DATE: September 18, 2014

To: Board of Estimate & Taxation Audit Committee Members

From: The Internal Audit Department

Subject "Annual Management Review of Motor Vehicle Records of
Town Employees".

Enclosed for your review is a report entitled "Annual Management Review of Motor
Vehicle Records of Town Employees. The report contains observations regarding Motor
Vehicle Record (MVR) checks with various States' Department of Motor Vehicles. This
report addresses additional steps taken by the Town to reduce auto liability exposure and
improve employee safety.

Enclosure
cc.

> J. Crary, Town Administrator
> P. Mynarski, Comptroller

TOWN OF GREENWICH

"Annual Management Review of Motor Vehicle Records of Town Employees".

Introduction

Risk Management with the assistance of the Town Auditor, performed a review of the driving records of all Town employees and public safety volunteers who drive on Town business. The ultimate goal of all best practices in this area is to reduce the risk of injury for Town employees and volunteers. A corresponding goal is to reduce third party claims against the Town as a result of property damage and bodily injury caused by our drivers. The review of annual driving records is a core recommended best practice for identifying at risk drivers.

The strategy developed during Fiscal 2011, was to segment this project into several phases. The first phase was to check employees whose jobs require a Commercial Drivers License (CDL). The second phase was to check non-CDL holders who use Town vehicles and the third and last phase of the project, included checking driving records of employees who drive their own personal vehicles on Town business.

The overall strategy was to compile records for all three categories and report on the results in one annual review. This document reports on the second annual review of all three types of Town drivers.

To establish a strong record keeping process, as well as facilitating future record checks, an Access database has been utilized for several years now that stores employee drivers' license information. The database enables the Town to efficiently process the detailed information to perform an annual check. Selected records from the database are uploaded to the NY and CT DMVs secured websites. NY allows direct access by individual record while CT requires a batch process. The ultimate result is the same, an individual motor vehicle record for each driver on the Permitted to Drive List. The laborious task of obtaining every employee's license data who drives on Town businesses license information has abated. Now only additions and deletions are processed as changes to the database. The database also contains the status of driver participation in the defensive driving course, the necessary data to provide reporting on the insurance industry's best practices rating system for each driver, accidents incurred by individual driver while driving a Town owned vehicle, GPS violations by vehicle number and CDL medical certification status. CDL medical certification status lists no actual medical records, just a yes or no status as to whether the CDL driver has filed the necessary medical records to maintain CDL status.

To provide prospective for the number of licenses reviewed by State please note Chart I, which follows.

Chart I: Licenses Checked by State

The Annual Review of the Department of Motor Vehicle Records for Town Employees that Operates a Vehicle on Town Business

■ Connecticut ■ New York ■ Other States

185

15

1358
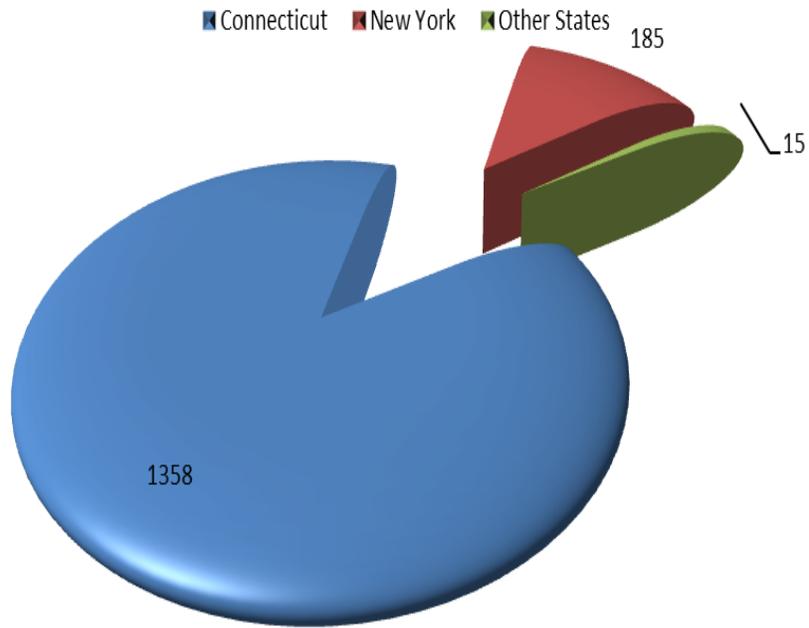
Total Number of Driver's License Review - 1558

Note: The breakdown by state is consistent with prior years. 1,555 licenses were checked last year. Municipalities are not charged a fee. The service would have cost the Town approximately $31,000 if fees were charged.

Summary Results: The annual review of driver's licenses is used to maintain the Permitted to Drive List maintained by Risk Management.   If a driver's license is suspended or revoked, the appropriate Department Head and Human Resources are immediately notified.   The driver is not permitted to drive until proper license status is restored.   This year's review resulted in three discovered suspended licenses.   Two in Parks and Recreation and one in DPW.   Two of the suspensions were due to paperwork issues and one was due to a serious DUI infraction.   The DUI suspended driver worked for P&R. As of the release of this report in September 2014, we have been informed that this employee no longer works for the Town.   One of the other suspended license holders has restored their status to valid and the other is in the process of achieving the same.   P&R was already aware of the situation involving the DUI suspended driver and had not allowed the employee to drive after the incident.

One of the ancillary benefits of this year's annual check of license holders was to provide the incentive and data to establish a new best practice for reducing the Town's auto liability exposure.   The new best practice is based on the fundamental principal that a general driving risk category rating be assigned to each driver based on his or her driving record.   The rating system is used as an identification mechanism to require additional training for the drivers in the highest risk categories.   There are no punitive objectives associated with this program.   To provide prospective on the rating system please note the nationally developed risk based rating standards listed in Chart II.

Chart II: National Rating System Categories

Motor Vehicle Rating System	
Risk Category Profile	**Number of Cumulative Points**
Low Risk	1 to 3
Minor Risk	4 to 5
Borderline Risk	6 to 7
Medium Risk	8 to 9
High Risk	10 or more
Violation/Accident	**Points Value per Violation**
Warning	1
Preventable accidents (backing and parking lot accidents)	1
Operating vehicle while on mobile phone	2
Preventable accidents (other than backing and parking lot accidents)	2 to 4
Most moving violations such as failure to stop at red light, failure to yield right of way, following too closely, etc	3
Failure to use restraint system (wear safety belts)	4
Speeding 0 to 10 MPH over	2
11 to 20	3
+20	6 to 8
Reckless, negligent driving, driving to endanger	8
Driving with suspended license Leaving scene of accident Fleeing officer	10
Any alcohol related offense, refusal to submit to a blood alcohol test (BAC). DUI/DWI.	10

As noted in Chart II, the risk rating system is based on the simple premise that as a driver accumulates violations they will be charged with additional points putting the driver into progressively higher risk categories. Risk Management and Internal Audit examined the driving records of all 1,558 drivers on the Permitted to Drive List. All violations on the DMV driving records were recorded in the database by individual and a risk category assigned based on Chart II.

The results of the point's assignment system for the Town of Greenwich are illustrated in Charts III, IV, V and V(A) that follow.

Chart III – Overall Employees with Assigned Points

Employees with Assigned Value Points

1435   123   Points ≥ 1
                           illustrated in
                           the bar graph

■ Zero Points   ■ Points > 1
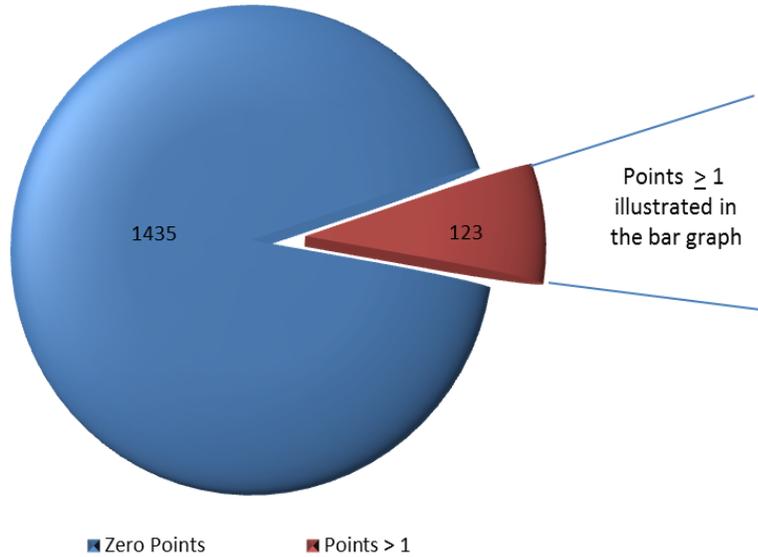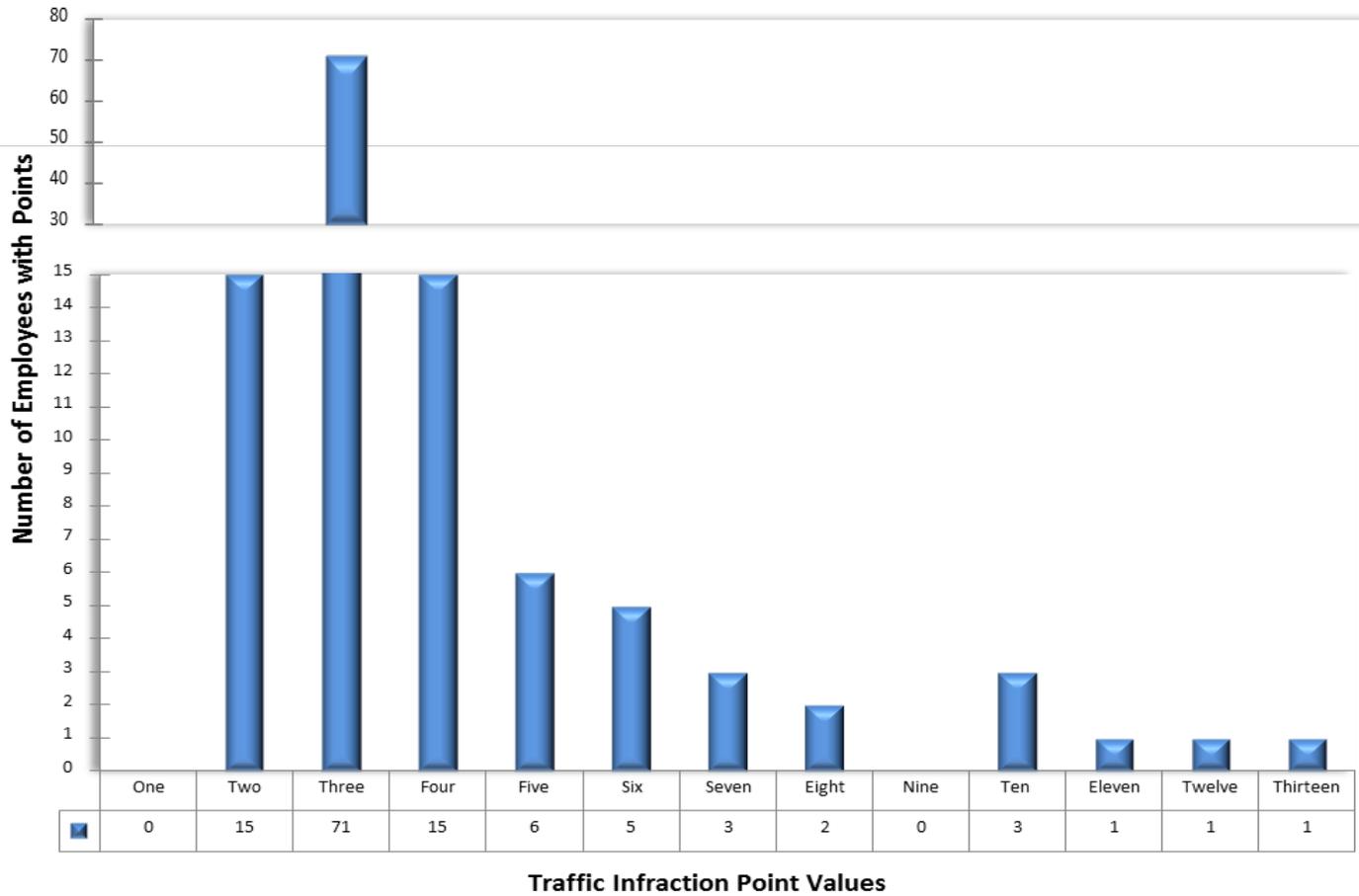
Note to Chart III:
Of the 1,558 driving records received from the DMV and examined by Risk Management and Internal Audit, 123 had a moving violation within the last three years. As promulgated by the insurance industry, moving violations should only be recorded for occurrences in the last three years with the exception of DUI's, which should be recorded if a conviction was recorded within the last five years. The industry literature indicates that older infractions are not a good predictor of future issues and should be ignored. The categories assigned for the 123 records with violations are highlighted and explained via Charts IV, V & V(A) that follow.

**Chart IV – Greenwich Drivers Risk Profile from 2014 DMV Review**

Total Employees with Assigned Value Points

	One	Two	Three	Four	Five	Six	Seven	Eight	Nine	Ten	Eleven	Twelve	Thirteen
	0	15	71	15	6	5	3	2	0	3	1	1	1

Traffic Infraction Point Values

(Y-axis: Number of Employees with Points)

Note to Chart IV:
The Greenwich profile for the 123 drivers with recorded violations is heavily skewed toward the lower risk categories. Chart V(A) further breakdowns the risk categories by department. While not formally complied in previous years, Risk Management can attest that the records contained more serious violations in past years. Many of the records of drivers with serious violations noted in past years were from individuals who are no longer employed by the Town. An ancillary benefit of the rating system is that based on a national rating system, the Town can measure the overall risk of the driving pool, make yearly comparisons and present the information to our insurance liability carriers. Just the fact that we monitor our drivers helps our position with the carriers and saves funds.

Chart V – Town Drivers by National Standard Risk Category

Town Employees by Risk Category

■ Low - 86 ■ Minor - 21 ■ Borderline - 8 ■ Medium - 3 ■ High - 6
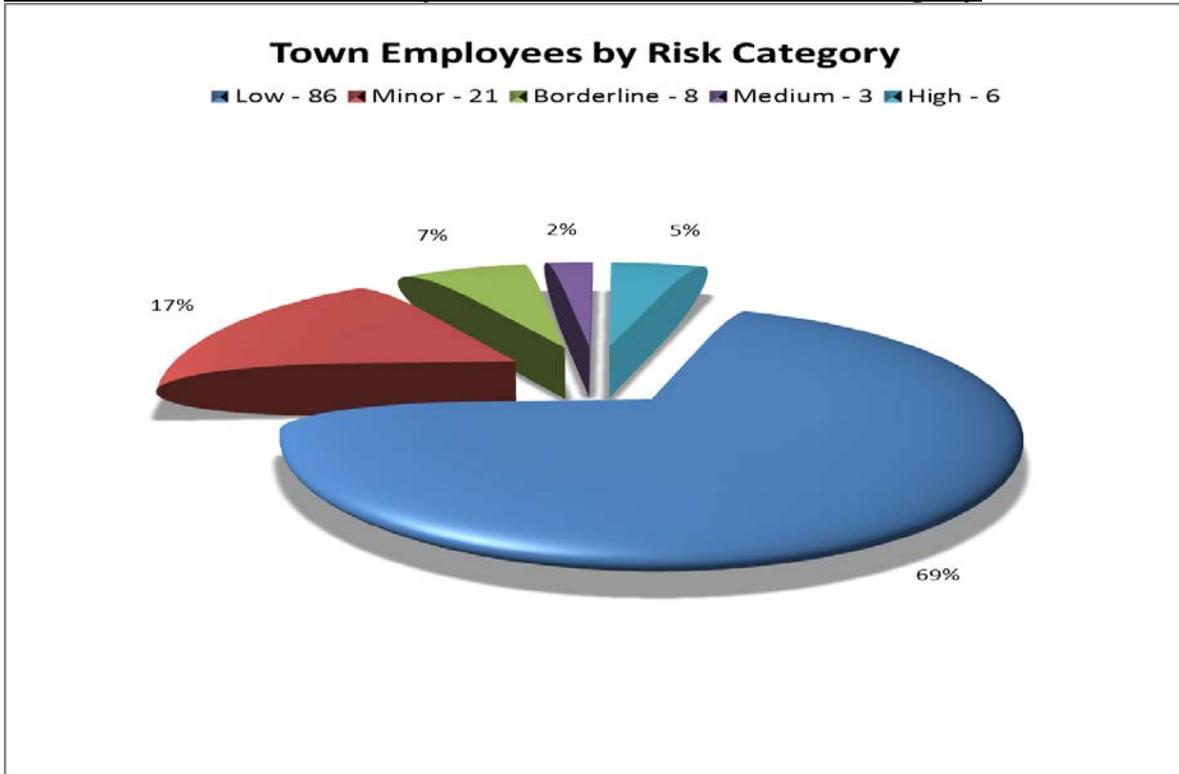
Chart V-(A) – Town Employees by Department / Risk Category

	Low	Minor	Borderline	Medium	High	
BOE	45	9	4	1	2	
GFD	0	0	1	0	0	
GFD Vol	12	3	0	0	0	
GPD	2	1	0	0	0	
General Gov't	10	2	1	0	0	
P&R	5	3	1	0	1*	
DPW	12	2	1	1	2**	
NW	0	1	0	1	1	
Total	86	21	8	3	6	123

Notes to Chart V & V-(A):

*The driver in the High Category for P&R resigned after the internal audit date. At the time of the audit, the driver was an employee so Internal Audit included this record in the report. More importantly, the driver never drove on Town business after the spring 2014 incident (DUI) that suspended his license and put him in the highest category in this chart.

**Both of the drivers in the High Category for DPW were interns who worked last summer when this review was conducted.

The Town's public safety drivers had no employees or volunteers in the medium or high-risk categories.

<u>Best Practices Update:</u>
The following section is an approximate chronological dating of the Town's history for implementing best practices to monitor and improve driver safety records and reduce third party auto liability:

Best Practice 1 – Monitor the number of "at fault" accidents.
<u>Town has complied with this recommendation to varying degrees since 2001. Development of a database with increased reporting to the First Selectman's Office, Audit Committee, Department Heads, etc. started during Fiscal 2009.</u>

Best Practice 2 – All drivers' records should be checked on an annual basis. Information should be immediately provided to departments if a record indicates an invalid license.
<u>Implemented Fiscal 2010 and continued on an annual basis.</u>

Best Practice 3 - Development of a Motor Vehicle Accident Report regardless of the amount of damage for accidents when a police report was not requested. This does not apply to an accident that involves a third party and a police report is required.
<u>Implemented Fiscal 2012.</u>

Best Practice 4 - Use of GPS to monitor driver safety features.
<u>This is considered a high-end best practice that is predicted to be a standard for all best practicing municipalities in the near future. Town started using GPS for safety reporting during Fiscal 2013.</u>

Best Practice 5 - Provide Defensive Driver Training to all drivers who drive on Town business.
<u>Defensive driving classes as a formal requirement were initiated during October 2013.</u>

Best Practice 6 – A point system, based on national best practices standards, should be developed that assigns a risk profile for each driver who drives on Town business.
<u>Implemented Fiscal 2014-2015</u>

Best Practice 7 – Requirement that many of the employees who drive on Town business take a "road test" as observed by an appropriate supervisor.
<u>Implemented Fiscal 2015</u>

Best Practice 8 – Establishment of a Vehicle Accident Safety Committee.
<u>Implemented Fiscal 2015.</u>

A few additional best practices remain to be implemented. Future reporting on this subject will be provided to monitor progress toward the Town's goals. Several of the best indices to monitor progress are the number of Town employee at fault accidents while driving a Town vehicle and third party auto claims versus the Town. While both indicators are trending favorably, these metrics will be reported by Risk Management in separate reports.

<u>Other Notes:</u>

As previously noted, the ultimate goal of this project is to reduce risk for the Town's employees and third parties who are frequently residents. Some interesting facts, published by the National Highway Traffic Administration and the American Transport Research Institute follow:

- An average DUI driver will drive under the influence eighty seven times before being pulled over.
- Seventy five percent of DUI drivers, whose license has been suspended, continue to drive.
- Thirty two percent of fatal accidents involve a DUI driver.
- Speeding and other moving violation tickets are also a great predictor of future accidents. A driver with speeding tickets is sixty-seven percent more likely to get into an accident. A driver with a ticket for failure to use a turn signal is ninety-six percent more likely to be in an accident.

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