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

1. Approve Minutes of Audit Committee Meeting

Upon a motion by Mr. Pellegrino, seconded by Mr. Kelly, the Committee voted 3 - 0 -1 to approve the December 9, 2010 Minutes.

Upon a motion by Mr. Pellegrino, seconded by Mr. Ramer, the Committee voted 3 - 0 -1 to approve the January 13, 2011 Minutes.

Upon a motion by Mr. Pellegrino, seconded by Mr. Ramer, the Committee voted 3 - 0 -1 to approve the February 10, 2011 Minutes.

2. Risk Manager Report
   CIRMA Work Place Safety Assessment Study Update
   Cost Allocation Model Report Update

Mr. Mynarski stated that the CIRMA Safety Assessment Draft Report has not been completed as of today's date. Mr. Mynarski had received an email notification from Mr. David Demchak, V.P. President for Risk Management CIRMA, dated January 21, 2011 that the report was almost finished. Since that date, Mr. Mynarski stated that he had sent 3 (three) emails to Mr. Demchak's attention and there has been no response from him.

Mr. Mynarski stated that CIRMA has had the Cost Allocation Model Report for three months without providing an update as of yet.

Mr. Mynarski noted that the CIRMA contract expired June of 2010. He stated that bids will be going out, while working with the Law Department since CIRMA still works with the that department on the property/auto side. Both Mr. Norton and Mr. Mynarski expressed their disappointment with CIRMA's level of service at this time.

Engineering Reports

Mr. D'Ambrosio of Frenkel and Company presented a Property Lose Control Summary listing facility surveys completed in 2009 and 2010. A group discussion followed
regarding open penetrations at Town Hall and hot work permits in the schools. Mr. D’Ambrosio distributed the DPW and BOE responses to the Committee.

Ms. Chipouras noted that she will speak with Mr. Monelli, Superintendent Building Construction and Maintenance and Ms. Siebert, Commissioner Public Works regarding hot work permits and safety guidelines with contractors. She added that she currently has on-going communications with Ms. Siebert addressing many issues while working with other departments such as Parks & Recreation. Ms. Chipouras added that contractor owner packet rules and regulations must be created.

Mr. D’Ambrosio stated that the 2010 responses have not been sent to the insurance company since he usually reviews and edits them prior.

Ms. Chipouras stated that she will work with Mr. D’Ambrosio to review the cost of electrical thermography scans of all TOG schools, since apparently the cost is minimal. This summer the BOE has scheduled a review of Western Middle School to evaluate electrical usage and possible improvements. Ms. Chipouras added that as a result of the current operating budget the BOE is able to replace instead of maintain many building issues.

On the subject of the sprinkler/pump alarm testing Ms. Chipouras stated that the BOE is working on their preventative maintenance program regularly, continuing OSHA training of all maintenance workers as well as regularly scheduled fire alarm inspections.

Mr. Kelly and Mr. Ramer asked for a discussion at the next Audit Committee meeting regarding responses from Ms. Chipouras and Mr. Monelli.

8:40 Mr. D’Ambrosio left the meeting.

**Hold Harmless Discussion**

Mr. Dadakis, RTM Claims Committee greeted the Committee and presented concerns in regards to the Town’s liability in such areas as parks, ball fields and other recreational locations. He suggested that the Town obtain held harmless releases from organized activities and individuals using these facilities throughout the Town and to be included in the beach car process. Mr. Kelly agreed and added the risks involving the ice rink in Town.

Ms. Chipouras expressed her concern on the issue in relation to contractor insurance policies and the Town’s exposure to risk with contracts going out to bid this summer. Mr. Norton replied that the Law Committee should be reviewing this issue with the Law Department.

The Committee agreed that held harmless should be included in all activity registrations, as a result of the Town’s premises exposure and high legal expenses.

Mr. Mynarski offered to contact Mr. Siciliano, Superintendent of Parks and Recreation for copies of all activity registrations for the Committee’s review.

Mr. Dadakis concluded by agreeing with the Mr. Mynarski and Mr. Norton in relation to his disappointment with CIRMA’s performance.
8:56 Mr. Dadakis left the meeting.

8:58 The BET Audit Committee adjourned for a short break.

9:06 the BET Audit Committee Meeting reconvened.

3. Debt and Fund Balance Policy Discussion

Presentation by Independent Bond and Investment Consultants (IBIC)

Mr. Norton introduced Mr. Lindsay, Director, IBIC to the Audit Committee as the Town’s advisor for debt. Mr. Lindsay then distributed a handout illustrating the financial management policies and their usage, preparation and types. Mr. Norton stated that capital and financing needs are going to have substantial requirements moving forward to protect the Town’s triple A bond rating.

9:15 Ms. Tarkington joined the meeting.

A discussion between Mr. Mynarski and Mr. Norton began regarding the Town’s 15 (fifteen) year financial model, created by Mr. Gieger, Budget and Systems Director. Mr. Mynarski stated that approximately $150,000,000 (one hundred fifty million dollars) is appropriated which will have to be funded in the next three years.

Mr. Lindsay detailed the Fund Balance Policy, Debt Management Policy while stating that there are a variety of policies, it being not a one size fits all. These policies will put restrictions on certain activities while allowing exceptions.

Mr. Lindsay then reviewed the types of policies: Revenue, Expenditures and Investment Management. The Committee discussed that the fund balance should be 7.5 % (seven point five percent) of the General Fund operating revenues equaling $22,500,000 (twenty two million five hundred thousand dollars). Mr. Lindsay added that generally the Risk Fund equals 105% (one hundred five percent) of claims, approximately $10,000,000 (ten million dollars). Mr. Pellegrino tabulated the total to $35,000,000 (thirty five million dollars). Mr. Kelly questioned the possibility of double funding, which Mr. Mynarski and Mr. Lindsay also acknowledged.

Mr. Lindsay reviewed National Median Credit Ratios chart in the IBIS presentation noting the low per debt capita in Greenwich, proving the ability to fund principal and interest and repay debts. He noted that the Town’s debt burden is considerably lower than other neighboring municipalities in Connecticut.

Mr. Ramer expressed his skepticism of the policy’s effect on the Town’s rating. Actually the absence of a policy may have a negative influence on bond rating stated Mr. Lindsay. He added that frequent policy changes also are a red flag to rating agencies and recommended to leave the policy as is. Mr. Lindsay added that currently the Town is only receiving a “good” rating as a result of the lack of a policy.

Mr. Norton expressed the need for these policies asking for a language draft for review and the ability to move forward. Mr. Kelly asked Mr. Mynarski to work with Mr. Lindsay on the policy and requested that the topic be placed on the April Audit Agenda for discussion with recommendations.

10:11 Mr. Lindsay and Ms. Tarkington left the meeting.
4. Internal Audit Report

Vehicle Use Policy and Procedure
Mr. Lalli passed out the adjusted Vehicle Use Policy and Procedures containing his recommendations and notes regarding CT DMV policies. He stressed his concerns regarding this major risk for the Town. Mr. Lalli added that he believes that continued discussion is needed and that this policy should not be rushed through. His belief is that the Town should stay within the scope of the CT DMV regulations.

After the Committee discussed Mr. Lalli’s concerns it was unanimously agreed that Mr. Lalli should revise the language on a few items with Ms. Kast, Director of Human Resources. Mr. Lalli also stated his issues with improved accountability of accident records of employees driving town vehicles. Mr. Norton stated that the Committee will revisit this item.

Marina Audit
Mr. Lalli stated that an audit of all four marinas has been completed and that he will issue a report in the next few days.

Building Inspection/Assessor
Due to prior efficiency projects assigned by the First Selectman’s Office, Mr. Lalli stated that he has not been able to begin this audit.

Later in the meeting, while discussing Old Business, Mr. Pellegrino presented his view regarding the Town coverage of health care benefits to volunteers. He continued that this is a possible fraud/integrity priority issue which needs an efficient approach. The Committee agreed.

Upon a motion by Mr. Pellegrino, seconded by Mr. Kelly, the Committee voted 4 - 0 to direct Mr. Lalli to perform an audit on Volunteer Health Care Benefits and its compliance to existing operating procedure standards.

5. Fiscal 2010 Audit Management Letter
Mr. Mynarski stated that he had met with Ms. Walczykowski, Chief Accountant; Mr. Branyan, BOE Business Administrator and Ms. Rossitto, Partner, Blum Shapiro to discuss the Charter of Accounts comment. Ms. Rossitto stated that there appeared to be a miscommunication within her firm resulting in a withdrawal of the comment.

Mr. Mynarski continued that Ms. Rossitto accepted options regarding the spot check on BOE payrolls comment and to expect a final report in April.

6. Old Business Item Review
Mr. Pellegrino reviewed a few open topics for discussion.

Status of the Storm Preparedness Generators
Document Imaging Capital Project
Mr. Mynarski offered to follow up on both at the April Audit Meeting.

False Alarm Delinquency Accounts
Mr. Mynarski stated that the second batch have not started yet but will follow up on the item.

Mr. Ramer added one additional open item.
Voicemail
Mr. Ramer stated that he had proposed the inclusion of all employee email addresses on the Town's website to Mr. Crary to take pressure off the voicemail system and had not heard any response from the suggestion. Mr. Lalli offered to check into the matter and report back to the Committee.

7. Items for Discussion future BET Audit Committee Meetings
There was no discussion on this item.

8. Adjournment

Upon a motion by Mr. Norton, seconded by Mr. Ramer, the Committee voted 4 to 0 to adjourn the meeting at 10:52 A M.

Arthur D. Norton, BET Audit Committee Chairman

Elaine J V Brown, Recording Secretary