



VILLAGE OF
PORT CHESTER

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January 2nd, 2018

Office of the New York State Comptroller
Division of Local Government & School Accountability
Village of Port Chester Payroll
2017M-115

RE: Audit 2017-115 Corrective Action Plan

To Whom It May Concern:

The Board of Trustees has received your audit report labeled 2017M-115. The Board is committed to safeguarding assets and making government operations more effective. The following are the corrective actions as taken or to be taken based on your recommendations:

Recommendation #1: *Evaluate whether to continue incurring police department overtime to cover staff shortages instead of hiring new officers.*

The Village Board has hired three new officers to replace officers separated from the Village due to either disability or service retirements. During the period of the audit, the replaced officers were unable to work and overtime was needed to accommodate the minimum standards the Village has set for officers in the field.

The Board will address additional officers during the FY 2018-2019 budget cycle. The final budget for the coming fiscal year must be adopted on or before April 30, 2018. Further, police overtime is monitored on an on-going basis by the Police Chief and Village Manager.

Recommendation #2: *Ensure that all current CBAs have all current leave time provisions included.*

Leave time provisions are included in all Collective Bargaining Agreements (CBA's). Further, the current agreement with the Civil Service Employees Association (CSEA) was negotiated in 2016 with a language change that intends to eliminate any excess vacation balances:

Section 2. *All vacation days must be taken during the fiscal year and at a mutually agreeable time as approved by the Department Head. All vacations not taken during this period will be lost unless **good cause can be shown** (emphasis added) by the employee and upon request by the department head to the Village Manager, and for no more than five (5) days carryover which must be used within sixty (60) days of the following fiscal year.*

Despite the foregoing language a number of employees have vacation balances in excess of amount allowable in any given year. These employees will be permitted to sell back up to 10 days annually for the purpose reducing their excess vacation days. In addition, employees will be required to use ten days of excess annual leave as well as the current entitlement each year until they come into compliance with the requirement to use vacation within the fiscal year they were granted..(Article XIV, page 20)

The Village has gone through long periods of being under-staffed. The result is that good cause has been shown and vacation time has not been timely taken leaving some employees with large vacation balances. The CSEA agreement already takes this into account. However, with one employee, it will take as long as ten years for them to be in compliance with the foregoing contract provision.

The Human Resources Manager through the Village Manager's Office has been tasked with enforcing the provisions of the CBA's. Human Resources recently sent out reminder letters to all employees stating that all time must be taken by the end of the fiscal year in accordance with the terms of their CBA's. In January of 2018 additional letters will be issued indicating time balances and time to be taken in order to comply. This will be done on a quarterly basis going forward.

Employees of the police department are also receiving letters requiring them to use up their leave by Human Resources. The Board of Trustees and staff recognize some issues with the wording of the labor agreement with the police union (PBA). This will need to be addressed in the next negotiations to begin after the first of the year.

The Village Manager in April 2017 addressed this issue by signing a letter of understanding between the PBA and the Village. At that time, the letter was appended to the existing labor agreement and provides for officers to either use their leave before December 2017 or to be paid out.

All employee agreements are to be monitored for compliance by the Village Manager, the Village Treasurer, and the Human Resources Manager.

Recommendation #3: *Develop a plan to correct the leave time accrual records and reduce the leave time totals so that will be in accordance with the CBAs.*

Leave time provisions are included in all Collective Bargaining Agreements (CBA's). Further, the current agreement with the CSEA was negotiated in 2016 with a language change that intends to eliminate any excess vacation balances:

Section 2. *All vacation days must be taken during the fiscal year and at a mutually agreeable time as approved by the Department Head. All vacations not taken during this period will be lost unless **good cause can be shown** (emphasis added) by the employee and upon request by the department head to the Village Manager, and for no more than five (5) days carryover which must be used within sixty (60) days of the following fiscal year.*

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The Human Resources Manager through the Village Manager's Office has been tasked with enforcing the provisions of the CBA's in coordination with the Village Treasure. Human Resources recently sent out reminder letters to all employees stating that all time must be taken by the end of the fiscal year in accordance with the terms of their CBA's. In January of 2018 additional letters will be issued indicating time balances and time to be taken in order to comply. This will be done on a quarterly basis going forward.

Employees of the police department are also receiving letters requiring them to use up their leave from Human Resources. The Board of Trustees and Staff recognize some issues with the wording of the labor agreement with the PBA. This will need to be addressed in the next negotiations to begin after the first of the year. The Village Manager in April 2017 addressed this issue by signing a letter of understanding between the PBA and the Village. At that time, the letter was appended to the existing labor agreement and provides for officers to either use their leave before December 2017 or to be paid out.

All employee agreements are to be monitored for compliance by the Village Manager, the Village Treasurer, and the Human Resources Manager.

Recommendation #4: *Develop policies and procedures to monitor leave to ensure compliance with CBAS.*

Currently, the Human Resources Department, the operating departments, and the Finance Department all provide a checks and balances system to determine that leave is used. In late 2015 the Board of Trustees mandated the updating of our payroll system to include Biometrics (Time Clock Plus). Time Clock Plus allows for better management controls, accountability, real time attendance keeping, real time leave usage monitoring, and real time reporting. The system allows for employees to request leave and check time balances, while maintaining monitoring and control of leave usage, time keeping, and overtime at the supervisory level.

This new system is in the process of being implemented with full implementation to be completed by the next fiscal year end. The hardware and software has been installed, biometrics of employees has been collected and the system is now being tested as staff is now clocking in and out. If the employee is sick, on vacation, taking a personal day, day off due or on comp leave, these have their own protocols and are part of the new payroll system's human resources management component. Additional programming and adaption will be completed as testing is completed with the final implementation be completed by the end of FY 2018-2019 or by May 31, 2019.

Further, as part of this process, a policy and procedure manual will be developed to impose the structured monitoring of leave usage to ensure compliance with the CBA's. Each department head will be responsible for monitoring their employees time and leave and the Village Manager, Village Treasure, and Human Resources Manager will monitor their compliance. The policy and procedure implementation is to be completed by the end of FY 2018-2019 or by May 31, 2019. The Village Manager, the Village Treasurer, the Human Resources Manager, and Department Heads will be responsible for the implementation.

The Village believes it has adequately addressed the recommendations in the report and looks forward to resolution of all concerns.

Signed:



Honorable Mayor Richard Falanka

Dated: 1/5/18

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