

1. BET Audit Comm. Meeting Documents

Documents:

[APPROVED\\_BET\\_AUDIT\\_COMM\\_MEETING\\_MINUTES\\_05-04-11.PDF](#)  
[BET\\_AUDIT\\_COMM\\_MEETING\\_AGENDA\\_05-04-11.PDF](#)  
[SUB\\_TO\\_APP\\_BET\\_AUDIT\\_COMM\\_MEETING\\_MINUTES\\_05-04-11.PDF](#)

**BOARD OF ESTIMATE AND TAXATION**  
**Audit Committee Minutes**  
**Wednesday May 4, 2011 – 8:00 A.M.**  
**Gisborne Conference Room**

Present:

Committee: Arthur Norton, Chairman  
Joseph Pellegrino, William Kelly, Jeffrey Ramer

Attendees: Peter Mynarski, Comptroller; Vanessa Rossitto, Partner Blum Shapiro; Regina Williams, Assistant Director of Human Resources BOE; Robert Lichtenfeld, Managing Director of Operations BOE and Acting Director of Human Resources BOE; Susan Chipouras, Director of Facilities BOE; Amy Siebert, Commissioner of Public Works, John Crary, Town Administrator; Ron Lalli, Special Projects Coordinator (8:44 A.M. arrival)

Other: Michael Mason, Chairman BET Budget Committee (9:05 A.M. arrival)

The meeting was called to order at 8:04 A.M.

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

Upon a motion by Mr. Kelly, seconded by Mr. Pellegrino, the Committee voted 4 - 0 to approve the March 10, 2011 Minutes.

Upon a motion by Mr. Ramer, seconded by Mr. Pellegrino, the Committee voted 3 - 0 to approve the April 14, 2011 Minutes.

Upon a motion by Mr. Kelly, seconded by Mr. Ramer, the Committee voted 4 - 0 to recommend the Policies and Procedures Committee to incorporate Robert's Rules of Order regarding telephone votes into the BET Reference Book.

**2. Risk Manager Report**  
**OSHA Reports**

Mr. Mynarski announced that the preliminary total of \$9,800 (Nine thousand eight hundred dollars) in violation fines by OSHA. Ms. Siebert has done the bulk of work and she has abetted a large number of the violations. Currently she is compiling a notebook addressing the issues OSHA had discovered and she will negotiate to lower the remaining fines. Mr. Mynarski continued that Parks and Recreation is also writing a report to address their OSHA violations with the assistance of consultants.

Ms. Siebert noted that many violations were small and was surprised at OSHA's inconsistency. She stated that while she is doing her best and the Town needs risk management throughout the departments. Mr. Norton stated that the Committee agrees.

Mr. Crary mentioned that the last OSHA reviews were performed randomly in the 1990's.

Mr. Mynarski said the he will accompany Ms. Siebert to present the reports in Wethersfield in May.

Mr. Kelly questioned whether the Town and/or BOE management is currently finding and fixing violations before OSHA reviews. He believes that management must have the attitude to be pro-active and not resort to shortcuts which can lead to accidents.

Ms. Chipouras stated that currently BOE is continuing with training and the review of locations she is sure OSHA would still find violations regardless. BOE is also working with other departments, such as DPW and Ms. Siebert, to address issues found in their departments and then to address them at BOE. Ms. Chipouras also added that the TOG has the ability to invite OSHA to do a walk through without an evaluation as an option.

Mr. Crary said that a Safety Officer is also needed in the Town in addition to a Risk Manager. Mr. Mynarski responded that OSHA safety compliances will be part of the interview process for the Risk Manager position.

Ms. Siebert continued that many issues result of the lack of safety education within departments. Ms. Chipouras and Ms. Siebert acknowledged the large amount of administrative record keeping that must be maintained to meet OSHA requirements. Mr. Pellegrino recommended that departments possibly build into their budgets the costs associated with OSHA compliance.

Mr. Pellegrino recommended inviting OSHA for a walk through of the high school MISA project. Ms. Chipouras replied that she will contact CIRMA to walk the construction site.

Mr. Kelly and Mr. Ramer requested a short paragraph update from DPW, Parks and Recreation and BOE on their activities regarding the violations. Mr. Kelly advised that all departments seek advice from CIRMA. Mr. Norton requested that Ms. Chipouras and Ms. Siebert report back at the next Audit Committee meeting on Thursday, June 9, 2011.

#### **CIRMA Work Place Safety Assessment Study Update**

Mr. Mynarski stated that the CIRMA report is basically completed but that a few questions still remain. CIRMA is addressing these items and Mr. Mynarski will forward the report to the members before the next Audit Committee meeting.

Ms. Siebert left the meeting at 8:42 A.M.

#### **Hold Harmless Discussion**

Mr. Mynarski said he had submitted the seven activity registrations to the Law Department for review of the indemnification language of the forms. He stated that he expects to receive them back by the June 9 meeting.

Mr. Norton questioned if the RFP for the Risk Manager position was completed. Mr. Mynarski said a discussion has been planned for this coming Friday, May 6 and that a decision on whether the position is full time or privatized should come in the fall. Mr. Norton stated that hopefully the position will be filled by November 2011. Mr. Mynarski reminded the Committee that he continues to cover the day-to-day responsibilities of the Risk Manager position.

Mr. Lalli joined the meeting at 8:44 A.M.

Mr. Crary left the meeting at 8:45 A.M.

Upon a motion by Mr. Kelly, seconded by Mr. Pellegrino, the Committee voted 4 – 0 to take agenda item #4 out of order.

#### **4. Internal Audit Report**

##### **Vehicle Use Policy and Procedure**

Mr. Lichtenfeld questioned the HR request for all employees who operate their personal automobiles for BOE use to submit copies of their current valid drivers' licenses. Mr. Pellegrino

explained that the information had been requested as part of the revised Town policy on vehicle usage. The request is to lower the risk of the Town's driving pool, hence the Town's liability. Mr. Kelly added that it would be negligent for the Town to allow someone to drive for the Town if their license was suspended. Mr. Lichtenfeld stated that HR should include a brief explanation of the purpose in the request.

Mr. Lalli said that he will assist the BOE's HR Department in inputting the information into an access data base for submission to the Connecticut and New York DMVs. He noted the NY and CT DMV's process these checks free of charge for municipalities. He added that the process will be done annually. For employees hired after the annual check is performed, a vendor supplied background check will be made, which list an employees driving record. Mr. Lalli noted that the protocol implemented to date should be followed, whereby; copies of drivers licenses are submitted to the Town's Human Resources Department before routing to him.

Mr. Lichtenfeld and Ms. Williams left the meeting at 8:58 A.M.

#### **Marina Audit**

Mr. Lalli stated that although he has not received a formal report from Parks and Recreation of the 45 (forty five) unpaid boats in the marina, 16 (sixteen) have paid their fees, 1 (one) was placed on a payment plan and the remaining 29 (twenty nine) will be turned over to a collection agency. Ultimately if fees are not collected the boats will be considered for disposal.

Mr. Mynarski dismissed the option of small claims court since pay-out arrangements would delay payment to the Town. He continued that a policy is needed and will work with Parks and Recreation to write a draft.

Mr. Mason joined the meeting at 9:05 A.M.

#### **Tools for Schools – Parkway School**

Mr. Lalli informed the Committee that he attended the "Tools for School" walk through of the Parkway School on April 13, 2011. He noted for the Committee some of the concerns raised by the Tools for School's Team as listed on the pro-forma Tools for School's questionnaire. He stated that it may be useful for the audit function to visit BOE central maintenance to ascertain the metrics on the dispositions of work orders received.

#### **Fire Department Volunteers**

Mr. Lalli stated he has not been able to visit the Fire Departments yet due to projects requested by the First Selectman.

#### **Document Imaging Project**

Mr. Lalli distributed an update from Ms. Sullivan, Director of Purchasing and Administrative Services indicating that 12 (twelve) departments have had document imaging implemented. He continued that 3 (three) departments have already been approved for back file conversion of specific file types: Nathaniel Witherell, Law and Inland/Wetlands.

Mr. Lalli said that the Purchasing Department is overseeing the project and that an established protocol has been established that will allow departments to cross view data from other departments. He noted that it is Joan Sullivan's opinion that the vendor Databank has been performing to the Department's satisfaction and appears to be able to meet the target date of July 1, 2011.

#### **Civic Center Contracts**

Mr. Lalli stated that the new contracts have been implemented at the Eastern Greenwich Civic Center for rentals.

Mr. Ramer raised two topics which need Mr. Lalli's attention; the TOG employee email directory on the Town's website and outside vendor concerns with the Building Department and the Assessor.

Mr. Norton reminded all that next year the Audit Plan will have to be reviewed.

Mr. Kelly and Mr. Mynarski discussed the possible building permit fee for the high school's MISA Project. Mr. Mynarski stated that he has spoken with Mr. Walko but is waiting to hear back. He added that the only time the fee was waived was for Phase I of the Police facility.

Mr. Lalli left the meeting at 9:34 A.M.

### **3. Debt and Fund Balance Policy Discussion**

Mr. Mynarski distributed another draft of the Debt and Fund Balance Policies which had been written with Mr. Mason and Mr. Norton during a meeting the previous day. Mr. Mason discussed the fund balance of 3% (three percent) to 10% (ten percent) on GAAPs (Generally Accepted Accounting Principal) basis which is indicated in the handout.

Mr. Pellegrino recommended a budgeting basis be used instead. Mr. Mason defended the use of the GAAP basis for three reasons: 1) for the Town 2.) for the RTM and 3.) for bond rating agencies. Ms. Rossitto supported the use of the GAAP basis when presenting to rating agencies. She also mentioned that as a result of GASB (Governmental Accounting Standards Board) Statement 54 some wording in the policies will have to be changed.

Mr. Mason offered the suggestion of an additional paragraph with numbers in a budgetary basis with an explanation. Mr. Ramer dismissed the option as it would be confusing and be viewed as inconsistent by the agencies. Mr. Kelly noted that the differences between the two are encumbrances and the use of pay as you go policy. Mr. Mynarski questioned not using the GAAP and instead use the budgetary basis. Mr. Pellegrino said that the policies must be in plain English, possibly a budgetary basis with a comment which will satisfy the rating agencies.

Ms. Rossitto still recommended the GAAP basis for the rating agencies noting that the policies will be reviewed in 6 (six) months because of GASB.

Mr. Pellegrino still recommended the 5% (five percent) to the 10% (ten percent) language instead of the 3% (three percent) in the Fund Balance Target Policy.

Mr. Mason reminded the Committee to keep in mind that the policies are to satisfy bond rating agencies. Mr. Kelly stated that all the members agree but it is how the policies are written that is the issue.

Mr. Mason moved onto the Debt Policy which states the General Fund total budgeted expenditures of 8% (eight percent) or less for debt service. He continued that the policy is for the rating agencies but the Town needs these policies to show our thoughts and to forecast out. Mr. Kelly indicated that he felt that the \$3,100 per capita is too tight.

Once again the members discussed GAAP vs. budgetary basis and the effect on the rating agencies. Mr. Norton recommended being consistent with the CAFR (Comprehensive Annual Financial Report) which uses the GAAP basis. Mr. Pellegrino suggested keeping the GAAP basis while adding a paragraph on budgetary or use the budgetary basis and add a paragraph regarding GAAP basis. Mr. Kelly stated that it would be academic since the numbers would be the same.

Mr. Pellegrino recommended amending sections of the TOG Debt and Fund Balance Policies as follows:

Page 5 – Delete last sentence and amend the previous one as follows:

“...at least equal to 5% (five percent) but not in excess of 10% (ten percent) of the current year’s General Fund budgeted expenditures. On a budgetary basis, the targeted Fund Balance shall be between 5% (five percent) to 10% (ten percent) of the current year’s General Fund budgeted expenditures.”

Mr. Kelly and Mr. Pellegrino discussed the per capita amount of \$3,100 (three thousand one hundred dollars) on Page 2. Mr. Kelly proposed changing the amount to \$3,200 (three thousand two hundred dollars) to enable a discussion at the BET level.

Page 2 – Amend the Greenwich total debt level of no more than the lesser of as follows:

- \$3,200 per capita or:
- 1% of the current Grand List or:
- ceiling of \$200,000,000

Page 3 – **G) Rating Agencies** - last line:  
Word change “attain” to “regain”

Upon a motion by Mr. Pellegrino, seconded by Mr. Ramer, the Committee voted 4 – 0 to approve the TOG Debt and Fund Balance Policies with amended language.

Mr. Norton stated his concern with the amended 5% (five percent) believing it will be violated within the first year. He continued that he supported the policies but not the recommendations.

**5. Old Business Item Review**

No discussion.

**6. Items for Discussion future BET Audit Committee Meetings**

Mr. Ramer asked for Mr. Crary to return to the Audit Committee and report on the website email directory and for the Committee to revisit Building Permit fees.

**7. Adjournment**

Upon a motion by Mr. Kelly, seconded by Mr. Pellegrino, the Committee voted 4 - 0 to adjourn the meeting at 11:14 A.M.

  
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Arthur D. Norton, BET Audit Committee Chairman

  
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Elaine JV Brown, Recording Secretary



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

**AUDIT COMMITTEE MEETING**

**Revised Meeting Date  
Wednesday, May 4, 2011 - 8:00 AM**

**Gisborne Conference Room**

**AGENDA**

1. Approval of Audit Committee Meeting Minutes:
  - BET Audit Committee Meeting Minutes March 10, 2011
  - BET Audit Committee Meeting Minutes April 14, 2011
2. Risk Manager Report
  - OSHA Reports
  - CIRMA Work Place Safety Assessment Study Recommendation
  - Hold Harmless Discussion
3. Debt and Fund Balance Policy Discussion
4. Internal Audit Report
5. Old Business Item Review
6. Items for Discussion Future BET Audit Committee Meetings
7. Adjournment
8. Executive Session – Blum Shapiro

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