Governor's Office of Storm Recovery

Andrew M. Cuomo
Governor

Lisa Bova-Hiatt
Interim Executive Director

July 24, 2015

Hon. William Federice
Supervisor, Town of Conesville
832 South Mountain Rd
Gilboa, New York, 12076

Re: Project/Applicant File Review

Dear Supervisor Federice:

I recently met with you and members of the staff of the Town of Conesville to review the performance and compliance of the Town of Conesville (hereinafter "Town") with respect to funding received from the Governor's Office of Storm Recovery (GOSR) - Community Development Block Grant – Disaster Recovery (CDBG-DR) programs. Many thanks to you and the Town staff for cooperating with GOSR.

Program Management

Overall the Town is to be complimented on their ability to manage the funds received through GOSR. The Town has maintained supporting documentation including: applications to the Federal Emergency Management Agency (FEMA) for funding, contracts, bids, force account documentation, payments to vendors, and project closeout.

Labor Standards Review

A review of the files for labor standards did not identify any issues or problems in the files sampled. To the extent applicable, many of the files sampled were in compliance with federal and state labor standards. The Governor's Office of Storm Recovery previously reviewed all files as requests for reimbursement were made.

Observation: Federal Davis-Bacon Act prevailing wage provisions apply to all CDBG-DR funded projects and therefore any project, not currently completed and partially completed as of May 2013, must follow all requirements of these provisions. A copy of each of the wage schedules must be included in any bid documents prepared for all projects. Davis-Bacon provisions are generally not applicable to force account labor.

National Objective Compliance

A review of the original application to FEMA in the sampled files indicated that the national objective selected was correct. The Town documented all necessary requirements of 24 CFR § 570.208 and made these files available for review. A test of the files indicated that the Town correctly documented the United States Department of Housing and Urban Development (HUD) national objective for the CDBG-DR program.

Eligible Activity Compliance

The eligibility of all FEMA Public Assistance (PA) projects are determined by FEMA and only funded if it meets program eligibility. GOSR reimburses the applicant based on this determination after a review of the Project Worksheet (PW) and all submitted documents. A review of these files documented eligibility.

Financial Management

The Town maintained all financial records required by HUD. A test of the financial management showed all contractors and vendors were paid prior to submission of the request for reimbursement from FEMA and the New York State Division of Homeland Security & Emergency Services (DHSES) and well within the required 72-hour period.

Observation: All canceled checks should be maintained within the project file and attached to the appropriate invoices.

Record Retention

A review of the files indicated that all necessary documents are maintained and available for inspection pursuant to 24 CFR § 570.

Observation: All files should be maintained in one location and should contain all program documents including contracts, bids, invoices, financial information, and any other document related to the project. These files require a 5-year retention following the closeout of the project.

Conclusion

The Town is doing an excellent job in managing HUD and GOSR program funds. For PA projects that have yet to start or are currently in progress and will include CDBG-DR funds, the Town will be required to follow all GOSR and HUD rules and regulations. This includes the addition of Exhibit E in all bid documents and required reported. We also recommend that for any future storms, these same federal requirements be implemented from the project start in case CDBG-DR funds are again used as the "Match" utilized to fulfill FEMA's matching funds requirement.

I would once again like to thank you and all of your staff for your outstanding work, and it is always a pleasure dealing with the Town. If you have any questions regarding this letter, please feel free to contact me at (212) 480-7356.

Sincerely,

Joseph F. Abate
Program Manager, Municipal Government
Infrastructure and Local Government Programs
Governor's Office of Storm Recovery