

BOARD OF ESTIMATE AND TAXATION
Audit Committee Minutes
Thursday, March 10, 2016 – 8:00 A.M.
Gisborne Conference Room

Present

Committee: Arthur Norton, Chairman; John Blankley, Michael Mason, Jill Oberlander

Attendees: Peter Mynarski, Comptroller; Ron Lalli, Director Risk Management; Pat Maranan, Internal Auditor

Other: Ron Matten, BOE Director of Facilities; Laura Erickson, BOE, Chair

The regular meeting was called to order at 8:00 A.M.

1. Acceptance of Audit Committee Minutes:

- **Audit Committee Meeting February 11, 2016**

Upon a motion by Mr. Mason, seconded by Mr. Blankley, the Committee voted 4-0 to accept the February 11, 2016 Meeting Minutes.

2. Consideration and Approval of RSM, LLP (McGladrey) to perform Fiscal 2016 Audit

SUBJECT TO APPROVAL
Upon a motion by Mr. Mason, seconded by Mr. Blankley, the Committee voted 4-0 to recommend to the BET approval of RSM, LLP (McGladrey) to perform the FY 2016 TOG Audit.

3. Risk Management Report

- **Update on Safety Inspections – Hamilton Avenue School Report**

A safety survey by Applied Risk was presented it provides an evaluation of the current status of control of the General Liability risk at the school. Mr. Matten stated that work orders have been issued for items noted in the BOE written response, such as park benches, parking lots, garage fencing and signage. Mr. Norton requested a time frame for remediation, especially the open drains and out cropping risks. Mr. Matten said a schedule will be presented for the April 2016 Meeting.

Mr. Mason discussed the Hamilton Avenue Parking Garage and field issues. Mr. Matten replied that a CIP has been created and that negotiations per the shared service agreement (DPW, P&R) are ongoing. Ms. Oberlander questioned the responsibility of artificial turf maintenance (ex. Cardinal Stadium). Mr. Matten explained that if a donation is made and it is not an educational need then P&R is responsible. If deemed an educational need, then it is the obligation of the BOE. Mr. Blankley noted that this report would have been a helpful tool for the Hamilton Avenue School Lessons Learned review.

Mr. Matten added that the BOE has drafted additional procedures used in the Tools for School Program including room awareness, to visually identify potential risks early. Mr. Norton thanked Mr. Matten for his attendance and participation.

The Parks and Recreation Department has submitted a written response to the inspection recommendations. Various issues, as the storage shed area, edging and matting in the

playground areas, drainage, walking paths, tree roots and vegetation, rear property gate, fencing, etc. will be addressed under a Shared Services Agreement between the BOE and TOG. The BOE and Parks & Recreation were thanked for their cooperation in remediating the recommendations made in the safety inspection report

- **Third Party Claims Update**

Risk Management, working with the Law Department, processes many small claims lowering CIRMA's involvement with these claims versus TOG. Overall a decrease in vehicle claims has had a significant effect on the number of overall claims versus Greenwich. Auto claims have dropped from 51 (fifty one) in 2002/2003 to four in 2015/2016.

Ms. Oberlander recommend a footnote be added to the chart on page 5 "*Claims Recorded by CIRMA v. Claims Filed by the Town by Fiscal Year*" stating that bodily injury and property claims exceeding \$5,000 (five thousand dollars) are automatically submitted directly to CIRMA.

- **FEMA Report Update**

Ms. Maranan stated progress made. The credit for Worksheet 366 should be received by the end of March, and payment anticipated for Worksheet 549 by the end of FY 2016.

Mr. Lalli referred to safety inspections conducted during February 2016 with updates on various locations. Issues at MISA were resolved by Turner Construction. The Fleet Department Building Construction and Maintenance has already completed several recommendations with pending work orders for the remaining recommendations. Options for the installation of a gate are being reviewed by DPW, the Fleet Department and Risk Management to determine if a gate is practical based on the types of vehicles and pedestrian traffic that enter the facility.

The inspection report on three railroad stations has been completed and it will be presented at the April meeting. The Cos Cob Sewer Pump Station has made progress with new fencing and roofing with the milder winter. Risk Management will report on progress there at the April meeting.

Risk Management is awaiting results from PMA Risk Management Services, from a grant, to review the STEM protocols at GHS Science Lab concerning the handling of hazardous materials compliance. Future inspections were requested by the BOE for North Street School and Eastern Middle Schools.

4. Internal Audit Report

- **Tools for Schools Update**

Reports are expected next month for Hamilton Avenue and Old Greenwich schools. The insurance claim for the water damage at Hamilton Avenue School caused by bursting pipes during the cold weather in February has been filed. A claim for the recent MISA water leak cannot be filed. The repair cost is estimated to be significantly lower than the \$100,000 deductible in the Town's builders risk policy for the MISA project.

- **Update on Review of Town Leases**

Ms. Maranan stated that over 50 (fifty) leases have been forwarded to the Law Department for review. A meeting is expected next week to discuss the findings with a report planned for the April Meeting. Non-payment of sewer assessment bills by non-profits and expired insurance certificates and leases have been discovered. Mr. Lalli currently reviews insurance coverage requirements when leases expire.

- **Update on Review of Non-Automated Sites that Dispense Fuel**

Ms. Maranan is collecting data and expects to report next month. Automated fuel pumps are used for TOG vehicles but the non-automated pumps are shared by various departments and located throughout the TOG (Arch Street, Griffith Harris Gold Course, Greenwich Point, etc.).

- **Update on Review of Town Issued Permits**

Mr. Lalli stated that Internal Audit is currently working on three items: leases, fuel and permits.

5. New Business

- **Concept to Completion – Capital Projects Review**

Mr. Mason presented a guideline draft to be possibly used for the consideration and planning of capital projects. It covers such issues as defining the dwelling and project, responsibility of project management, environmental issues, building codes, land use review, expense reporting, formation of a Building Committee, etc. He stressed that this is just a starting point and prompted the members for discussion and comments. He drafted the document with the assistance of Al Monelli, Peter Mynarski and Roland Gieger.

Mr. Blankley questioned whether this procedure should originate from the First Selectman instead of the BET Audit Committee. Mr. Mason replied that it would be a helpful tool when proposing to the RTM and others. He asked for the Committee Members to review and submit comments and suggestions moving forward. Ms. Erickson replied that the guideline would promote consistency between the TOG and BOE projects. Mr. Norton suggested the item remain on the Committee's agenda going forward.

6. Old Business

Not addressed.

7. Items for Future BET Audit Committee Meetings

In April charge-offs will be addressed Nathaniel Witherell will attend.

Ms. Oberlander questioned when was the last audit of the bidding/procurement process. Mr. Lalli estimated that the last time was over 5 years ago. Mr. Mynarski added that Melissa Jones, Senior Management Analyst is currently reviewing this area with the recent vacancy of the Director of Purchasing position.

8. Adjournment

Upon a motion by Mr. Mason, seconded by Mr. Blankley, the Committee voted 4-0 to adjourn the meeting at 10:11 A.M.

The next meeting of the Committee is scheduled for April 14, 2016 at 8:00 A.M. in the Gisborne Conference Room.

Arthur D. Norton, BET Audit Committee Chairman

Elaine JV Brown, Recording Secretary