

**MINUTES OF THE SPECIAL TOWN BOARD MEETING OF THE TOWN OF THURMAN
HELD FEBRUARY 25, 2009 AT THE TOWN HALL, 311 ATHOL ROAD, ATHOL NEW
YORK, COMMENCING AT 6:00 P.M.**

PRESENT: **MRS. RUTH KELLER**

MR. LEON GALUSHA

MR. LAWRENCE PITKIN

ABSENT: **MR. CHARLES BILLS**

MR. JAMES LIGON

Recording Secretary: **Cynthia R. Hyde**, Town Clerk

The meeting was called to order by **Mr. Lawrence Pitkin, Supervisor**

Roll call of Town Board members by the Town Clerk

Pledge of allegiance to the flag of the **United States**

REPORT FROM THE SUPERVISOR: **Ed Brown** is moving over to highway when **Terry Beadnell** retires. **Tim Arnold** is moving up to loader and **Ed Brown** to laborer. This meeting was called to hire a new maintenance man to replace **Ed**. This maintenance position is for 24 hours each week, the rate of pay is \$10.00 per hour.

EXECUTIVE SESSION: The town board went into executive at 7:03 p.m.

Motion by **Leon Galusha**, seconded by **Ruth Keller**

MOTION CARRIED 3 AYES ~ KELLER, GALUSHA, PITKIN

The town board returned from executive session at 7:25 Motion by

Leon Galusha, seconded by **Ruth Keller**

MOTION CARRIED 3 AYES ~ KELLER, GALUSHA, PITKIN

Supervisor Pitkin said that there were 10 to 12 applicants for this job. **Pitkin** asked that the board pass a resolution to hire **Bruce Tvrdik** for the part time maintenance job. **Pitkin** said that **Bruce** has a good skill base in electrical, plumbing, carpentry and heavy equipment. **Bruce Tvrdik** will start next week. Pitkin said that this was the main reason we called this special meeting. On a motion by **Leon Galusha**, seconded by **Ruth Keller** the town board hired **Bruce Tvrdik** as the part time maintenance person.

MOTION CARRIED 3 AYES ~ KELLER, GALUSHA, PITKIN

NOTE: The Resolution to hire **Bruce Tvrdik** had not been written.

RESOLUTION # 45: To approve the purchase of a purchase order module. **Supervisor Pitkin** discussed the purchasing order module being purchased from Harris computer. **Pitkin** stated that the NYS audit identified the need and we [the board] had identified the need for a purchasing policy. The module will cost \$1,895.00, the maintenance \$375.00, and \$450.00 for installation for a total of \$2,720.00. Motion by **Ruth Keller**, seconded by **Leon Galusha**

MOTION CARRIED 3 AYES ~ KELLER, GALUSHA, PITKIN

TRASH PLANT PERMIT: **Supervisor Pitkin** said that the town pays an annual fee to Washington County for transport of trash. A letter from Washington County concerning the annual fee due to them was misplaced. **Pitkin** asked the board to approve the \$60.00 fee to Washington County. The board members had not been given copies of the trash plant resolution. **Pitkin** thought it hadn't been typed, he said he had the permit but did not have a resolution. There were to be five

resolutions, the board discovered that they had only received three. **Supervisor Pitkin** said that he would have **Norma** do the resolution tomorrow. Pitkin stated that what **Norma** might have thought is that the board was approving the permit and didn't need a resolution. **Councilwoman Keller** brought up that this trash plant fee was due January 31, 2009. **Supervisor Pitkin** said that he called to make sure there was no problem and the Washington county people said that there were about 10 towns that hadn't paid the fee yet. **Pitkin** went on to say that, while he didn't approve of procrastination, apparently, we are not alone in our practice of it. Motion by **Ruth Keller**, seconded by **Leon Galusha** to approve the overdue payment of \$60.00 for the Washington County trash plant permit.

MOTION CARRIED 3 AYES ~ KELLER, GALUSHA, PITKIN

RESOLUTION 46: A resolution to approve the meal allowance for Justice Filomena Riviello. **Supervisor Pitkin** read the resolution which **incorrectly** stated the training dates as **2/27-1/1/09**; **Pitkin** said that it must be **2/27-3/1/09**. Motion by **Ruth Keller**, seconded by **Leon Galusha**

MOTION CARRIED 3 AYES ~ KELLER, GALUSHA, PITKIN

RESOLUTION 47: A resolution to approve the name change from John Haskell to **Lawrence E. Pitkin** on the town credit card. **Pitkin** said that the credit card company needs a resolution to change the name. **Supervisor Pitkin** couldn't use it to buy the new time clock and had to use his own. Pitkin said that our time clock had broken down so we installed one at the town hall. The highway guys found that the motor

was bad on the old one, so they gave him the part number and that was the part he ended up ordering with his credit card. Meanwhile, **Charlie Dingman** and **Ed Brown**, while visiting the business of a friend, noticed an old time clock. Upon asking if it was being used, they were told to take it. Now the town has three time clocks, a new one, an old one and a fixed one. There will now be a time clock at the town hall, the landfill and the highway garage. **Susan Shepler**, the new bookkeeper, will be in charge of monitoring the time cards. **Councilwoman Keller** stated that, when we last spoke, they were going to come over here to use the time clock, because of the lack of punching the time clock in the past. **Supervisor Pitkin** replied that **Pat Wood** had a talk with the guys about this. **Keller** said “time cards that are written in, they don’t get paid, I hope.” **Pitkin** said that we haven’t set that policy, we need to set a policy and will work on it when Jim gets back. Until then it has been on the back burner.

PETTY CASH: **Honorable Filomena Riviello** is requesting \$100.00 petty cash for small items such as stamps. She found that court law allows for \$200.00 but feels \$100.00 would be sufficient. She would submit a summary of expenditures to the board at designated intervals. The board decided to check the Town Law book before making a decision.

PAYMENT OF CLAIMS: Dues for Warren County Assessors association, NYS assessors association and training for two assessors. Motion by **Leon Galusha**, seconded by **Ruth Keller**

MOTION CARRIED 3 AYES ~ KELLER, GALUSHA, PITKIN

PURCHASE ORDER: The new purchase order program will require each department head to seek a requisition each time a purchase is planned. The requisition will go to the account clerk who will originate the purchase order. Nothing will be bought without one unless it is a standing purchase order for incidentals. 90% of purchases should **NOT** be on a standing purchase order. The purchase order will go to the department head for approval; each department supervisor will apply the correct account code, from which the purchase will be paid for. This will eliminate the need for **Cynthia** [town clerk] to have to hunt down purchasing information. The purchase order will be sent to the vendor who should not authorize it without a purchase order number. When it comes back we have the invoice, the purchase order and the requisition. When we come to a meeting we have all the data in front of us, where, when and why. **Leon Galusha** asked if Napa would be an open purchase order. **Supervisor Pitkin** said that as items are used Napa automatically replenishes them. **Leon Galusha** stated that there were a lot of items on that list that the board had to ask questions about. That is why we wanted the purchase order. **Pitkin** said he didn't know how far we could take this, for example having to get a purchase order for an air filter. He said that he didn't think the larger more expensive items would be replenished. **Supervisor Pitkin** said that in the past there had been a \$600.00 spending limit on non approved items, the board has talked about raising that to \$1,000.00. **Ruth Keller** asked if the highway kept an inventory. Pitkin said that we need to inventory all of the town assets. The following motion was made to pay the preceding claims.

Motion by **Leon Galusha**, seconded by **Ruth Keller**

MOTION CARRIED 3 AYES ~ KELLER, GALUSHA, PITKIN

PRIVILEGE OF THE FLOOR: Pierre Cyr said there was no reason why parts couldn't be tracked. Supervisor Pitkin stated that information will be on the requisition. Cyr asked if each piece of equipment had an assigned number. Pitkin said that when Pat brings a requisition to Susan or Cynthia, within 24 Hours a purchase order will be prepared. All the information needed will be there and we will then have a trail. Pat was very amenable to this idea. Pitkin also said that there will be a feeling out period, but that once everyone is comfortable things should work out.

Supervisor Pitkin discussed the personnel policy and said that town employees would have input in the design of a policy that will work for everyone. Keller suggested getting started with policy meetings. Pitkin said that when Jim Ligon gets back from vacation work on the personnel policy would begin.

PRIVILEGE OF THE FLOOR: Carolyn Cyr brought up the federal stimulus bill and that this would be a good time to pursue broadband for the Town of Thurman.

Supervisor Pitkin said that when the weather was good the transformer covers around town needed to be looked at.

AUDIT: Pierre Cyr asked if the auditors were done. Supervisor Pitkin said that they were done with the investigation and that they will come back for a formal exit interview. The information will then be sent to the NYS Comptroller's office, once the comptroller's report is complete Thurman has 90 days to take action and report on that action. Pierre Cyr asked if the auditors would recommend a forensic audit. Pitkin

stated that, at the time, there was nothing to warrant a forensic audit. **Pierre Cyr** then replied, are you serious the town has a 90% surplus. **Pitkin** said that a forensic audit is done when embezzlement is expected. Our problem is that people weren't taking the money they were hoarding it. **Pierre Cyr** said that it [the excess money] was being hidden from us. People were asking these questions for years. I was at these meetings and they were being told that the money wasn't there, you're imagining it and we just had a 30% increase with a 90% cash excess. **Pitkin** stated that it's been in the accounts all along. **Pierre Cyr** asked why there had been a 30% increase if it's been in the books all along. **Councilman Galusha** answered that by the time we found out we couldn't do anything with it. **Supervisor Pitkin** said that they [the board] had to give the budget to the county to fix the tax rates. I believe **Lee** said it was two days after the county fixed the rates that we found out we couldn't change it anymore. **Galusha** stated that he went as high up as he could in the state [to ask questions pertaining to the budget]. **Pierre Cyr** stated that he was at those meetings, that was about the \$350,000.00 we had. **Galusha** said that they were talking about all of the money. **Pierre Cyr** said that [the \$350,300.00] is all we were told was in the bank. In past minutes board members questioned the fact that we [the town] have this money and the board members were told we don't. Twice that has happened, right here in this room, in front of my face. **Galusha** answered that once we found out about where all the monies were it was too late for this year. **Supervisor Pitkin** said that it was within a couple of days of the counties cutoff. **Councilman Galusha** said that once the taxes have been levied you can't do anything and they had been levied at that time. **Pierre Cyr** said that's not the point, the point is the town has been collecting this

money over how many years, and how much each year. Who has been handling this and not letting the people know and we're getting tax increases. At what point do you say, **DUH** something is wrong. If you're not going to look into it to see how it happened, you need to know how it happened so you can keep it from happening again. All of us have paid that money and we're not going to get it back. Ideally we should get a rebate. **Councilman Galusha** said "we can't do that". Cyr agreed that a rebate was not possible, and then said we paid these [high] taxes and now there will be a reduced rate for the future, at the expense of the past tax payers, it's not fair. **Supervisor Pitkin** agreed that it wasn't fair. **Councilwoman Keller** said that she would like to see a full forensic audit. **Keller** stated that the bottom line is that sloppy books had been kept and [according to the auditors and impact administrator] that our books had not been closed out properly in quite some time. **Keller** said that she didn't know the reason [for these sloppy books] but would like a forensic audit, but our [the board] goal, it seems, is to move forward and put it all in the past. **Cynthia Hyde** stated that they [the auditors] only looked at 2007 and 2008, so what happened before that? **Keller** stated that we've had some horrible book keeping going on in this town and there are still a lot of unanswered questions. It would take a board decision to push the matter and I don't know if this board is willing to do that. **Pierre Cyr said** that he had heard all along, for the past few years, the fact that we had this [extra] money. People sit here and try to support both sides and see what's going on. **Cyr** said that he was speechless when he heard about the fund balance, he couldn't believe it. **Pierre Cyr** was stunned because he had heard [at meetings] questions being asked about possible excess money and the answer was **NO** we only have \$350,000.00 for capital improvements. What's

more we find out that we've [the town] got almost enough to get through a year without levying any taxes. **Supervisor Pitkin** replied that the only thing he could say is that you were lied to back then. **Cyr** replied "OK, we were lied to". **Pitkin** said that the auditors told us there was nothing to pursue, unless the final report finds something different. If we want to pursue it we would have to hire our own forensic accounts to investigate and we have to decide if we want to incur these costs as a town. **Cyr** said that he thought we should look into it. **Pitkin** said that we could price it out, if enough people feel that way, we could do it. . **Pierre Cyr** stated as you just said, we were lied to, and if someone is going to lie to you about something like that much money. **Keller** agreed, for what? **Cyr** said that we need to know what happened so that we can say this is what happened and this is how it's never going to happen again. **Pitkin** stated that's one way. . **Pierre Cyr** replied, no it's the only way, if you want to fix something you have to know how it happened to fix it. **Councilwomen Keller** said that she agreed and that ignoring the past is not going to help us move forward. **Cyr** stated it's not chump change, if it only came up once, but I know for a fact it was brought up twice and who knows how many other times. **Pitkin** said that the auditors found that in 2006, 2007, 2008, each year started with a 90-100% fund balance. The town fund balance [this year] is about \$600,000.00 and with the \$350,300.00 it adds up to close to a million dollars. We have our attorneys doing resolutions to free up the capital reserve so it can be used for capital improvements for town buildings. The fund balance that was in excess was actually about \$600,000.00, a normal fund balance should be about 25% so we were about \$450,000.00 over what we should have. **Pitkin** added that when you say it's the only way to go I can't necessarily agree with you, if it's

the way everyone wants to go we can do it, we can check and see what it would cost and see if that's what the majority of the board wants to do. **Councilman Galusha** said that we are moving forward by implementing ways of keeping track of things, and then we'll know where money is and how much money we need. We are trying to fix problems already, we're not just waiting. **Pitkin** explained that the board was making changes to keep this from happening again. **Pierre Cyr** repeated, he said it, we were lied to. **Pitkin** said that if you were told all along that nobody knew where the money was and the auditors said it was there, the only thing I can deduce from that..., **Cyr** replied "that's a biggie". **Russ Hubert** said that the issue is who told you the money wasn't there the whole board or one person. **Councilwoman Keller** said that she would answer that question. When I ran for this seat, I looked into situations and found out that we had this money sitting here. When I got on the town board, I heard from the NYS comptroller **Mr. Prindle**, back in 2007, that we had enough money to run the town for a full year without collecting a dime. At meetings I raised the issue of this money, but we were told by the previous board that the money didn't exist. At that time the doors weren't open for me to investigate. I wasn't allowed to look at certain things; I was called a trouble maker and harassed to no end. Now the door is opened for all of us to look at the books. It's been made clear that the money is there. **Russ Hubert** said that he wondered what they had planned for that money, who knows, somebody had to know it was there and they denied it. **Supervisor Pitkin** said that what amazed him is that normally a forensic audit is done when money is missing, when someone is stealing it.

At this point many people talked at once and the general idea was, how do we know. **Susan Shepler** said that perhaps it wouldn't be a bad idea to clear the air with a forensic audit, that way everyone's mind will be put at ease. We can then start anew, fresh and there are no more questions, we can put it to bed. To let it go on unanswered, I think there are some concerns in this community, and I think some of these concerns are perhaps valid. It would be a good idea to have this audit performed to put everyone's mind at ease. We're putting a good foot forward but there are questions that will always come up. **Supervisor Pitkin** said that he would like to do two things, look into the cost and speak to the auditors to see if they really think a forensic audit is warranted. Pitkin said he didn't know how much a forensic audit would cost and would not want to throw money away on something that was unnecessary. **Councilman Galusha** said that he asked **Leslie** [the auditor] if what they were doing was a forensic audit; she said they would only do that if it was necessary. **Councilwoman Keller** said she was told if there was proof money was missing a forensic audit would be done. **Keller** said that we don't have proof. However, the former town policy, which often consisted of, no documentation, no receipts, and a spend as you please mentality, would make it hard to know if money had walked off. **Keller** added that when we are all digging in our pocket to pay bills, we should know where every penny of taxpayer's money goes. Keeping sloppy books and denying that we have excess money leads me to believe we need a forensic audit. **Pitkin** stated that his focus is on the future, that we need to move on. If a forensic audit is warranted we'll do it, but if not we need to move on. **Pierre Cyr** replied that we can move on after a forensic audit. **Councilman Galusha** stated that is only one way of looking at it, can't you see how

much we have progressed in the last few months. **Pierre Cyr** said that he saw progression, but when the facts of these glaring discrepancies come to life, it is beyond belief. **Susan Shepler** asked if **Pierre** would accept what the auditors said. **Cyr** said that he would if there was a detailed reason. **Pitkin** stated that we should listen to the professionals and get some hard answers.

ADJOURNMENT:

With no further business on a motion by **Councilman Galusha** seconded by **Councilwoman Keller** the meeting was adjourned at 8:22 P.M. . .

Respectfully Submitted,

Cynthia Hyde, Town Clerk

February 25, 2009