

# LaGrange Town Board Meeting

February 9, 2011

## AGENDA

### Call to Order

### Salute to the Flag

### Minutes Approval

- Minutes from January 26, 2011

### Monthly Reports

The Town Board will consider acceptance of the monthly revenue reports from town department's as follows:

- |   |                   |
|---|-------------------|
| • Building, Zoning, Public Works & Planning | Total \$7,480.00  |
| • Highway Department                        | Total \$300.00    |
| • Justice Caplicki (incl. State Share)      | Total \$21,095.00 |
| • Justice O'Hare (incl. State Share)        | Total \$17,580.00 |
| • Recreation                                | Total \$2,500.00  |
| • Town Clerk (incl. State & County Share)   | Total \$5,543.34  |

### Supervisor's Report

- The Planning and Public Works has submitted their annual report for January 1, 2010 to December 31, 2010.

### Correspondence

- Cablevision
- Time Warner Cable

### Agenda Items

- Town Board to authorize the Supervisor to sign an agreement with Alliance Energy Solutions. Alliance Energy Solutions in conjunction with Central Hudson will be executing the changes recommended by the audit to install cost saving lighting improvements. All improvements will be done at NO cost to the town.
- Town Board to accept the 2010 Audits for Town Justice Caplicki and Town Justice Greller.
- The Building Inspector is requesting Town Board approval to adopt permit fees for residential sprinkler systems.

### **Bond Agreements**

- Building Inspector is requesting Town Board's approval for a Soil Erosion Bond for the following grid #
  - 6361-01-209594

### **Committee Reports**

- Water and Sewer
- Recreation
- Open Space
- Highway

### **Town Board Comments**

- This time is set aside for new or old business not on the agenda

### **Town Attorney**

- This time is set aside each meeting for new business by the Towns Attorney not listed elsewhere in the agenda

### **Administrator of Public Works**

- Requesting to correct the commercial sewer hook-up fee.

### **Environmental Consultants**

- Reports from the operators of the Town's water and sewer facilities

### **Public Comment**

- Public comments are accepted during this time.

### **Executive Session**

### **Adjournment**

**STATE OF NEW YORK  
COUNTY OF DUTCHESS  
TOWN OF LA GRANGE**

**TOWN BOARD MEETING  
February 9, 2011**

**Present:** Supervisor Jon Wagner  
Councilman Joseph Luna  
Councilman Edward Jessup  
Councilman Gary Polhemus

**Absent:** Councilman Gary Beck

**Recording Secretary:** Christine O'Reilly-Rao, Town Clerk

**Others Present:** Ron Blass, Esq., Van De Water & Van De Water  
Wanda Livigni, Administrator of Public Works  
Steve Mance, Environmental Consultants

The regular meeting of the Town Board was held on Wednesday, February 9, 2011, at the LaGrange Town Hall, 120 Stringham Road. Supervisor Wagner called the meeting to order at 7:00. The Town Clerk led the flag salute.

Supervisor Wagner asked for a motion to approve the minutes for January 26, 2011. Councilman Luna so moved, seconded by Councilman Jessup and carried by all.

Supervisor Wagner asked for a motion to approve the minutes for February 2, 2011. Councilman Polhemus so moved, seconded by Councilman Jessup and carried by all.

Supervisor Wagner asked for a motion to accept the monthly reports for January 2011. Councilman Jessup so moved, seconded by Councilman Luna and carried by all.

Building, Planning, Zoning & Public Works	\$7,480.00
Parks and Recreation	\$2,500.00
Highway Superintendent	\$300.00
Justice Caplicki (Inc. State Share)	\$21,095.00
Justice O'Hare (Inc. State Share)	\$17,580.00
Town Clerk (Inc. State & County Share)	\$5,543.34

**Supervisor's Report**

Supervisor Wagner stated that he had received the Planning and Public Works department's annual report for 2010. The report will be on file in the Clerk's office.

Councilman Jessup moved to accept the report, seconded by Councilman Polhemus and carried by all.

### **Correspondence**

Cablevision and Time Warner have notified the Town of channel and program changes. The information will be on file in the Clerk's office for one week.

Mr. Wagner stated that he was in receipt of a letter of retirement from the Town's Tax Assessor, Bernard Fountain, with an effective date of March 8, 2011.

Councilman Luna moved to accept the letter of retirement, seconded by Councilman Jessup and carried by all.

Mr. Wagner added that since the Assessor's position is a shared service with the Town of Unionvale, he and Supervisor Hitsman will have to discuss possible replacements for the position.

Supervisor Wagner informed the Board that he had been contacted by local CSEA President, Brian Aldrich regarding the special Town Board meeting scheduled for February 16, 2011.

The meeting was scheduled by the Town Board in order to address the Union's grievance about the Health Insurance which the Town offers to its employees. Both Mr. Aldrich and CSEA Labor Relation Specialist, Robert O'Connor had objected to the meeting being publicly held.

Mr. Wagner had researched the matter through the New York State Department of State Committee on Open Government and found a number of opinions which supported the decision to conduct the meeting publically.

Councilman Luna moved to keep the scheduled meeting public, seconded by Councilman Jessup and carried by all.

An audit had been conducted by Central Hudson which recommended retrofitting and installing new fixtures for Town lighting. This would result in a savings of about \$35,000 annually.

Supervisor Wagner asked for Board approval for him to sign an agreement with Alliance Energy Solutions. Alliance Energy Solutions in conjunction with Central Hudson will install the cost saving lighting improvements. There will be no cost to the Town.

Motion: Councilman Jessup

Second: Councilman Luna

The motion carried unanimously.

Mr. Wagner stated that the 2010 audits for Town Justice Caplicki and Town Justice Greller had been completed by D'Achille & Associates. Ms. D'Achille made a brief presentation of her findings. (SEE ADDENDUM) Complete copies of the audits are on file in the Clerk's office.

Mr. Wagner asked for a motion to accept the audits.

Motion: Councilman Luna

Second: Councilman Jessup

The motion carried unanimously.

Mr. Wagner added that since 2006, the Town has created new procurement policies to ensure financial accountability in all departments, but he noted that there is still work to be done in following through with monitoring each department's internal control procedures.

The Building Inspector requested Boards approval to adopt permit fees for residential sprinkler systems.

Motion: Councilman Luna  
Second: Councilman Jessup  
The motion carried unanimously.

The Building Inspector requested Board approval for a Soil Erosion Bond for grid # 6361-01-209594; 86 Ridgeline Drive, Lot 62.

Motion: Councilman Luna  
Second: Councilman Jessup  
The motion carried unanimously

## **COMMITTEE REPORTS**

### **Water and Sewer**

Steve Mance addressed the Board. Earlier in the day, there had been a water main break in the old Southwest Water District which is now part of the Manchester Water District. The water main break occurred at Arbor Hill right off Titusville Road. The break was successfully repaired in about three hours.

Mr. Mance also stated that there had been a frozen conduit which affected the electrical wiring at the Hillview Pump Station last week. Due to the two day snow / ice storm they were unable to repair it right away. They set up a generator in the interim and it was fixed on Thursday.

### **Recreation**

No report

### **Open Space**

Mr. Jessup stated that they will be able to close on Sleight Farm in the next 6 - 8 weeks.

### **Highway**

Mr. Jessup stated that he was working with Superintendent Kelly to figure out the financial impact of the winter storms which we have been experiencing since December. He believes the figure will be significant.

Mr. Wagner added that he wants to seriously evaluate this in order to have a contingency plan for possible bad weather in November – December 2011. Mr. Kelly had estimated the blizzard on December 27<sup>th</sup> had cost the Town about \$85,000 and the recent two day snow / ice storm cost about \$100,000.

### **Town Board Comments**

Councilman Polhemus updated the Board on the need to address the code dealing with accessory apartments. He has been working with the Building Inspector to sort out various issues concerning this. After reviewing codes from Poughkeepsie and Millbrook, Mr. Polhemus stated that the Town of LaGrange could have wording in the code changed to "owner / occupied" versus the more restrictive wording that specifies renting only to a blood or marriage related relation.

A brief discussion followed.

### **Town Attorney**

No comment

### **Administrator of Public Works**

Ms. Livigni asked the Board to correct an error in the sewer protocol fee schedule for commercial sewer hook – up. The amount of \$500.00 which was approved by the Board on July 9, 2008 should actually be \$1,000.00.

Supervisor Wagner asked for a motion to set the fee at \$1,000.00.

Motion: Councilman Jessup

Second: Councilman Luna

The motion carried unanimously

Ms. Livigni informed the Board of a New York State Department of Transportation Public Involvement Seminar which will be held at 6:30 p.m. in the Town Hall on February 24, 2011. The topic will be Route 55 corridor improvements, between Lauer Road and the Taconic State Parkway.

### **Public Comment**

Councilman Jessup moved to open the meeting to Public Comment. Councilman Polhemus seconded the motion and it carried unanimously.

There was no comment.

Councilman Luna moved to close the Public Comment, seconded by Councilman Polhemus and carried by all.

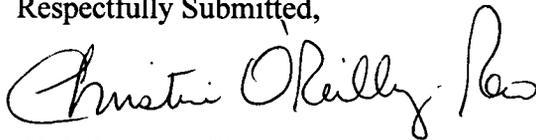
After attending two Lion's Club meetings, Mr. Wagner stated that he was able to get volunteer drivers for the shared Pleasant Valley / LaGrange car service which will replace the DIAL – A RIDE program. Hudson Valley Home Matters will assist with training the volunteers as well as providing the calling service.

A brief discussion followed.

Councilman Jessup moved to adjourn the meeting, seconded by Councilman Polhemus and carried by all.

The meeting was adjourned at 7:53 p.m.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Christine O'Reilly-Rao". The signature is written in black ink and is positioned to the right of the typed name.

Christine O'Reilly-Rao  
Town Clerk

#### **ADDENDUM**

- **COURT AUDIT: Justice Caplicki**
- **COURT AUDIT: Justice Greller**

**INDEPENDENT AUDITOR'S REPORT**

To Justice Caplicki, the Supervisor and  
Members of the Town Board of  
the Town of LaGrange, Lagrangeville, New York:

We have audited the accompanying statements of cash receipts, cash disbursements and cash balances of the Justice Caplicki's Court of the Town of LaGrange, New York for the period ending December, 31, 2010. These financial statements are the responsibility of the Town's management. Our responsibility is to express our analysis and conclusion of these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our conclusion.

The financial statements were prepared on the cash receipts and disbursement basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our conclusion, the statements of cash receipts, cash disbursements, and cash balances present fairly, in all material respects, the cash received, disbursed, and the cash balances of Justice Caplicki's Court of the Town of LaGrange, New York for the period ending December, 31, 2010, on the cash basis of accounting.

*Rae D'Achille*

Rae D'Achille  
Red Hook, New York  
January, 2011

## **Audit Findings**

Based on our audit tests and procedures, we noted indications that there were no deficiencies dealing with court receipts and disbursements.

### **Fines and Forfeitures Reporting:**

Deposits and disbursements were processed in a timely manner.

The management of the Town and particularly the Town Justice are responsible for the Town Court's financial affairs and for safeguarding its resources. Justice Caplicki, in particular is responsible for properly accounting for all moneys received and disbursed in his court. To allow Justice Caplicki to determine and assess the accuracy of his court's financial records and establish control over cash, book cash balances should be monthly reconciled to known liabilities and to bank account balances. Therefore, the identity of all funds in his custody is maintained at all times. This responsibility includes establishing and maintaining an internal control structure to provide reasonable, but not absolute, assurance that resources are safeguarded against loss from unauthorized use or disposition; that transactions are executed in accordance with management's authorization and are properly recorded; that required court related reports are prepared; and that applicable laws, rules and regulations are observed; and that appropriate corrective action is taken in response to any audit findings.

### **Recommendations**

- **The Fines and Forfeitures bank account should be separate from the liability account entitled Bail Account.** This provides that all liability amounts are separate from Fines and Forfeitures. The Fine account should have a zero balance subsequent to payment to the Town Supervisor. The Fine account may be interest bearing (the amount earned may in fact be minute). The Bail account should not be interest bearing.

Procedures should be established to ensure that receipts are properly recorded and deposited. Comparisons of recorded receipts, deposits, and amounts reported on the monthly report should be made and any differences investigated and resolved prior to transmitting the monthly report to the Town Comptroller, if possible. Also deposit slips should be reviewed by someone other than the court clerk to verify that the amount deposited is correct and that moneys are allocated and deposited in the correct amount.

**INDEPENDENT AUDITOR'S REPORT**

To Justice Greller, the Supervisor and  
Members of the Town Board of  
the Town of LaGrange, Lagrangeville, New York:

We have audited the accompanying statements of cash receipts, cash disbursements and cash balances of the Justice Greller's Court of the Town of LaGrange, New York for the period ending December, 31, 2010. These financial statements are the responsibility of the Town's management. Our responsibility is to express our analysis and conclusion of these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our conclusion.

The financial statements were prepared on the cash receipts and disbursement basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our conclusion, the statements of cash receipts, cash disbursements, and cash balances do not present fairly, in all material respects, the cash received, disbursed, and the cash balances of the Justice Greller's Court of the Town of LaGrange, New York for the period ending December, 31, 2010, on the cash basis of accounting.

*Rae D'Achille*

Rae D'Achille  
Red Hook, New York  
January, 2011

### Narrative – Finding(s); Condition; Cause; Effect and Recommendation

We reviewed all available documentation available from January 1, 2010 through December 30, 2010 including the Bail dockets and the bank statements.

1. The "Opening Checkbook Balance" on the Bail Account Bank Reconciliation showed \$12,849.84 while the checkbook balance showed \$13,099.84.
2. The "Current Bail Defendants Report" (the liability list) opening balance showed \$8,000.
3. In some cases, bail deposits were used to pay fines by some defendants. In some instances, rather than write one check per defendant, several payments were combined.
4. On April 7, 2010 a payment was initially processed for bail forfeiture in the amount of \$1,500. This payment was deducted from the checkbook balance subsequently voided but the amount was not added to the checkbook balance. However, on June 15<sup>th</sup>, the payment was made and once again deducted from the checkbook balance. On June 30<sup>th</sup>, the payment was again deducted from the checkbook balance thereby further obfuscating the actual balance.
5. Justice Greller maintains a "Justice Court Cash Receipts Book". This ledger indicates the Date, Received from, Receipts Number, Total Bail Received, and date and amount of bank deposit. This ledger is not totaled at the end of each month to verify amounts deposited to the monthly bank statement. In addition, we note that there was no indication of the return or transfer to the fines account of bail funds.
6. Justice Greller did not maintain a Cash Disbursements ledger. General recordkeeping requirements include maintaining a Cash Disbursement book (not a checkbook) in which each payment is recorded promptly at issuance. This ledger would be totaled at the end of each month and verified to the monthly bank statement. The ledger would also be of tremendous assistance in showing "outstanding" and "voided" checks.

However, the salient issue to be corrected by Justice Greller, the Town Board, the Supervisor, and the Comptroller is the significant difference between the bail bank balance account and the liability documentation.

We traced each receipt and disbursement noted on the bank statements for the period January 1, 2010 to December 31, 2010 to the documented liability and found this material discrepancy. Since neither monthly bank reconciliations nor comparisons of Court liabilities to available cash was not performed accurately during the period examined (and we surmise for any previous accounting periods) it is apparent that this discrepancy cannot be traced to an individual case or any other type of supporting documentation.

## **Recommendation**

The Town Board should require the Justices to prepare accurate monthly bank reconciliations and compare the cash balance to Court liabilities. An attempt should be made to identify why Court cash assets are exceeded by documented liabilities and remedy the situation accordingly.

Since Judge Greller will no longer serve the Town of LaGrange and a new Justice has been appointed, it will facilitate the transfer of funds/liabilities if the following were accomplished.

1. Verify that the Court Liability document is accurate. (We attempted to verify the accuracy and are reasonably assured that the amount noted may be supported. It is impossible to either audit or verify a transaction not recognized, which we suspect occurred in previous fiscal years and has never been addressed.)
2. Transfer the relevant amount to the newly appointed Justice's Bail account.
3. Process a check for the remainder made payable to the Town Supervisor. He will then deposit to an account entitled "Cash with Fiscal Agent".