

## 1. BET Audit Comm. Meeting Documents

### Documents:

APPROVED\_BET\_AUDIT\_COMM\_MEETING\_MINUTES\_06-10-10.PDF  
BET\_AUDIT\_COMM\_MEETING\_AGENDA\_06-10-10.PDF  
REVISED\_SUB\_TO\_APP\_BET\_AUDIT\_COMM\_MEETING\_MINUTES\_06-10-10.PDF  
SUB\_TO\_APP\_BET\_AUDIT\_COMM\_MEETING\_MINUTES\_06-10-10.PDF

**BOARD OF ESTIMATE AND TAXATION**  
**Audit Committee Minutes**  
**Thursday, June 10, 2010 - 8:00 A.M.**  
**Gisborne Conference Room**

Present:

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

Attendees: Peter Mynarski, Comptroller; Ron Lalli, Special Projects Coordinator; Joan Sullivan, Director of Purchasing & Administrative Services; Eileen Ingalls, Telecommunications Coordinator/Buyer; Ted Gwartney, Tax Assessor; John Crary, Town Administrator; Aamina Ahmad, Assistant Town Attorney; Bob Litchenfeld, Assistant Superintendent for Business Services BOE; Susan Chipouras, Director of Facilities BOE

The meeting was called to order at 8:02 A.M.

**1. Approve Minutes for May 13, 2010 Audit Committee Meeting**

Upon a motion by Mr. Ramer, seconded by Mr. Pellegrino, the Committee voted 3 - 0 to approve the May 13, 2010 Minutes. Mr. Kelly abstained.

Upon a motion by Mr. Ramer, seconded by Mr. Pellegrino, the Committee voted 4 - 0 to address agenda item number 5 first.

**5. Risk Manager Report**

**2010-2011 Property, Casualty, Professional Insurance Renewal**

At the January, 2010 Audit Committee meeting Frenkel & Co. Inc. had submitted Engineering Loss Control Inspection reports for five Town buildings including two schools, Eastern Middle School and Greenwich High School. Since the multiple Insurance Policies for the Town will renew June 30, 2010, Mr. Norton had requested that Frenkel & Co provide to the Committee their promised Engineering Report updates to the initial reports. Frenkel reported that the BOE had not responded, and that a complete response was not available. This resulted in an invitation to the appropriate BOE facilities managers. They apologized to the Committee for the oversight, explaining that staff changes caused the situation, that they were preparing responses to all recommendations, and that they were in agreement with the Engineering reports.

Ms. Chipouras stated that she had received from Mr. Mynarski a copy of the 2009 HSB Loss Control Field Surveys prepared by Frenkel & Co., Inc. and included were the initial responses from Mr. Byrne (prior Director of Facilities BOE). She later received communication from Frenkel & Co., Inc. with clarification of the communication between themselves and Mr. Bryne, of which she concurred with their recommendations. Ms. Chipouras concluded that she is comfortable working with the Loss Control Department at Frenkel & Co., Inc.

Mr. Mynarski stated that he will request Frenkel & Co., Inc. to attend the Audit Committee's July 2010 meeting, with their renewal presentation after finalizing the pricing for the Greenwich Fiscal 2011 Insurance Program.

Mr. Norton indicated that Mr. Litchenfeld and Ms. Chipouras will be invited to return to the Audit Committee after the Frenkel & Co., Inc. report is received.

### **2010-2011 Property, Casualty, Professional Insurance Renewal**

Mr. Mynarski began with an update he had received from Jose Irizarry, Senior Vice President, Frenkel & Co., Inc regarding the excess Workers Compensation Policy renewal. He stated that based on estimated payroll, Mr. Irizarry reported a premium of \$170,080 (one hundred seventy thousand, eighty dollars) for the period of June 30, 2010 to June 30, 2011. Mr. Mynarski stated that the GL, Auto, Law Enforcement, School Board Umbrella and Public Officials liability policies are being underwritten currently and that the Crime and Fiduciary should expect a flat renewal next week. Mr. Irizarry added that additional assistance is needed from the Marine Division to complete the property renewal.

Mr. Mynarski referenced the subject of cyber insurance in regards to the DMV review currently being addressed by Mr. Lalli. This item was discussed later in the meeting.

Mr. Mynarski said that Service Vendor Agreements have been drawn up. It appears that smaller marina vendors are showing concerns over the costs of pollution liability. Mr. Mynarski said that it is possible for Frenkel & Co., Inc. to write a rider policy, as part of the renewal creating a blanket policy. Mr. Lalli added that currently Parks and Recreation is absorbing these costs. He added that the main focus is to reduce risks at the marinas by using the Vendor Service Agreements.

Mr. Mynarski stated that the insurance package will be completed by June 30, 2010 with a total cost of \$2,280,000 (two million two hundred eight thousand dollars) a savings of \$400,000 (four hundred thousand dollars) to \$500,000 (five hundred thousand dollars) in the insurance lines. He concluded that Mr. Irizarry and Mr. D'Ambrosio will be attending the BET Audit Committee's July 2010 Meeting.

## **2. Review Operational Plan Assessor Department**

Mr. Norton welcomed Mr. Gwartney, Tax Assessor, and indicated that this department was one of five that the BET Audit Committee has been requested to review regarding Operational Plans for the next fiscal year.

Mr. Gwartney greeted the Committee with his list of goals and initiatives for the Assessor Department. He stated that the 2010 Revaluation Activities are proceeding on schedule. He has been meeting with the BET Revaluation Team twice per month and that it will be completed in the fall. The Commercial Revaluation has been completed while the Residential is completed in draft form.

Mr. Pellegrino and Mr. Kelly requested an additional legend to indicate completion status of each topic.

Mr. Ramer questioned the issue of dispersion range and sales verses assessment between properties selling high and low in Town. Mr. Gwartney replied that at the valuation conclusion he will be prepared to respond. Mr. Pellegrino added that the assessment range and dispersion by neighborhood needs continued discussion.

Mr. Gwartney continued with the department's goals such as expanded public service and production of the Grand List, which required part time assessors to be hired to complete on schedule. Mr. Ramer and Mr. Gwartney discussed the challenges doing evaluations, with Mr. Gwartney stating that values are based on formula, while making sure their grading is correct. Mr. Kelly suggested the idea of the Building and Assessor's Departments be reviewed by the internal auditor on the Assessment Evaluations Process.

Mr. Gwartney continued with goals in the processing of Building Permits, accessing and discovery of personal property. Work for this year has been completed and will be reported to the BET this month regarding administering the Existing Tax Credit and Exemption Program, both State and local, and the Disabled program.

Mr. Gwartney added special projects and goals as improving tax payer information accessibility within the department and appeals of revaluations in Superior Court cases. The American Can Building case was discussed noting its importance to the Town. Mr. Gwartney announced improvements made for public education of the Revaluation Process through numerous presentations, two upcoming at the Greenwich Library in September 2010.

Mr. Norton questioned the Elderly Tax Relief Program to which Mr. Gwartney responded that there were no applicants for the tax deferral. He added that about 85 (eighty five) residents took the credit.

Mr. Pellegrino questioned future needs of the Assessor Department to which Mr. Gwartney replied software. A group discussion followed explaining the problems associated with the MUNIS system such as the printing of bills. A "Quality Data" program was discussed as a possibility with a cost of approximately \$20,000 (twenty thousand dollars). Mr. Gwartney also expressed the continued use of temporary staff due to recent reductions in the department.

Mr. Pellegrino concluded by stated that he believed that the taxpayers are well served by Mr. Gwartney's well managed department and added that he was impressed with the presentation.

### **3. Discussion with Purchasing Department, Voice Mail/VOIP System**

Mr. Crary presented an overview of the agenda topic. Currently there are 571 (five hundred seventy one) mailboxes in use with an additional 215 (two hundred fifteen) used for announcements. Due to the existing hardware and switches he stated that there are limited alternatives to upgrade the current voice mail system.

Ms. Sullivan concurred adding that the Town currently has a unified communication system. A group discussion followed regarding the 3 year conversion starting with Town Hall and continuing with Greenwich Library and Nathaniel Witherell with a total cost of \$265,000 (two hundred sixty five thousand dollars). Mr. Ramer, Mr. Crary and Mr. Kelly discussed the efficiency of the current system and questioned how the Town would like to communicate in the future in regard to technology that is currently available.

Mr. Crary and Ms. Ingalls stated their severe concern with the current state of the 14 (fourteen) year old system which is near crashing with a multitude of system failures.

Ms. Sullivan revealed that the Town system receives approximately 28,000 (twenty eight thousand) calls, which includes internal calls, each month with 25% (twenty five percent) of those calls being handled by voice mail. Mr. Ramer questioned whether this may be a management issue within departments but added that it should be repaired before the entire system goes down.

Mr. Norton stated that the Committee was at an impasse. Mr. Pellegrino asked if a department within Town Hall could be removed from voice mail system as a test.

In conclusion Mr. Norton thanked Mr. Crary, Ms. Sullivan and Ms. Ingalls for the presentation and stated that the BET Audit Committee will continue to discuss the appropriation request.

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

Ms. Ahmad presented a memorandum to provide background information regarding the Law Department's involvement with issues raised by Mr. Kaliko, President CCFPP as a result of two law suits pending against the TOG and CCFPP. Mr. Kaliko requested a "comfort letter" from the TOG, on behalf of CCFPP and all Town volunteer fire companies. Ms. Ahmad continued that the Claims Committee of the RTM, and the BET Law Committee did not recommend a "comfort letter" be created. Mr. Kelly stated that the Town should not issue letters interpreting the Town's insurance policy.

Even though repeatedly the Town has reassured Mr. Kaliko that the TOG will support volunteer fire companies, Ms. Ahmad expressed a lack of confidence with the volunteers.

Mr. Kelly recommended that the Audit Committee agrees with the BET Law Committee and the Law Department that no letter should be sent by the TOG and no modifications need to be made to the current insurance policy. There was unanimous consent by the Committee.

Mr. Norton then asked for Ms. Ahmad input regarding the possible purchase of cyber insurance in relation to the capability of retrieving New York State DMV records of TOG employees who drive Town cars.

Mr. Lalli explained that New York application for motor vehicle records requires indemnification by the Town. Ms. Ahmad said that the Town Charter states that the Town can not do that. She said that a modification has been requested from NY DMV but has been denied. Ms. Ahmad continued that Mr. Irizarry from Frenkel & Co. was contacted to assist with protection from this indemnity. His recommendation was for cyber insurance. Mr. Lalli noted that cyber liability insurance should only be obtained if it makes sense for the Town to do this as a general strategy as opposed to a reaction to gain the approval of the Law Department for the New York DMV application. Mr. Lalli noted that the highest risk may be from the Town's Web Site as opposed to the secure transmission of motor vehicle records data.

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Ms. Ahmad stated that it is possible for the First Selectman to sign off on the indemnity without the Law Department's recommendation. Mr. Norton stated that this issue has not been solved.

Mr. Kelly requested that the BET Audit Committee brief the Law Department and the BET on this issue at the June 21, 2010 BET Meeting.

Mr. Lalli concluded that there were no formal reports on current internal audits.

**6. Fiscal 2010 Audit**

Not discussed.

**7. Old Business**

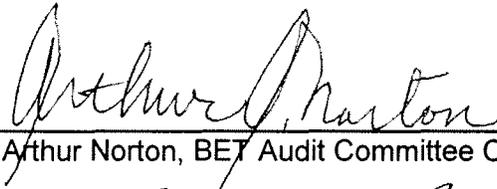
Not discussed.

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

No discussed.

**9. Adjournment**

Upon a motion by Mr. Kelly, seconded by Mr. Pellegrino, the Committee voted 4 - 0 to adjourn the meeting at 10:32 A.M.



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Arthur Norton, BET Audit Committee Chairman



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Elaine JV Brown, Recording Secretary



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

**AUDIT COMMITTEE MEETING**

**Thursday, June 10, 2010 - 8:00 AM  
Gisborne Conference Room**

**AGENDA**

1. Approval Minutes for May 13, 2010 Audit Committee Meeting
2. Review Operational Plan Assessor Department
3. Discussion with Purchasing Department, Voice Mail/VOIP system
4. Internal Auditor Report
5. Risk Manager Report
  - 2010-2011 Property, Casualty, Professional Insurance Renewal Package
  - Engineering Report Updates
6. Fiscal 2010 Audit
7. Old Business Items
8. Items for Discussion future BET Audit Committee Meetings
9. Adjournment

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Mr. Cray presented an overview of the agenda topic. Currently there are 571 (five hundred seventy one) mailboxes in use with an additional 215 (two hundred fifteen) used for announcements. Due to the existing hardware and switches he stated that there are limited alternatives to upgrade the current voice mail system.

Ms. Sullivan concurred adding that the Town currently has a unified communication system. A group discussion followed regarding the 3 year conversion starting with Town Hall and continuing with Greenwich Library and Nathaniel Witherell with a total cost of \$265,000 (two hundred sixty five thousand dollars). Mr. Ramer, Mr. Cray and Mr. Kelly discussed the efficiency of the current system and questioned how the Town would like to communicate in the future in regard to technology that is currently available.

Mr. Cray and Ms. Ingalls stated their severe concern with the current state of the 14 (fourteen) year old system which is near crashing with a multitude of system failures.

Ms. Sullivan revealed that the Town system receives approximately 28,000 (twenty eight thousand) calls, which includes internal calls, each month with 25% (twenty five percent) of those calls being handled by voice mail. Mr. Ramer questioned whether this may be a management issue within departments but added that it should be repaired before the entire system goes down.

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**6. Fiscal 2010 Audit**

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**7. Old Business**

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

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SUBJECT TO APPROVAL

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Mr. Cray and Ms. Ingalls stated their severe concern with the current state of the 14 (fourteen) year old system which is near crashing with a multitude of system failures.

Ms. Sullivan revealed that the Town system receives approximately 28,000 (twenty eight thousand) calls, which includes internal calls, each month with 25% (twenty five percent) of those calls being handled by voice mail. Mr. Ramer questioned whether this may be a management issue within departments but added that it should be repaired before the entire system goes down.

Mr. Norton stated that the Committee was at an impasse. Mr. Pellegrino asked if a department within Town Hall could be removed from voice mail system as a test.

In conclusion Mr. Norton thanked Mr. Crary, Ms. Sullivan and Ms. Ingalls for the presentation and stated that the BET Audit Committee will continue to discuss the appropriation request.

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

Ms. Ahmad presented a memorandum to provide background information regarding the Law Department's involvement with issues raised by Mr. Kaliko, President CCFPP as a result of two law suits pending against the TOG and CCFPP. Mr. Kaliko requested a "comfort letter" from the TOG, on behalf of CCFPP and all Town volunteer fire companies. Ms. Ahmad continued that the Claims Committee of the RTM, and the BET Law Committee did not recommend a "comfort letter" be created. Mr. Kelly stated that the Town should not issue letters interpreting the Town's insurance policy.

Even though repeatedly the Town has reassured Mr. Kaliko that the TOG will support volunteer fire companies, Ms. Ahmad expressed a lack of confidence with the volunteers.

Mr. Kelly stated that the Audit Committee agrees with the BET Law Committee and the Law Department that no letter should be sent by the TOG and no modifications need to be made to the current insurance policy.

Mr. Norton then asked for Ms. Ahmad input regarding the possible purchase of cyber insurance in relation to the capability of retrieving New York State DMV records of TOG employees who drive Town cars.

Mr. Lalli explained that New York application for motor vehicle records requires indemnification by the Town. Ms. Ahmad said that the Town Charter states that the Town can not do that. She said that a modification has been requested from NY DMV but has been denied. Ms. Ahmad continued that Mr. Irizarry from Frenkel & Co. was contacted to assist with protection from this indemnity. His recommendation was for cyber insurance. Mr. Lalli noted that cyber liability insurance should only be obtained if it makes sense for the Town to do this as a general strategy as opposed to a reaction to gain the approval of the Law Department for the New York DMV application. Mr. Lalli noted that the highest risk may be from the Town's Web Site as opposed to the secure transmission of motor vehicle records data.

The use of an outside vendor to obtain the driver records was discussed but that would incur a cost per employee and may include individual employee permission slips which ultimately could be a bargaining issue with the unions.

Ms. Ahmad stated that it is possible for the First Selectman to sign off on the indemnity without the Law Department's recommendation. Mr. Norton stated that this issue has not been solved.

Mr. Kelly stated that the BET Audit Committee will brief the Law Department and the BET on this issue at the June 21, 2010 BET Meeting.

Mr. Lalli concluded that there were no formal reports on current internal audits.

**6. Fiscal 2010 Audit**

Not discussed.

**7. Old Business**

Not discussed.

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

No discussed.

**9. Adjournment**

Upon a motion by Mr. Kelly, seconded by Mr. Pellegrino, the Committee voted 4 - 0 to adjourn the meeting at 10:32 A.M.

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Arthur Norton, BET Audit Committee Chairman

SUBJECT TO APPROVAL

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Elaine JV Brown, Recording Secretary