

AUDIT COMMITTEE MEETING MINUTES
MARCH 14, 2018

AUDIT COMMITTEE MEMBERS PRESENT: Moore, Hogan, Shay, Middleton, Clary, Rozell

AUDIT COMMITTEE MEMBERS ABSENT: Ferguson

SUPERVISORS: Henke, Shaw

Debra Prehoda, Clerk

Stacey Benson-Doty, Sr. Audit Clerk

Al Nolette, County Treasurer

Chris DeBolt, County Administrator

Melissa Fitch, Personnel Director

AGENDA AS PRESENTED IN COMMITTEE NOTICE:

- 1) Call to Order
- 2) Approval of Minutes – February 14, 2018
- 3) Audit Monthly Bills
- 4) Other Business
- 5) Adjournment

Chairman Moore called the meeting to order at 9:00 A.M.

A motion to accept the minutes of the February 14, 2018 Audit Committee meeting was moved by Mr. Shay, seconded by Mr. Middleton and adopted.

Summary of accounts payable by fund was distributed and the committee proceeded with auditing the bills.

Chris DeBolt, County Administrator, stated he was questioned from a recent committee meeting whether the Sheriff's Department is providing air cards to local police departments for free. He responded yes stating it was part of a Local Government Efficiency grant the County received to renovate the dispatch center, new dispatch software and mobile records management (RMS) software that the Sheriff utilizes. In this grant, the County purchased the RMS software and gave access to the five local police departments. The local police departments were going to have problems with connectivity and incorporated into the grant that the County would be providing air cards to the local police departments because without that connectivity in the patrol cars that system does not work. This enables everyone to be on the same system. The software has been problematic. The process to get all local police departments connected is ongoing.

Al Nolette, County Treasurer, reported on the information he has gathered at the request of the committee last month. He distributed and explained the attached two handouts regarding the Highway Department's County Road Machinery Fund equipment purchases. In the 2017 County Road Machinery budget, the following equipment was approved: two dump trucks with plows, a wheeled excavator and skid steer. The items listed on the handout under DM.5130.2070 Equipment - Vehicles were purchased. He stated the Board is going to have to decide on the philosophy, is it alright as long as they spend within their budget or hold them to their budget requests. Items purchased out of this account which are not vehicles and probably should not even be in this fund total \$22,016.90.

The Treasurer discussed the second handout detailing 2017 vehicle purchases from the DM.5130.2070 account, 2017 non-vehicle and 2016 vehicle purchases. Discussion ensued on Budget Officer approval on items; should it be only items in the budget or if there is money in the account. The current Budget Officer is only approving budgeted items and other request must go back to committee first for approval. The handout lists two Army surplus trucks and the expenses to date on those vehicles. The Treasurer stated there is a resolution allowing purchase of surplus

vehicles out of audit recommending review of that policy with the appropriate committee. Several items on this list should have been purchased out of Car Pool: Fisher Plow, Tornado Spreader sidezilla sliding bed platform and Knap truck cap. Two glider kits purchased in 2016 are listed with their associated costs; \$217,534.37 and \$199,922.80. Two glider kits purchased in 2017 are both listed at \$86,601.00 and the County does not have possession of these vehicles yet but fixed asset forms have been submitted as in service. Unsure if there will be additional expenses associated with the two 2017 purchased glider kits and unknown when they will be in service. The Treasurer expressed the most concern with the two tampers rent-to-own purchases; \$4,767.25 and \$5,183.80. Everything about these purchases are wrong; not bid, not on state contract, phone order, rent to own, capital lease not reported, no purchase order and purchased out of a contractual line not an equipment line. It appears this was done to fly under the radar of the Budget Officer and Audit Committee. One tractor was bid but the bid was specifically worded for the tractor being rented. The Treasurer stated the tractor was rented for two months at \$5,000 per month paying \$10,000 on a \$25,000.00 tractor. The Treasurer is trying to find out the retail value of the wheeled excavator and has asked repeatedly with no answer. Another question with this piece of equipment is the paperwork from the vendor shows they gave us 85% credit for the six-month rental but he stated we rented it for seven months and need 85% credit for the seventh month. These items discovered need to be addressed by the Public Works and/or Finance Committees.

Executive Session – A motion to enter an executive session to discuss matters leading to the employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person was moved by Mr. Hogan, seconded by Mr. Middleton and adopted. Mr. Shay opposed. A motion to return to regular session was moved by Mr. Hogan, seconded by Mr. Middleton and adopted. No action was taken in the executive session.

Chris DeBolt, County Administrator, stated two requisitions came into the Purchasing Department for a 4.4 cubic foot refrigerator for \$218 and a microwave for \$129. The request was made by the Public Defender's Office and it was out of the .2 Office Equipment budget line. The Budget Officer suggested bringing this request to the Audit Committee for their recommendation. It was mentioned that the Supervisor's kitchen is across the hall noting that the Public Defender's work odd hours and the possible disruption to the Clerk of the Board's Office with more people utilizing that space. These purchases are under the amount required for Budget Officer approval. The Treasurer stated he has a refrigerator and microwave in his department purchased by staff and the County Attorney has a small refrigerator that he brought in from home. It was noted that the employee breakroom in the basement with a refrigerator, microwave, tables and vending machines is always open. The Budget Officer stated he referred this request to the Audit Committee because if purchased the voucher would be in audit for review and approval and feels there would be a lot of questions especially with the mind set he is trying to promote in the County as far as reigning in spending that is not necessary. The Treasurer stated this is a stretch trying to purchase a refrigerator and microwave out of an office equipment line. Chairman Moore agrees with the Clerk on not increasing the use of the kitchen with confidential paperwork and conversations that take place in the Supervisors area. The direction from the committee was not to approve the refrigerator and microwave request.

Jack McMillan, Acting DPW Superintendent, joined the meeting and Ty McLenithan, Shop Manager, was not available. Mr. McMillan stated he has shared the information he has on the wheeled excavator purchase with the Treasurer. The Treasurer stated he is looking for the retail value of the equipment. Several items on the wheeled excavator were add-ons. Chairman Moore asked Mr. McMillan to call the vendor and ask for a bill of sale listing the base price and each of the items added on and the associated costs; retail price. The Treasurer from the paperwork cannot determine what

the County took possession of and no documentation on the retail price. Mr. McMillan will contact the vendor for the requested information.

The Treasurer stated procurement in the Department of Public Works was not handled correctly/mismanagement and a lot of this came out during the State audit. He stated the final Audit Report issued is probably not a complete representation of what they found.

Chairman Moore stated these items discussed today need to be referred to the Public Works and Finance Committees for consideration. The Treasurer stated the 2018 budget request for DPW included \$25,000 for the purchase of surplus Army vehicles and if you do not want to continue that practice of purchasing out of audit then that should be addressed. The committee is recommending that the Finance Committee consider if DPW should be able to spend within their allotted equipment budget, not questioned on what they are purchasing, or should they only be allowed to purchase what they specifically requested to purchase in their budget and look at do they want to continue the practice of allowing purchase of surplus vehicles out of audit. By the time audit reviews, the voucher for payment, the purchase has already occurred. The Public Works Committee should look at making sure equipment purchases are made from an equipment account and from the proper fund, address the rent to own practice and bidding practices, and an explanation of why the two glider kits were reported as in service when they are currently not in the County possession/not taken delivery of them. Why don't we have them yet. The County Administrator stated that the fixed asset paperwork stating in service might be an innocent mistake having just been done procedurally by staff.

Mr. Shay questioned the different prices for diesel fuel at the various Highway Barns. The County Administrator stated this is purchased off state contract stating perhaps there is a delivery charge.

The County Administrator suggested having all departments report out on their equipment plan; a list of what items were budgeted for purchase.

The committee completed the auditing the bills.

OTHER BUSINESS: None.

A motion to adjourn was moved by Mr. Rozell, seconded by Mr. Shay and adopted. The meeting adjourned at 11:23A.M.

Debra Prehoda, Clerk
Washington County Board of Supervisors

SUMMARY OF ACCOUNTS PAYABLE BY FUND

Submitted For Audit Committee Approval

Meeting Dated 3/14/18

<u>FUND</u>	<u>AMOUNT</u>	<u>DATE</u>
GENERAL	\$1,164,346.10	03/14/18
SOLID WASTE	\$34,631.43	03/14/18
CAR POOL	\$121,155.03	03/14/18
COUNTY ROAD	\$290,082.15	03/14/18
COUNTY ROAD MACHINERY	\$321,677.05	03/14/18
SEWER DIST NO 1	\$2,000.00	03/14/18
SEWER DIST NO 2	\$54,926.71	03/14/18
CAPITAL CONSTRUCTION	\$148,222.46	03/14/18
<u>Workers Compensation (S)</u>	\$95,678.00	03/14/18
<u>TOTAL ALL FUNDS</u>	<u>\$2,232,718.93</u>	

SPECIAL AUDIT PAID 03/01/18

GENERAL	\$36,245.28	03/01/18
CAR POOL	\$1,781.75	03/01/18
COUNTY ROAD MACHINERY	\$4,215.84	03/01/18
SEWER DIST NO 1	\$54.76	03/01/18
SEWER DIST NO 2	\$9,564.16	03/01/18
<u>TOTAL</u>	<u>\$51,861.79</u>	

PRELIMINARY TOTAL AMOUNT PAID OUT OF AUDIT

WITH APPROVAL OF COUNTY AUDITOR

	<u>AMOUNT</u>	<u>DATE</u>
	<u>\$1,336,788.16</u>	02/14/18-03/13/18
<u>Grand Total Presented to Audit Committee</u>	<u>\$3,621,368.88</u>	03/14/18

TOTAL NUMBER OF VOUCHERS BEFORE COMMITTEE = 978

DM.5130.2070 Equipment - Vehicles

CAPITAL TRACTOR, INC.	2016 DOOSAN EXCABATOR 1/3/17	Check	4997	173,283.47
ZWACK, INC	(#56150)2016 EVEREST 15'CENTER CONVEYOR BODY 1/31/17	Check	5210	96,995.00
TRACEY ROAD EQUIPMENT, INC	(INV#10600001320)2018 WESTERN STAR TRUCK TRACTOR 10/31/17	Check	5724	91,606.00
TRACEY ROAD EQUIPMENT, INC	#M10600001301 TRUCK TRACTOR 7/31/17	Check	5660	91,606.00
ZWACK, INC	(#56254) 2016 SANDER W/ACCESSORIES 2/23/17	Check	5210	77,995.00
ROBERT GREEN TRUCK DIVISION	(INV#C002774)2017 RAM TRUCK 10/12/17	Check	5715	58,802.80
ROBERT GREEN TRUCK DIVISION	(INV#C002772)2017 RAM TRADESMAN CREWCAB 10/12/17	Check	5715	33,181.50
BSC FINANCE 6TH FLOO NYS OFFICE OF GENERAL SERVICES	(INV#2600001659)USED FREIGHTLINER TRUCK - OGS 8/18/17	Check	5571	8,311.15
TRUIS, INC.	INV#SI035062 SPREADER 3/3/17	Check	5274	5,555.00
DEJANA TRUCK & UTILITY EQUIPMENT CO. INC.	(INV#420096)2017 HYDRAULIC SNOWPLOW 10/30/17	Check	5690	5,355.00
DAVE WARREN CHRYSLER DODGE JEEP RAM	TRUCK CAP INV#109	Check	5301	3,575.00
T & T SALES, INC.	(INV#34196) SLIDEZILLA - SLIDING BED PLATFORM W/CAP 7/20/17	Check	5581	1,484.00
BSC FINANCE 6TH FLOO NYS OFFICE OF GENERAL SERVICES	INV#2600001565 USED TRUCK TRACTOR	Check	5322	1,000.00
SAMSARA NETWORKS, INC.	(#1629)GPS SYSTEMS -20 MORE 1/26/17	Check	5218	14,905.07
SAMSARA NETWORKS, INC.	INV#1793/1797 EQUIPMENT PURCHASE	Check	5329	10,354.00
PROFESSIONAL PAVEMENT PRODUCTS, INC. .	(#175664)2016 SIGN RTOFLECTOMETER 1/16/17	Check	5117	5,433.95
MOHAWK RESOURCES LTD	(INV#42308)OIL HANDLER/ANTIFREEZE HANDLER 8/16/17	Check	5563	3,290.32
ZWACK, INC	INV#56621 BURNING MACHINE 6/27/17	Check	5529	2,500.00
TIFCO INDUSTRIES	(INV#71280989)IBEAM SUPERCLAMP 8/2/17	Check	5582	2,459.31
C/O BLUE TARP FINANC NORTHERN TOOL & EQUIPMENT	INV#38972423 AIR COMPRESSOR 11/2/17	Check	5781	1,799.99
WALLACE SUPPLY CO, INC	(#90387) WACKER TRASH PUMP 6/21/17	Check	5476	1,548.69
C/O BLUE TARP FINANC NORTHERN TOOL & EQUIPMENT	(INV#38716721)FUEL/OIL HOSE REEL 10/23/17	Check	5710	1,409.94
CURTIS FEED & FARM	(#33037) CUT SAW 2/28/17	Check	5157	989.95
INC. NORTHEAST PETROLEUM TECHNOLOGIES	(INV#109621) KESTOP KEY ENCODER 8/18/17	Check	5569	865.82
CURTIS FEED & FARM	(#33305)CUTTING CART W/WATER TANK 5/20/17	Check	5425	680.97
Richland Industries TOOLS UNLIMITED	(#79810) SEAL/WEAR SLEEVE INSTALLER 6/29/17	Check	5469	571.00
C/O BLUE TARP FINANC NORTHERN TOOL & EQUIPMENT	(#37119108/37119112) CHAIN SAWS(2) 1/19/17	Check	5111	466.96
				696,025.89

531,485.47

117,264.45

25,259.07

22,016.90

2017 Vehicle Purchases

DM.5130.2070 - Vehicles

GPS	Samsara	\$14,905.07	not in 2017 spending plan. Authorized by B/O 01/19/17. Unknown if bids were done at this time.
	Samsara	\$10,354.00	not in 2017 spending plan. Authorized by B/O 03/27/17. unknow if bids were done at this time
		<u>\$25,259.07</u>	
non-Vehicle purchases	various	\$22,016.90	various pieces of equipment i.e. compressors and chain saws which should not have been purchased out of this account Budget Officer transfer executed for the purchase of compressor
2007 Freightliner 120	NYS OGS	\$1,000.00	purchas of surplus equipment. b/o signed 04/13/17 parts & labor to date. Engine is in. Need to put on hood and air cleaner. Aprox 8-10 hours labor left to do. These costs not reflected in the vehicle expense account.
		<u>\$23,817.00</u>	
		\$24,817.00	
Freightliner Truck Tractor	NYS OGS	\$8,311.15	purchase of surplus equipment per Res no 161 of 2015 as out of audit purchase. B/O signed 06/08/17 parts & labor to date. These costs are not reflected in the vehicle expense account.
		<u>\$8,173.98</u>	
		\$16,485.13	
2017 Dodge Ram 5500 4X2	Robert Green Truck	\$58,802.00	not included in 2017 spending plan. b/o signed 03/17/17. piggyback nys ogs contract.
2017 Dodge Ram 3500 4x4	Robert Green Truck	\$33,181.50	not in 2017 spending plan. b/o signed 04/12/17. piggyback off Onondaga Co. bid.
Fishe 9' Plow	Dejana Truck	\$5,355.00	not in 2017 spending plan. b/o signed 09/20/17. Bidding compliance unknown.added to 2017 Dodge Ram Truck 3500
		<u>\$38,536.50</u>	
2017 Tornado Spreader	Trius Inc.	\$5,555.00	not in 2017 spending plan. Signed by b/o 02/24/17. bidding compliance unknown equipment to be attached to unknown
2017 sidezilla sliding bed platform	T&T Sales , Inc.	\$1,484.00	not in 2017 spending plan. Signed by b/o 06/29/17. bidding compliance unknown. Equipment to be attached to unknown (Dodge 1500 white) most probably a car pool vehicle.
2017 Knap Truck Cap	Dave Warren Crysler	\$3,575.00	not in 2017 spending plan. Signed by b/o 10/26/16. bidding compliance unknown. Equipment to be attached to unknown. Purchased for a Dodge Ram 1500 that was purchased out of Car Pool Fund
Body wing & Plow	Zwack	\$96,995.00	Purchased for a glider kit purchased in 2016. These were 2016 funds encumbered into 2017 and paid. b/o signed 08/30/16
	New York Truck & Equipmer	\$91,606.00	oriognal truck purchse in 2016. Listed in Service Granville Barn
		<u>\$28,933.37</u>	parts & labor added. Not paid out of vehicle expense line
		\$217,534.37	
Body wing & Plow	Zwack	\$77,995.00	Purchased for a glider kit purchased in 2016. These were 2016 funds encumbered into 2017 and paid. b/o signed 08/30/16
	New York Truck & Equipmer	\$91,606.00	oriognal truck purchse in 2016. Listed in Service Fort Edward Ba
		<u>\$30,321.80</u>	parts & labor added. Not paid out of vehicle expense line
		\$199,922.80	

Western Star Truck Tractor Dump Wing & Plow	Tracey Rd. Equipment Zwack	\$91,606.00 \$94,995.00 <u>\$186,601.00</u>	glider kit. Reputed as dump truck with plow in 2017 request. b/o signed 02/10/17. Truck is listed as in service Putnam DPW Highway, but has not yet had dump wing and plow installed. Is still at Tracey Equipment dump wing & plow pendig install from Vendor
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Western Star Truck Tractor Dump Wing & Plow	Tracey Rd. Equipment Zwack	\$91,606.00 \$94,995.00 <u>\$186,601.00</u>	glider kit. Reputed as dump truck with plow in 2017 request. b/o signed 02/10/17. Truck is listed as in service Cambridge DPW Highway, but has not yet had dump wing and plow installed. Is still at Tracey Equipment dump wing & plow pendig install from Vendor
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Doosan DX190W Wheeler Excavator	Capital Tractor	\$201,003.47 -\$27,720.00 <u>\$173,283.47</u>	purchase off nys contract award. b/o signed 01/04/17. was previously rental from 06/20/16-01/19/17 at a rate of \$4,950.00 per month.for a total of \$34,650. Quote states that we received 25% discount from msrp. This means the excavator would retail for \$210,775.; the quick coupler for \$21,100.; ditching buck for \$6054.; used bucket for \$11,147.; for a total of \$249,076. with an additional \$3,650. in freight and full waranty of \$3,148.. The original quote for this equipemt was 186,806.65 after discount and before freight and warranty. this would be \$193,604 with freight and warranty.. rental credit given off purchase price at 80% of rental payments credit was quoted as 85% of 6 months payments we received 80% of 7 months of payments
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2017 non-vehicle problem

Plate Teamper Rent-to-Own	Admar	\$4,767.25 \$5,183.80 <u>\$9,951.05</u>	where to start...these were not part of a 2017 equipment plan, they were charged to a .4 expense account rather than a .2 expense account. The first 7 payments were listed as rental until the final payment referenced that we would now own they. The purchase order is listed as "verbal steve haskins". bidding compliance unknown.
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2016 Vehicle Purchases

New Holland T4B Tractor	Capital Tractor	\$81,095.00 -\$26,078.50 \$65,262.00 -\$8,039.30 -\$30,000.00 \$5,426.00 <u>\$87,665.20</u>	DM.5130.2070 - Vehicles b/o signed 06/10/16. NYS OGS contract pricing ogs discount b/o signed 06/10/16. NYS OGS contract pricing ogs discount trade in freight
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New Holland T4020 Tractor Alamo Dside Flail Mower	Capital Tractor	\$25,000.00 \$8,500.00 <u>\$33,500.00</u>	b/o signed 11/08/16. advertised in paper 10/20/16 only one bid received This tractor was rented for 2 months prior for \$5,000 per month for a total of \$10,000. It only costs \$4,950 per month for a wheeled excavator. There was 2051 hours reported on this tractor.
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