

1. BET Audit Comm. Meeting Documents

Documents:

[APPROVED\\_BET\\_AUDIT\\_COMM\\_MEETING\\_MINUTES\\_03-14-13.PDF](#)  
[BET\\_AUDIT\\_COMM\\_MEETING\\_AGENDA\\_03-14-13.PDF](#)  
[SUB\\_TO\\_APP\\_BET\\_AUDIT\\_COMM\\_MEETING\\_MINUTES\\_03-14-13.PDF](#)

**BOARD OF ESTIMATE AND TAXATION**  
**Audit Committee Minutes**  
**Thursday, March 14, 2013 – 8:00 A.M.**  
**Gisborne Conference Room**

Present:

Committee: Arthur Norton, Chairman  
Robert Brady, Sean Goldrick

Attendees: Peter Mynarski, Comptroller; Ron Lalli, Director of Risk Management;  
Pat Maranan, Internal Auditor; Joseph Siciliano, Director of Parks and  
Recreation

The meeting was called to order at 8:05 A.M.

**1. Approve Minutes of Audit Committee Meeting**

Upon a motion by Mr. Brady, seconded by Mr. Goldrick, the Committee voted 3 to 0 to approve the February 8, 2013 Meeting Minutes.

Mr. Norton asked for Mr. Siciliano to clarify a new budget request to be presented to the full BET at their regular meeting Monday, March 18, 2013. Mr. Siciliano stated that a Release of Conditions in the amount of \$1,777,252 (one million, seven hundred seventy seven thousand, two hundred fifty two dollars) is slated for Hurricane Sandy damage repairs to Island Beach. Mr. Norton expressed his concern over whether the TOG property insurance would cover the \$470,000 (four hundred seventy thousand dollar) increase and the likelihood of full reimbursement.

Mr. Lalli explained that the insurance reimbursement is based on replacement values. He explained that the adjusters, for the carriers, wanted to use depreciated values as a basis of reimbursement, however the arguments made by Risk Management concerning the pristine condition of most of our properties prevailed. He noted that replacement value could be further enhanced if new code requirements required additional expenditures. He stated that the adjusters have to visit Island Beach and Great Captains Island. He noted that Risk Management convinced the adjusters not to start from "scratch" with their engineers but to rely on the Roberge Study for P&R and the estimates submitted by the Superintendent Of Building Construction and Maintenance.

Mr. Lalli detailed some of the insurance policy property exclusions, including exclusions for docks, piers and wharves. He noted that exclusions not covered by insurance should be covered by FEMA. While he noted that he does not handle the FEMA reimbursement, the property damage schedules for insurance and FEMA are exactly the same. It is his opinion that the Town should cover almost all cost for property damage via the two submissions. Mr. Lalli explained that the insurance and FEMA submissions are not the same, as the two do not cover exactly the same coverages. Mr. Siciliano said that the Island Beach repairs will meet code requirements include engineering improvements, while keeping the dock and walkways true to their original footprints, to ensure FEMA compliance. Mr. Lalli stated that the Town should receive replacement value from insurance and FEMA.

Mr. Lalli reviewed the progress of payments. The Town has received two payments for the property reimbursement: \$25,000 (twenty five thousand dollars) from the auto policy and

\$225,000 (two hundred twenty five thousand dollars) from the property policy. He stated that he expected another \$500,000 (five hundred thousand dollars) advance on the property policy. Mr. Lalli emphasized that the payments received are general advance payments and are not tied to specific claim item.

## **2. Risk Management Report**

- **Hurricane Sandy Update**

Mr. Lalli stated that claims so far for Hurricane Sandy insurance and FEMA reimbursements total \$7,800,000 (seven million, eight hundred thousand dollars). Mr. Brady questioned whether the Old Greenwich Yacht Club was covered under the Town's property policy. Mr. Lalli replied that it is not and would only take effect only if the club could not meet its financial obligations.

Mr. Lalli stated that this update will be sent to the Committee and a copy would be included in the agenda packet for the Monday, March 18, 2013 full BET meeting.

Mr. Norton questioned where funds would come from if reimbursements did not match the claim totals. Mr. Mynarski replied that they will be included in the Capital Non-recurring Fund. Mr. Mynarski then offered to track and submit an overview ledger of expenditures vs. receivables for the April 11, 2013 Audit Meeting.

- **Risk Management Program Review**

Mr. Lalli stated that the insurance renewal process will begin early this year with questionnaires being submitted to department heads as early as this month. He predicts a cost increase due to the effects of Hurricane Sandy on the Town. Mr. Lalli also expects an increase in policy exclusions.

Mr. Lalli stated that he will ramp up the loss prevention studies in the next fiscal year.

## **3. Internal Audit Report**

- **Tools for Schools**

Ms. Maranan reported that she participated in two Tools for Schools walk-throughs: Eastern Middle School and Parkway School, in March 2013. These reports should be forthcoming and the Committee will be updated at the regular April meeting.

- **Permitted to Drive Update**

Mr. Lalli distributed some GPS findings to the Committee containing a few liability issues such as speeding alerts, "at fault" accidents and accidents by department. A group discussion followed regarding liability risks and potential consequences of repeated infractions.

Upon a motion by Mr. Goldrick, seconded by Mr. Brady, the Committee voted 3-0 to recommend the parameters used by Risk Management to monitor GPS generated speeding alerts, be lowered to 20 (twenty) miles per hour in excess of posted speed. This lower threshold is recommended by the Police Chief and Risk Management.

Mr. Lalli noted the dramatic drop in speeding alerts and a downturn in accidents since the GPS installation. He noted other items that the software will begin monitoring in the future such as seat belt usage, hard acceleration and hard braking.

Mr. Goldrick stated that the Safety Committee should also review this data. Mr. Lalli stated that when this software upgrade is in place, he will report this information to the Audit Committee.

- **Fire Marshal Audit Update**

Ms. Maranan and Mr. Lalli continued that they had received the list of universe properties, actual inspections performed and violations written for three calendar years. Mr. Lalli commented that he believes that this audit will progress more quickly now that the data has been obtained. Once an audit report is completed he and Ms. Maranan will report back to the Committee.

**4. Old Business**

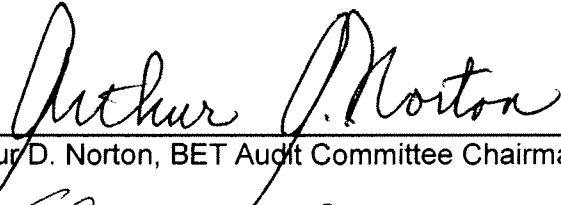
No items were discussed.

**5. Items for Future BET Audit Committee Meetings**

Mr. Norton stated that the Committee should expect to discuss charge offs at the April meeting as well as a Permit to Drive discussion, and the possibility of a Fire Marshal Audit Update.

**6. Adjournment**

Upon a motion by Mr. Brady, seconded by Mr. Goldrick, the Committee voted 3 to 0 to adjourn the meeting at 10:27 A.M.



Arthur D. Norton, BET Audit Committee Chairman



Elaine JV Brown, Recording Secretary



**TOWN OF GREENWICH  
BOARD OF ESTIMATE & TAXATION**

**AUDIT COMMITTEE MEETING**

**Thursday, March 14, 2013**

**8:00 A.M.**

**Gisborne Conference Room, 1st Floor**

**AGENDA**

1. Approve BET Audit Committee Meeting Minutes
  - BET Audit Committee February 8, 2013 Meeting Minutes
2. Risk Management Report
  - Hurricane Sandy Update
  - Risk Management Program Review
3. Internal Audit Report
  - Fire Marshal Audit Update
  - Permitted to Drive Update/GPS Update
  - Tools for Schools Review
4. Old Business
5. Items for Future BET Audit Committee Meetings
6. Adjournment

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Arthur D. Norton, BET Audit Committee Chairman

**SUBJECT TO APPROVAL**

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Elaine JV Brown, Recording Secretary