ Final report

# OVERVIEW

TPS budget (yellow) has become a slightly larger percentage of town budget over past 10 years



# SHARED SERVICES IN THE REGION

- ▶ Connecticut — behind other states in the northeast
  - Regional Planning Organizations
  - Health districts
  - Education Service Centers
- ▶ New York — 2009 statewide study has resulted in more shared services
- ▶ New Jersey — provides incentives for shared services
- ▶ Broader view of shared services emerging — local and regional initiatives

# SHARED SERVICES IN TRUMBULL

▶ Informal arrangements between town and school system

▶ Charged services:

- Insurance
- Fuel
- Construction management

▶ Not charged:

- Police officer
- Bond program management
- Some purchasing services
- Field maintenance
- Phone system
- Crossing guards

# BENEFITS OF SHARED SERVICES

- ▶ Fewer supervisory positions
- ▶ More even distribution of work
- ▶ Improved internal control
- ▶ Lower cost

# OPPORTUNITIES FOR INCREASED SHARED SERVICES, COLLABORATION

- ▶ Payroll
- ▶ Purchasing
- ▶ Accounts payable
- ▶ Technology
- ▶ Internal Audit
- ▶ Maintenance and Custodial
- ▶ Tax assessments and collection – with neighboring towns and fire districts

# SHARED SERVICES FISCAL IMPACTS

(IN \$ THOUSANDS)

Area	One Time	2012-13	2013-14	2014-15	2015-16	2016-17	5-Yr Total
Accounts Payable and Payroll	\$0	\$0	\$0	\$63,835	\$63,835	\$63,835	\$191,505
Purchasing	\$0	TBD	TBD	TBD	TBD	TBD	TBD
Technology	\$0	\$0	\$0	\$92,000	\$92,000	\$92,000	\$276,000
Internal Audit	(\$25,000)	\$0	\$0	\$0	\$0	\$0	(\$25,000)
Custodial / Maintenance	\$0	\$0	\$111,077	\$111,077	\$111,077	\$111,077	\$444,308
Tax Assessment and Collection	\$0	\$0	TBD	TBD	TBD	TBD	TBD
<b>Totals</b>	<b>(\$25,000)</b>	<b>\$0</b>	<b>\$111,077</b>	<b>\$266,912</b>	<b>\$266,912</b>	<b>\$266,912</b>	<b>\$886,813</b>

# IMPLEMENTATION CONSIDERATIONS

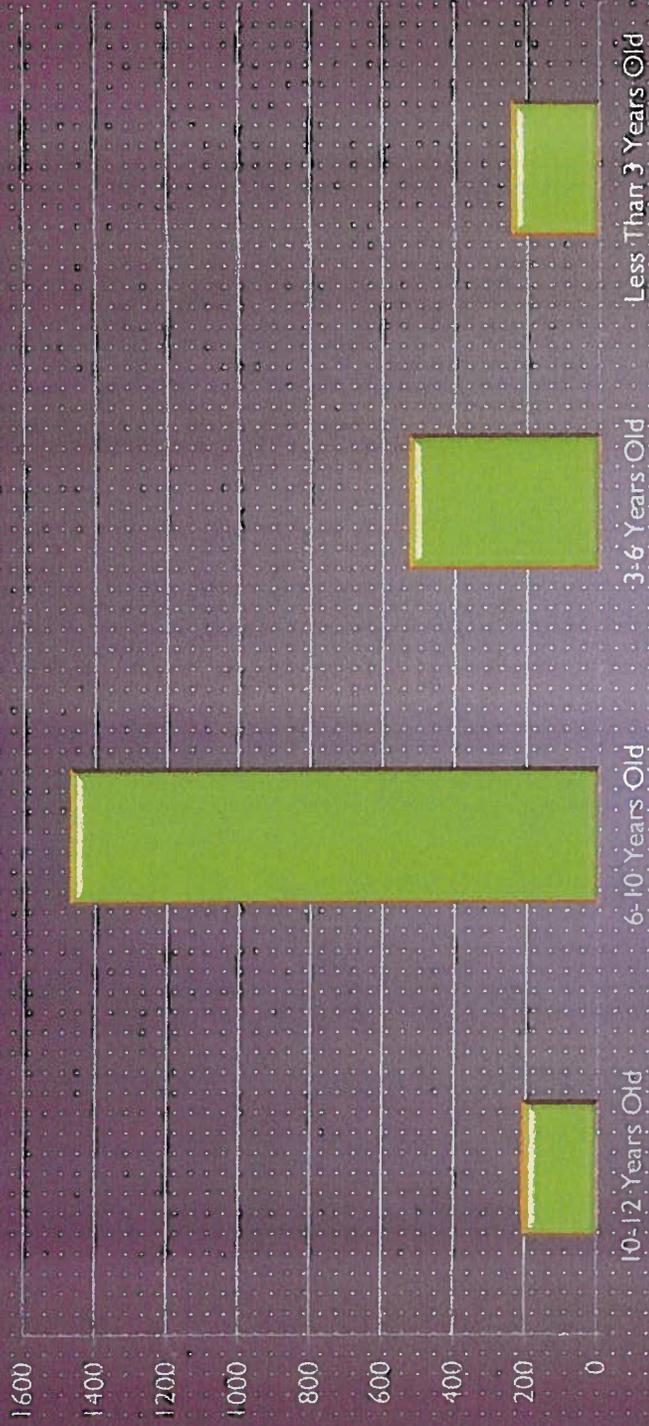
- ▶ Quality of work, responsiveness
- ▶ Re-engineered, efficient systems and processes
- ▶ Decision-making framework
- ▶ Migration planning
- ▶ Monitoring and reporting
- ▶ **Shared Services Planning Committee**

# OTHER MAJOR RECOMMENDATIONS

- ▶ Health Insurance
  - More than \$20 million a year spent currently
  - Participation level low – 58.5% – need to phase out cash in lieu of benefits
  - Loss ratio trend unfavorable
  - State program (CT Partnership Plan) opened door for municipalities and school boards last year
  - Savings potential – \$1 million a year estimated
  - Actual savings not known until application process

# OTHER MAJOR RECOMMENDATIONS

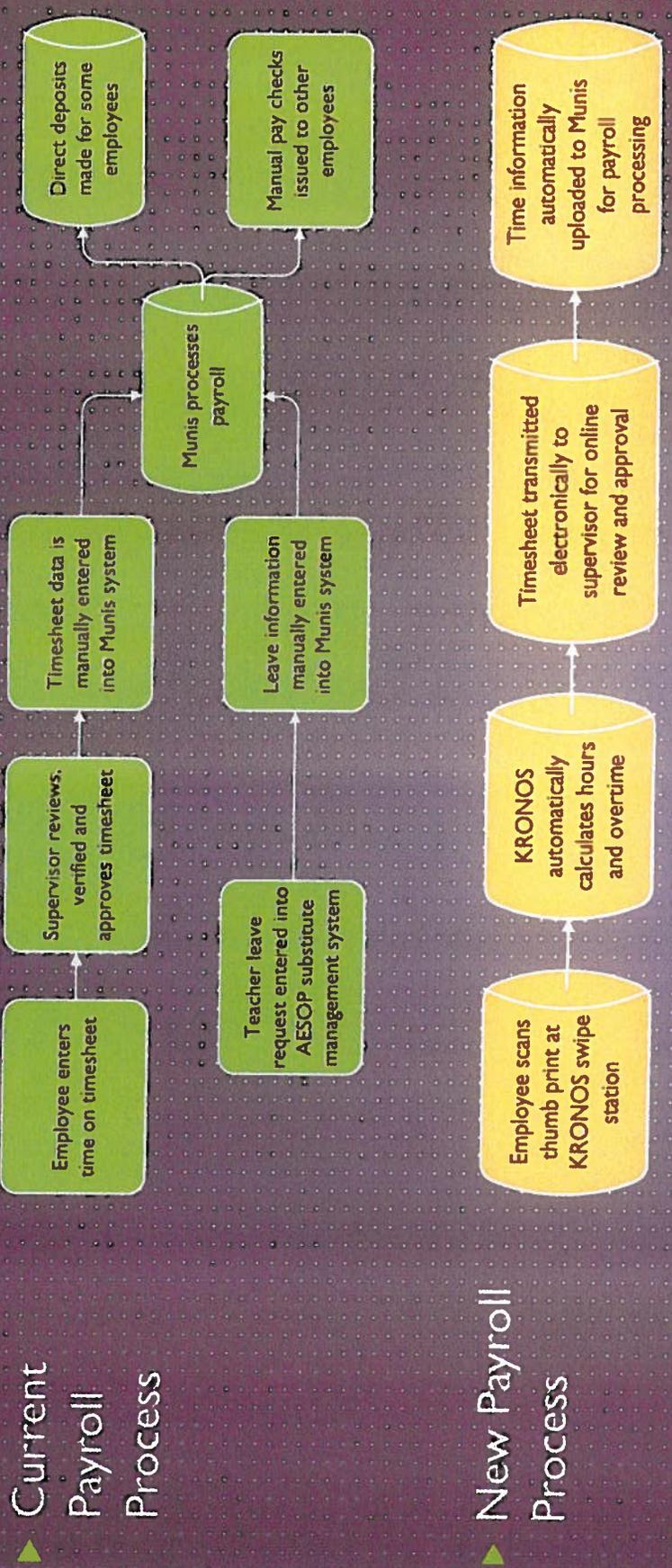
- Technology — Computers significantly outdated



## OTHER MAJOR RECOMMENDATIONS

- ▶ Technology
  - MUNIS not fully implemented – two vendor contracts
  - No automated time clock system used
  - Duplicate information systems exist at school district
  - Limited wireless connectivity at Town and schools
  - Equipment needs have been identified but not funded
  - Need to evaluate current and emerging technologies, including “cloud” computing and tablet computers.
  - Need to re-engineer work processes that maximize use of software
  - Increased collaboration would benefit town and district

# PAYROLL PROCESS RE-ENGINEERING



▲ Current Payroll Process

▲ New Payroll Process

# OTHER MAJOR RECOMMENDATIONS

- ▶ Custodial and Maintenance
  - Consolidation of the town and school district functions
  - Conduct comprehensive energy audit
  - Reduce summer custodial work force
  - Consider outsourcing to reduce cost

# CUSTODIAL STAFFING EFFICIENCY

- ▶ Gross square feet per custodian at or above industry standards



# OTHER MAJOR RECOMMENDATIONS

- ▶ Food Services
  - Highly efficient operation overall
  - High school efficiency limited by school schedule
  - Meal participation rates low
    - Elementary 45% to 55%
    - Middle School 40%
    - High School 30% to 35%
  - Increase menu prices more frequently to cover inflation
  - Allocate General Fund costs to Food Services. (\$135,000)

# OTHER MAJOR RECOMMENDATIONS

- ▶ Student Transportation
  - Operations outsourced – routing done in-house
  - Efficiency limited by level of service offered – all elementary students offered bus transportation, regardless of walking distance
  - Vendor contract needs to be renegotiated/restructured upon 2013 expiration to avoid excess costs (minimum staffing, training, bus specifications)

# OTHER MAJOR RECOMMENDATIONS

- ▶ Financial Management
  - School district chart of accounts needs overhaul
  - Incorporate efficiency measurement into budget process

# QUESTIONS





# **A Report of Opportunities for Operational Efficiencies and Shared Services**

**for the Town of Trumbull and the  
Trumbull Board of Education**

# A Report of Opportunities for Operational Efficiencies and Shared Services

Submitted By:

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# Executive Summary

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The Town of Trumbull (Town) engaged Gibson Consulting Group, Inc. (Gibson) to perform an analysis of operating and management systems of the Town and of Trumbull Public Schools (TPS), and to identify opportunities for efficiencies and shared services.

The project's methodology consisted of analyzing data, including staffing charts, staffing rosters, expenditure and budget reports, policies and procedures, Town Charter, and software and hardware inventories. In addition, peer comparisons of similar towns and school districts were conducted, including conducting a brief telephone survey of peer town financial directors. The review team conducted two site visits to interview Town and TPS staff and board members in order to gain an understanding of operations, obtain an understanding of data, and to listen to ideas and/or concerns regarding efficiencies and shared service opportunities.

Research shows that Connecticut is behind other states in the northeast with respect to shared services between municipalities and school systems, although there are examples of successful practices in the state. There is a lack of funding from the state, unlike other northeastern states, to encourage the sharing or consolidating of services. However, this should not prevent Trumbull from seeking efficiencies and cost savings through sharing or consolidation.

The Town of Trumbull and Trumbull Public Schools share some services now on an informal basis, and several other opportunities exist to formalize and expand such services. This report contains 26 recommendations that will result in improved efficiency, lower combined cost of operations, higher quality of service in the long-term, and improved internal control. This study recommends implementing shared administrative, operational, and technology services over the next several years.

Both the Town of Trumbull and TPS underutilize their information systems and still rely on time- and paper-intensive manual processes. TPS also maintains duplicate information systems that are unnecessary. The Town and TPS should maximize the use of the Enterprise Resources Planning (ERP) software, seek to consolidate the license agreements, and re-engineer processes to take advantage of software capabilities and other current technologies. Timekeeping, payroll, human resources management, position control, accounts payable, and collections are processes that could be streamlined.

The Town and TPS should negotiate with their bargaining units to consider consolidating their health insurance programs and join the state's new health insurance program, now open to municipalities and local boards of education. By being part of a large state pool, premiums net of employee contributions could be reduced by at least \$1 million annually. The state plan, called CT Partnership Plan, appears to have benefits similar to those of the Town and TPS.

The Town and TPS should incorporate performance/efficiency measurement into the budget process to ensure long-term efficiency and effectiveness. This will also enhance the transparency of spending by

both organizations. Transparency will also be improved by the restructuring of TPS financial accounting codes and definitions to be mutually exclusive.

Many of the recommendations made in this report have no fiscal implications, though they may provide efficiencies or better practices for the Town and TPS. Recommendations for consolidating or sharing services depend on both the Town and TPS improving their uses of technology as well as looking at current processes before combining functions.

Once fully implemented, the recommendations contained in this report will result in cost savings of over \$2.7 million per year for the Town and TPS combined.

Recommendations to combine operations for finance, information technology, and maintenance could result in annual savings of almost \$175,000 annually. Outsourcing TPS's custodial function would result in savings of \$700,000 annually beginning in 2014-15.

Reinstating TPS's policy establishing a one-mile walking radius for elementary school students can save the district \$400,000 annually. Increasing staffing efficiencies and increasing student meal participation would allow the TPS food service operation to reimburse \$135,000 annually to the General Fund for cafeteria operational expenditures not currently being allocated.

By sharing a single Enterprise Resource Planning system rather than maintaining two separate systems, the Town and TPS could save at least \$92,000 in software maintenance and licensing fees annually.

Recommendations also include an estimate for needed investments in technology, including the purchase and implementation of an automated timekeeping system for both the Town and TPS. One-time expenditures related to timekeeping software installation and training amount to \$213,000, with annual software maintenance fees estimated to be \$20,000 annually. Also included is a one-time fiscal impact of \$10,000 for an analysis of the Town's and TPS's ERP system to determine more efficient use of the technology.

Table 1 presents a list of all recommendations and the resulting fiscal implications over the next five years. This table indicates whether a recommendation requires the sharing or consolidation of services, or whether it results in efficiencies for either the Town or TPS, or both. See Attachment A for fiscal impacts for each year.



Table 1. Recommendations Summary

Recommendation	Shared or Consolidated Services	Efficiency		5-Year Fiscal Impact
		Town	TPS	
<b>Administrative Services</b>				
3.1 Consolidate the accounts payable and payroll functions of the school district into the Town of Trumbull's Finance Department.	✓			\$191,505
3.2 Improve purchasing power by collaborating on bulk purchases and making better use of cooperative purchasing arrangements.		✓	✓	TBD
3.3 Ensure that both the Town and TPS have regular internal audits that are based on comprehensive risk assessments.	✓			(\$25,000)
3.4 Implement an automated timekeeping system for both the Town of Trumbull and for Trumbull Public Schools.		✓	✓	(\$293,000)
3.5 Implement a mandatory direct deposit policy for both the Town of Trumbull and Trumbull Public Schools.		✓	✓	TBD
3.6 Streamline the payroll process by moving to less frequent payrolls.		✓	✓	TBD
3.7 Incorporate efficiency measurement into the Town of Trumbull and the TPS budget development process to ensure efficiency in future years.		✓	✓	TBD
3.8 Improve financial transparency by overhauling the TPS chart of accounts.			✓	(\$15,000)
3.9 Conduct a detailed audit of the TPS payroll function, including employee leave reporting processes.			✓	(\$15,000)
<b>Technology</b>				
4.1 Investigate opportunities for consolidated or shared IT services between the Town and TPS and develop a consolidated IT plan.	✓			\$276,000
4.2 Upgrade technology equipment and network infrastructure based on current and future needs.			✓	TBD
4.3 The Town of Trumbull and TPS need to fully implement Munis, and TPS needs to eliminate duplicate information systems.		✓	✓	(\$10,000)
<b>Maintenance and Custodial Services</b>				
5.1 Develop a cooperative maintenance and custodial function between TPS and the Town.	✓			\$444,308
5.2 Conduct a comprehensive energy audit.		✓	✓	TBD
5.3 Over the next three years, convert up to 25 percent of the custodial work force from 260-day to 186-day schedules.			✓	\$522,000
5.4 Consider outsourcing custodial services.			✓	\$2,100,000
<b>Food Services</b>				
6.1 Implement a more efficient schedule to achieve an increase in Food Services staffing efficiencies.			✓	(1)

Recommendation	Shared or Consolidated Services	Efficiency		5-Year Fiscal Impact
		Town	TPS	
6.2 Increase student participation rates in TPS school cafeterias.			✓	(1)
6.3 Increase TPS school lunch prices.			✓	(1)
6.4 Allocate general fund expenditures incurred by Food Services to that operation.			✓	\$675,000
<b>Student Transportation</b>				
7.1 Restructure the transportation contract upon its expiration in 2013.			✓	TBD
7.2 Return to former policy of enforcing a one-mile walking radius for elementary schools.			✓	\$1,708,000
<b>Employee Health Insurance</b>				
8.1 Consider consolidating the Town and TPS health insurance programs and moving to the new State Health Insurance Program.	✓	✓	✓	\$4,000,000
8.2 Phase out the payment in lieu of benefits for employees waiving participation in the health insurance program.		✓	✓	(2)
<b>Tax Assessment and Collection</b>				
9.1 Engage in dialog with neighboring Towns and the fire districts to form consolidated property assessment and tax collection efforts.	✓			TBD
9.2 Develop alternative payment mechanisms for the Town of Trumbull Tax Collection Office.			✓	TBD
<b>Net Fiscal Impact over five years</b>				<b>\$9,588,813</b>

Table Notes:

<sup>(1)</sup> Savings associated with these recommendations will accrue to the Food Services Fund, not the General Fund. However, implementing these recommendations will allow the Food Service Fund to fully cover its share of expenditures now being incurred by the General Fund (Recommendation 6.4).

<sup>(2)</sup> Implementation of this recommendation will result in an annual savings estimated to be \$100,000. However, this recommendation should be implemented to affect new employees, so the savings would be realized after five years.

# Chapter 1 – Profile of Trumbull

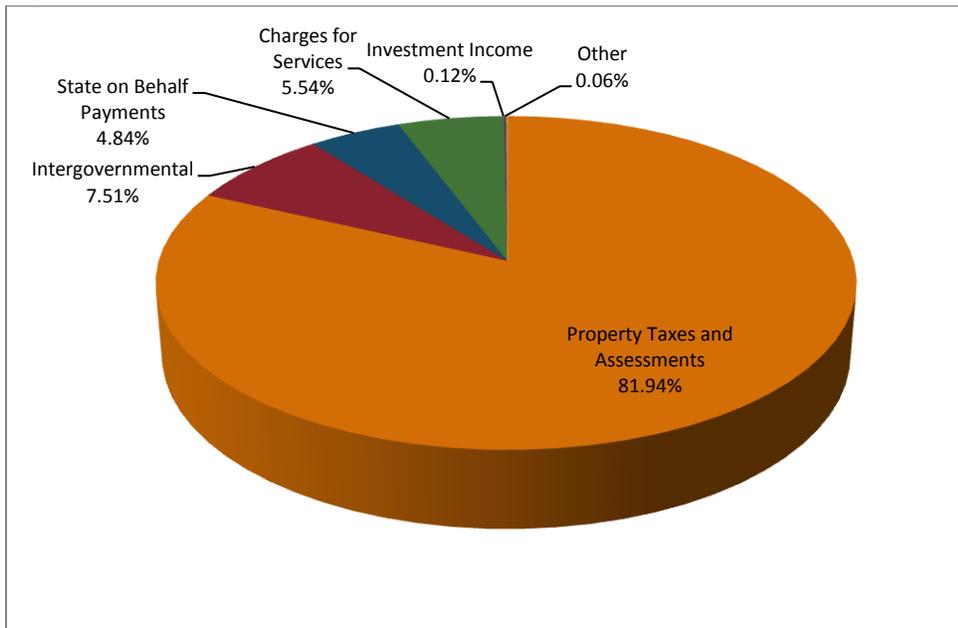
## Town of Trumbull

The Town of Trumbull (Town) is located in southern Connecticut and has a population of 36,018 according to the 2010 census. The Town has recently received accolades for its quality of life. *Family Circle* magazine listed Trumbull as the 7<sup>th</sup> “Best Town for Families” in the US in July 2011, *U.S. News and World Report* magazine in June 2011 ranked the Town one of the best 15 places to retire in Connecticut, and RelocatedAmerica.com ranked Trumbull in their annual list of America’s “Top 100 Places to Live.”.

The median household income in Trumbull is \$103,082 – 48.5 percent greater than the state average and 86.4 percent greater than the national average. Trumbull’s per capita income (\$46,307) is 28.1 percent greater than the Connecticut average and 68.7 percent greater than the national average. Trumbull has a low poverty level with 2.6 percent of the population classified as living below the poverty level. Trumbull also has a relatively low unemployment rate compared to national rates. The latest data available shows the Town’s unemployment rate to be 7.4 percent, compared to the national rate of 9.1 percent.

The primary source of funding for the Town of Trumbull is through local property taxes, which totaled \$127.7 million in fiscal year 2011 and represented 81.9 percent of total revenues (\$153.3 million in fiscal year 2011). Figure 1.1 shows the sources of funds for the Town.

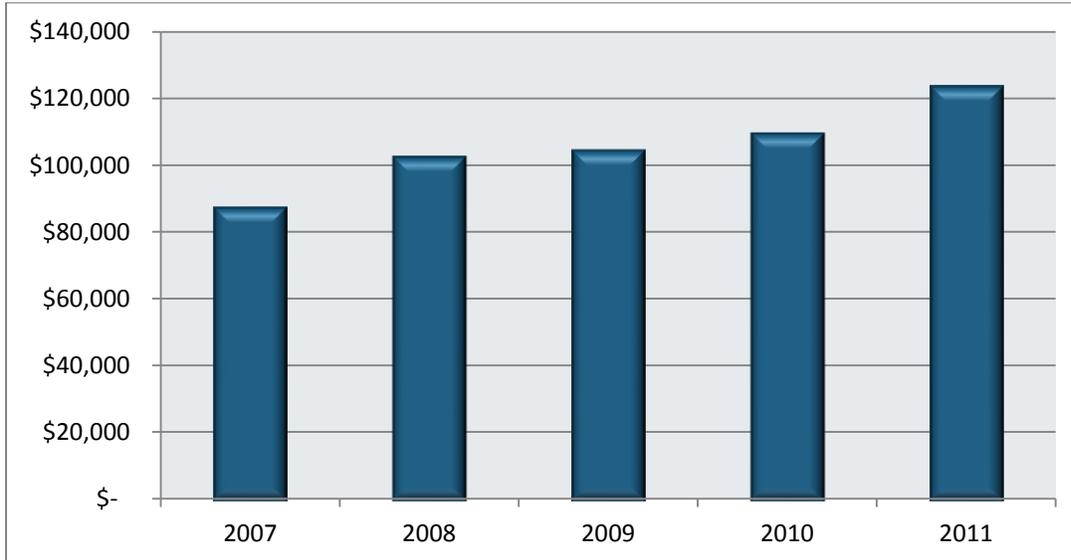
**Figure 1.1. Town of Trumbull Sources of Revenue for Fiscal Year 2011**



Source: GASB financial statements for 2010-11

In light of the economic difficulties faced by the state of Connecticut and the United States in general, Trumbull has managed to maintain growth in its fund balance. Figure 1.2 displays five-years of ending fund balances for the Town, which shows steady increases from year to year. Between fiscal year 2007 and fiscal year 2008, the fund balance increased by 17.3 percent due to a \$24.2 million on-behalf of payment from the state for teacher retirement.

**Figure 1.2. Trumbull Fund Balance – Fiscal Years 2007 through 2011 (\$ in Thousands)**

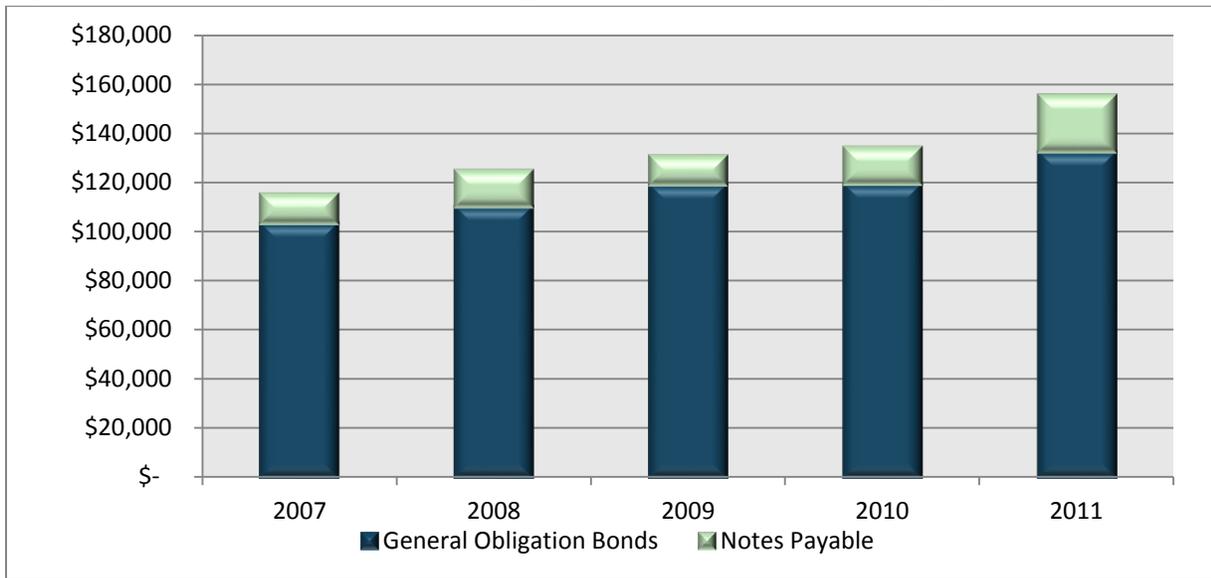


Source: GASB financial statements for the years indicated

However, counter to the increase in ending fund balance, the Town has also seen steady increases in its outstanding debt totals as shown in Figure 1.3. Total outstanding debt is primarily made up of general obligation bonds, with notes payable comprising the remainder. Trumbull's general obligation debt increased from fiscal year 2010 to 2011 by \$22 million, or 15.7 percent. The increase is related to additional bond issuances for a sewer construction project (\$12 million) and building renovations for Trumbull High School (\$10 million).

State of Connecticut statutes limit local government entities' general obligation debt to seven times their annual tax collections. In 2011, Trumbull's limit was \$899.8 million, significantly higher than its 2011 general obligation debt of \$132.4 million.

**Figure 1.3. Town of Trumbull Outstanding Debt – Fiscal Years 2007 through 2011 (\$ in Thousands)**



Source: GASB financial statements for the years indicated

## Trumbull Public Schools

Trumbull Public Schools (TPS) students outperform the average of all Connecticut students on the Connecticut Mastery Test (CMT) in all grades tested (Grades 3 through 8) and in all subjects tested (Reading, Writing, and Mathematics). Table 1.1 shows the district's results of the Connecticut Academic Performance Test (CAPT) administered to all state Grade 10 students. In the 2010-11 school year, TPS's 10<sup>th</sup> grade students outperformed the average student in the state in reading, writing, mathematics, and science with the greatest percentage difference seen in science (26 percentage points).

**Table 1.1. Percent TPS Students Meeting State Goals on CAPT with Comparison to State**

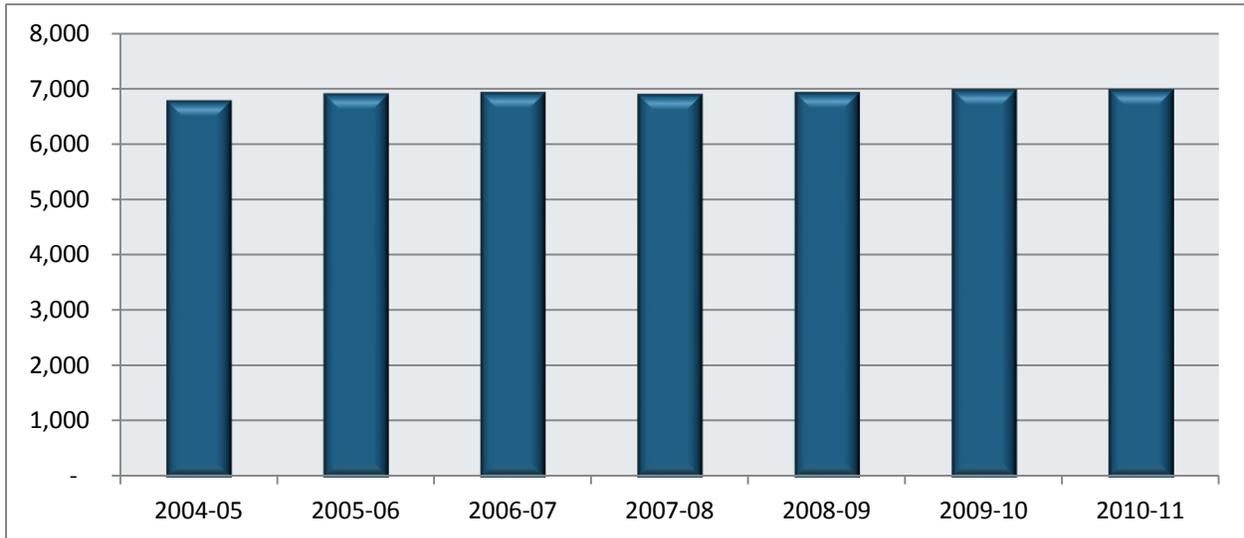
CAPT Subject Area	Percent TPS	Percent State	Percent of Districts in State with Equal or Lower Percent Meeting Goal
Reading Across the Disciplines	61.4	44.7	73.5
Writing Across the Disciplines	85.4	61.2	88.0
Mathematics	71.6	49.5	81.2
Science	73.0	47.0	89.5

Source: Strategic School Profile 2010-11, Connecticut Department of Education

TPS has a student enrollment of approximately 7,000 at its nine schools. Just over 6 percent of district students qualify for free or reduced lunch (FRP) prices – well below the state average of 34.1 percent – while 1.6 percent of students are considered not fluent in English, compared to 5.6 percent for the state average.

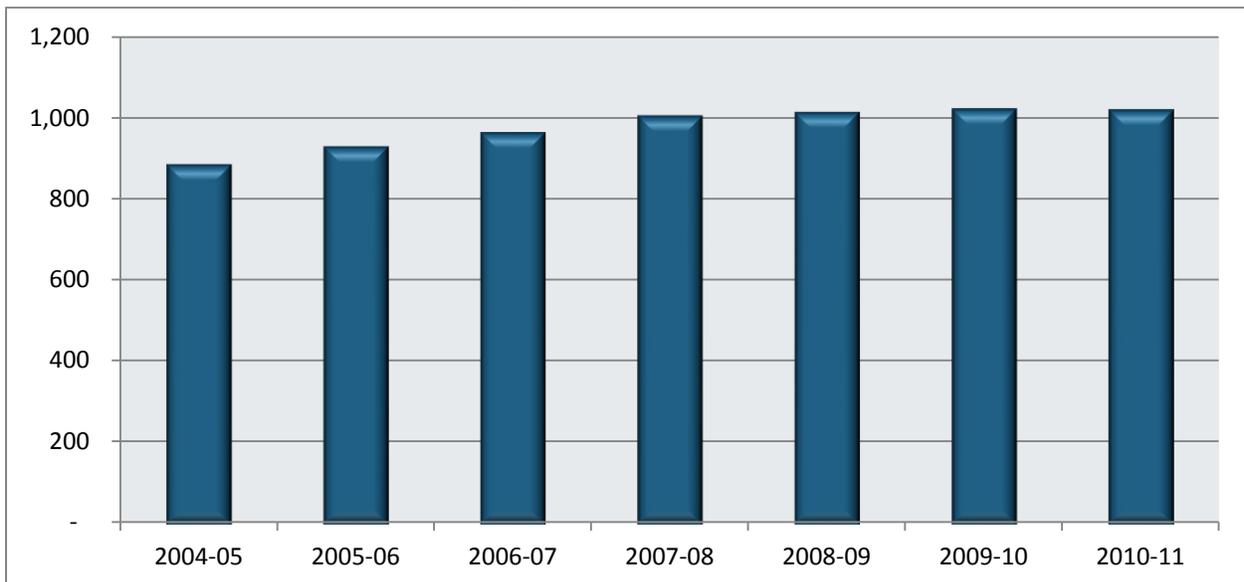
From 2004-05 through 2010-11, TPS staff growth (15 percent) outpaced enrollment growth (3 percent), with the most notable increases in staff between 2004-05 and 2007-08 (an increase of 119 staff). Figures 1.4 and 1.5 show TPS enrollment and staff growth since 2004-05.

**Figure 1.4. TPS Student Enrollment – 2004-05 through 2010-11**



Source: CEDaR 2002-2010

**Figure 1.5. TPS Total FTEs – 2004-05 through 2010-11**



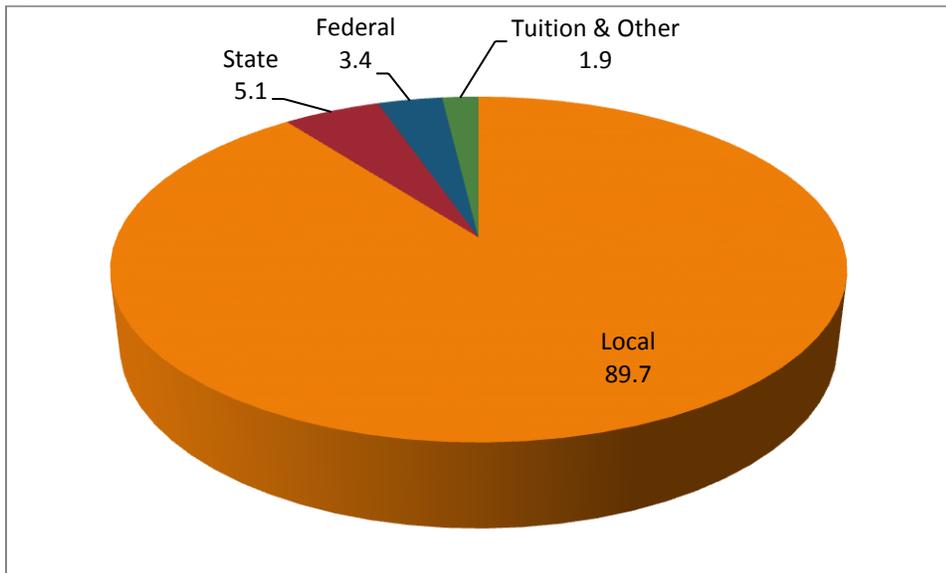
Source: CEDaR 2002-2010

The primary source of state funding aid provided to Connecticut schools is through the Education Cost Sharing (ECS) formula. The design of the formula attempts to equalize funding by taking a town's wealth and ability to raise property taxes to pay for education into account. Therefore, affluent towns like

Trumbull receive less aid per student than those towns that have fewer resources. ECS funding was frozen at the FY 09 level, and the state budget called for that level to continue through FY 13. However, Governor Malloy recently proposed ECS funding increases to most Connecticut towns. If approved, TPS is slated to receive an additional \$163,344, or \$24 per student, for FY 2012-13.

Trumbull Public Schools received \$3,031,988 in state funding, which represents 5.1 percent of its total funding (Figure 1.6). The district's primary source of funding is through local taxes, which accounts for 89.7 percent of total revenues. Federal revenue (3.4 percent of total funding) and tuition and other fees (1.9 percent of revenues) account for the remainder.

**Figure 1.6. TPS Sources of Revenue for FY 2010**



Source: Strategic School Profile 2010-11, Connecticut Department of Education

Based on 2009-10 financial data (the most recent statewide data available), TPS spends less money per student compared to the District Reference Group (DRG) and compared to the state. DRGs are a classification of Connecticut school districts whose students' families are similar in education, income, occupation, and need and that have roughly similar enrollment. TPS spent a total of \$12,952 per student, as compared to \$13,518 for the DRG and \$13,780 for the state. Per student expenditures for instructional staff and services in TPS amounted to \$7,124 in 2009-10, while the DRG spent an average of \$7,924 per student and all schools in the state spent an average of \$8,237 in this expenditure category for this time period. Table 1.2 shows a comparison of TPS expenditures to DRG and State average expenditures for ten expenditure categories.

**Table 1.2. District Expenditures for 2009-10, with Comparison to DRG and to State**

Expenditures (Unaudited)	Total (in 1,000s)	Percent	Expenditures Per Pupil		
			TPS	DRG	State
Instructional Staff and Services	\$49,964	55%	\$7,124	\$7,924	\$8,237
Instructional Supplies and Equipment	2,063	2%	294	277	300
Improvement of Instruction and Educational Media Services	3,552	4%	506	512	463
Student Support Services	6,559	7%	935	936	872
Administration and Support Services	10,464	12%	1,492	1,373	1,459
Plant Operation and Maintenance	9,451	10%	1,347	1,384	1,410
Transportation	4,661	5%	646	623	692
Costs for Students Tuitioned Out	3,205	4%	N/A	N/A	N/A
Other	836	1%	119	162	159
<b>Total</b>	<b>\$90,756</b>	<b>100%</b>	<b>\$12,952</b>	<b>\$13,518</b>	<b>\$13,780</b>
<b>Additional Expenditures</b>					
Land, Buildings, and Debt Service	\$7,992	N/A	\$1,139	\$1,178	\$1,616

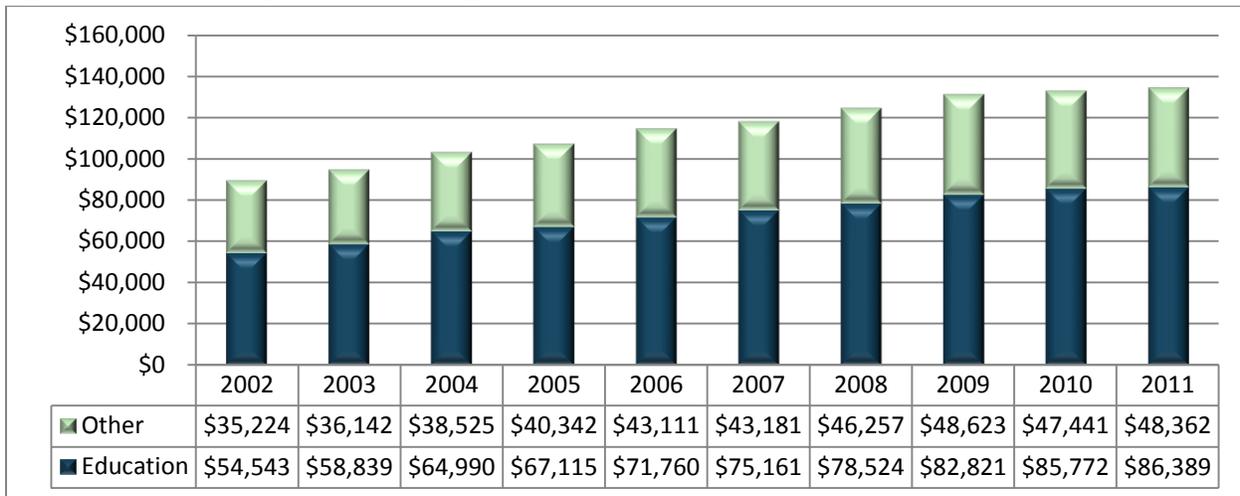
Source: Strategic School Profile 2010-11, Connecticut Department of Education

In January 2012, the district presented the Town Council with a budget amounting to \$91.9 million for 2012-13, representing an increase of 5.1 percent from the prior year's allocation of the Town Council. The Town's First Selectman recommended, and the Board of Finance and Town Council approved, an increase in school funding for 2012-13 of 3.5 percent.

## Town of Trumbull and Trumbull Public Schools Ten-Year Expenditure History

Figure 1.7 shows total Trumbull expenditures for the past ten years, broken down by education expenditures and all other functional expenditures<sup>1</sup>. TPS represents the largest portion of Trumbull's total budget, amounting to 64 percent in fiscal year 2010-11.

<sup>1</sup> All other functions include the operations of general government, public safety, public works, public health, social services, libraries, and parks and recreation.

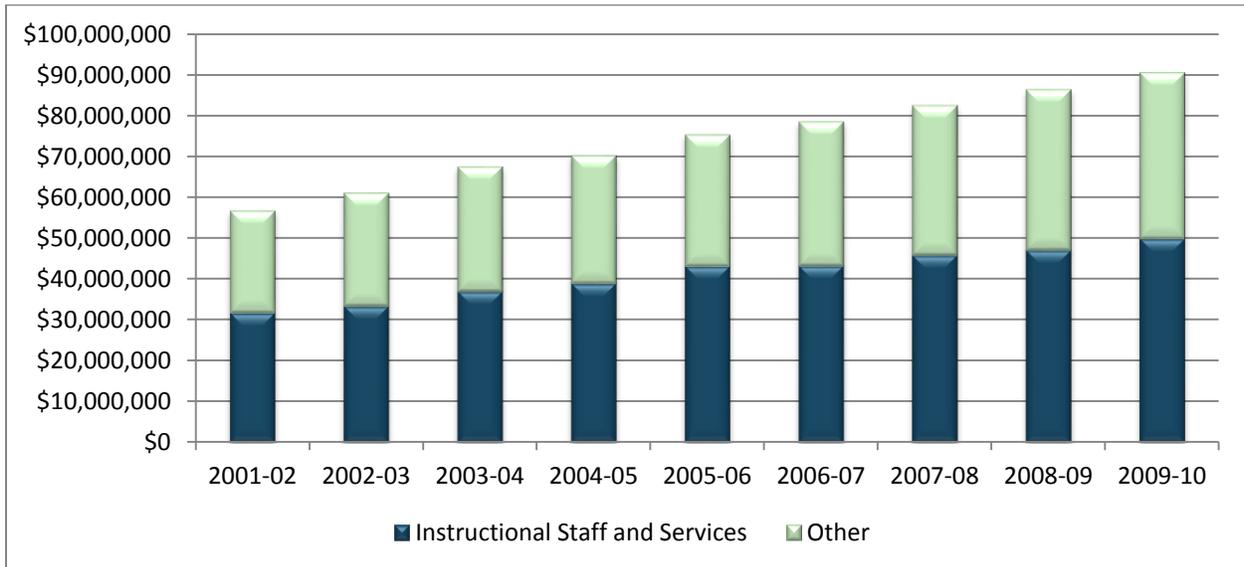
**Figure 1.7. 10-Year Expenditure History, Town of Trumbull – 2002-2011 (\$ in Thousands)**

Source: Town of Trumbull GASB Financial Statements, 2002-2011

Over the ten-year period, TPS expenditures increased at an average of 5 percent per year, while the Town's expenditures increased by an average of 4 percent annually. As a result, TPS has become a slightly larger percentage (3 percentage points) of the Town budget.

Figure 1.8 shows TPS's nine-year expenditure history broken down into instructional staff and services expenditures and all other expenditures. In 2009-10, the most recent data available from the Connecticut Education Data and Research state data base, instructional expenditures represented 55 percent of total TPS spending. The trend over this nine-year period shows other TPS expenditures increasing at a higher rate than instructional expenditures for some years. For instance, in 2002-03, when instructional expenditures increased by just over 5 percent, other expenditures increased by almost 11 percent. This also occurred in 2006-07 when other expenditures increased by almost 10 percent while instructional expenditures increased by 0.2 percent. Overall, instructional expenditures have increased over 56 percent from 2001-02 to 2009-10, compared to other expenditures increasing by 62 percent for this same time period.

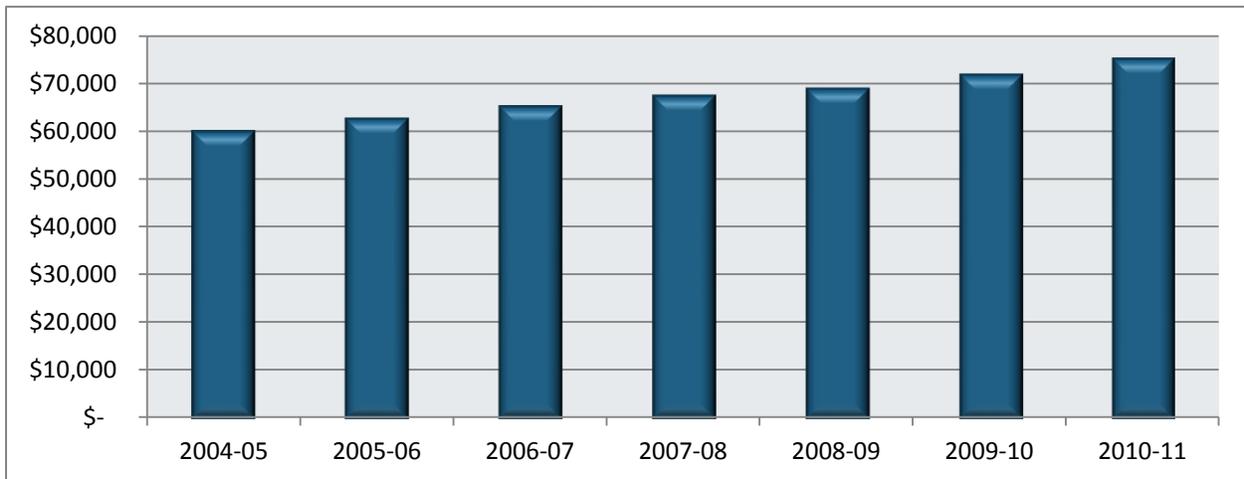
**Figure 1.8. Trumbull Public Schools, Instructional Expenditures and Other Expenditures – 2002-2010 (\$ in Thousands)**



Source: CEDaR 2002-2010

Figure 1.9 shows average teacher salaries for TPS for 2004-05 through 2010-11. Teachers have seen an average salary increase of just over 4 percent each year, except in 2007-08 and 2008-09 when the increases amounted to approximately 3 percent and 2 percent, respectively.

**Figure 1.9. TPS Teacher Salaries – 2004-05 through 2010-11**



Source: CEDaR 2002-2010

## Chapter 2 – Shared Services Introduction

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With the downturn in economy and heightened emphasis on controlling costs through eliminating duplicative services, shared service arrangements are being implemented throughout government at all levels. Many states are encouraging the sharing of services by enacting legislation to allow municipal and other local governments to cooperatively conduct business. States such as New York and New Jersey are on the forefront of acknowledging the benefits of sharing services and provide grants and incentives to local governments for start-up or research costs for helping local governments to implement the sharing of services.

While the state of Connecticut has acknowledged the benefits of promoting the sharing of services at the local government level, the state does not have many incentives to encourage shared services. The sections presented below outline best practices present in other Northeastern states.

### Shared Services in Northeastern States

#### New York State

The New York State Comptroller, Division of Local Government and School Accountability, issued a report in November 2009 detailing shared services best practices identified in the state. The study found that certain administrative or “back office” functions provide potential for savings because they are fairly easy to implement and the services provided are similar among entities.

Among the highlights of that report are that shared service arrangements in the state have identified savings of between 2 and 5 percent. Functions identified for shared services include:

- Administrative
  - Accounting functions (staff, payroll processing, software)
  - Procurement
  - Real Pty tax collection and assessment
  - Records management
- Health Insurance
- General Operations
  - Equipment sharing
  - Fuel facilities
- IT Functions
  - IT administration
  - IT asset management (procurement, maintenance, support)
  - IT security

While much of New York's shared service agreements between local government entities have been for public safety, public works projects, and justice courts, school business office functions have also been shared with a great degree of success. Payroll, technology, utility purchases, food delivery, and sports programs are some of the areas in which New York's school districts have been studying the possibility for consolidation.

One of the best practices identified in the Comptroller's report includes the Nassau County School and Municipal Savings Initiative, a joint project of county, school districts, and the Nassau Board of Cooperative Educational Services (BOCES), which are similar to Connecticut's Regional Education Service Centers (RESC), to reduce the cost of back office functions through shared services. The county and the BOCES are providing support to the 56 school districts in the county, including information technology, telecommunications, purchasing, audit services, debt issuance, and legal services for an estimated savings of \$5 million annually. The joint effort was awarded a \$1 million grant from the state to help streamline its administrative functions.

## New Jersey

The state provides incentives to local governments to share services in order to lower costs and improve efficiency in government service provision. Some of the successes in the state include consolidations of policing units and creating local government positions to oversee shared services efforts.

New Jersey's Local Unit Alignment Reorganization and Consolidation Commission (LUARC) was created in March 2007. LUARC studies cost structures, optimal service levels and best practices and recommends specific consolidations and shared services for specific municipalities. Local voters ultimately decide on consolidations and shared services recommendations.

Some of the best practices related to school/town sharing identified in New Jersey include:

- Shared Public Works Maintenance
  - Fanwood Borough is sharing maintenance facilities with Scotch Plains Township.
- Information Technology Services & Support
  - Millville City and the Millville Board of Education are sharing information technology and network facilities.
- Vehicle Maintenance
  - Red Bank Borough is sharing with Red Bank Board of Education on cooperative maintenance.
- Recreational Fields and Facilities
  - Holmdel Township and Holmdel School District are sharing recreation services.
- Computer and Technology Laboratories

- Woodbine Borough and the Woodbine School District are sharing school technology laboratory and a community library.
- Library and Reference Collections
  - Fanwood Borough and Scotch Plains Township are sharing library collections, data bases and reference services.
- Gasoline and Vehicle Fueling Services
  - Township of Manalapan is sharing with the Borough of Englishtown and the Manalapan/Englishtown School District on joint fuel facilities.

## Shared Services in Connecticut

Though several boards and commissions at the state level have researched the sharing of services in Connecticut, little documentation exists that shows significant accomplishments for shared services at the state level. Perhaps the most widely-used form of sharing or consolidating services is through the regional councils of governments allowed under Connecticut law.

The state is divided into 15 Regional Planning Organizations (RPO), and municipalities within each of the regions have voluntarily created, through local ordinance, one of three types of RPOs to carry out a variety of regional planning and other activities: Regional Council of Elected Officials, Regional Council of Governments, or Regional Planning Agencies. The state of Connecticut provides limited funding to the RPOs with only \$90,000 appropriated in 2011. The Town of Trumbull belongs to the Greater Bridgeport Regional Council, the focus of which is transportation, land use/regional growth, economic development, environment/sustainability, and public safety.

Other RPOs such as the Capitol Region Council of Governments (CRCOG) assist local governments with sharing services such as solid waste management, animal control services, purchasing councils, mobile data communications systems for police organizations, and supply of electricity services. Some RPOs lobby on behalf of their municipal members on issues concerning revenue options for local governments, transportation, solid waste management, and funding for education.

Successful shared services efforts on the part of CRCOG include its purchasing council for member local governments to consolidate their bidding and purchasing efforts, a pilot program for towns to share an online building permits application and tracking system, as well as information technology application sharing and development. The CRCOG also provides grant funds to municipalities wishing to implement certain shared services.

Another area of sharing or consolidating services that seems to be effective in the state is that of providing health services to communities. Under Chapter 368f of the Connecticut General Statutes – District Departments of Health – towns and municipalities who form health districts rather than maintain their own health department can receive additional state funding for health services. The state currently has 74 health departments serving its 169 towns and cities; 50 of these departments are full-

time and 24 are part-time. Of the 50 part-time departments, 29 are municipally operated and 21 are operated through districts.

Chapter 170 – Boards of Education – Section 10-239k of the Connecticut General Statutes states:

Any two or more boards of education may, in writing, agree to establish shared service agreements between such boards of education or between such boards of education and the municipalities in which such boards of education are located.

This legislation, effective October 1, 2010, also provided additional grant funding for school districts that consolidated transportation efforts with a neighboring district or districts in fiscal year 2011.

Connecticut also has established Regional Educational Service Centers (RESC) throughout the state to provide school districts with quality, cost-effective collaborative programs and initiatives. There are six RESCs throughout the state, and the Cooperative Educational Services (CES) RESC, located in the Town of Trumbull, serves Trumbull Public Schools as well as 15 other districts in lower Fairfield County.

## Shared Services in Trumbull

The Town of Trumbull and Trumbull Public Schools have several shared services, although they are primarily informal in nature with no interlocal agreements or memorandums of understanding (MOU) in place setting forth the terms of the shared services.

Services that the Town provides to TPS for which they charge include property, casualty, liability, and workers' compensation insurance, joint purchases of fuel, and construction management. The Town and school district use the same employee health insurance provided – Anthem – but each entity maintains and pays for its own plans.

The Towns of Trumbull and Monroe combined their individual health departments in 2004. The Trumbull Monroe Health District (TMHD) serves the residents of the two towns, and receives funding through an allocation of \$6.79 per resident from each town as well as funding from the state Department of Public Health.

TMHD has 15 full-time and three part-time nurses on staff. The full-time nurses are stationed at TPS school sites, one part-time position services senior citizens, and two part-time positions serve the general public. The Town charged TPS \$719,859 in fiscal year 2011 for the nurses staffed at the schools.

The Town provides several services to the school district for which they do not charge including:

- Police – the Town provides one full-time officer to patrol the schools, while all security guards are paid for by TPS
- Bond program accounting, reporting, and purchasing
- Some purchasing services
- Recreational field maintenance

- Recreational facilities and pools
- Telephone system
- Crossing guards

The Town and the school district also use the same software vendor for their enterprise resource planning (ERP) system, but maintain separate agreements and licensing fees.

The RESC located in Trumbull, Cooperative Educational Services, provides several services to lower-Fairfield County school districts including:

- Executive searches
- Professional development for teachers, administrators
- Technology services including email, internet access, data storage, and printing
- Special Education transportation services
- Special Education programs and services
- Magnet school program

TPS takes reasonable advantage of the services offered by CES, including curriculum development, professional development of various types, Special Education programs and Special Education transportation. In addition, TPS has a strong presence in its PK-8 Six to Six Magnet School as well as its Regional Center for the Arts program for high school students.

## Trumbull Compared to its Peers

Gibson conducted a peer telephone survey to determine how Trumbull's shared services compares to similar towns in Connecticut. The survey attempted to derive information regarding each town's level of shared services, including general shared service opportunities and agreements between the town and school system, combined insurance procurement, shared services with other organizations, participation in cooperative purchasing arrangements, and participation in the state health insurance plan.

There are 19 districts comprising District Reference Group B to which TPS belongs. Four districts and towns from the DRG were selected for comparison, as well as two districts and towns outside of the DRG. The towns/school districts within DRG B selected for comparison were Cheshire, Glastonbury, Monroe, and Newtown. Shelton and Westport are the comparison towns/districts from outside DRG B. One of the peer towns – Monroe – did not respond to the peer survey. The survey was conducted by contacting the Finance director in each town and soliciting answers to a set of questions.

Table 2.1 presents an overview of Trumbull and the peer towns selected for comparison.

**Table 2.1. Demographics for Town of Trumbull and its Peers**

Town/City	Form of Govt.	Pop-ulation	Land Sq. Mi.	Median Household Income	Un-employment Rate	Mill Rate	New Housing Authori-zations (Total Units)	TANF Receipts
Trumbull	Selectman/Council	36,062	23.29	\$103k	7.2%	24.07	5	0.1%
Cheshire	Council/ Manager	29,260	32.91	\$80k	7.1%	26.05	39	0.1%
Glastonbury	Council/ Manager	34,467	51.37	\$58k	6.5%	29.05	48	0.2%
Monroe	Selectman/ Town Meeting	19,466	26.13	\$85k	7.5%	29.5	6	0.1%
Newtown	Selectman/ Town Meeting	27,605	57.76	\$90k	6.7%	23.43	14	0.2%
Shelton (city)	Mayor/ Council	39,580	30.57	\$67k	8.1%	18.61	31	0.3%
Westport	Selectman/ Representative Town Meeting	26,393	20.01	\$147k	6.1%	14.41	63	0.0%

Source: *Municipal Fiscal Indicators*, November 2011 published by the Connecticut Office of Policy and Management.

Table 2.2 shows how Trumbull compares to the peer town for selected financial indicators. Trumbull falls in the middle of the peer group in terms of per capita expenditures of \$3,853. The Town of Newtown has the lowest per capital spending of \$2,789 while Westport has the highest at \$6,662. Despite Trumbull's \$22-million bond issue in fiscal year 2011, Trumbull maintains the second-lowest per capita debt of \$2,145, with the city of Shelton having the lowest at \$1,602. The Town of Westport carries the highest per capita debt of the peer group of \$6,437.

"Grand list" amounts represent the total appraised value of property in a jurisdiction. Equalized net grand list (ENGL) figures represent total appraised property adjusted for exemptions and market value. Of the peer group, Trumbull has the third-highest ENGL amount of \$6.5 billion, behind the city of Shelton (\$6.8 billion) and the Town of Westport (\$14.7 billion). Trumbull's grand list growth has been less than 1 percent for each of the last three years.

The ratio of debt to ENGL represents the relative ability of a jurisdiction to pay off its debt using property tax revenue. With a debt-to-ENGL ratio of 1.1 percent, Trumbull is second lowest of the peer group, behind the city of Shelton's debt-to-ENGL ratio of 0.9 percent.

**Table 2.2. Financial Indicators for Town of Trumbull and its Peers**

Town/City	Moody's Bond Rating	Total Expenditures	Expenditures per Resident	Debt per Capita	Equalized Net Grand List (\$ in Millions)	Ratio of Debt to Equalized Net Grand List
Trumbull	Aa2	\$138,959,997	\$3,853	\$2,145	\$6,491	1.1%
Cheshire	Aa1	\$96,899,377	\$3,312	\$2,170	\$4,133	1.6%
Glastonbury	Aaa	\$138,708,507	\$4,024	\$2,404	\$5,803	1.4%
Monroe	Aa2	\$74,819,797	\$3,844	\$2,261	\$3,278	1.2%
Newtown	Aa1	\$106,501,309	\$3,858	\$2,700	\$4,780	1.5%
Shelton (city)	Aa2	\$110,391,982	\$2,789	\$1,602	\$6,818	0.9%
Westport	Aaa	\$175,554,068	\$6,662	\$6,437	\$14,736	1.2%

Source: *Municipal Fiscal Indicators*, November 2011 published by the Connecticut Office of Policy and Management.

Trumbull's peers vary in their use of shared services. Table 2.3 presents the results of the peer survey regarding different types of shared services and cooperative arrangements. The questions asked during surveys appear across the top of the table chart, with each town listed in the location column. Each town's response falls below the corresponding question.

Table 2.3. Results of Peer Survey

Location	Shared Service Agreements with School Districts?	Jointly Purchase Insurance?	Shared Service Agreements with Other Entities?	Cooperative Purchasing Arrangements?	Medical Insurance Through CT Partnership Plan?
Trumbull	Informal sharing of services for some insurance, school nurses, some purchasing, school resource officers and school crossing guards, recreational and field maintenance, telephone system.	Yes for property, casualty, and liability insurance. Town and school have same employee health ins provider, but separate policies.	Member of a health district with Town of Monroe.	Can purchase off state contracts.	No.
Cheshire	No - use same accounting system but each pay our own way. Same town attorney but everyone pays their own way.	Yes – all types.	Member of a health district with three other towns.	Yes – a few. Capital Regional Council of Governments, and Central Nagataouk Valley Council of Governments.	No.
Glastonbury	No.	Town makes arrangements for insurance and then education pays their portion and the town pays their portion.	Shared building permit system with CRCOG along with eight other entities. Went out for competitive bid and was customized to fit their needs. It's a shared application in the cloud. They do not need a formal sharing arrangement because each entity has a relationship with the regional planning agency that manages it.	CRCOG. Towns pay a member fee to participate with them on many levels - cooperative purchasing only one level. They solicit many things, including fuel, tires and tubes, and fire hose testing.	No.
Monroe	Non-responsive.				

Location	Shared Service Agreements with School Districts?	Jointly Purchase Insurance?	Shared Service Agreements with Other Entities?	Cooperative Purchasing Arrangements?	Medical Insurance Through CT Partnership Plan?
Newtown	Cooperate on building maintenance. Board of Ed helps us - plumbers, electricians, if we need a building fixed they fix it. Informal relationship. We maintain their fields (grounds). We are now in the same building with the board of Ed which makes it easier. No agreements, just budgeted that way. No charge backs. IT departments now located in the same area in the same building so can cooperate informally. Will be combining financial systems (based on results of a recent study that was just conducted)	Yes, self-insurance fund - both have same administrator for insurance. Both participate with Connecticut Interlocal Risk Management Agency. Share in worker's comp and general liability.	Public Works has informal arrangements with board of Ed and with other towns - they assist each other, borrow equipment etc. No contracts.	Yes. Joint purchasing of heating oil through a regional consortium (couldn't remember the name of it). Are trying to catch up with the school district on their electrical period so that they can share with that also.	No.
Shelton	No. They are autonomous. They have separate purchasing departments but will go out to bid together through town centralized purchasing. Nothing formal.	Used to jointly purchase worker's comp, but it is separated now.	No.	No. Can participate in a state contract, but they have always found that they save money if they do it themselves.	No.
Westport	The town manages the union that the board of Ed's people are in - the custodians and such. We manage their retirement accounts.	We share all insurance EXCEPT for employee medical. That used to be shared, but the school district went out on their own.	Participate in a health district with Westin.	The board of Ed and the town share purchasing on electricity, fuel, oil, and certain other items like paper, phones, IT equipment, etc.	No.

As local governments face the challenges of closing budget deficits now and in the foreseeable future, shared service opportunities should be closely examined, particularly where service duplication can be eliminated without risking a decline in the level or quality of public services that citizens demand. Shared service discussions can get sidetracked by concerns over local identity, loss of jobs, diminished control and quality of service. The review team noted Town and TPS examples of concerns surrounding how current operations would change with sharing services. It is important to recognize that efficiencies and cost savings can materialize for both TPS and the Town, and that each entity should work to develop and promote opportunities for sharing and collaboration.

For shared services to succeed in Trumbull, there are several key elements in the planning and implementation stages that local officials should consider. Some of the most critical include:

- **Establish shared services planning committee.** During 2012-13, the Town and TPS should form a shared services committee to begin planning shared service implementation. Topics that should be addressed include:
  - Decision-making framework for shared service decisions, ensuring that priorities of the Town and TPS are both addressed.
  - The need for staff resources dedicated exclusively to either Town or TPS needs.
  - Position and staff migration planning
  - Methods to monitor and report results of shared service in terms of efficiency and effectiveness.
- **Identify realistic opportunities.** First and foremost, TPS and the Town should begin by identifying opportunities to share services in areas where there is a realistic chance that the initiative will be supported and implemented. Successful collaboration is built on trust between participating entities. Therefore, attempting a small project initially may be more prudent than approaching a neighboring local government about consolidating a major function.
- **Establish clear goals and objectives.** The service to be shared should be well described, the responsibilities of each participating local government clearly defined and expectations about cost savings or service delivery improvements clearly communicated.
- **Educate stakeholders.** It is vital that Trumbull citizens as well as Town and TPS employees are properly informed on the benefits of the shared services initiatives (e.g., savings that will result for citizens as property taxpayers and as employees) and assured that the quality of services will be maintained.
- **Look for “striking moments”.** TPS and Town officials should also watch for opportunities such as retirements or attrition of key personnel that make proposals for shared service arrangements involving personnel more feasible.

- **Plan for roadblocks.** TPS and Town officials should remain open-minded and flexible in dealing with obstacles along the way. Expect that turf issues, personality conflicts, and other implementation issues will arise.
- **Improve process efficiency before implementing shared services.** The remainder of this report outlines several opportunities to improve the efficiency of operations for both the Town and TPS – separate from sharing services. These efficiencies, obtained through re-engineering of processes and maximizing the use of technology, should be implemented before the services are shared or consolidated.
- **Document shared services and costs in contractual agreements.** The Town and TPS should avoid informal arrangements and instead document each shared service arrangement through a formal agreement. The agreement should provide estimates of the cost of services provided to TPS, and these amounts should be included in the TPS annual budget. This will allow TPS to verify that the shared services are actually resulting in cost savings. The contractual agreements should also outline service expectations and where applicable, service goals or targets.

In the following chapters, organized by functional area, several recommendations are made for the Town of Trumbull and TPS to share services. Recommendations should not be implemented in a vacuum, however, as other recommendations will directly influence the success of the shared service opportunities. The Town and TPS should use the 2012-13 year to implement other recommendations related to information systems and processes and to plan for the transition to sharing services. Implementation of shared services should begin in 2013-14.

The following sections present findings and recommendations for efficiency and shared services opportunities for the Town and TPS. Fiscal implications and how they were estimated are presented with each recommendation. Recommendations are made in the following chapters:

- Administrative Services
- Technology
- Maintenance and Custodial Services
- Food Services (TPS)
- Transportation (TPS)
- Employee Health Insurance
- Tax Assessment and Collection

Each remaining chapter contains:

- A brief background of the area under review
- Shared services opportunities
- Efficiency opportunities affecting both the Town and TPS, if any
- Efficiency opportunities affecting the Town only, if any
- Efficiency opportunities affecting TPS only, if any

Administrative services, technology, maintenance and employee health insurance represent the prime opportunities for shared services at this time.

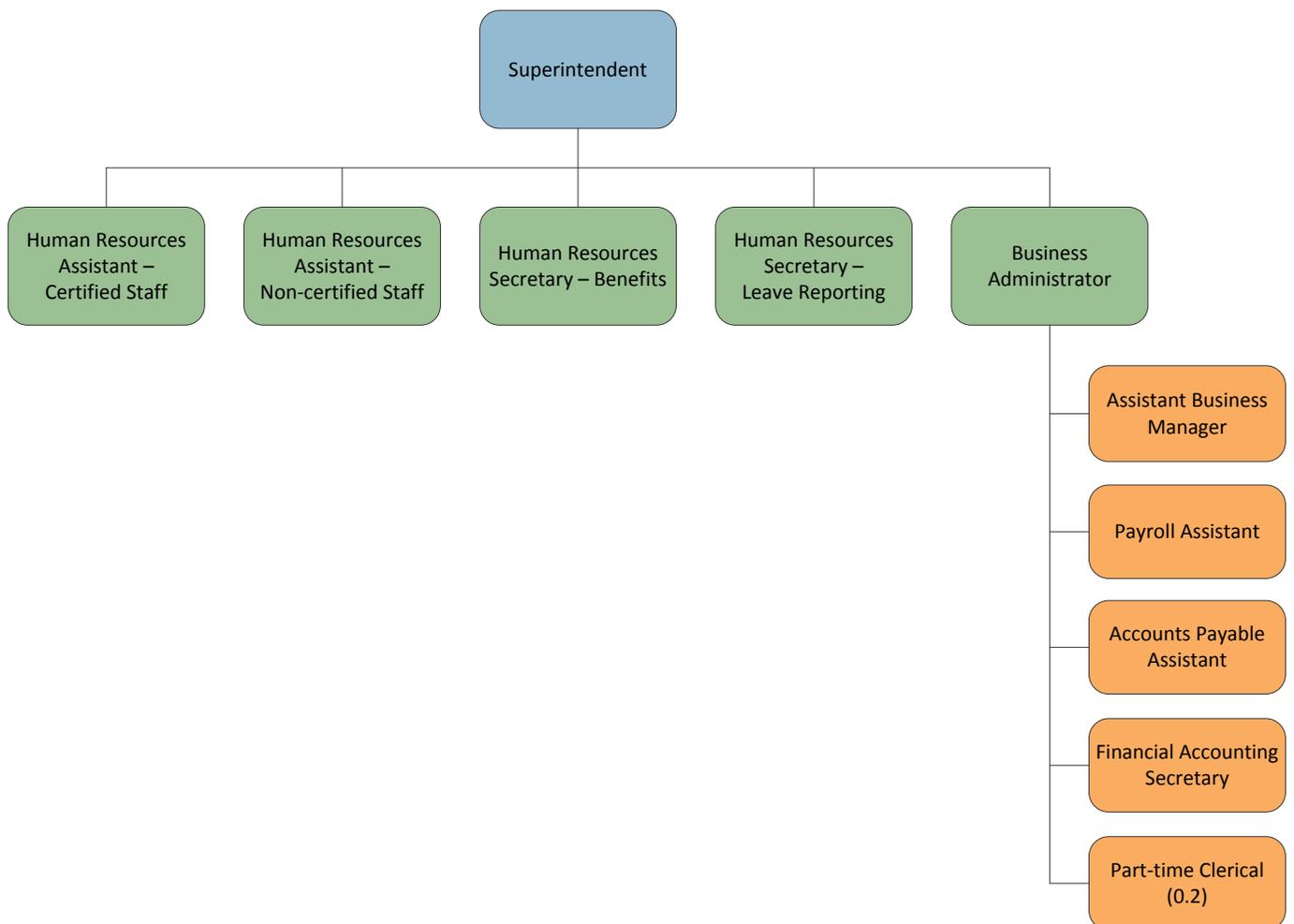


## Chapter 3 – Administrative Services

The Town of Trumbull and Trumbull Public Schools each maintain separate administrative service functions including general accounting, accounts payable, payroll, and human resources. Although each entity engages in some coordinated procurement, the purchasing functions are primarily handled separately by each entity. The Town has a Purchasing agent to oversee procurement functions, while TPS has a largely decentralized procurement function without a designated position to oversee it. However, TPS often takes advantage of established Town purchasing arrangements.

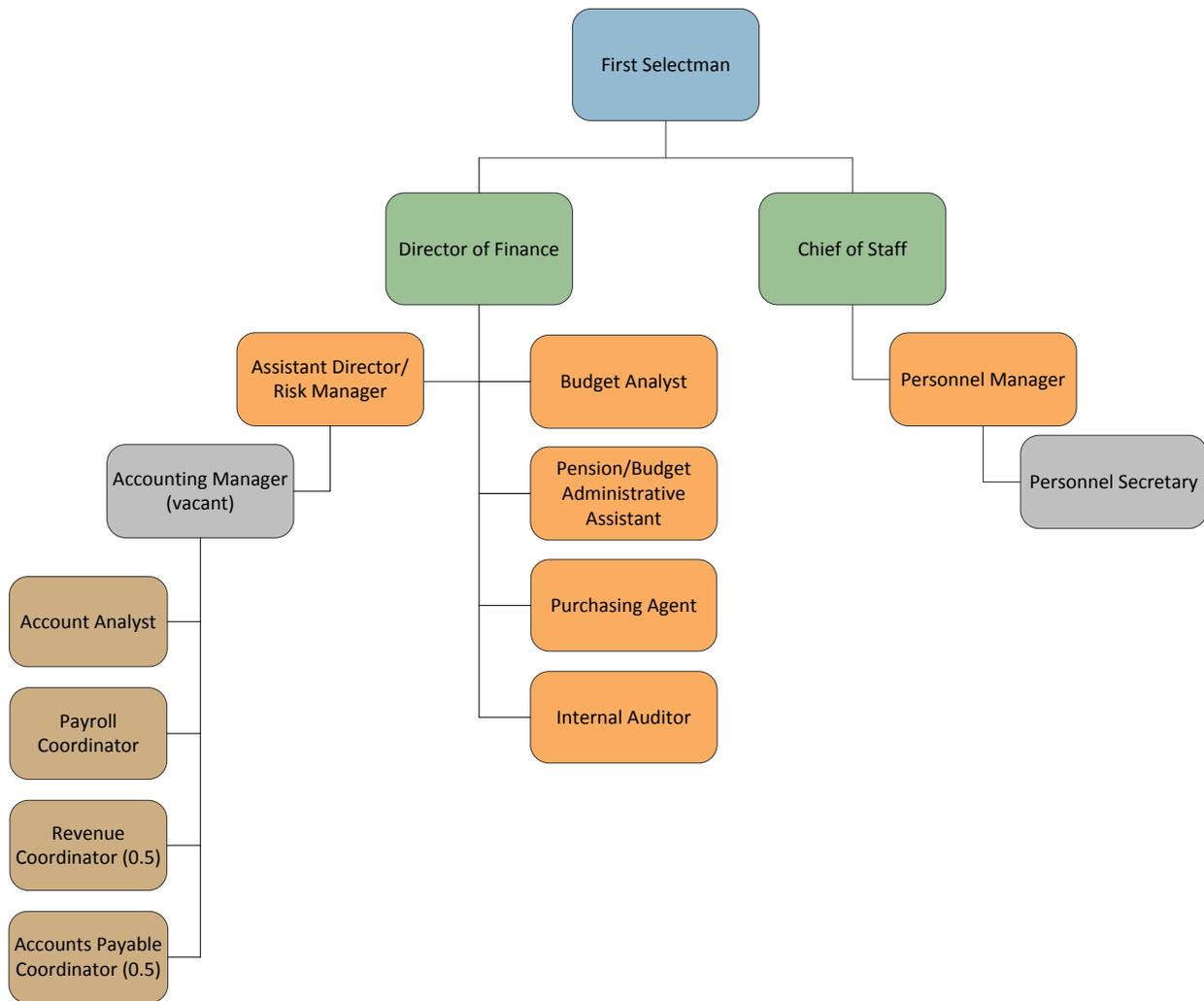
The organization of the Town and TPS's administrative services areas is depicted in Figures 3.1 and 3.2.

**Figure 3.1. Organization of Administrative Service Function, TPS**



Source: TPS organizational chart, 2011

**Figure 3.2 Organization of Administrative Service Function, Town of Trumbull**



Source: Town of Trumbull organizational chart, 2011

The TPS financial functions are headed by a Business administrator, a position that until recently was vacant. Reporting to the TPS Business administrator position are the following: assistant Business manager, payroll assistant, accounts payable assistant, and a financial accounting secretary. The Business office also receives part-time help one day per week, or 0.2 full-time equivalent (FTE) employee, on loan from the district's Technology Operations unit. TPS's Business administrator oversees the transportation and food services operations for the district (not reflected on organization chart above).

TPS's Human Resources (HR) functions are handled by four employees who report directly to the superintendent. The HR functions handled by the district include all the typical functions of an HR department, including recruitment, hiring – including hiring of substitute teachers – and benefits administration. The district's HR Department is also responsible for recording, tracking, and reporting all employee leave.

The administrative services functions of the Town fall under two individuals who each report to the First Selectman: the director of Finance oversees the purchasing, accounts payable, and payroll functions as shown in Figure 3.2. In addition, the director of Finance oversees technology, tax collections, and tax assessments (not depicted in the organization chart). The Town's chief of staff oversees the HR functions as well as the Library, Senior and Social Services, Nurses, and Recreation.

The Town's Finance Department has 5.5 FTEs to handle accounting, budget, grants, payroll, and accounts payable functions although the Accounting manager position is vacant. The accounts payable and payroll responsibilities are shared, with approximately 1.0 FTE to carry out accounts payable functions and 1.5 FTE for conducting payroll functions. One Purchasing agent oversees the Town's procurement function and assists with some procurement at TPS. The Town also has an internal auditor position.

The Town's HR functions are performed by the Personnel manager and one secretary who are responsible for recruitment, hiring, benefits administration, and all civil service testing. The Personnel manager also serves as the clerk of the Town's Civil Service Board.

## Shared Services Recommendations

***Recommendation 3.1: Consolidate the accounts payable and payroll functions of the school district into the Town's Finance Department.***

Many of the processes involved in the accounts payable, payroll, HR, and purchasing functions are similar for each entity and are prime candidates for establishing a shared services arrangement, with payroll and HR functions in TPS being more complex due to different regulations, pay calendars, unique recruiting needs, and other factors.

There are four major reasons for sharing administrative services:

1. Lower cost due to fewer supervisory positions – in finance, there are leadership positions over each unit that are highly credentialed (director of Finance for the Town and Business administrator for TPS). If the Town and TPS were a single organization, its size would not dictate two senior finance positions. While both organizations have separate financial reporting responsibilities, these should be able to be addressed by mid-level managers.
2. More even distribution of work – workload data for fiscal year 2011-12 accounts payable, purchasing, human resources, and payroll functions are presented in Table 3.1. Each line represents a workload measure in relation to FTE staff for Town and TPS administrative services. While the workload (per Admin FTE) measures are consistent between the Town and TPS for HR and accounts payable, there are wide differences in the payroll function (as noted in the shaded boxes). Sharing services would help spread the volume of work more evenly.

**Table 3.1. FY 2012 Workload Data for Town of Trumbull and TPS Administrative Functions**

Workload Measure	Town			TPS			Workload Measure Town and TPS Combined
	Total	Admin FTE	Per Admin FTE	Total	Admin FTE	Per Admin FTE	
Number of Employees Served – HR	354	1.5	236	836	4	209	1,190
Number of Accounts Payable Checks Issued	6,293	1	6,293	6,194	1	6,194	12,487
Number of Payroll Checks Issued	7,224	1.5	4,816	8,852	1	8,852	16,076
Number of Payroll Direct Deposit Vouchers Issued	15,135	1.5	10,090	27,630	1	27,630	42,765
Number of Employees Served – PR	354	1.5	236	836	1	836	1,190

Source: Survey of TPS and Town financial staff

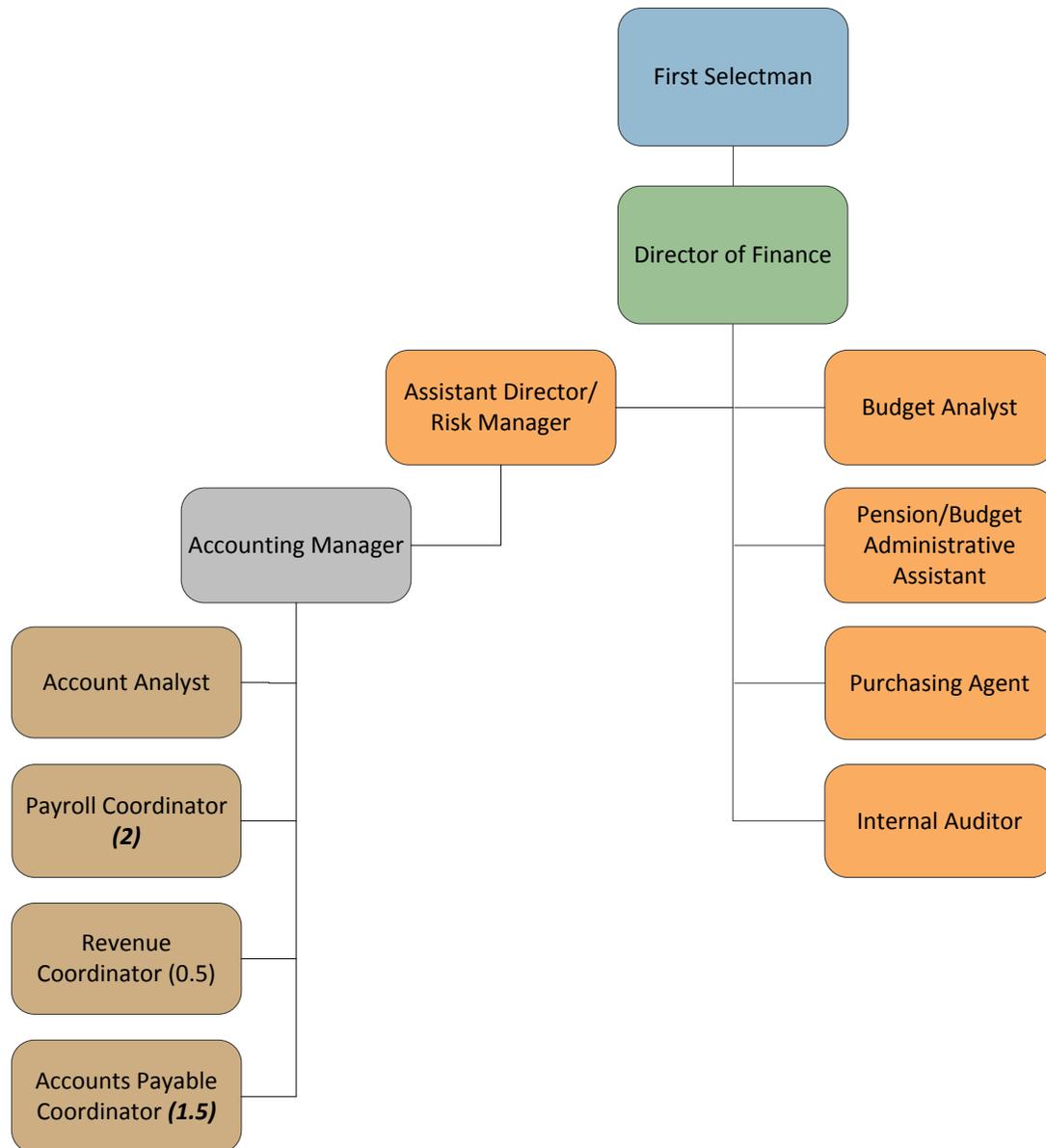
- Improved internal control – sharing services will support improved internal control in two ways. First, by combining functions and staffs it will be easier to support segregation of duties. Segregation of duties is an important element of internal control in that it limits access to assets and business records by the same position. Second, with a combined staff, there are more opportunities for cross-training and back-up if one employee becomes ill or unable to work. TPS currently has one position that is responsible for its payroll function – without a back-up option. This places the organization at risk should the individual in this position be unable to perform the duties for any reason.
- Lower cost – the combined effect of sharing administrative services will reduce the cost of operations. Establishing shared services for administrative functions will provide better management of these functions, will provide cross training opportunities, and can help to eliminate some costs for the Town and for TPS.

By consolidating the administrative functions of accounts payable and payroll, and transferring them into existing Town departments, one TPS position can be eliminated once the transition is fully implemented. The position proposed for elimination is the financial accounting secretary position. The positions proposed for transfer to the Town include the payroll assistant and the accounts payable assistant.

We propose that TPS and the Town move forward with planning for the consolidation and transition of accounts payable and payroll to the Town. These functions are transaction-based and are good candidates for a pilot consolidation test. After these achieve successful implementations, other administrative areas could be considered for increased collaboration and/or shared services.

Figure 3.3 shows a proposed organizational structure for the Town following a consolidation of administrative functions. The changes to the existing structure are in bold italics.

**Figure 3.3. Proposed Organization of Town of Trumbull Consolidated Administrative Service Functions**



Source: Gibson Consulting Group, Inc.

The TPS Business administrator should provide all financial reports to senior leadership and the board, and support to the superintendent, TPS department heads, and school principals in budget and finance issues. The TPS Business administrator's role should also include serving as liaison between the Board of Education and the Town's director of Finance. This position should report directly to the superintendent.

## Fiscal Impact

The proposed consolidation of TPS's payroll and accounts payable functions with Town functions result in an annual net savings of \$63,835 including salaries and benefits. This fiscal impact includes the elimination of the TPS financial accounting secretary position.

Effective implementation of this recommendation will require a significant planning effort during 2012-13, including negotiating with the collective bargaining units affected by a transition. Further, shared administrative services should not be implemented until administrative processes are re-engineered and information system use is maximized (see separate recommendation in Chapter 4 – Technology of this report).

***Recommendation 3.2: Improve purchasing power by increasing collaboration on bulk purchases and increased use of cooperative purchasing arrangements.***

TPS and the Town do not always collaborate on making purchases of bulk items such as paper and office supplies. This lack of collaboration could be costing Trumbull in terms of lost purchasing power. In addition, many of these items are simply purchased without obtaining competitive bids.

Chapter III, Section 6.G. of the Town Charter states "...All supplies, materials, equipment and other commodities required by any department, office, agency, board or commission of the town, including the Board of Education, shall be purchased by the purchasing authority in accordance with the purchasing policy as most recently adopted by the Town Council..."

As the Board of Education does not currently have a centralized purchasing department, the Town's Purchasing agent should absorb the purchasing function for TPS.

Trumbull also has several options for making purchases through bidding cooperatives such as its Regional Council of Government and The Cooperative Purchasing Network. These cooperatives usually charge small participation fees to vendors and allow towns and school districts to participate at no charge.

## Fiscal Impact

By consolidating Purchasing functions, TPS and the Town can achieve better performance from vendors, greater purchasing power, and obtain better prices through more bidding or use of purchasing cooperatives. Though this is expected to result in savings for each entity, a fiscal impact cannot be estimated at this time.

***Recommendation 3.3: Ensure that both the Town and TPS have regular internal audits that are based on comprehensive risk assessments.***

Chapter VII, Section 1.C. of the Town Charter states that, “The Board of Finance shall appoint an internal finance and operations Auditor. Upon the direction of the Board of Finance, the Auditor shall have the authority to audit the finances and operations of any Trumbull Government entity, included but not limited to, the Town, the Board of Education, Enterprise Funds, Special Agency Accounts and any other government entity receiving and/or spending use charges and any other income. The Auditor shall present his/her reports to the Board of Finance.”

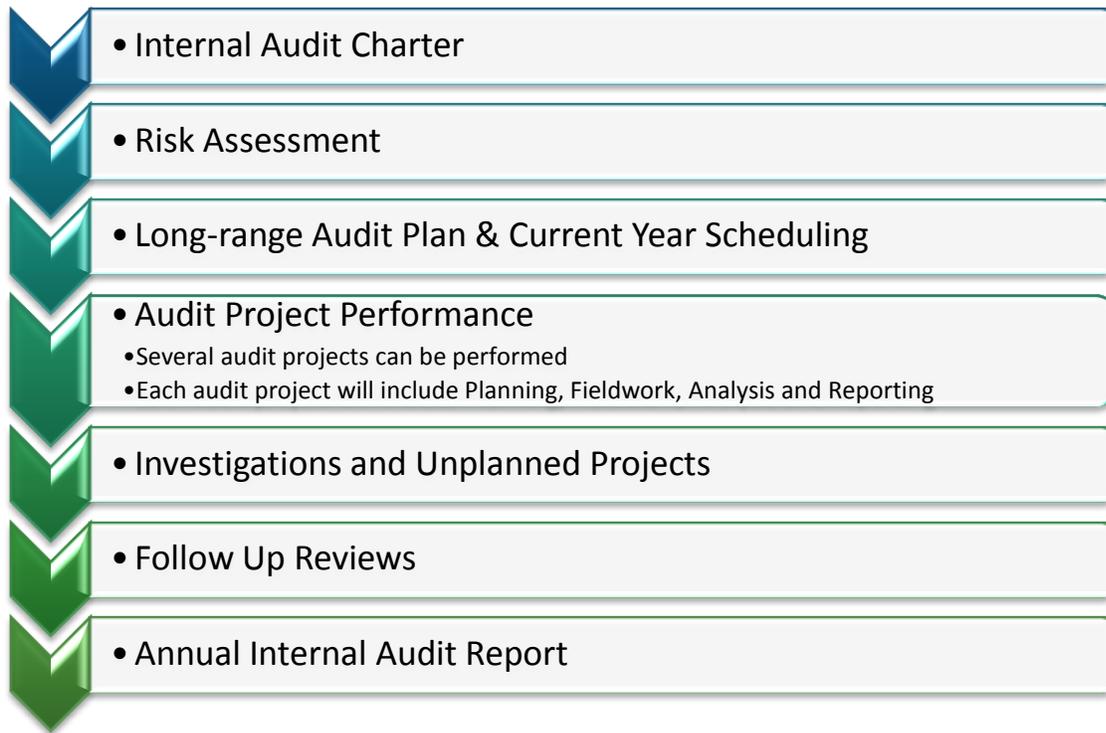
The Board of Education believes that the Town Charter is in conflict with state statute and that the Town does not have the authority to audit the school district. This matter is being clarified by Trumbull legal staff, but the issue of TPS needing to undergo routine audits remains a critical one.

The scope of the Town’s internal audit function does not include TPS, even though TPS expenditures represent 64 percent of the Town’s annual operating budget. Accordingly, the Board of Education should arrange for the audit of its functions, whether through the Town’s internal auditor or through a contracted auditor.

The Town of Trumbull audits are conducted on an as needed basis. Recent audits completed include the Town’s Leaf Program, Emergency Medical Services, Trumbull Senior Center, and the Town’s Time and Attendance Reporting processes. A formal risk assessment has not been conducted in recent years. A risk assessment ensures that internal audit efforts are dedicated towards the highest risks for an organization. Such an assessment should be conducted every five to seven years.

A risk assessment informs the internal auditor as well as governing authorities of an entity’s high-risk areas, which should receive immediate attention. Lower risk areas can then be subject to internal audits on a cyclical basis. Audits of specific programs or functional areas should be mapped against a five-year calendar in the development of a long-term audit program plan. Special projects or investigations may occur outside this plan based on specific needs identified by the governing body. Figure 3.4 presents the key components of an internal audit function.

**Figure 3.4. Internal Audit Function – Major Steps**



Source: Gibson Consulting Group, Inc.

### Fiscal Impact

The Town and TPS should consider hiring an outside firm to conduct an independent risk assessment and develop an annual audit plan for both entities. Any arrangement with an outside auditor should include a transfer of knowledge so that an internal auditor can perform these functions in future years. Hiring an outside auditor would cost approximately \$25,000. No other additional audit resources should be needed. The full-time position that exists now should be sufficient to carry out the new responsibilities. However, the focus of the internal auditor's efforts may change based on the risk assessment.

Having the Town's internal auditor include TPS in its audit scope is the most cost effective way to accomplish this recommendation. If this option is pursued, the Board of Education should have input as to the selection of the Town's auditor.

## Efficiency Recommendations – Town of Trumbull and TPS

### ***Recommendation 3.4: Implement an automated timekeeping system for both the Town of Trumbull and for Trumbull Public Schools.***

The Town of Trumbull relies on a manual and paper-intensive time reporting process. Town employees fill out manual timesheets which also must be manually entered, reviewed, and approved. Town Human Resources staff compare the data entered to paper timesheets for accuracy.

An April 2012 internal audit of the Town’s time and attendance reporting was critical of the process and identified weaknesses and risks associated with Town processes. That report recommended the implementation of a timekeeping system.

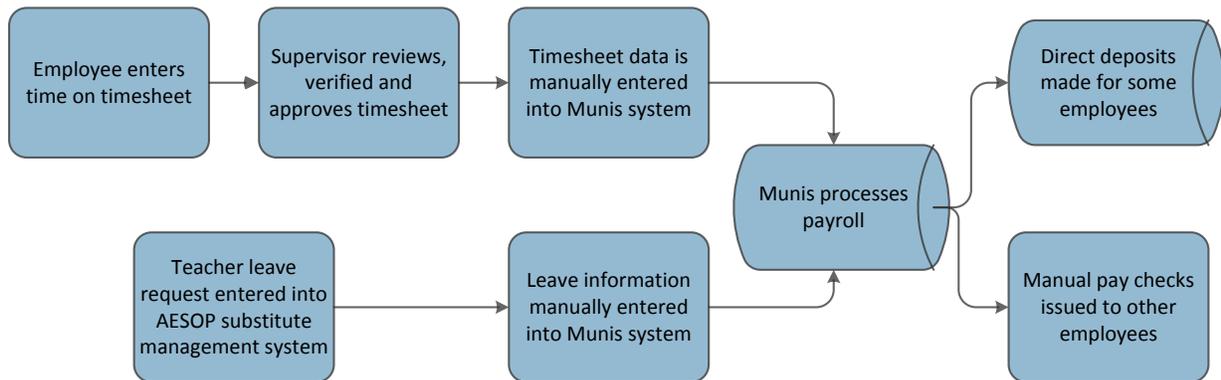
TPS previously purchased an automated timekeeping system, but abandoned it before full implementation. In 2003, TPS purchased KRONOS, an automated timekeeping system commonly used by municipalities and school systems. KRONOS allows for time entry through a variety of methods including swipe cards and logging into a computer. One of the significant benefits of such a system is that individual employee timesheet data can be uploaded automatically into the payroll system, eliminating the need for manual data entry. Employee time records can also be routed electronically to supervisors for review and approval, eliminating or reducing the need for paper documents.

Although the KRONOS system was installed with swipe stations throughout the district, it was never fully implemented and those using the system – hourly staff which included paraprofessionals and custodians – were required to use KRONOS in addition to the former punch time clock system.

Current TPS business office staff members are not aware of the reasons for the system not having been fully implemented, nor the reasoning behind ultimately terminating its use. However, turnover in the Business administrator position was likely a key reason for the implementation having not been completed. In addition, business processes were not re-engineered before implementation. This likely contributed to the abandonment of the system.

The lack of an automated timekeeping system contributes to a paper-intensive and time consuming process. Figure 3.5 presents a process map of the current timekeeping and payroll process. The blue boxes indicate a manual process; the red boxes indicate an automated process.

**Figure 3.5. Current Timekeeping and Payroll Process Map**



Source: Based on interviews with TPS and Town staff

TPS also uses a separate software product called AESOP to manage substitutes and report leave time. Regular teachers call in or log in to the system to report when they are going to be absent, and the system posts job assignments to a website for substitute teachers to check. In addition, the AESOP system is used by all district employees for reporting their absences. The AESOP system is not integrated with the Munis payroll system, so all TPS payroll data are entered manually by various people throughout the district.

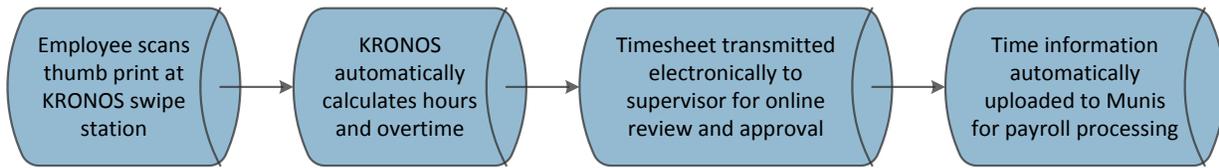
The district uses manual time clocks for hourly employees such as custodians and food service workers. An employee in the Plant Maintenance Department enters regular and overtime hours worked by custodial staff into the Munis system, while a Food Services Department employee enters the time worked for cafeteria employees. The time for these employees is manually calculated, and then entered directly into the Munis payroll system by these respective departments.

The payroll assistant in the Business office is responsible for entering employee time information into the Munis system for paraprofessional substitutes, tutors, and teacher extra time. On a weekly basis, the payroll assistant enters anywhere from 250 to 500 manual timesheets.

The district has a 10-month employee in the HR Department responsible for tracking and reporting all employee leave. Because the person in this position does not work during the summer months, all employee leave taken during the summer is entered to the system upon the employee's return in the fall.

The Town should purchase KRONOS for use by the Town and TPS, and integrate it with Munis. This will eliminate virtually all the manual forms currently used, and streamline processing through automatic calculations, verifications and online approvals. Further, many Munis customers have this interface, so the Town will not have to incur the cost of a customized integration effort. Every step in the process after full implementation of this recommendation will involve automation, as depicted in Figure 3.6.

**Figure 3.6. Timekeeping process after KRONOS implementation and integration**



Source: Gibson Consulting Group, Inc.

### Fiscal Impact

To determine cost estimate for this recommendation, Gibson obtained pricing information from the KRONOS company. Separate pricing information was gathered for TPS's and the Town's time systems, but the assumption was made that the applications could use a shared server, thus allowing for a degree of savings. Since lost swipe cards were an issue with the first attempt made to convert to KRONOS, a price quote for biometric time clocks was also requested which allows employees to scan a thumb print to clock in. The licensing and implementation/integration cost for the Town will cost be between \$63,000 and \$82,000, while the cost for TPS ranges from \$89,000 to \$116,000.

These fiscal impacts are conservative in that they represent the higher range of what this would cost to implement. For instance, using swipe cards stations instead of biometric stations would be more cost effective. In addition, consolidating and having a single time keeping system rather than dual systems would also be more cost effective.

TPS and the Town should also consider having KRONOS conduct employee training upon implementation. Training would range between \$10,000 and \$15,000. Annual maintenance fees will cost approximately \$20,000 after implementation.

Numerous efficiency and internal control improvements will result from the use the automated system, reducing work demands of a consolidated timekeeping and payroll process.

### ***Recommendation 3.5: Implement a mandatory direct deposit policy for both the Town and TPS.***

While each entity makes some use of direct deposit for paychecks, a large portion of both Town and TPS employees continue to receive paper checks.

School districts and other entities requiring mandatory direct deposit experience a greater level of efficiency and lower costs in the payroll process. In addition to the savings associated with issuing fewer checks, such policies reduce the amount of time required to sort, distribute, and protect paychecks, and reduce time required to handle lost paychecks. Direct deposit allows employees to have quicker and more convenient access to their funds. Employees who do not have bank accounts can have access to their net pay through agreements with local banks or credit unions, allowing employees to use debit-like cards to access to pay.

Another advantage to direct deposit is that the banking institution is responsible for abandoned property, so the state reporting and submission of un-cashed employee paychecks is no longer the responsibility of the Town or of TPS.

### Fiscal Impact

There are no separate cost savings associated with this recommendation, but its implementation will increase efficiency in the payroll process, further reducing the work demands of a consolidated payroll function.

#### ***Recommendation 3.6: Streamline the payroll process by moving to less frequent payrolls.***

Payroll for each entity is made overly cumbersome by too-frequent pay periods. Town employees, for example, are paid every week. Some TPS employees are paid weekly, others every two weeks. Each payroll involves a series of processes and the issuance of checks, resulting in a large number of transactions. By reducing the number of payrolls – to monthly, bi-weekly or a combination thereof – less processing time will be required for fewer paycheck transactions.

### Fiscal Impact

This recommendation will require that timekeeping processes be reviewed and simplified prior to implementing an automated timekeeping system. There is no separate fiscal impact associated with this recommendation, but it will result in more efficient and effective operations, further reducing the work demands of a consolidated payroll function.

#### ***Recommendation 3.7: Incorporate efficiency measurement into the Town's and TPS's budget development processes to ensure efficiency in future years.***

In part, this study was conducted to answer questions about efficiencies, including but not limited to shared service opportunities between the Town and TPS. While this study takes a snapshot of efficiency at this point in time, future measurement can only be supported by the incorporation of efficiency measures into the budget process. This will shed more light as to what is going on behind the numbers, and provide board members, Town Council members and other stakeholders with the transparency needed to answer the question – are we efficient?

Attached to this report (Attachment B) is a list of recommended efficiency measures for TPS and the Town to track on an ongoing basis. Measures should be tracked centrally through a controlled data collection process, and reported on annually in conjunction with the budget process.

### Fiscal Impact

This recommendation will require an initial invest of time to develop efficiency measures. The Town and TPS can begin by having each department develop three to five measures for which they think they

should be evaluated. The Town’s director of Finance and the TPS Business administrator should review the measures and provide feedback to each department head.

Over time, the measures can be expanded upon and fine-tuned as necessary.

## Efficiency Opportunity – TPS

### ***Recommendation 3.8: Improve financial transparency by overhauling the TPS chart of accounts.***

There were several factors identified during this review that were found to significantly limit the transparency of spending at TPS. These need to be addressed regardless of what shared services or other efficiencies are implemented.

The chart of accounts is a listing of account names that explain the purpose of a financial transaction and to segregate expenditures, revenues, assets, and liabilities. Salaries, supplies, travel, and professional fees are examples of expenditure account names listed in a chart of accounts. The account code structure and code definitions are extremely important in providing the necessary transparency of spending.

In school systems the chart of accounts is more complex than other organizations, with multiple sub-structures to support different departments, locations/schools, programs, functions, funds and types or object of expenditure.

The Town and TPS use the same financial system – Munis – to support its financial transactions, although each maintains its own separate Munis system and chart of accounts. This system is a commonly used software product for both municipalities and school systems around the U.S. and provides a flexible account code structure that can meet reporting needs. The Town’s account code structure is less complicated and account names are clearly defined and distinguishable from other codes. This is not the case with the TPS chart of accounts.

The following elements represent the account code structure for TPS:



Source: Trumbull Public Schools

- Fund (3 digits) – represents the funding source for an expenditure, such as the general fund or a grant program fund.
- Unit (2 digits) – used to represent a function, such as technology or maintenance. Also used to represent a location (school name) or program (regular instruction, special education).

- Function (4 digits) – may represent a sub-program or sub-function (Mathematics, Guidance Counselors), as well as a category or object of expenditure (utilities).
- Object (5 digits) – generally used to describe the type of expenditure (for example, 51xxx accounts are reserved for salary expenditures; 52xxx account are for employee benefits expenditures); some object codes also reference school names or department names.

This structure does not provide for separate delineation of TPS expenditures needed to provide a clear view of spending. Within this structure, several items appear to be miscoded, overstating or understating the cost of a particular department or function. For example, custodial “supplies” expenditures for 2011-12 were \$1,002,173; however, only \$151,000 represents actual custodial supplies. The remaining \$850,000 was for district-wide utilities. All utilities costs are charged to a custodial services unit code instead of a plant operations code.

The following mutually exclusive categories of expenditure should be used to track TPS spending:

- Fund – no change.
- Function – this should represent functions only, such as direct instruction, human resources, transportation, and technology.
- Program – this should represent identified programs only, such as regular education, special education.
- Organization / location – this should represent only the location of the expenditure, regardless of the department or responsibility center.
- Department / responsibility center – this should represent only the budget responsibility for the expenditure. In some cases this may mirror the function or program code, but in many cases it will not.
- Object – this should present the type of expenditure only, without reference to a function, program, organization or department

While many states prescribe a standard chart of accounts for school systems, Connecticut does not. However, the topic has been discussed recently and language has been attached to Senate Bill 24 this year. Advocates contend that “particularly in light of the proposed increase in foundational funding, a statewide standard chart of accounts is needed to improve the transparency and public accountability for state education dollars and to ensure that current and additional education dollars are spent on effective initiatives and programs.” Upon review of the state’s legislative website, it appears that this bill has been tabled in the Senate (as of April 2012).

### Fiscal Impact

TPS should implement these account code changes for application in the 2013-14 school year. This will require an investment in outside consulting services (\$15,000) to assist in the account code definition and conversion of prior account numbers to new account numbers.

***Recommendation 3.9: Conduct a detailed audit of the TPS payroll function, including employee leave reporting processes.***

TPS has a single payroll assistant position responsible for processing employee pay, with no other position trained as backup. The assistant works overtime, and has remote system access to work from home in order to complete the district's payroll. Having a sole individual responsible for an entire process places the district at risk if for any reason the payroll assistant is unable to work (e.g., illness). In addition, it is an internal control weakness to have only one individual in charge of a process without checks and balances in place. Accordingly, a payroll audit should be performed before the end of 2012. The Board of Education can request an audit from the Town's internal auditor or hire an outside internal auditor.

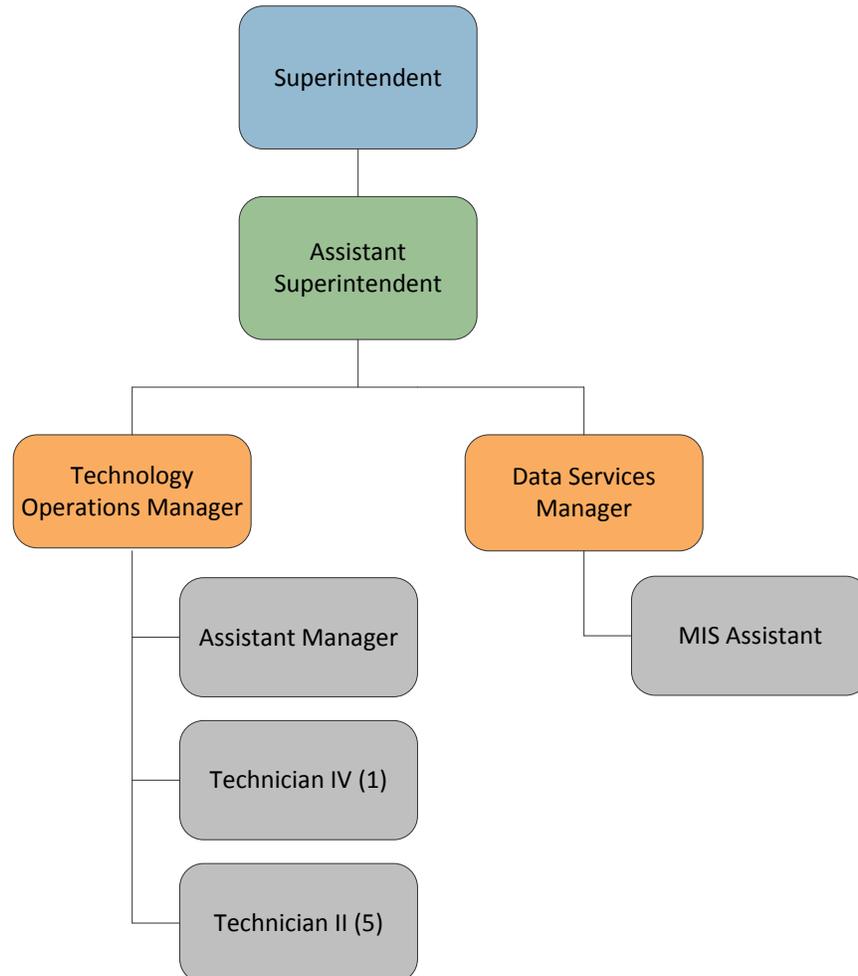
**Fiscal Impact**

If an audit is conducted by the Town's internal auditor, there would be no fiscal impact associated with this recommendation. However, should the Board of Education choose to outsource a payroll audit, the cost would be approximately \$10,000 to \$15,000.

## Chapter 4 – Technology

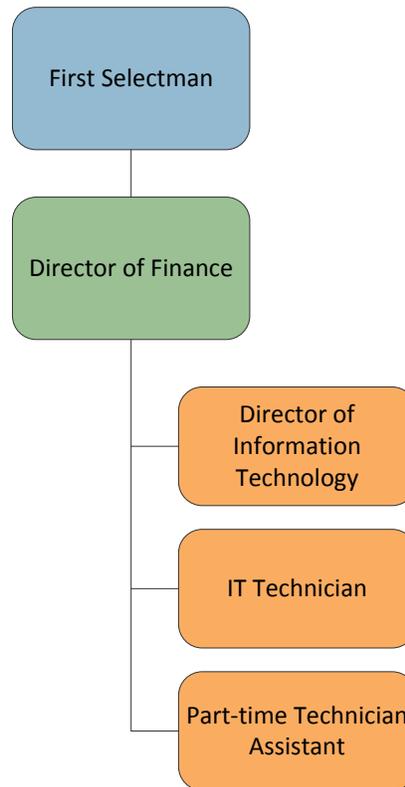
The Town of Trumbull and TPS each maintain their own technology departments and infrastructure. Figures 4.1 and 4.2 show the organization of the respective technology functions.

**Figure 4.1. Information Technology Organizational Structure, TPS**



Source: TPS organization chart, 2011

**Figure 4.2. Information Technology Organizational Structure, Town of Trumbull**



Source: Town of Trumbull organization chart, 2011

TPS's Technology Operations unit is responsible for procuring, installing, and maintaining the district's computer hardware and software. The Technology Operations manager, who is responsible for developing policy, evaluating user needs, technology planning and budgeting, oversees a staff of six technicians. Technicians are assigned maintenance and service responsibilities for the district's networks, copiers, telephones, and computer equipment. The Data Services unit of TPS is staffed with a Data Services manager and a Management Information Systems assistant who are primarily responsible for maintaining the district's Student, Finance, and Human Resources information systems (often referred to as the Enterprise Resource Planning or ERP systems).

The Town of Trumbull's technology functions report to the director of Finance, with day-to-day oversight provided by the director of Information Technology. In addition to the 2.5 employees in the Technology Department, the Town has two full-time technology positions housed in the Police Department and the Library Department to maintain the operating systems of those departments.

## Shared Services Opportunities

***Recommendation 4.1: Investigate opportunities for consolidated or shared information technology (IT) services between the Town and TPS and develop a consolidated IT plan.***

There are opportunities for consolidated or shared technology operations that could result in better service, greater efficiencies, and cost savings. However, while services could be shared, any decisions regarding consolidation of Town and TPS technology functions should not be made until the district decides on a technology plan the organizations are willing to fund.

The areas for shared services or increased collaborations of services include the following:

- Munis and other applications
- Technical support
- Disaster recovery plan and activities
- Network broadband consolidation and joint negotiation for services
- Wireless services including cell phones

Perhaps the greatest opportunity for sharing of IT services is the migration to a single ERP system. TPS and the Town currently both use the same system, but they maintain separate licenses and maintenance fees as well as each hosting the systems on separate servers. According to Tyler Technologies, the company that developed the ERP system used by the Town and TPS, migrating to a single system while maintaining the functions that TPS and the Town need is a viable option for Trumbull. The single Munis system can be customized to meet each entity's operating needs. Currently, the city of Bridgeport and Bridgeport Public Schools use a single Munis system, and the Town of Newtown and Newtown Public Schools are in the process of consolidating their systems.

Another area that could provide efficiencies is that of combined technical and helpdesk support. TPS and the Town each maintain their own technical support functions, yet applications support for Munis and email as well as hardware troubleshooting could be performed by either a TPS or Town technician. This will not result in cost savings, but would make each area more efficient through a better distribution of the workload.

Neither TPS nor the Town has adequate disaster recovery plans for its technology, exposing both organizations to unacceptable levels of risk in the event of a flood or fire. This area represents another opportunity for sharing efforts. TPS should collaborate with the Town on developing a consolidated disaster recovery plan that identifies alternative operating locations in case of a local disaster. TPS and the Town should also work jointly to test their plan.

Some IT services are generic enough in nature to allow for shared services opportunities. Examples of this include network broadband service and wireless cell phone service. If TPS and the Town consolidated their broadband and/or cell phone providers, they could achieve greater negotiating

power. Actual savings are likely but cannot be determined until the vendors are contacted by the Town's Purchasing agent.

### Fiscal Impact

While it is clear that there is cost savings potential in sharing these types of IT services, developing a fiscal impact is difficult because of the complexities of pricing structures for IT services. However, as an example of the potential saving available, if the Town and TPS were to consolidate its ERP systems into a single shared system, approximately \$92,000 in licensing and maintenance fees savings could be realized.

## Efficiency Opportunities – Town and TPS

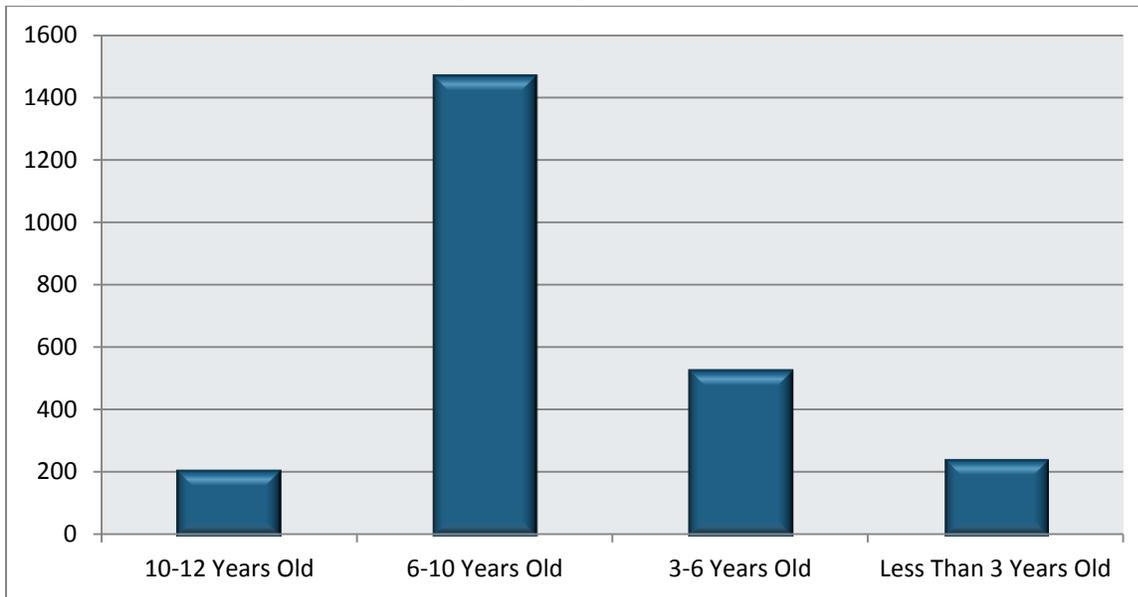
Separate from opportunities to share technology services there are specific areas that need to be addressed by both the Town and TPS to improve their collective ability to support efficient operations through the expanded use of technology. The two primary areas are (1) needed investments in computer equipment and network infrastructure, and (2) expanded use of administrative software to support more efficient work processes.

### ***Recommendation 4.2 Upgrade technology equipment and network infrastructure based on current and future needs.***

TPS's technology supporting administrative and instructional functions is outdated. The average computer is more than six years old, and some schools do not have WiFi connectivity. These limitations affect the ability of TPS to maximize its use of technology to support efficient practices.

Figure 4.3 presents the age of computers used by TPS in 2011-12, by range. Out of 2,488 computers, 1,675 or 67 percent are more than six years old and 8 percent are more than 10 years old. All computer equipment purchases are made through the Town's bidding process, and all computers have energy saving software that powers down the computer after a period of being idle.

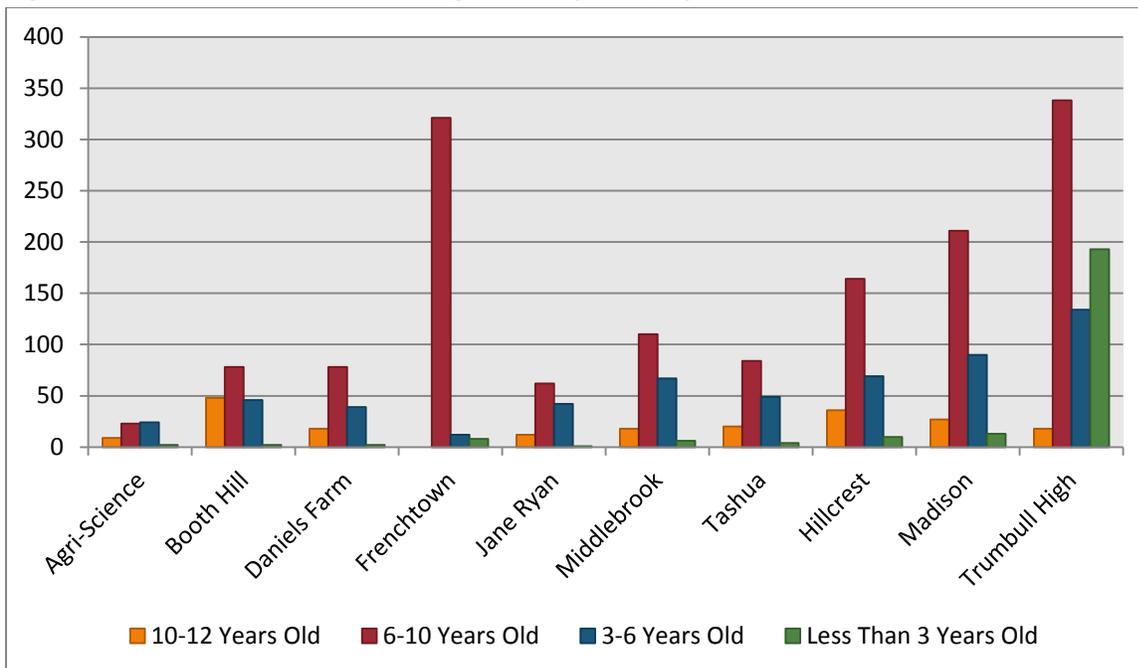
**Figure 4.3. Trumbull Public Schools Age of Computers – 2011-12**



Source: Trumbull Public Schools, summer 2012

The distribution of old equipment is not isolated to specific schools. As indicated in Figure 4.4, only the high school has noticeable inventory of computer equipment less than three years old. Older equipment must be run by older operating systems, which in turn may or may not be able to run current application software. Older equipment also has slower processing speeds, which can adversely affect teaching, learning, and administrative efficiency.

**Figure 4.4. Trumbull Public Schools Age of Computers, by Location – 2011-12**



Source: Trumbull Public Schools, summer 2012

Currently, only one school has wireless connectivity and in this school the access is limited. Wireless connectivity will be available at the high school once renovations are complete. This restricts the ability of schools to use current technologies such as tablet computers to provide a more efficient learning environment.

The Trumbull Town Hall does not have WiFi connectivity either, but the Board of Finance recently approved funding to establish wireless capabilities.

The district's long-range technology plan reflects these and other shortcomings and identifies action items to address them. However, the investment in technology has not been a high priority in either TPS or the Town's budgets, and as a result these plans have gone largely unfunded. The 2012-13 TPS budget includes funding for some computer equipment upgrades, but this level of investment will not sufficiently address the equipment and networking needs.

Equipment purchasing alone will not address the Town's or TPS's technology needs, and the purchasing of desktop or laptop computers may not reflect the wisest investment. The Town and TPS should evaluate successful practices by other school systems and towns to become more effective and efficient through use of current technologies. For instance, "cloud" computing (the use of hardware and software computing devices that are delivered as a service over the internet) is proving to be a feasible solution that allows for significant cost savings potential.

In one best practice example, Tyler Independent School District, a Texas school system with over 18,000 students, is using "desktop as a service" which is a cloud-based system to virtualize student and teacher computers. District users' unique computer content is saved in large storage servers and served to users over the broadband internet connection wherever they are and whichever device they use to access it. Another significant benefit comes from reduced support needs. Most of the operating system and application-originated support issues can be fixed because the working copy of each desktop lives as an image on servers and can be reinstated instantaneously without touching the user's hardware.

In addition to potential hardware savings, cloud computing allows for efficiencies in applications hosting. That is, the hardware used to house and maintain software is eliminated. Cloud computing offers excellent potential for sharing opportunities between the Town and TPS, for both administrative and academic purposes.

Another concept being piloted by many schools are "bring your own device" policies. This is working well in districts such as Trumbull where many students may already own personal computing devices such as tablet computers and laptops. Students are encouraged to bring their own units to class where they will be set up with the appropriate software and internet filters. These kinds of policies allow school systems to more cost effectively transition to "electronic" textbooks. In addition, students typically charge their devices at home, saving the district in utility costs.

## Fiscal Impact

The fiscal impact of upgrading technology at the Town and TPS will depend on the strategy pursued.

***Recommendation 4.3: The Town of Trumbull and TPS need to fully implement Munis, and TPS needs to eliminate duplicate information systems.***

The Town of Trumbull and Trumbull Public Schools each use the Munis ERP system for finance, budget, payroll, and human resources. Though Munis is a robust and powerful system, neither entity is using the system to its fullest capabilities. In addition to consolidation of licenses, both organizations need to enhance their use of Munis to gain efficiency advantages.

While both the Town of Trumbull and TPS use the Munis human resources module, neither uses the “position management” application. Position management supports the tracking of budgeted positions, filled and unfilled, for full and part-time staff and is essential for budgetary control. Both the Town and TPS struggled to provide requested staffing information because this module was not being used.

At TPS, Munis does not appear to have been configured at installation (almost a decade ago) to meet the reporting requirements of the school system. As a result, another separate *Filemaker Pro* data system (similar to but not an actual database software application) was developed and in recent years has been used as the primary source for human resources information. It is also used to support the district’s financial and budget data. This dual system requires double entry of data and the upkeep and maintenance for the database system has prevented TPS staff from fully learning and using the Munis system, resulting in limited productivity and meaningful data analysis. In addition, schools and departments are provided semi-monthly budget reports from the database system which they must reconcile with their own departmental system – usually detailed expenditures tracked in spreadsheet format – as well as the Munis system. The database system provides users with a snapshot of their budget, expenditure, and staffing data; that is, the data are only current through the date in which the reports are generated. Munis data, on the other hand, are available in real-time and constantly up to date.

The former Business administrator, who developed the alternate system, recently resigned and there is no other TPS employee that is familiar with the details of the *Filemaker Pro* system. This has placed the school system in a difficult position of having an information system it cannot maintain on its own. The approach also has precluded the district from fully implementing and maximizing newer versions of the Munis software.

TPS needs to commit to the Munis software that it owns and use it as the primary source for all information. Information can be downloaded from Munis to systems used to generate reports for presentation and analyses, but these systems should be integrated with Munis and not require duplicative data entry.

## Fiscal Impact

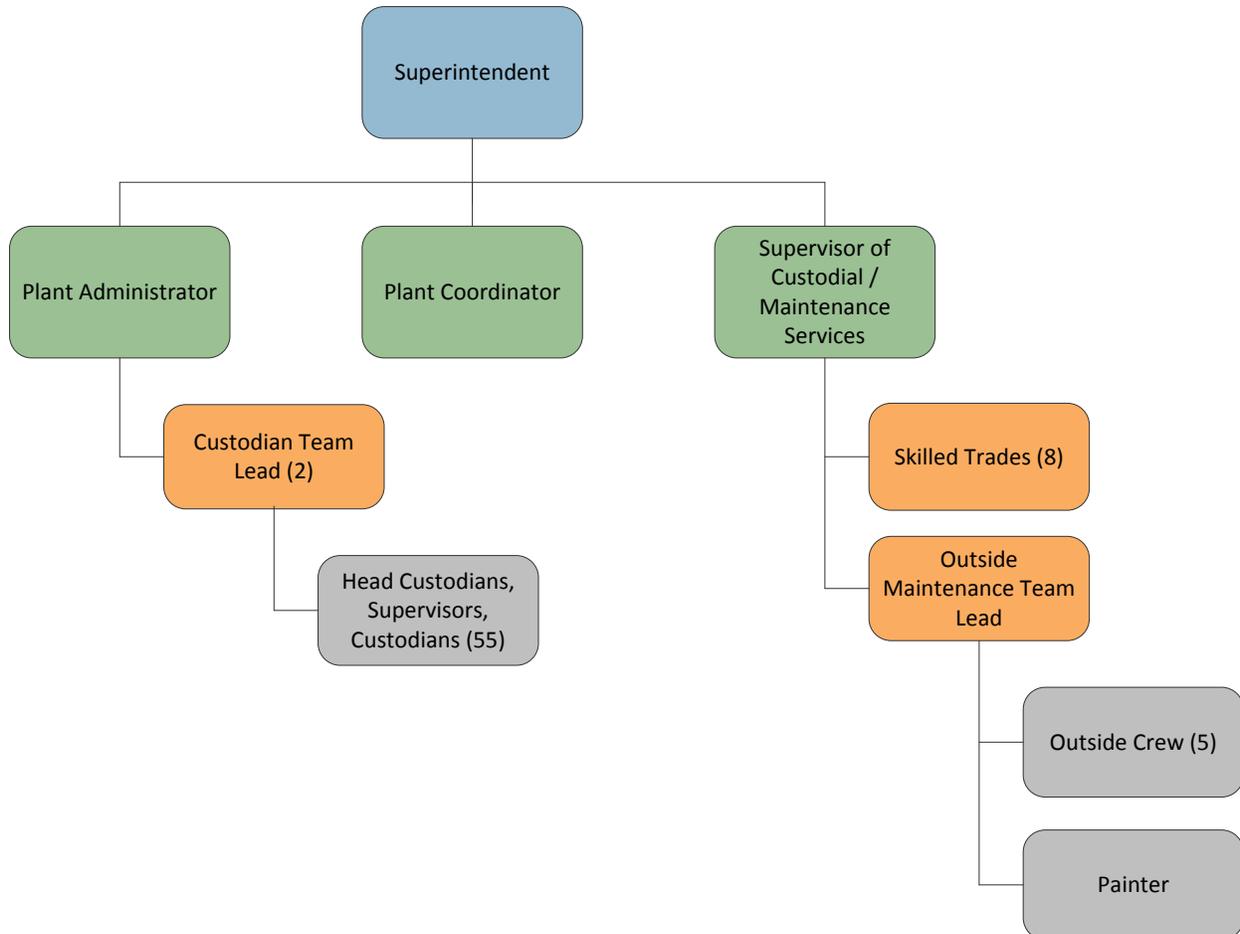
The fiscal impact resulting from implementing this recommendation is a one-time cost of \$10,000. Munis offers a three-day on-site review at a cost of less than \$5,000 to evaluate customer use of their system. If additional modules are purchased, the cost of the review is deducted from module cost. Gibson recommends that the Town and TPS hire their own consultant (at an additional cost not to exceed \$5,000) to represent their interests during this review to ensure that the vendor does not attempt to oversell software.



## Chapter 5 – Maintenance and Custodial Services

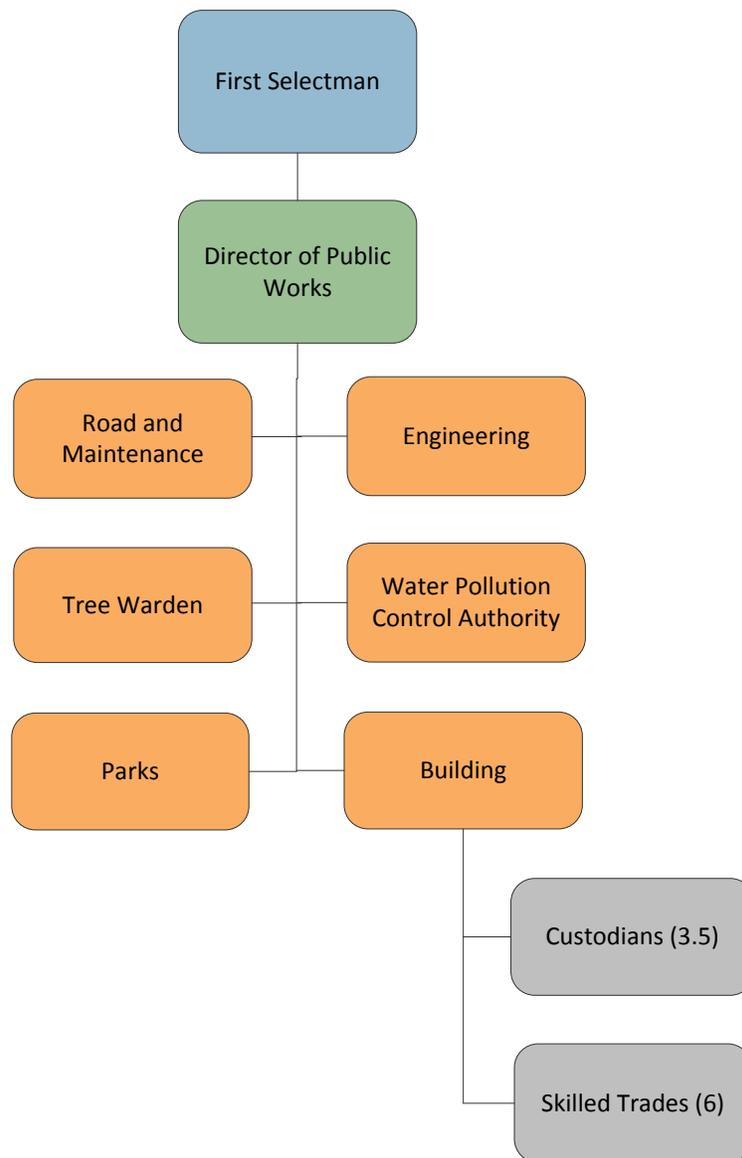
The Town of Trumbull and Trumbull Public Schools each maintain separate custodial and maintenance functions with limited sharing or coordination of services. The organizational structures for each entity are displayed in Figures 5.1 and 5.2.

**Figure 5.1. Organization of Custodial and Maintenance Functions, TPS**



Source: TPS Organization Chart, 2011

**Figure 5.2. Organization of Custodial and Maintenance Functions, Town of Trumbull**



Source: Town of Trumbull Organization Chart, 2011

TPS has three manager positions reporting to the superintendent: the Plant administrator, who oversees custodians, the Supervisor of Custodial and Maintenance Services, who oversees maintenance workers, and the Plant Coordinator who prepares facilities budgets and oversees energy usage.

The district's 55 full-time custodians work in two teams providing services to all schools and to administrative offices. Each team is led by a custodian team lead, with each location having a head custodian to supervise day-time shifts. The middle schools also have a night supervisor to oversee night shifts. In addition to the 55 full-time custodians, the district has a pool of 19 substitute custodians.

TPS has several skilled trades positions including two painters, one electrician and one electrician's helper, a plumber, a carpenter, an HVAC technician, an automobile mechanic, and one roofer who also

conducts indoor air quality inspections. Work orders are managed through an automated work order system, but there is no formal preventive maintenance program whereby preventive maintenance work orders are scheduled and entered into the system.

The Town's custodial and maintenance functions fall under the Public Works director, who is also responsible for Engineering, Road and Maintenance, Tree Warden, Parks, and the Water Pollution Control Authority. The Town of Trumbull has outsourced its custodial efforts, but maintains 3.5 FTE custodians to provide onsite services during working hours.

The Town of Trumbull has two masons, an electrician, a painter, a plumber, and a carpenter on staff, in addition to maintaining agreements for on-call trades including plumbing, electrical work, HVAC repair and maintenance, and carpentry work.

TPS and the Town of Trumbull cooperatively maintain the outdoor fields at Hillcrest Middle Schools. The Town has hired an outside contractor to maintain these fields, and TPS maintenance staff oversees the work of the outside contracted workers. The Town and TPS also have informally cooperated in paving projects and snow removal in the past. In addition, TPS has swimming pools at Hillcrest Middle School and Tashua Elementary School that are open to the public. School maintenance and custodial staff maintain the pools while Town staff manages pool programs and schedules.

## Shared Services Opportunities

### ***Recommendation 5.1: Consolidate Town and TPS maintenance functions.***

Because of the overlapping technical skills, the TPS maintenance department could be consolidated into the Town to improve efficiency. This would also eliminate the need for two maintenance facilities. One supervisory position could be eliminated upon consolidation. Any other position reductions should not be made until a formal preventive maintenance program is implemented and total maintenance needs are identified and compared to existing skill sets.

### **Fiscal Impact**

A consolidation could result in annual savings of \$111,077 in salaries and benefits (24 percent) in the management of these functions. This figure represents average salary for one full-time manager position. The operating cost of eliminating one of the maintenance facilities is not expected to generate material savings, as this facility could be used for other purposes.

## Efficiency Opportunities – Town and TPS

### ***Recommendation 5.2: Conduct a comprehensive energy audit.***

Comprehensive energy audits consider opportunities for long-term energy cost reductions and identify available sources of investments from grants, federal funds, utility rebates, performance contracting, and state reimbursements. Typically, a management company contracts with an entity to identify

energy savings, invests in retrofits to achieve the savings, and keeps any realized savings for a five-year period.

During 2010-11, TPS (a larger consumer of energy than the Town of Trumbull) spent \$1,734,117 on electricity for its facilities. With 1,119,059 total square feet of facility space, this equates to a cost of \$1.55 per square foot. Gibson obtained electricity costs for New Haven Public Schools (NHPS) and for Bridgeport Public Schools (BPS), and found that their electricity costs per square foot were well below that of TPS. NHPS, which has undergone an energy audit and has implemented energy-savings features, has an electricity cost of \$1.08 per square foot. BPS, which has had approximately 20 to 30 percent of its older buildings retrofitted with energy saving lighting, among other energy savings measures, has an electricity cost of \$1.15 per square foot. On average, TPS electricity cost per square foot is almost 40 percent higher than these two school systems.

Some of the differences in electricity cost are due to a higher rate per kilowatt hour. The Town and TPS are contractually committed on an existing electrical service agreement through 2014. However, at that time a more competitive rate can and should be negotiated.

The Town is currently negotiating an agreement with an outside contractor for energy efficiency upgrades for the Trumbull Town Hall facility and for the Trumbull Police Station.

### Fiscal Impact

Through the conduct of a comprehensive energy audit of the Town and TPS, and through future renegotiation of rates, it is expected that electricity costs alone could be reduced to \$1.20 per square foot – resulting in an estimated \$400,000 annually. Additional savings in other areas, such as gas, compressed natural gas, and other energy products could also be achieved.

Instead of contracting with an energy management company, the Town and TPS could include the facilities retrofits in their bond programs, thus allowing the annual energy savings to accrue directly to them rather than to an outside company.

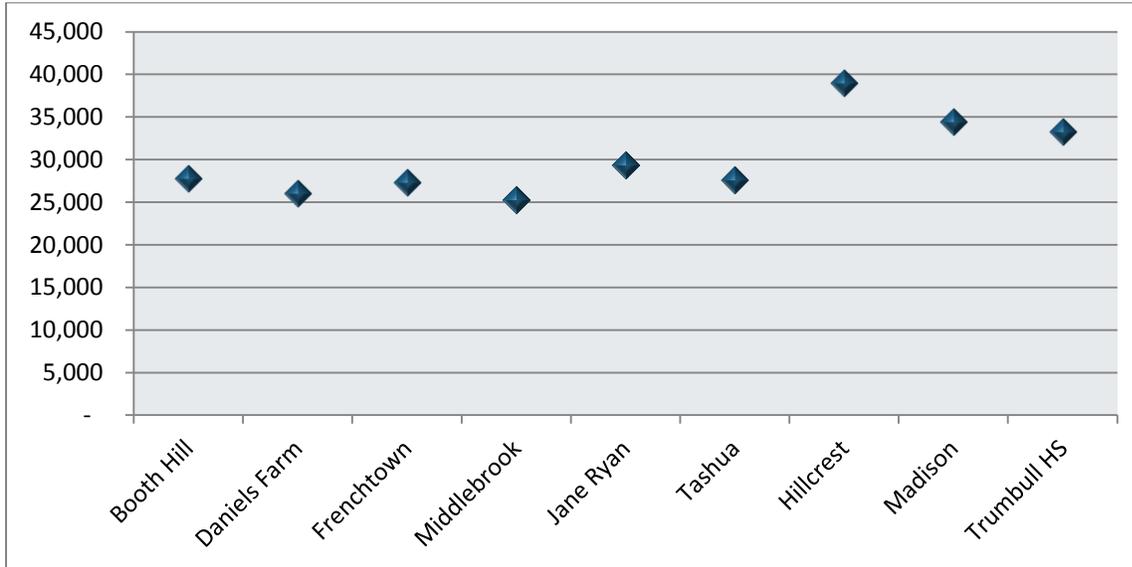
### TPS Efficiency Opportunities

TPS custodial services staff cleans all the schools and administrative offices on a daily basis, applying standardized and well documented cleaning procedures. In 2011-12, 55 TPS custodians cleaned approximately 1.1 million square feet of space, reflecting an overall (day shift and night shift) productivity rate of 20,000 square feet per custodian. TPS appropriately schedules most of its staff for after school cleaning. Virtually all custodians work a 260-day schedule each year.

The School Facilities Maintenance Task Force, the National Forum on Education Statistics and the Association of School Business Officials International (ASBO) develop national standards for night shift custodial productivity, ranging from 28,000 to 31,000 square feet per custodian.

TPS night shift productivity ranges from 25,000 to almost 40,000 square feet, as indicated in Figure 5.3. The elementary school productivity is lower because one full-time position is needed throughout the day to open up the school and perform daytime cleaning and minor maintenance work. The district's overall night shift productivity is good – reflecting an efficient operation. This is particularly noteworthy considering the amount of after-school activities that occur in TPS facilities.

**Figure 5.3. TPS Gross square per custodian – night shift, 2011-12**



Source: Trumbull Public Schools, summer 2012

There are two opportunities to make custodial services slightly more efficient; however there is a third opportunity to substantially reduce the cost of the operation all of which are discussed below.

***Recommendation 5.3: Over the next three years, convert up to 25 percent of the custodial work force from 260-day to 186-day schedules.***

A full custodial staff is not necessary during the summer months when school is out. A smaller portion of the staff can conduct the one-time annual “deep” cleaning of the facilities. In other school districts, up to 50 percent of custodians can be converted to a shorter work year; however, since TPS has an extensive summer program offering that require custodial services, it is recommended that only 25 percent of the custodial workforce undergo this conversion.

### Fiscal Impact

Assuming that 25 percent or 14 positions could be converted (through attrition) from a 260-day to a 186-day schedule, the fiscal impact would be an annual savings of approximately \$174,000 once fully implemented. This assumes a \$21 hourly rate (no impact on benefits).

***Recommendation 5.4: Consider outsourcing custodial services.***

The most significant savings opportunity available to custodial services is outsourcing. Under the current union agreement which expires July 1, 2014, TPS cannot subcontract custodial services if it results in a termination of a union position. After this date, however, TPS would be free to outsource this function unless sufficient wage concessions can be reached through negotiation. Currently the TPS average hourly custodial pay rate is approximately \$21 and the total staff costs are \$2.2 million a year. Based on research of private sector companies providing similar services to Connecticut school districts, this rate could be reduced by one-third – to approximately \$14 per hour.

**Fiscal Impact**

Through outsourcing, TPS could reduce its custodial staff costs from approximately \$2.2 million to \$1.5 million a year, a savings of \$700,000, beginning in 2014-15. This assumes the same number of FTE custodial staff.



## Chapter 6 – Food Services (TPS)

The TPS Food Services operation is a self-sustaining and separate enterprise fund with an annual operating budget of approximately \$2.3 million. The operation provides meals to students during the school year. Each school has a full-service kitchen, and full- and part-time employees are scheduled to prepare and serve the meals.

Labor productivity in school district food service operations are measured through meals per labor hour (MPLH). Meals are defined as meal-equivalents based on the criteria shown in Table 6.1.

**Table 6.1. Conversion Rate for Meal Equivalents**

Category	Conversion Rate
Lunch Meals	One lunch equals one equivalent
Breakfast Meals	One breakfast equals 0.66 meal equivalents
A la Carte Sales	Sales divided by \$3 equal one equivalent

Source: School Foodservice Management for the 21st Century, 5<sup>th</sup> Edition.

There are two systems of meal preparation, the conventional (full-service) and the convenience kitchen. The conventional system involves using raw ingredients in the preparation of meals; the use of some bakery bread and prepared pizza; and involves washing dishes. In contrast, the convenience system maximizes the amount of processed foods and disposable wares. All TPS schools have conventional, full-service kitchens.

There are MPLH industry standards for food service operations as reflected in Table 6.2. Conventional systems measures are applicable to TPS.

**Table 6.2. Industry Standard Recommended Meals per Labor Hour**

Number of Daily Meal Equivalents	Conventional System		Convenience System	
	Low Productivity	High Productivity	Low Productivity	High Productivity
Up to 100	8	10	10	12
101 to 150	9	11	11	13
151 to 200	10.5	12	12	14
201 to 250	12	14	14	15
251 to 300	13	15	15	16
301 to 400	14	16	16	18
401 to 500	14	17	18	19
501 to 600	15	17	18	19
601 to 700	16	18	19	20
701 to 800	17	19	20	22

Number of Daily Meal Equivalents	Conventional System		Convenience System	
	Low	High	Low	High
	Productivity	Productivity	Productivity	Productivity
801 to 900	18	20	21	23
901 and higher	19	21	22	23

Source: School Foodservice Management for the 21st Century, 5<sup>th</sup> Edition

If the MPLH rate is lower than the recommended rate, either the number of meals served is low or the number of hours worked is high. The number of hours worked is a function of two variables: the number of staff employed and the hours worked per worker. For schools with a MPLH below industry standards, the school food service operation would have to increase the number of meals served or reduce the number of staff or the hours worked by each employee to achieve the recommended MPLH productivity standard.

***Recommendation 6.1: Implement a more efficient schedule to achieve an increase in Food Services staffing efficiencies.***

Table 6.3 shows TPS food services labor productivity by school compared to the standards for conventional kitchens. Every school except Trumbull High School was at or near the high productivity target, reflecting efficiently staffed operations.

**Table 6.3. TPS Meals per Labor Hour by School Compared to Industry Standards**

School	TPS MPLH	Productivity Target	
		Low	High
Booth Hill	21.5	14	16
Frenchtown	17.1	14	16
Daniels Farm	17.7	13	15
Middlebrook	17.2	14	16
Jane Ryan	16.4	12	14
Tashua	14.2	12	14
Hillcrest	18.2	15	17
Madison	19.7	18	20
Trumbull HS	14.9	19	21

Source: Trumbull Public Schools, summer 2012

Trumbull High School maintains a bell schedule that prohibits attainment of higher MPLH rates in its cafeteria. According to the Food Services director and the high school principal, Trumbull High School, in 2011-12 and prior years, had four 45-minute lunch periods. This required food service staff to be serving for up to four hours daily. Beginning in 2012-13, this will change to more commonly used 30-minute

lunch periods, but there will be a 20-minute break in between each period so no reduction in labor costs will be realized.

Most high schools schedule 30 minute lunch periods back to back, allowing more students to eat during the middle of the day and requiring fewer labor hours by food services staff. While further analysis would need to be performed to ensure a schedule that supports academic objectives at the high school, a more efficient schedule could be achieved.

**Fiscal Impact**

If Trumbull High School were able to achieve the MPLH targets commensurate with industry standards, approximately \$63,000 in labor saving could be realized annually, beginning in 2013-14. This savings is calculated by taking 25.13 fewer hours per day required x \$12 per hour x 168 days per year, plus 24.5 percent benefits.

**Recommendation 6.2: Increase student participation rates in TPS school cafeterias.**

TPS meal participation rates are relatively low when compared to most school systems, particularly in elementary schools. Below are TPS estimated lunch participation rates by school type:

Elementary	45% to 55%
Middle School	40%
High School	30% to 35%

While secondary schools rarely have participation rates above 50 percent, elementary school participation is generally above 75 percent. TPS should develop strategies for increasing participation in its program by conducting surveys to find out opinions of cafeteria operations, increasing pre-payment and online payment options available to parents, holding student taste testings, investing in advertising to parents and students – particularly at the elementary schools – and incorporating food services into nutrition education.

**Fiscal Impact**

Increasing participation rates in the elementary schools by 10 percentage points equates to approximately 250 additional children eating in school cafeterias. This would result in additional food service revenue of approximately \$118,575 (250 additional students X \$2.55 per meal X 186 school days). The additional profit accrued to the operation would amount to \$59,288 after the cost of increased food expenditures (approximately 50 percent of gross revenues) related to the increase in participation.

Increasing student participation will require expenditures on promotional materials, student food tastings, and other strategies. The district can expect to spend approximately a one-time \$10,000 on marketing efforts.



***Recommendation 6.3: Increase TPS school lunch prices.***

Menu prices were raised \$0.05 last year, with the most recent increase prior to that occurring in 2007-08. Before the 2007-08 increase it had been 15 years since a menu price increase according to the Food Service director. Below are the current lunch prices for the schools:

Elementary	\$2.55
Middle School	\$2.65
High School	\$2.80

Because of other student fees incurred by parents, TPS has been reluctant to increase menu prices. However, inflationary pressures of food costs constrain the ability to sustain a financially independent food service operation. The district should increase menu prices annually based on documented inflationary increases. This will ensure a self-sustaining and financially stable operation.

**Fiscal Impact**

Increasing meal prices by 2 to 3 percent annually will bring an additional \$20,000 in revenue to the food service operation.

***Recommendation 6.4: Allocate General Fund expenditures incurred by food services to that operation.***

While the food services department operates with federal funds and revenues from meals sold, it is supported by general fund expenditures. Utilities, custodial services, waste removal and pest control are examples of expenditures that can be allocated to a food services operation from the General Fund. At TPS, no allocations of these expenditures are made, primarily because the operation cannot financially absorb them. In recent years the food service operation has experienced small losses, but expects a small surplus this year.

**Fiscal Impact**

In order for the operation to be able to absorb general fund allocations – approximately \$135,000 of annual costs could be allocated – some economic variables (lunch schedules, staffing, menu prices, participation) in the food service area must be changed. The combination of the above recommendations should increase the surplus in the food service operation to levels where it can support the allocation of \$135,000 of applicable costs from the General Fund.

## Chapter 7 – Student Transportation (TPS)

TPS outsources its student transportation function to an independent contractor, First Student. The contract currently in force with First Student expires in June 2013. The contract includes transportation services for regular public schools, non-public schools, Special Education students, and extra-curricular activities. Contract terms require that the vendor supply drivers and all equipment.

The TPS Transportation office is staffed with 2.4 FTEs, which includes a manager, a 12-month secretary, and a 10-month secretary. The manager is responsible for overseeing the First Student contract as well as designing and managing routes.

TPS's transportation budget for 2012-13 totals \$4.6 million. Table 7.1 shows the transportation department's actual expenditures from fiscal year 2008-09 through 2011-12. Over this four-year period, transportation expenditures have increased 12.3 percent.

**Table 7.1. TPS Transportation Expenditures 2008-09 through 2012-13**

Type	2008-09	2009-10	2010-11	2011-12
Staff Expenditures	\$102,275	\$111,269	\$117,407	\$121,504
Regular Student Transportation	3,428,746	3,576,957	3,373,141	3,547,814
Special Education Student Transportation	474,841	671,119	651,609	573,659
Data Processing	5,850	4,675	12,456	6,450
Other Expenditures	5,194	2,209	1,265	1,183
<b>Total Expenditures</b>	<b>\$4,286,469</b>	<b>\$4,367,302</b>	<b>\$4,405,899</b>	<b>\$4,813,122</b>

Source: TPS Transportation Department Expenditure Reports

Of the district's 6,975 students, approximately 5,500 or 79 percent are transported. This is a high ridership rate in comparison to most school systems.

Based on available data, the TPS appears to provide efficient and effective transportation service within the constraints imposed by geography, the organization of education services within the State, and school board policy. The overall cost per transported student is calculated to be \$875, and the annual cost per route bus is \$61,000. These results are well within regional norms. It is estimated that the cost breaks out to approximately \$770 per student for regular and non-public students and \$5,260 for special needs students. This disparity is typical, although the gross magnitude of special needs transportation costs is high.

The system uses 79 route buses, of which 46 are dedicated to regular home to school service. This service is provided on a two-tier bell schedule with the high schools and middle schools on the first tier

and the elementary schools on the second tier. A separation between tiers of approximately one-hour in the morning and 50 minutes in the afternoon provides for adequate time to complete all individual bus runs, and the split of enrolled students (3,770 on tier one; 3,610 on tier two) provides for a well-balanced and efficient structure. An average of only 1.1 buses is required to transport 100 regular/non-public students. This result is indicative of a high level of capacity utilization (seats filled on each bus run) and asset utilization (reuse of each bus for multiple runs per day).

The high special needs costs are reflective of several factors: First, students are placed not only in programs within TPS but also in schools throughout the geographic region. This, together with the specialized requirements brought about by staffing (the need for bus aides), equipment (wheel chair service), and student needs (limited ride times, limits on loading due to behavioral constraints) results in many low-density bus runs where only a few students can be included. The service is provided by 14 TPS buses, five TPS vans, and additional vans provided by CES. Approximately 34 special needs students and 115 students in out-of-district and CES placements are transported. Thus, the number of buses required is well out of proportion to the number of students transported when compared with the regular education service.

Service to non-public schools is provided using an additional 14 buses. The count of students transported was not available, but the three in-district, non-public schools provided with this service represent 23 percent of all in-district schools, and the 14 buses used represent 25 percent of all buses providing in-district service. The non-public schools' bell times are not coordinated with the TPS schedule but based on this comparison it appears that a comparable level of operating efficiency is nevertheless achieved.

## Transportation Policy & Contract Documentation

The summary assessment above was based on *relative* operating efficiency. It uses unit-based comparisons, such as the cost per transported student, to draw conclusions about the system's performance relative to its peers. Of equal importance is the level of service provided. This is defined by school board policy and service contract terms. The absolute magnitude of transportation expenditures is always highly correlated with the level of service provided and, as described above, this must be evaluated in the context of the district's policy and operating constraints.

The TPS board policies on transportation and the contract with the contracted service provider are both comprehensive and descriptive. They provide an excellent foundation for planning an efficient and effective system. Many of the key factors influencing transportation cost, including eligibility for service and school bell times are clearly defined. Key planning parameters, such as the placement of bus stops, are also well covered. Operational factors that provide for good control over the system, such as the inclusion of a regular complaint/appeal process, are noteworthy additions.

The only concern that arises from a service level perspective relates to the generous eligibility policy for elementary school students. Minimum walk distances to school are established for middle and high school students. Elementary school students, however, are provided with universal service. This results

in a high proportion of transported to enrolled students (5,500 of 7,000 or 79 percent). While simply reducing the number of elementary students transported would not result in cost reductions given the current bell time structure, this does present an area where further analysis might reveal opportunities for improvement.

## TPS Efficiency Opportunities

### ***Recommendation 7.1: Restructure the transportation contract upon its expiration in 2013.***

The contract document, while comprehensive and largely appropriate in content, is also highly prescriptive as to the manner in which the contractor is to provide service. The basic structure whereby services are provided on a fixed price per bus per day is consistent with best practice, as is the retention of the responsibility for route design within the district organization. That said, the contract language is heavy on detail in areas such as defining minimum contractor staffing, specific training requirements for drivers, and bus specifications. This level of specificity can lead to unnecessary increases in cost when the defined requirements are out of sync with the contractor's regular internal operating procedures. This approach may also fail to substantially increase safety or operational effectiveness. As an alternative, outcome-focused contract specifications coupled with a robust contract performance management program can yield the desired results without being overly prescriptive.

### Fiscal Impact

There is no direct fiscal impact resulting from this recommendation.

### ***Recommendation 7.2: Return to former policy of enforcing a one-mile walking radius for elementary schools.***

TPS currently provides transportation to all elementary school students regardless of their proximity to the school. Previously, the district had a policy of transporting students living beyond a one-mile radius. In 2011-12, approximately 1,000 elementary students received transportation services who would not have obtained these services under a prior policy.

Providing bus services to students living close to school is rare in public education. Unless there are hazardous route conditions affecting a safe walk to school, most school systems enforce a one or two mile radius when providing student transportation. Connecticut does not have legislation that requires or promotes such a radius, but many states do.

While the cost of these routes is less than longer routes for students living further away from school, the savings from implementing a walking radius is significant and worthy of consideration.

There are a number of interrelated issues and assumptions that must be considered. First and foremost is the assumption that the reduction in the number of students transported can be reflected in a proportional decrease to the number of bus runs required. This is not always the case as the students being removed from the bus are those residing closest to school. Generally speaking bus runs created

would follow a path "out to in", with the first stop at a point in the outlying regions of the school boundary and proceeding to pick up students on a path toward the school. Thus removing the inner ring of students would lower capacity utilization on each run but would not eliminate any individual run unless the slack capacity created could be absorbed by re-routing the entire set of runs serving the school. This would certainly reduce the number of runs required, but probably not in direct proportion to the number of students removed.

Furthermore, regardless of how many bus runs would be eliminated at the elementary school level, no buses would be reduced unless the two bell time tiers could be subsequently rebalanced. Currently all of the elementary schools are on the first tier. Assuming all 46 buses used for regular transportation are performing an elementary run first followed by a middle school or high school run, simply reducing the number of elementary runs does not eliminate the need for all buses on the 2nd tier.

It would be necessary to move one of the middle schools (approximately 700 students) to the first tier to rebalance the system. So it is not the 1,025 elementary school students that is the critical number, but rather the approximately 700 middle school students that would move to the first tier from the second that would drive the result. TPS is getting excellent capacity utilization on their regular runs. Reducing elementary school runs such that one middle school could move to the first tier would result in a balanced system with approximately 700 fewer students on the second (the busiest) tier. At approximately 90 enrolled students per run, this could reduce as many as seven buses.

### Fiscal Impact

At \$61,000 per bus, this recommendation would result in a savings of approximately \$427,000 annually. Actually achieving these results would require much more detailed analysis and a willingness to change eligibility policy and school bell times.

## Chapter 8 – Employee Health Insurance

The Town of Trumbull and TPS each maintain separate health insurance plans but use the same provider (Anthem). The Town's insurance plan was competitively bid through insurance brokers. The TPS plan was competitively bid through an insurance consultant.

On a combined basis, approximately \$20 million is spent annually on health insurance, and the Town and TPS cover almost 75 percent of the cost, or approximately \$15 million. Employee contributions cover the remaining portion. Following are key elements about these plans and their use:

- The health insurance program participation level of TPS was 58.5 percent as of May 2012. This participation level is barely over the minimum required participation level for most carriers. This is likely due to the district paying cash in lieu of benefits to those employees not participating. The participation level for the Town of Trumbull was 93 percent as of May 2012.
- Average employee-only contributions for both entities range from \$927 to \$1,430 per year; employee and family contributions range from \$2,502 to \$6,431 per year.
- In the 2011-12 plan year, the Town of Trumbull had a total medical loss ratio of 84.5 percent compared to the TPS ratio of 101.2 percent. Both of these ratios were substantially higher than the 2010-11 plan year for the Town (68.3 percent) and TPS (84 percent) respectively.

### Shared Services Opportunity

***Recommendation 8.1: Consider consolidating the Town and TPS health insurance programs and moving to the new State Health Insurance Program.***

Effective July 1, 2011, the state health insurance program for state employees was extended to municipalities and boards of education (Public Act 11-58). The CT Partnership Plan is managed through the Office of the State Comptroller, with approval from the Health Care Cost Containment Committee. Through participation in this statewide pool, the Town and TPS could potentially reduce their respective health insurance costs without sacrificing benefits.

Union agreements for the Town and TPS state that insurance programs can be changed by the Town or TPS, after proper notification, if the new plan is equal to or better than the existing plan. While additional analysis needs to be conducted comparing the current plans and the state plan, on the surface the benefits appear to be similar. Once enrolled in the state plan, a penalty for withdrawal is charged on a sliding scale for five years. After five years there is no cost for withdrawal.

### Fiscal Impact

The average public employee-only premium in the state plan is \$492 and the average employee/family premium is \$1,329, though specific rates for the Town and TPS cannot be determined until quotes are

received. These rates are substantially less than current premium levels at the Town and TPS and it is assumed that actual CT Partnership Plan rates for Trumbull and TPS will also be lower than current rates. Based on savings rates achieved by other non-state agencies that have joined the CT Partnership Plan, the Town and TPS could save at least \$1 million annually. The Town and TPS should conduct a thorough comparative analysis of the plans to determine that converting to the state plan would meet the requirements of the labor agreements. If it does not, other financial incentives could be implemented to offset the lower benefits. The savings potential is significant enough to warrant an aggressive effort by the Town and TPS to consider this alternative. Once the Town and TPS determine what options are available, the proposed changes should be negotiated with the various collective bargaining units.

## Efficiency Opportunity for Town and TPS

***Recommendation 8.2: Phase out the payment of cash in lieu of benefits for employees waiving participation in the health insurance program.***

Several union agreements of the Town and TPS contain a provision for this benefit. For those applicable employees who choose not to participate in the Town or TPS health insurance program, annual cash payments ranging from \$1,000 (individual) to \$5,000 (individual and dependents) are made to employees. On a combined basis, this costs the Town and TPS in excess of \$500,000 per year.

This waiver feature could be contributing to high medical loss ratios, as those employees taking the cash option are generally the healthier employees. This feature is also contributing to a low program participation rate for TPS, close to the minimum required participation level for most carriers.

The Town and TPS should negotiate the elimination of this provision in its labor agreements. Existing employees could be grandfathered, making the new policy applicable only to new employees.

### Fiscal Impact

Annual savings of \$100,000 could be achieved within five years assuming a grandfather approach is negotiated.

## Chapter 9 – Tax Assessment and Collection

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Trumbull's tax assessor and tax collector are appointed by the First Selectman. The assessor is responsible for the appraisal of all real and personal property located within the Town limits as of October 1 of each year. General revaluation of real property occurs every five years as required by state law, with the most recent revaluation having been conducted in 2011 and the next scheduled for 2016. The three major responsibilities of the assessment function, as required by state law, are to:

- Administer ad valorem taxes
- Assess and reassess all real estate, personal property of businesses, and motor vehicles
- Maintain a records library and information center that relates to real, personal, and motor vehicle inventories, including owner's name, address, legal data, and values.

Assessed properties include vehicles, whose values are derived from National Automobile Dealers Association scheduled prices each year. A significant amount of tax payer activity involves the requests for refunds of taxes paid for vehicles that are sold, destroyed in accidents, or stolen.

Trumbull's total assessed property values, net of allowed exemptions, amounted to over \$5.1 billion in fiscal year 2010-11.

Property taxes make up approximately 93 percent of the Town's revenues. The Town uses an outside attorney and a collection agency for handling delinquent taxes. The Town has a relatively high collection rate, collecting over 98 percent of taxes in the year they are due.

Town of Trumbull residents also pay property taxes to one of three fire districts established within the Town's borders: Long Hill Fire District, Trumbull Center Fire District, and Nichols Fire District. These taxes go to support volunteer fire departments serving Trumbull residents.

Property assessment disputes are handled by a three-member Board of Assessment Appeals. Board members are elected and serve six-year terms.

The tax collection office is responsible for the billing and collection of Town property tax revenues for real estate taxes, motor vehicle taxes, personal property taxes, sewer use charges, and sewer and water assessments.

## Shared Services Opportunity

**Recommendation 9.1: Engage in dialog with neighboring Towns and the fire districts regarding shared services for property assessment and tax collection efforts.**

Table 9.1 presents comparative staffing data for Trumbull's Tax Assessment and Tax Collection functions. This table shows staffing levels for the tax assessment and tax collection functions for Trumbull and a set of peer towns. The staffing numbers shown include the chief assessor and collector.

**Table 9.1. Comparative Staffing Data for Tax Assessment and Collection Functions**

Town/City	Population	Net Grand List (\$ in Millions)	Median Household Income	Land in Square Miles	Tax Assessment Office Staffing (FTE)	Tax Collection Office Staffing (FTE)
Trumbull	36,000	\$5,114	\$103,000	23.29	5	5.5
Cheshire	29,000	\$2,826	\$80,000	32.91	4	5
Glastonbury	34,000	\$4,126	\$58,000	51.37	5	4
Monroe	19,000	\$2,283	\$85,000	26.13	N/A	N/A
Newtown	28,000	\$3,908	\$90,000	57.76	2.5	3.5
Shelton (city)	39,000	\$5,198	\$67,000	30.57	N/A	N/A
Westport	26,000	\$10,907	\$147,000	20.01	6	5

Source: *Municipal Fiscal Indicators*, November 2011 published by the Connecticut Office of Policy and Management

To compare the relative staffing efficiency of these functions, the number of residents per tax assessment or tax collection employee to account for differences in town population size were calculated. Table 9.2 presents this comparison and shows that in the assessment function, the Town of Trumbull is about as efficient as the Town of Cheshire, and more efficient than the towns of Glastonbury, and Westport. Out of all the comparison towns, Newtown is the most efficient with each of its assessment staff members serving 112 residents.

**Table 9.2. Comparative Staffing Data per Resident**

Town/City	Tax Assessment Office Staffing (100 Residents per FTE)	Tax Collection Office Staffing (100 Residents per FTE)
Trumbull	72 .0	65.5
Cheshire	72.5	58.0
Glastonbury	68.0	85.0
Monroe	N/A	N/A
Newtown	112.0	80.0
Shelton (city)	N/A	N/A
Westport	43.3	52.0
<b>Average</b>	<b>73.6</b>	<b>68.1</b>

Source: Based on telephone interviews with peer towns

The Town of Trumbull is not using utilizing Munis software to maximize the efficiency of its tax assessment and collection efforts (such as electronic payment online – See recommendation 9.2). Based on the comparative data above, it does not appear that other towns and cities are maximizing the use of these technologies either. Consideration of shared services with other municipalities and fire districts should not be pursued until Trumbull re-engineers its processes that take advantage of the Munis software capabilities. However, at that time, it could generate revenue opportunities for the Town of Trumbull.

### Fiscal Impact

While sharing services could result in additional revenues to the Town of Trumbull, the fiscal impact of this recommendation cannot be determined until the Town tax assessment and collection functions are streamlined through maximization of Munis software, and a feasibility study of consolidation is conducted.

## Efficiency Opportunity for the Town of Trumbull

### ***Recommendation 9.2 Develop alternative payment mechanisms for the Town of Trumbull Tax Collection Office.***

Currently, tax payers can either pay their tax bills in person, through the mail, or online. Online payments have a convenience fee of 3 percent for payment amounts of less than \$10,000. Payments of \$10,000 and above are charged a convenience fee of 2.5 percent. Fire district taxes can only be paid in person or via mail.

During tax deadlines, the Tax Collection Office is overwhelmed with taxpayers paying in person, and recently remodeled its office to accommodate the flow of in-person payers.

The Town's current Munis ERP system is capable of enabling online payments from customers. The Town should investigate the options of using these features. In addition, the installation of drop boxes could also allow tax payers to make payments after-hours.

### Fiscal Impact

Through maximization of software capabilities and the identification of lower cost online payments, fewer staff should be needed in the Town office to manually process payments. While it is expected that this could be up to 50 percent of the current staff effort, additional analysis is needed to evaluate lower cost online payment options.



## Attachment A – Five-Year Fiscal Impacts

Recommendation	Priority	One-Time (Cost)/ Savings	2012-13	2013-14	2014-15	2015-16	2016-17	Total Fiscal Impact
<b>Administrative Services</b>								
3.1 Consolidate the accounts payable and payroll functions of the school district into the Town of Trumbull's Finance Department.	Medium	\$0	\$0	\$0	\$63,835	\$63,835	\$63,835	<b>\$191,505</b>
3.2 Improve purchasing power by collaborating on bulk purchases and making better use of cooperative purchasing arrangements.	High	\$0	TBD	TBD	TBD	TBD	TBD	<b>TBD</b>
3.3 Ensure that both the Town and TPS have regular internal audits that are based on comprehensive risk assessments.	High	(\$25,000)	\$0	\$0	\$0	\$0	\$0	<b>(\$25,000)</b>
3.4 Implement an automated timekeeping system for both the Town of Trumbull and for Trumbull Public Schools.	High	(\$213,000)	\$0	(\$20,000)	(\$20,000)	(\$20,000)	(\$20,000)	<b>(\$293,000)</b>
3.5 Implement a mandatory direct deposit policy for both the Town of Trumbull and Trumbull Public Schools.	Low	\$0	TBD	TBD	TBD	TBD	TBD	<b>TBD</b>
3.6 Streamline the payroll process by moving to less frequent payrolls.	Low	\$0	TBD	TBD	TBD	TBD	TBD	<b>TBD</b>
3.7 Incorporate efficiency measurement into the Town of Trumbull and the TPS budget development process to ensure efficiency in future years.	Medium	\$0	TBD	TBD	TBD	TBD	TBD	<b>TBD</b>
3.8 Improve financial transparency by overhauling the TPS chart of accounts.	Medium	(\$15,000)	\$0	\$0	\$0	\$0	\$0	<b>(\$15,000)</b>

Recommendation	Priority	One-Time (Cost)/ Savings	2012-13	2013-14	2014-15	2015-16	2016-17	Total Fiscal Impact
3.9 Conduct a detailed audit of the TPS payroll function, including employee leave reporting processes.	High	(\$15,000)	\$0	\$0	\$0	\$0	\$0	(\$15,000)
<b>Technology</b>								
4.1 Investigate opportunities for consolidated or shared IT services between the Town and TPS and develop a consolidated IT plan.	Medium	\$0	\$0	\$0	\$92,000	\$92,000	\$92,000	\$276,000
4.2 Upgrade technology equipment and network infrastructure based on current and future needs.	High	TBD	TBD	TBD	TBD	TBD	TBD	TBD
4.3 The Town of Trumbull and TPS need to fully implement Munis, and TPS needs to eliminate duplicate information systems.	High	(\$10,000)	\$0	\$0	\$0	\$0	\$0	(\$10,000)
<b>Custodial and Maintenance Services</b>								
5.1 Develop a cooperative maintenance and custodial function between TPS and the Town.	Medium	\$0	\$0	\$111,077	\$111,077	\$111,077	\$111,077	\$444,308
5.2 Conduct a comprehensive energy audit.	High	TBD	TBD	TBD	TBD	TBD	TBD	TBD
5.3 Over the next three years, convert up to 25 percent of the custodial work force from 260-day to 186-day schedules.	Medium	\$0	TBD	\$58,000	\$116,000	\$174,000	\$174,000	\$522,000
5.4 Consider outsourcing custodial services.	Medium	\$0	\$0	\$0	\$700,000	\$700,000	\$700,000	\$2,100,000
<b>Food Services</b>								
6.1 Implement a more efficient schedule to achieve an increase in Food Services staffing efficiencies.	High	\$0	(1)	(1)	(1)	(1)	(1)	(1)

Recommendation	Priority	One-Time (Cost)/ Savings	2012-13	2013-14	2014-15	2015-16	2016-17	Total Fiscal Impact
6.2 Increase student participation rates in TPS school cafeterias.	High	\$0	(1)	(1)	(1)	(1)	(1)	(1)
6.3 Increase TPS school lunch prices.	High	\$0	(1)	(1)	(1)	(1)	(1)	(1)
6.4 Allocate general fund expenditures incurred by Food Services to that operation.	High	\$0	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000	\$675,000
<b>Transportation</b>								
7.1 Restructure the transportation contract upon its expiration in 2013.	Low	\$0	TBD	TBD	TBD	TBD	TBD	TBD
7.2 Return to former policy of enforcing a one-mile walking radius for elementary schools.	High	\$0	\$0	\$427,000	\$427,000	\$427,000	\$427,000	\$1,708,000
<b>Employee Health Insurance</b>								
8.1 Consider consolidating the Town and TPS health insurance programs and moving to the new State Health Insurance Program.	High	\$0	\$0	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$4,000,000
8.2 Phase out the payment of cash in lieu of benefits for employees waiving participation in the health insurance program.	High	\$0	(2)	(2)	(2)	(2)	(2)	(2)
<b>Tax Assessment and Collection</b>								
9.1 Engage in dialog with neighboring towns and the fire districts to form consolidated property assessment and tax collection efforts.	Low	TBD	TBD	TBD	TBD	TBD	TBD	TBD
9.2 Develop alternative payment mechanisms for the Town of Trumbull Tax Collection Office.	Medium	TBD	TBD	TBD	TBD	TBD	TBD	TBD
<b>Net Fiscal Impact</b>		<b>(\$278,000)</b>	<b>\$135,000</b>	<b>\$1,711,077</b>	<b>\$2,624,912</b>	<b>\$2,682,912</b>	<b>\$2,682,912</b>	<b>\$9,588,813</b>

Table Notes:

- <sup>(1)</sup> Savings associated with these recommendations will accrue to the Food Services Fund, not the General Fund. However, implementing these recommendations will allow the Food Service Fund to fully cover its share of expenditures now being incurred by the General Fund (Recommendation 6.4).
- <sup>(2)</sup> Implementation of this recommendation will result in an annual savings estimated to be \$100,000. However, this recommendation should be implemented to affect new employees, so the savings would be realized after five years.



## Attachment B – Sample Operational Performance Measures

Performance Measure	Level	Explanation
<b>General District Management</b>		
Ratio of students (enrollment) to Full-Time-Equivalent (FTE) employees	District	
Ratio of students (enrollment) to non-teaching FTE employees	District	
Central administration and instructional leadership expenditures (general fund) per pupil	District	
Central administration and instructional leadership expenditures (general fund), as a percentage of total expenditures	District	
General fund balance as a percent of target fund balance	District	
Percentage of students economically disadvantaged, mapped against the percentage of total revenue supported by federal funds	District	
<b>School Management</b>		
Pupil-teacher ratio, by school	Campus	
Pupil-aide ratio, by school	Campus	
Special education student population as a percent of total enrollment	District	
Percentage of schools meeting staffing standards for Principals, Assistant principals, Counselors, library/media specialists	Campus	
Average teacher class load per term by secondary schools	Campus	
Number of secondary class periods with < 5 students enrolled by school	Secondary Campus	
Number of secondary class periods with < 10 students enrolled by school	Secondary Campus	
<b>Finance</b>		
Number of total employees per finance department employee	District	To track the efficiency of the finance department.
Number of invoices and direct payments made per accounts payable personnel (FTE)	District	
Number of AP checks processed per AP department FTE	District	To track the efficiency of the accounts payable department.
Average age of Accounts Payable	District	
Number of Accounts Payable check voids and reissues	District	
Number of purchase orders processed per purchasing FTE	District	To track the efficiency of the purchasing department.
Average dollar value of purchase orders processed	District	
Number of payroll checks processed per number of payroll FTE	District	To track the efficiency of the payroll department.
Number of payroll check/advice voids and reissues	District	

Performance Measure	Level	Explanation
<b>Human Resources and Benefits</b>		
Number of district employees per FTE human resources employee	District	To track the efficiency of the HR department.
Number of employment applications processed	District	To measure efficiency of staffing, as new processes and technologies are implemented.
Average days from position vacancy to recommendation by hiring manager	District	To measure efficiency of job posting and candidate selection
Average days from recommendation by hiring manager to start date	District	To measure efficiency of "on boarding" process from when an employee is selected to when they begin work.
Non-certified teachers as a percentage of total teachers	District	NCLB-related measure
Total overtime cost	District	To determine if adding additional staff would be cheaper.
Turnover rate for teachers	District	
New teacher turnover rate (one year or less)	District	To determine if turnover is primarily new teachers - could prompt changes in "on boarding" or mentoring.
Turnover rate for non-teachers	District	
Low income/high minority campuses compared to teachers experience	Campus	To determine whether new teachers are being concentrated in low income/high minority campuses
Percentage of teachers by ethnicity, compared to percentage of students by ethnicity	Campus	To see if ethnicity percentages of teachers are similar to students
Teacher absentee days per year by campus	Campus	
Substitute costs per year per campus	Campus	
Benefits cost as a percentage of total salaries and wages	District	

Performance Measure	Level	Explanation
<b>Technology</b>		
Students (enrollment) per instructional computer (in classrooms and labs, plus laptops)	District	
Average age of PCs	District	
Average age of Apple computers	District	
Number of computers per maintenance, repair, installation FTEs	District	
Ratio of total students to total technology staff	District	
Ratio of total students to total instructional technology staff (including campus liaisons)	District	
Ratio of total employees to total technology staff	District	
Ratio of total employees to technical support staff	District	
Ratio of total computers to technical support staff	District	
Ratio of instructional computers to instructional technology staff	District	
Average turnaround time for computer work orders (days)	District	
<b>Facilities</b>		
Average annual salary of skilled trades/maintenance FTE	District	
Maintenance expenditures per gross square foot (Including portables)	District	
Maintenance expenditures as a percent of total expenditures	District	
Total maintenance expenditures per student	District	
Gross square feet per maintenance FTE	District	
Average turnaround time (days) for maintenance work orders to be closed	District	
Percentage of work orders that were preventative	District	
Average salary of all building and grounds FTE	District	
Average annual salary of custodial FTE	District	
Custodial salaries per gross square foot (Including portables)	District	
Gross square feet per FTE custodian	District	
Acres per grounds FTE	District	
Facility capacity (permanent only) versus occupancy by school (TEA standards for capacity, room size)	Campus	
Facility capacity (all incl. Portables) versus occupancy by school (TEA standards for capacity, room size)	Campus	
Percentage of square footage that is portable classrooms	Campus	To show how much portable sq footage the district has
Percentage of district portable classrooms by school	Campus	To show where portables are concentrated
Electricity cost (kwh) per square foot	Campus	
Water cost (kgal) per square foot	Campus	
Natural gas cost (ccf) per square foot	Campus	

Performance Measure	Level	Explanation
<b>Nutrition</b>		
Meals Per Labor Hour (MPLH), By School	Campus	
Participation Rates (Bfast/Lunch), By School:	Campus	
Free (Percentage Participating)	Campus	
Reduced Price (Percentage Participating)	Campus	
Paid (Number of Paid Meals Per Year)	Campus	
Free and Reduced Price Bfast / Lunch participating versus eligible	Campus	
Net Profit (Loss) of Food Services Operation	District	
Net Profit (Loss), By School	Campus	
Indirect costs allocated to food service (amount and type)(from gen. fund only)	District	
Cash in lieu of commodities	District	
Food cost as a percent of total cost	Both	
Schools Only	Campus	
All District Facilities	District	
<b>Transportation</b>		
Total cost per mile driven	District	To measure cost of transportation program
Total cost per average daily rider	District	To measure cost of transportation program
Average fuel cost per gallon (gasoline and diesel)	District	
Annual transportation cost per student rider	District	
Annual maintenance cost per bus	District	
Accidents every 100,000 miles of service	District	
Student incidents every 1,000 students transported	District	
Maximum length of student time on school bus (minute)	District	
Annual turnover rate for bus drivers	District	
Annual turnover rate for bus monitors	District	