
AUDIT REPORT

DUTCHESS COUNTY

MAINTENANCE IN LIEU OF RENT (MLR) REPORT



AUGUST 2026



OFFICE OF THE
DUTCHESS COUNTY COMPTROLLER
DAN AYMAR-BLAIR, COMPTROLLER

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Comptroller

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Brian D. Kelly
Deputy Comptroller

Aileen Wagner
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Dear County Officials and Taxpayers,

The Dutchess County Comptroller's Office has completed an audit report of the 2025 Maintenance in Lieu of Rent (MLR) report, produced annually by the Department of Public Works (DPW). DPW compiles this data to compute occupancy-related costs, such as repair, janitorial, and security services for the maintenance of County-occupied buildings. These costs may be billed to departments that are able to claim such expenses as direct program costs for the purpose of receiving state and/or federal revenue. This analysis is also important to accurately bill entities that occupy space in County buildings, identify costs for the Airport and Public Transit enterprise departments, and to verify the information which is used in preparation of the County's Indirect Cost Allocation Plan (ICAP).

Our objectives were to validate the process and prepared calculations, review the billings for accuracy, confirm collections, and recommend process improvements. DPW has streamlined their process over the last few years to ensure they are capturing and analyzing the needed data. Our review found minor calculation errors that DPW immediately corrected and were included in the final reports.

A total of **\$10.4 million** was identified as maintenance in lieu costs which is an increase of **\$419,332** over 2024 costs. DPW provided detailed explanations for the increased costs and these explanations are included in **Exhibit II**. The Comptroller's Office continues to encourage departments to budget for actual MLR costs in order for DPW to recoup the costs incurred for building maintenance.

It has also been recommended that MLR-related expenses be recorded with a greater degree of accuracy in order to better track the expenses within the County's financial system.

Approximately **\$2 million** was billed by DPW between County departments, contract agencies, and the Unified Court System. Of the amount billed, a total of **\$1.5 million** was received as revenue. It is a goal to maximize revenue for the County and all potential opportunities to increase reimbursements from outside sources should be explored.

We appreciate DPW's professionalism and assistance in accommodating our Office's requests for information needed to conduct this audit.

Respectfully submitted,



Dan Aymar-Blair
Dutchess County Comptroller

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I. BACKGROUND AND ORGANIZATION

The Dutchess County Department of Public Works (DPW) prepares an annual report detailing the Maintenance in Lieu of Rent (MLR) costs. Maintenance in Lieu of Rent is a procedure for computing occupancy-related costs, such as repair, janitorial, and security services for the maintenance of County-occupied buildings processed by the DPW Buildings Division. The data compiled in the MLR report is primarily used to:

- Bill County departments which may be able to claim state and federal revenue
- Bill contract agencies that occupy space in County buildings
- Identify costs for the enterprise funds (Aviation and Public Transit)
- Have the information available for the preparation of the Indirect Cost Allocation Plan (ICAP)

A total of **\$1,955,857** was billed by DPW as follows: County departments - **\$1,272,692**, contract agencies - **\$119,091**, and the Unified Court System - **\$564,074**. Of the amount billed, a total of **\$1,501,226** was received as revenue by DPW. Additional funds are received via the indirect cost claim for the Department of Community & Family Services as part of the Indirect Cost Allocation Plan (ICAP).

II. AUDIT SCOPE

This audit was conducted to review the processes and information utilized by DPW to prepare the Maintenance in Lieu of Rent report for the year ending 2025. A total of **\$10,368,406** was recorded as MLR expenses for 2025, which is an increase in expenses of **\$419,332** from 2024. Attached as **Exhibit I** is the listing of MLR costs by building location. **Exhibit II** describes explanations for the year-to-year variances in MLR expenses for selected locations.

III. OBJECTIVES

- To validate the information prepared by DPW.
- To review the billings to County departments and agencies for accuracy and completeness.
- To confirm the County revenue amounts received from the billings.
- To identify/recommend possible additional revenue sources.

IV. METHODOLOGY

DPW's process for obtaining the MLR information regarding expenses was reviewed. The billing information and the subsequent receipts were examined. Documentation received from DPW was compared to the County's financial management system and was verified for accuracy.

V. SUMMARY FINDING

The calculations, allocations, and summary of data for the 2025 MLR were accurate. Minor anomalies identified during our analysis were corrected by DPW Finance for this final presentation.

VI. EXPENSE AND CONTRACT REVIEW

DPW primarily captures the information for the MLR for labor costs and other transactions from two internal reports within the County's financial management system: The Project Transaction Report and the Project Time and Attendance Report. Both reports are run quarterly to account for all expenses associated with each building location.

Observations:

- Total salaries reported were verified against the County's financial management system. DPW's methodology uses an average hourly rate (by employee) to allocate the number of hours worked at each location for building staff.
- Total amounts billed were verified against the total expenses reported on the MLR for the Enterprise Fund locations. Insurance costs are not billed as they are paid directly.
- The Comptroller's Office completed a preliminary review of the report and calculation/formula anomalies were corrected before final submission.

Findings:

- The Department of Mental Health and the Medical Examiner's Office did not pay their MLR costs to DPW.
- Multiple project names are currently being used for one MLR location in the County's financial management system.

Recommendations:

- Departments are encouraged to budget for MLR costs in order for DPW to recoup the costs incurred for building maintenance.
- To ensure all MLR related expenses are recorded accurately, one project name per MLR location should be established and used to track the MLR-related expenses within the County's financial management system.

VII. BILLINGS TO DEPARTMENTS/AGENCIES

DPW bills reimbursable County departments and selected contract agencies on a quarterly basis. The contract agencies that are not billed, pay per an executed lease agreement. Reimbursement for County departments may include state or federal revenue sources. In 2025, a total of **\$1,272,692** was billed to County departments, of which **\$818,061** was received and a total of **\$119,091** was received from contract agencies.

Exhibit III shows the rental billings to contract agencies. **Exhibit IV** shows a three-year historical review of billings to County departments.

In addition to the County departments and contract agencies, DPW claims selected courthouse cleaning and minor repair expenses to the New York State Unified Court System (NYS UCS). In 2025, a total of **\$564,074** was billed and received for the period of April 2024-March 2025.

Observations:

- Total invoice amounts billed and revenues received were verified against the County's financial management system.
- A new lease agreement between Astor Services for Children and Families and Dutchess County has been established for use of space at 223 Main Street in Beacon under C#25-0420-12/28-DMH.

VIII. DEPARTMENT RESPONSE

SUE SERINO
COUNTY EXECUTIVE



DAVID C. WHALEN
ACTING COMMISSIONER

DUTCHESS COUNTY GOVERNMENT
DEPARTMENT OF PUBLIC WORKS

August 28, 2026

Dan Aymar-Blair, Comptroller
County Office Building, 4th Floor
22 Market Street
Poughkeepsie, NY 12603

RE: 2025 Maintenance in Lieu of Rent (MLR) Audit Report

Dear Comptroller Aymar-Blair:

Thank you for the opportunity to provide comments on the 2025 MLR Audit Report. The Department of Public Works, through its Finance Division, is responsible for the MLR process. The Department's Buildings Division staff populates the MLR program with employee time and expenses allocated to each county building and/or project.

Generally, the report appears to be complete and accurate. The Department acknowledges the observations, findings, and recommendations for managing the MLR process. I wish to acknowledge former DPW Director of Fiscal Services Mary Aldrich, current Director Carol Acevedo and her involved fiscal staff, and DPW Building Administrator Brendan McAllister for their efforts to make the MLR process efficient and accurate, and for cooperating with the Comptroller's Office in the preparation of this report.

Sincerely,

A handwritten signature in blue ink, appearing to read "D. C. Whalen", is written over a faint, larger blue ink signature.

David C. Whalen
Acting Commissioner

c: Carol Acevedo, DPW Director of Fiscal Services
Brendan McAllister, DPW Buildings Administrator

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EXHIBIT I - MLR BY LOCATION

2025 Maintenance in Lieu of Rent	2025 Amount
10 Market St. - CH	\$666,788
100/108 Parker Ave. - Veith Bldg/ LEC	142,731
112 Delafield St. - Elections	25,608
114 Delafield St. - Aging	53,968
14 Commerce St. - Public Transit	169,239
140 North Hamilton St. - 1995 Former Jail Site	264,616
150 North Hamilton St. - JTC	343,370
168 Washington St. - Medical Examiner	117,441
170 Washington St. - Records	128,546
22 Market St. - COB & Booth Coverage	1,616,422
26 Oakley St.	87,231
228 Main St. - Comm. of Jurors	123,892
230 North Rd. - Mental Health	715,912
236 Main St. - Court House Annex	489,587
278 Mill St. - Grand Jury	78,829
35 Montgomery St. - YOU Center	11,747
378 Violet Ave. - Central Services	48,493
392 Creek Rd. - Emergency Response	251,830
45 Jackson St. - Public Defender	12,111
45 Market St. - Public Defender	89,980
50 Market St. - Probation	967,193
503 Haight Ave. - OCIS	228,590
60 Market St. - DCFS	787,355
85 Civic Ctr Plaza - Health*	105,311
85 Civic Ctr Plaza - Planning	18,910
85 Civic Ctr Plaza - Youth Bureau	2,998
Airport	397,196
Amenia Outpost	50,318
Auto Center**	108,580
Beacon Center	360,710
Beekman Outpost	26,596
BOE Warehouse	50,818
Camp Nooteeming	165,545
Cheney Drive	17,563
Clove Mountain - Emergency Response	1,922
Consumer Affairs	23,244
DMV Millbrook	8,543

EXHIBIT I - MLR BY LOCATION, CONT.

2025 Maintenance in Lieu of Rent	2025 Amount
DMV Wappinger Falls	10,937
Eastern Dutchess Government Center	424,546
Farm and Home Center	139,887
Highway - 626 Dutchess Tpke	738,740
Homeless Shelter Pods	85,645
Intermodal - Public Transit	12,678
Millbrook Outpost	23,045
MLR Solar Credit - applied	(248,978)
Parks - Quiet Cove	35,823
Parks - Bowdoin	131,636
Parks - Wilcox	77,186
Parks - Pocket Park	4,249
Parks - Upper Landing	11,894
Parks - War Memorial Main St.	7,539
Picnic/Aging	14,617
Pine Plains Outpost	13,292
Rail Trail	0
Rhinebeck Outpost	15,153
Stadium	104,537
Unallocated Difference	289
Veterans Affairs - Pleasant Valley	4,520
Wastewater Authority	1,438
Total	\$10,368,406
*Includes Family Partnership Health Clinic	
**Includes Electric Vehicle Charging Stations and PBS - Petro Bulk Storage	

EXHIBIT II - SUMMARY OF LARGE YEAR-TO-YEAR DIFFERENCES

2025 Location	YTY Difference	Comments
10 Market St. - Courthouse	\$31,167	Increase in overall costs due to various repairs of the site
22 Market St. - COB & Booth Coverage	\$65,506	Increase in overall costs due to various repairs and maintenance of the site
100/108 Parker Ave - Veith Bldg/LEC	(\$113,891)	Decrease due to boiler replacement project that occurred in 2024
140 North Hamilton St. - 1995 Former Jail Site	\$114,417	Increase in direct costs* due to Central Hudson rate increases, water bill increases, and fire suppression systems preventative maintenance
230 North Rd. - Mental Health	\$121,365	Increase in direct costs (due to plumbing sewer and HVAC work as well as chiller component replacement), offset by decline in liability insurance
236 Main St. - Court House Annex	\$95,882	Increase in direct costs due to painting and carpet replacement
503 Haight Ave. - OCIS	\$46,548	Increase due to meter consolidation as well as HVAC work
Airport	\$59,688	Increased costs due to alarm and gate repair, as well as building code inspections
Beacon Center	\$45,202	Increase in painting and HVAC costs, offset by a decline in costs related to flooring and security systems
Camp Nooteeming	\$63,874	Increase in direct costs as DPW has assumed maintenance responsibility for 2025
Cheney Drive	\$17,563	Increase in direct costs related to evaluation for potential building purchase
EDGC	\$75,844	Increase in direct costs (painting/patching, elevator drive, HVAC, water heater replacement, sign install)
Highway - 626 Dutchess Tpke	\$32,112	Increase in property and liability insurance
Homeless Shelter Pods	\$16,129	Increase due to vinyl flooring and building code inspections
Solar Credit - applied	(\$254,912)	Correcting adjustment received from Central Hudson in 2025 after inaccurate information was provided in prior year
Justifications for the year to year (yty) differences verified by DPW Staff.		
**"Direct costs" refer to personnel, utilities, repair contracts, security systems, building parts, professional services contracts, and liability/property insurance.		

EXHIBIT III - CONTRACT AGENCY RENTAL BILLINGS 2025

Contract Agency Rental Billings			
2025	Billed	Received	Difference
Cornell Cooperative Extension	\$6,407	\$6,407	\$0
USDA	\$27,399	\$27,399	\$0
Access Supports for Living, Inc.	\$55,870	\$55,870	\$0
Rehabilitation Support Services	\$4,800	\$4,800	\$0
Beacon 226 Main St LLC	\$1,440	\$1,440	\$0
Astor Services for Children and Families	\$23,176	\$23,176	\$0
Totals	\$119,091	\$119,091	\$0

EXHIBIT IV - THREE-YEAR HISTORICAL BILLINGS 2023-2025

	2023 Billed and Received	2024 Billed and Received	2025 Billed and Received
Department of Health			
Family Partnership Center	\$1,804	\$2,568	\$1,268
Beacon Center	\$36,447	\$28,635	\$27,498
Eastern Dutchess Government Center	\$14,606	\$14,509	\$27,226
85 Civic Center Plaza	\$7,226	\$20,995	\$17,795
Department of Health Total	\$60,083	\$66,707	\$73,787
Department of Community and Family Services			
140 North Hamilton St.	\$0	\$0	\$29,437
60 Market St.	\$588,827	\$468,672	\$441,995
Beacon Center	\$6,357	\$5,028	\$55,471
Eastern Dutchess Government Center	\$21,804	\$22,493	\$44,890
DCFS Total	\$616,988	\$496,193	\$571,792
Youth Bureau	\$3,264	\$3,264	\$3,264
Airport	\$139,777	\$93,902	\$104,771
Public Transit			
Public Transit	\$62,391	\$66,133	\$53,713
Intermodal	\$5,034	\$26,573	\$10,733
Public Transit Total	\$67,425	\$92,706	\$64,446
Totals	\$887,538	\$752,772	\$818,061

APPENDIX I - GLOSSARY OF TERMS

Anomalies: A sharp or noticeable difference in a pattern of information identified within a data set.

Direct Costs: Expenses that can be directly attributed to the production of specific goods or services. Within the context of the current report (MLR), “Direct Costs” refer to personnel, utilities, repair contracts, security systems, building parts, professional services contracts, and insurance.

Enterprise Funds (ET): Self-supporting government funds that provide goods and services to the public for a fee. They rely primarily upon user charges rather than tax revenue to cover their costs.

Reimbursements: Repayments of amounts paid on behalf of another party.

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