

TOWN BOARD

The Town Board, Town of Highlands, held a meeting on Monday, February 14, 2011 at Town Hall, 254 Main St, Highland Falls, NY 10928 at 7:00pm.

PRESENT:	Edward Magryta	----	Supervisor
	Holly Gokey	----	Council Member
	William Edsall	----	Council Member
	Laurie R. Tautel	----	Council Member
	Mervin R. Livsey, Jr.	----	Council Member
	Justin Rider	----	Counsel
	June Patterson	----	Town Clerk

Supervisor Magryta opened the meeting at 7:00pm.

Council Member Gokey announced that Mr. & Mrs. Tom Burley recently celebrated their 69th wedding anniversary and Mr. Burley's 95th birthday.

Council Member sent condolences to Tax Receiver Nick Podias and his family on the loss of his father-in-law.

Supervisor Magryta said the Town received the State Audit Report, which will be reviewed with everyone. The Supervisor said that after the report is read, the public will have an opportunity to comment.

PUBLIC COMMENT

Greg Madigan said it is a good policy for the Town to know when and where the money is spent and he thanked Supervisor Magryta and Comptroller Blauvelt for all their work.

Frank Cassano said that the past seven supervisors did not fulfill their obligations. He told Supervisor Magryta to keep up the good work.

Council Member Edsall reminded everyone that the Town Board requested the audit.

June Gunza would like to see the Board work together. She also would like the Board to be given all documents that are given to the Supervisor and be privy to all discussions.

Supervisor Magryta said the Board is notified of things and receive all documents.

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OFFICE OF THE STATE COMPTROLLER REPORT

Supervisor Magryta said that it is going to be a long process to get the Town back in order. The Supervisor said that the Fiscal House is the number one priority.

Supervisor Magryta asked Justin Rider to begin reading the report.

Mr. Rider began reading the report.

Supervisor Magryta said that the Town had 30 days to respond to the draft report. All Board members met with the auditor and agreed that everything in the report was correct.

Mr. Rider began reading the Board Oversight.

Supervisor Magryta said that the most shocking statement in the report stated that “the Board failed to protect the interests of the Town taxpayers by not adequately monitoring the Town’s fiscal affairs”.

Mr. Rider continued reading the report.

Supervisor Magryta said that in March of 2007, the former Supervisor was given instructions and concerns from the Town Attorney that something was wrong in the Comptroller’s office and it needed to be addressed.

Mr. Rider continued.

Supervisor Magryta said that the Comptroller is into 2006 with the bank reconciliations, but the Board cannot review anything until the Comptroller has gotten to 2011.

Mr. Rider continued.

Supervisor Magryta said that many departments receive cash without any records. The Supervisor stated that no one is being accused of any misdoing, but the auditors will notify the Board if they find any money missing.

Mr. Rider continued.

Supervisor Magryta stated that he doesn’t understand how the previous Boards did not know the responsibilities of the job. The Supervisor said that the auditor from 2000 said that he was doing audits from 2-3 years prior.

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Mr. Rider began reading the Recommendations for Board Oversight.

Supervisor Magryta said that training is available this year with the Association of Towns and other schools.

Mr. Rider finished reading the Recommendations and began reading Cash Receipts and Disbursements.

Supervisor Magryta said that when money is not recorded, it makes it difficult to budget.

Mr. Rider continued.

Supervisor Magryta said that the Town was writing checks without having any idea what was available. The Supervisor stated that the Town now has a Cash Receipt Policy.

Mr. Rider read the Recommendations for Cash Receipts and Disbursement and began reading Purchasing.

Mr. Rider read the Recommendations for Purchasing.

Supervisor Magryta said that it makes sense to bid out any service to get the best price.

Mr. Rider began reading Financial Reporting and Auditing.

Supervisor Magryta said that the Board must ensure that the Town's reporting and auditing requirements are met.

Mr. Rider continued.

Supervisor Magryta stated that he does not understand how the previous Boards were able to manage the finances without the reports.

Mr. Rider continued.

Supervisor Magryta said that the State Comptroller sent four notices to the Board about the Annual Report not being filed. The Supervisor said that it was known that there was a problem in 2007, but an accountant was not hired until 2009.

Mr. Rider continued and read the Recommendations for Financial Reporting and Auditing.

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Mr. Rider finished reading the report.

Supervisor Magryta said the previous Town Board had the opportunity to take a look at the last audit for the Receiver of Taxes and make a list of things to prevent missing money, but acknowledged in 2007 that the job did not get done. The Supervisor said that this Board will put a report together so this situation will not happen again.

Supervisor Magryta said the Town will need to spend approximately \$5,000 to have an audit done. The Supervisor stated that the cost of retirement needs to be budgeted for. The Supervisor said that it is going to take about 1-2 years to get the Town back to where it would have been in January 2010. The Supervisor stressed that everything the Town is going through was preventable.

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Council Member Livsey:

Council Member Livsey said that this is a serious matter. Mr. Livsey admitted that he is not very good with financial matters and that his priorities are with the children and representing the community. Mr. Livsey offered the following suggestions: 1) all the Board members be liaisons to the Comptroller's office; 2) a separate meeting held each month to discuss financial matters; 3) each Board member receive all financial documents at the same time that the Supervisor gets them; 4) the Board members be notified of any legal matters that involve the Town attorney at the same time as the Supervisor; 5) like a suggestion box in the Town Hall for all Board members, not just the Supervisor.

Supervisor Magryta said that if a member of the community wants to address something to a particular person, they have that right.

Council Member Edsall:

Council Member Edsall said that he agrees with all the information in the document and reminded everyone that the Board asked the State to do this. Mr. Edsall encouraged the residents to look at other Town's audits on line.

Council Member Tautel:

Council Member Tautel said that when she received notice that the reports were not done in 2009, she took steps and worked with the previous comptroller to try and fix the situation.

Council Member Livsey:

Council Member Livsey stated that there has been a lot of criticism of the past Board, but they also made many accomplishments.

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SUPERVISOR MAGRYTA:

Supervisor Magryta said that the financial condition is the number 1 consideration of the Board. The Supervisor said that 95% of the documents that he receives from the Comptroller also go to the Board members. The Supervisor said that the other 5% of the documents have been requested, for his use, from the Comptroller.

Supervisor Magryta said that it is the Board's responsibility to manage \$6 million and he recommended that the Board review all the expenditures. The Supervisor stated that there were talented people on previous Boards, but not everyone has the talent to be a Board member.

PUBLIC COMMENT

Victor Crapanzano said that the Town has no control over West Point. Mr. Crapanzano said that according to the audit the Board should be full time and the main issue is the doubling of the Supervisor's salary.

Frank Lilos said he applauds the Board and that no one person can be blamed for the ball being dropped. Mr. Lilos said that he believes that Ms. Blauvelt deserves the raise and that if the Supervisor and Board are doing their job, then they deserve the money also. Mr. Lilos believes that if everyone works together the community can be brought back.

Jim Grant thanked the Board for the decrease in his taxes.

Jay O'Dell asked who the liaison to the Comptroller's office was.

Council Member Tautel said that she was the liaison for one year and when the problem was discovered she notified the Supervisor and Board. Ms. Tautel said that things are being discovered daily by the new Comptroller.

Council Member Edsall said the problems go way back.

Mr. O'Dell wants to make sure the problems do not continue.

Council Member Livsey assured Mr. O'Dell that this would not happen again and that everything is being done to fix it.

Ann Scott said that the residents should be asking questions about their money. Ms. Scott said that the Board should move forward.

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June Gunza said that most of what the report said is standard operating procedure for financial. Ms. Gunza believes it needs to be address, but would like everyone to stop pointing fingers.

Jon Blanc said that the Board is doing a great job, but they do not seem united.

Supervisor Magryta said there are serious trust issues on the Board and he hopes that they improve.

Council Member Livsey said that each Board member has their own qualifications. Mr. Livsey would like everyone to respect each others' opinions.

Supervisor Magryta scheduled a special meeting for Thursday, February 17 at 7:30pm.

EXECUTIVE SESSION

Council Member Livsey made a motion seconded by Council Member Gokey to go into executive session. Board went into executive session at 10:20pm.

MOTION CARRIED: 5-ayes (Magryta, Gokey, Edsall, Tautel, Livsey)
0-nays

Council Member Tautel made a motion seconded by Council Member Edsall to close the executive session. Executive session closed at 10:51pm.

MOTION CARRIED: 5-ayes (Magryta, Gokey, Edsall, Tautel, Livsey)
0-nays

Council Member Edsall made a motion seconded by Council Member Tautel to adjourn the meeting. Meeting adjourned at 10:52pm.

MOTION CARRIED: 5-ayes (Magryta, Gokey, Edsall, Tautel, Livsey)
0-nays

Attest,