

# **DUTCHESS COUNTY GOVERNMENT**

## **Planning and Development - Agency Partner Grants & Municipal Consolidation & Shared Services Grants**

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### **Audit Report**

**2013 - 2015**

TABLE OF CONTENTS

Comptroller's Overview .....2  
Background and Organization.....2  
Scope and Methodology.....2  
Overall Findings.....2  
Findings .....3  
    Contract Review.....3  
        Term of Agreement Contract Amendments/Extensions.....3  
        Insurance Requirements .....3  
    Dutchess County Community Investment Programs Policies and Procedures.....3  
        Monitoring.....3  
        Fiscal Guidelines .....3  
        Grant Review.....4  
        Procurement Processes .....4  
        Inventory.....4  
    Municipal Consolidation and Shared Services Grant .....5  
EXHIBIT I MUNICIPAL AND SHARED SERVICES GRANTS 2013 - 2015 .....7  
EXHIBIT II AGENCY PARTNER GRANT FUNDING.....8

## Comptroller's Overview

This is the initial review of the Municipal Consolidation & Shared Services Grant Program and the Agency Partner Grant Program which is overseen by the Department of Planning and Development. Since the implementation of these two initiatives in 2013, the Department of Planning and Development has had on-going correspondence and communication with our office on the development of policies and procedures. All funds paid are processed by the Comptroller's Office on a weekly basis; however, ongoing oversight and monitoring of the agencies and municipalities is the responsibility of the Planning Department for adherence with policies and procedures. Additional reviews of funds granted to municipalities will be performed by the Comptroller's Office. Funded agencies are periodically audited by the Comptroller's Office.

## Background and Organization

The Municipal Consolidation & Shared Services Grant Program and the Agency Partner Grant Program were County initiatives in 2013. The programs are overseen by the Dutchess County Department of Planning and Development. The Commissioner of Planning and the Community Investment Specialist were the individuals who provided the primary oversight and monitoring.

The Municipal Consolidation & Shared Services Grant Program incentivize municipal projects through a competitive process that consolidate services, produce shared services, eliminate an entire government entity, evaluate municipal consolidation opportunities and implementation possibilities, establish the regional delivery of services, and/or offer other efficiency improvements.

The Agency Partner Grant Program establishes a process by which Dutchess County awards funding to nonprofit agencies based on unmet resident needs and outcomes.

Exhibit I and II lists the municipalities and agencies, respectively funded for the 2013- 2015 years.

## Scope and Methodology

The two grant programs administered by Dutchess County Planning and Development were audited for the periods 2013 – 2015. The Municipal Consolidation & Shared Services Grant Program and Agency Partner Grant Program were comprised of 100% County dollars. The years listed are the years funds were allocated. Contracts for the Agency Partner Program were for the time periods April 1 to March 31 – a one year period In 2013 and 2014 the Municipal Consolidation and Shared Service contracts were eighteen months, after that the term was 12 months. Extensions were/are possible.

	2013	2014	2015
Municipal Consolidation and Shared Services Grant Program	\$1,899,392	\$787,680	\$993,912
Agency Partner Grant Program	\$705,200	\$676,738	\$718,000

Fifty-one (51) Programs for the Agency Partner Grant Program and Thirty-two (32) projects for the Municipal Consolidation and Shared Service Grant Programs were awarded during the audited time period. The focus of this audit was to review the program funding awarded and review oversight and monitoring practices performed by the Planning department. Established Policies and Procedures were used as a guideline for the audit.

A sample of 12 Agency Partner Grants was reviewed for contract compliance to the policies and procedures for the year. Documentation to support insurance, expense claims, program outcome reports and site visits were reviewed. A sample of 12 Municipal Consolidation and Shared Service Grants were reviewed for contractual/consultant agreements, equipment purchasing and inventory practices.

## Overall Findings

While fiscal requirements for agency partner grants were continuously monitored and evidenced through department records, Policies and procedures established for the grants oversight and monitoring were not uniformly implemented. Oversight and monitoring was more evident in the Agency Partner Grant programs. Additional oversight and monitoring is recommended for the Municipal and Shared Service.

Specific areas where all grants should receive additional attention include insurance compliance, site visits, purchasing and Inventory practices.

## Findings

### Contract Review

Each executed agreement between the county and the contractor (respective agency or municipality) includes the term of agreement, payment clauses, insurance requirements and the Dutchess County Community Investment Programs Policies and Procedures.

### Insurance Requirements

Provisions require contractors to have and maintain the appropriate insurances as stated in the executed agreements. The county requires proof of insurance prior to commencing work under the agreement and that insurance is continually maintained throughout the term of the Agreement. This includes Workers Compensation and Commercial General Liability insurance coverage.

Finding:

At the time of our review, two contractors did not have coverage on file for the full contract term. The Planning department did not have a compliance procedure in place to confirm insurance coverage remained for the term of the contract.

Recommendation:

A system should be developed to monitor insurance coverage.

### Dutchess County Community Investment Programs Policies and Procedures

The Policies and Procedures contain six sections: Goals and Outcomes, Conflict Of Interest, Program Outreach Materials, Reporting, Monitoring, Fiscal Guidelines. Our audit focused on the **Monitoring and Fiscal Guidelines**.

### Monitoring

The policies and procedures, Section V. state "All agencies will have a site visit by Dutchess County Planning and Development at least once during their initial agreement year to determine fiscal adequacy and program quality. Subsequent monitoring will be based on a risk assessment by Dutchess County Planning and Development." Results of a site visit are sent in a follow-up letter to the agency indicating whether the program(s) are in Compliance or Not in Compliance.

Findings:

- Monitoring for the Agency Partner Grant agencies was evidenced by the letters of compliance sent to agencies in 2013, 2014 and 2016. The sample reviewed showed at least one site visit during each agency's initial agreement. We found there was limited site monitoring in 2015. Staff transition appeared to hinder the ability to perform site visits during the staffing transitions.
- There were no site visits for the Municipal Consolidation and Shared Services Grants evidenced. While the Policies and Procedures were attached to each Municipality's agreement, the Commissioner indicated that the document refers to agencies and not municipalities in the wording throughout the policies and procedures: Therefore, it was not a requirement. However, the Commissioner indicated there were meetings with the various municipalities to discuss progress and outcomes.

Recommendations:

- Efforts should be made to ensure site monitoring is continued despite staff changes to ensure proper oversight and monitoring.
- Oversight and monitoring of all grants should be evidenced to ensure funds are expended and used appropriately. We recommend municipalities be monitored with site visits and applicable expense review to ensure compliance.

### Fiscal Guidelines

The Policies and Procedures contain explicit Fiscal guidelines for the payment requests. Chargeable expenditures are limited to expenses directly related to the program delivered, and each category as follows describes what is acceptable to claim: Personnel, Contractor/Consulting Services, Travel and

Meals, Equipment Purchase, Supplies, Other Expenses and Indirect Costs. The Fiscal guidelines also describe the budget modifications, the quarterly claiming requirement and what costs are not allowable.

Findings:

- Adherence to guidelines was tested by reviewing payment requests and the additional information retained by the Planning department to support the quarterly claims. We found the selected sample contained detailed records and in some cases emails and documentation to support payment requests for the Agency Partner Grants.
- We found limited records for the municipal consolidation and shared services grants. Documentation for fixed asset purchases was not detailed to ensure bidding procedures were followed. The Planning Commissioner indicated program outcomes may have been reviewed at meetings.

Recommendations:

- Guidelines and monitoring and oversight for the municipal consolidation and shared service grants should be improved.
- Policies and procedures should be uniformly used for all the Community Investment Programs to ensure best practices are followed and in compliance with the intent of each contract.

**Grant Review**

Municipal Consolidation and Shared Service Grants Reviewed

Observation

- Only one Municipality sharing the benefit signed the contract with Dutchess County. We reviewed documentation to ensure all Municipalities involved were in agreement with the Shared Services agreement. This documentation was available but not part of the contract.

**Procurement Processes**

We requested records to see if Equipment purchases over \$5,000 had three written quotes.

Findings:

- Planning staff indicated "the Municipal Consolidation and Shared Services Grants program did not contain procurement language, nor did it contain language stipulating that copies of quotes be submitted". Therefore quotes were not submitted and the municipality's procurement policies were used.
- The Planning department did not complete a site visit of equipment purchases. The Planning department indicated it was not a requirement during the funding years.

Recommendations:

- The Planning department should consider developing review procedures for quotes, bids and request for proposals as part of a review of the funding given for large asset purchases to incorporate best practices in monitoring and oversight of county funds.
- Verification of equipment purchased with county funds should be conducted via an on-site review.

**Inventory**

Prior to the April, 2015 policies and procedures, an inventory of equipment purchased was not maintained by the Planning department. *Effective April, 2015, Planning instituted the following: An inventory of furniture and equipment over \$1,000 purchased with grant funds....must be maintained and an inventory submitted with each years' final payment request. If activity ceases to operate prior to the end of the equipment's useful life, the item must be returned to the County.*

Finding:

- A centralized Inventory record for all equipment purchased with county funds from the municipal grants was not maintained at the time of our review.

Recommendation:

- o Complete inventory records should be maintained and should include appropriate identification, costs and funding source information.

### **Municipal Consolidation and Shared Services Grant**

Funding is provided to "incentivize municipal projects that consolidate services, produce shared services, evaluate municipal consolidation opportunities and implementation possibilities, establish the regional delivery of services, and/or offer other efficiency improvements."

Grants reviewed:

- ❖ Two grants were awarded to consolidate Firehouses in the City of Beacon.

In 2013, \$30,000 was granted to hire a consultant to develop an implementation plan to consolidate three firehouses, including design schematics, cost estimates and projected cost savings. In 2015, \$200,000 was awarded to implement the consolidation by retaining an architect and engineer to prepare design and construction plans for a new fire station. The consolidation will save money and generate revenue.

- ❖ A grant was awarded to the Town of Poughkeepsie for an Automated Salt Spreader Project.

In 2013, \$357,000 was granted to the Town of Poughkeepsie and Town of Hyde Park to purchase automated salt spreaders. The spreaders are proven to reduce the amount of material (salt) used by spreaders while adequately controlling ice and would result in a direct cost savings and reduction in the environmental impact of salt. In addition, both towns will be evaluating the routing of their vehicles (particularly where they cross shared borders) to identify any potential reassignment of responsibilities for snow removal and salt distribution. The Spreaders were purchased with these funds.

- ❖ A grant of \$200,000 was awarded to the City of Beacon to determine the feasibility, practicality, and advisability of sewer service consolidation with the Village of Fishkill, Town of Fishkill and the City of Beacon. A total of \$196,495 was expended of the \$200,000 grant. The consolidation did not result from this study. However, Planning indicated that while the municipalities decided they would not consolidate, the Consultant report identified and recommended items which could result in savings in other areas.
- ❖ **The Hyde Park Fire and Water District consolidating with Staatsburg Fire District. A total of \$4,677 was expended of the \$15,000 granted.** This grant award was to draft a proposed joint consolidation agreement between the two parties. Funding was partially expended to pay a legal consultant to work with the District Boards. It was determined that consolidation was not feasible at the time due to issues identified by the consultant.
- ❖ Three grant awards to the Village of Wappinger Falls for the collaborative Tri-municipal (Village of Wappinger Falls, Town of Wappinger and Town of Poughkeepsie) Waste Water Treatment System Upgrades. The funds were awarded for the replacement of the aeration technology to a more energy-efficient, higher capacity, modern alternative which will increase the plant's waste water treatment capacity by up to 50% which will permit future economic development in the vicinity.

In 2013, a grant of \$200,000 was awarded for engineering and design for the Tri-municipal wastewater treatment aeration system upgrades. Tri-municipal (Village of Wappinger Falls, Town of Wappinger and Town of Poughkeepsie)

In 2014, a grant of \$200,000 was made towards construction of a new fine bubble aeration system for biological treatment of wastewater at the Tri-Municipal Sewage Treatment Plant.

In 2015, a grant of \$100,000 was made towards completion construction of a new fine bubble aeration system for biological treatment of wastewater at the Tri-Municipal Sewage Treatment Plant.

- ❖ Four grant awards were made to the City of Poughkeepsie in 2013 for projects.

Funding provided \$30,595 for the Fallkill Pedestrian Bridge Project which included installation of a foot bridge to improve access between Waryas and Upper Landing Parks. The completion of the bridge is a critical link to completing the Hudson River Greenway Trail and results in improved pedestrian access to all users.

Funding provided \$80,000 towards the Market Street Regional Transit Hub. The project provides enhanced, regional bus services for riders in the City of Poughkeepsie and throughout the County. The Hub provides a dedicated area for transit vehicles and bus shelters for passengers.

Funding provided \$237,382 towards the Municipal Waste Water Treatment System Upgrade Project to upgrade the Meyer Avenue Sewage Pump Station, creating a more energy and hydraulically efficient system to better serve the needs of properties within the service area.

Funding provided \$130,000 towards a Utility Software Upgrade Project which included installation, implementation, and integration of new water meters with Utility Management Software Suite. The software allows for automated meter readings, improved monitoring of device inventory, and streamlined billing for residents for residents in the City and Town of Poughkeepsie.

**EXHIBIT I MUNICIPAL AND SHARED SERVICES GRANTS 2013 - 2015**

Lead Applicant	Project Name	2013	2014	2015
City of Beacon	Electronic Document and Meeting Management	\$86,734		
City of Beacon	Implementation Plan to Consolidate Firehouses	\$30,000		
City of Beacon	Tri-Municipal Sewer Services Evaluation	\$200,000		
City of Beacon	City of Beacon, Town of Fishkill and Village of Fishkill Police Consolidation Plan		\$90,000	
City of Beacon	City of Beacon Consolidation of Firehouses			\$200,000
City of Poughkeepsie	Fallkill Pedestrian Bridge Project	\$30,595		
City of Poughkeepsie	Market Street Regional Transit Hub	\$80,000		
City of Poughkeepsie	Municipal Waste Water Treatment System Upgrade	\$237,382		
City of Poughkeepsie	Utility Software Upgrade Project	\$130,000		
City of Poughkeepsie	Crisis Intervention Training- Dutchess County Joint Applications			\$246,340
City of Poughkeepsie	Development of Fiscal Improvement Plan			\$40,000
Town of Beekman	Shared Assessor Services	\$25,000		
Town of Hyde Park	Cloud Based Building, Permitting, Code Enforcement, Planning, Zoning Collaboration Software	\$257,205		
Hyde Park Fire and Water District	Consolidation of the Hyde Park Fire and Water District and the Staatsburg Fire District		\$15,000	
Town of Clinton	Shared Electronic Fuel Dispensing System		\$16,180	
Town of Clinton	Municipal Shared Highway Equipment			\$70,000
Town of Dover	Consolidation of IT Services and ECMS Implementation		\$58,500	
Town of Milan	Municipal Shared Highway Equipment		\$265,000	
Town of Milan	Municipal Shared Highway Equipment			\$194,863
Town of Pawling	Shared Fuel Farm	\$48,720		
Town of Pine Plains	Codification of Local Laws			\$16,459
Town of Poughkeepsie	Automated Salt Spreader Project	\$357,000		
Town of Poughkeepsie	Consolidated Salt Spreading Operations		\$63,000	
Town of Red Hook	Highway Shared Services Program	\$79,000		
Town of Rhinebeck	Inter-Municipal Shared Technology Services	\$71,756		
Town of Rhinebeck	Consolidation of Rhinebeck Highway and Maintenance Departments Study			\$45,000
Village of Millbrook	Visual Inspection of Sewer and Storm Water Infrastructure	\$66,000		
Village of Red Hook	Implementation of Recommendations from Highway Shared Services Study			\$81,250
Village of Tivoli	Water/Wastewater System Transfer Feasibility Study		\$80,000	
Village of Wappinger Falls	Tri-Municipal Wastewater Treatment System Upgrades	\$200,000		
Village of Wappinger Falls	Tri-Municipal Wastewater Treatment System Upgrades		\$200,000	
Village of Wappinger Falls	Tri-Municipal Wastewater Treatment System Upgrades			\$100,000
		<b>\$1,899,392</b>	<b>\$787,680</b>	<b>\$993,912</b>

## EXHIBIT II AGENCY PARTNER GRANT FUNDING

Agency	Project Name	2013-2014	2014-2015	2015-2016
Cary Institute of Ecosystem Studies	Research & Public Info	\$20,000		
Catholic Charities Community Services	Homeless Prevention		\$25,000	
Catholic Charities Community Services	Homeless Prevention			\$25,000
Child Abuse Prevention Center	Personal Safety Program		\$10,000	
Child Abuse Prevention Center	Personal Safety Program			\$10,000
Child Abuse Prevention Center	Human Trafficking Research			\$25,000
Child Care Council of Dutchess/Putnam Inc.	Healthy Connections Start in Child Care	\$12,050		
Child Care Council of Dutchess/Putnam Inc.	Choices for Healthy Tomorrow		\$12,050	
Children's Media Project	Drop TV Media Lab & Radio Uprising	\$9,600		
Children's Media Project	After School Media Lab		\$9,600	
Sparks Media Project Inc.	After School Media Lab			\$15,000
Cornell Cooperative Extension DC	Agriculture/Horticulture Program	\$190,000		
Cornell Cooperative Extension DC	Education: Composting/Organics Diversion	\$15,000		
Cornell Cooperative Extension DC	Environment & Energy Program	\$68,000		
Cornell Cooperative Extension DC	4-H Green Teen Community Gardening Program	\$20,808		
Cornell Cooperative Extension DC	4-H Youth Development	\$42,986		
Cornell Cooperative Extension DC	4-H Anti-Bullying Program	\$22,503		
Cornell Cooperative Extension DC	Agriculture/Horticulture Program		\$107,459	
Cornell Cooperative Extension DC	Youth Development-Literacy Assistance		\$45,967	
Cornell Cooperative Extension DC	Youth Vocational Training Program		\$75,000	
Cornell Cooperative Extension DC	Organic Recycling Education and Promotion		\$30,000	
Cornell Cooperative Extension DC	Greenway Compact & Smart Land Use Policy		\$68,000	
Cornell Cooperative Extension DC	CCEDC APG Association Budget			\$340,000
Family Services Inc.	Teen Resource Center		\$14,500	
Family Services Inc.	Domestic Violence Law Enforcement			\$39,000
Family Promise of Mid-Hudson Valley Inc.	Homeless Case Manager/Coordinator			\$10,000
Friends of Seniors of Dutchess County Inc.	Non-Emergency Medical Trans	\$25,000		
Friends of Seniors of Dutchess County Inc.	Non-Emergency Medical Trans		\$30,000	
Friends of Seniors of Dutchess County Inc.	Non-Emergency Medical Trans			\$30,000
House of Faith Ministry Inc. dba House of Hope	Non-Emergency Medical Trans			\$27,000

Hudson River Housing Inc.	Financial Coach	\$47,000		
Hudson River Housing Inc.	Housing Transition Assistance	\$48,000		
Hudson River Housing Inc.	Financial Coach		\$47,000	
Hudson River Housing Inc.	Housing Transition Assistance		\$48,000	
Hudson River Housing Inc.	Financial Coach			\$47,000
Literacy Connections of DC	Adult & Family Literacy	\$24,000		
Literacy Connections of DC	Adult & Family Literacy		\$24,000	
Literacy Connections of DC	Adult & Family Literacy			\$30,000
Mediation Center of DC Inc.	Bullying Prevention Program	\$25,461		
Mediation Center of DC Inc.	Bullying Prevention Program		\$42,982	
Medication Center of DC Inc.	Coalition on Elder Abuse DC	28,462		
Mediation Center of DC Inc.	Bullying Prevention Program			\$35,000
Mental Health America of DC Inc.	Young Adult Transition Program			\$15,000
Northeast Community Council Inc.	Community Partnership w/Schools and Business	\$40,000		
Northeast Community Council Inc.	Food Access Program Initiative: Farm and Food	\$27,180		
Northeast Community Council Inc.	Community Partnership w/Schools and Business		\$40,000	
Northeast Community Council Inc.	Food Access Program Initiative: Farm and Food		\$27,180	
Northeast Community Council Inc.	Community Partnership w/Schools and Business			\$41,000
Northeast Community Council Inc.	Food Access Program Initiative: Farm and Food			\$29,000
Poughkeepsie Public Library District	Teen Geek Squad	\$39,150		
Poughkeepsie Public Library District	Teen Geek Squad		\$20,000	
		\$705,200	\$676,738	\$718,000