



NAME

UCIDA Audit Committee 2-2-21 part 1 <https://www.youtube.com/watch?v=L54zTD53Xdk>

DATE

February 17, 2021

DURATION

19m

8 SPEAKERS

Diane Eynon
Rose Woodwoorth
Richard Jones
All
Faye Storms
Michael J. Ham
Michael Loewke
James Malcolm

START OF TRANSCRIPT

[00:00:01] Diane Eynon

We'll see the recording, light, right,

[00:00:02] Rose Woodwoorth

Yep, it's recording now.

[00:00:04] Diane Eynon

All right. Hello, everyone. Morning.

[00:00:04] Richard Jones

Morning.

[00:00:07] Diane Eynon

Thank you for being here for the audit committee meeting for the IDA. I like to call the meeting to order. And we'll begin with the Pledge of Allegiance.

[00:00:22] All

I Pledge allegiance to the flag of the United States of America and to the republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

[00:00:39] Diane Eynon

All right, Rose, roll call.

[00:00:45] Rose Woodwoorth

Diane Eynon.

[00:00:46] Diane Eynon

Here.

[00:00:48] Rose Woodwoorth

Faye Storms.

[00:00:49] Faye Storms

Here.

[00:00:49] Rose Woodwoorth

. And Michael Ham.

[00:00:51] Michael J. Ham

Here.

[00:00:51] Rose Woodworth

Great. Have a quorum. Thanks Diane.

[00:00:55] Diane Eynon

Sure. We're going to move the agenda a little bit. We have guests with us, Kevin Loewke Hi. Thank you for being with us.

[00:01:02] Michael Loewke

You're welcome. Thanks for having me.

[00:01:03] Diane Eynon

Yes. This group had a few questions and particularly one of our committee members, Rick, a little bit about the reports that you sang and just how numbers are gathered and a few other related questions. So, Rick, when I turn it over to you.

[00:01:23] Richard Jones

Yeah, thanks, Diane. Morning, Kevin.

[00:01:26] Michael Loewke

Good morning Rick.

[00:01:27] Richard Jones

So I don't have the specific report in front of me, but I think it's true of all the reports that we've gotten, or at least the last three or four months. And my question was really thought about it before the number of hours there in the hundreds. So that would suggest what you're doing is you add up. Well, I guess it was hours that a person's you I think it was person.

[00:01:27] Michael Loewke

Person's, correct.

[00:01:56] Richard Jones

You add up the number of persons they had throughout the month and give us the gross figure.

[00:01:56] Michael Loewke

Correct.

[00:02:02] Richard Jones

OK, so at any point.

[00:02:04] Richard Jones

So how do you establish that again from which.

[00:02:07] Michael Loewke

Basically the the monthly reporting numbers I give you, which give you the overall compliance, is basically the weekly head counts that are submitted to me on a weekly basis from Inness. At this point. So basically they have a head count of the total local number and there's a lot of area. So those are added to a spreadsheet, which is how we get to the overall compliance total, which is currently right here with the most recent labor report at seventy nine point seven two percent. And then basically my onsite inspections are meant to validate their numbers. So when I perform my actual site inspections, I'm going into the field and actually auditing all the labor on the project, any new contractors that come aboard to make sure that they are, in fact, you know, where they say they're from. And that basically validates their reporting that they sent to me. So that's. The purpose of actual onsite physical audits.

[00:03:02] James Malcolm

Ok, quick, quick question, are you going off a daily logs or weekly logs just in case there's no redundancies here?

[00:03:11] Michael Loewke

Comes off weekly logs.

[00:03:12] James Malcolm

OK, so there can be an issue there.

[00:03:15] James Malcolm

Correct.

[00:03:16] James Malcolm

I mean, a guy may be there one day or two days and then he's not there two more days. And I guess what I'm getting at is, is what apparatus is in place for a guy who may come two days be gone, two, and then come back in?

[00:03:35] James Malcolm

Are they counting him as.

[00:03:37] Michael Loewke

So everyone has to go through the trailer, the general contractors trailer, where there is a sign in sheet and actually outside of the trailer, there's like a little box that they have that secured for in the winter and everything since you lost. But everyone has to go in and sign that sheet when they come in. And everyone has to do a safety orientation with Baxter, which is what they do. And that's how they're auditing the onsite labor to get those numbers. So they get daily totals. And basically that goes into their weekly spreadsheet, which comes to me. Could there be mistakes made? Naturally, sure that could happen. But again, that's the point of us actually going to the job sites as well to make sure that there's some validity in what we're being said.

[00:04:17] James Malcolm

But I think one of the questions was and unless I'm mistaken, they just wanted to know, is there what you're vetting procedure is.

[00:04:24] James Malcolm

So you've been pretty clear about it.

[00:04:28] Michael Loewke

Sure. You mean like when I actually go to the job site?

[00:04:31] Diane Eynon

Yeah.

[00:04:31] James Malcolm

Well, how you get the count is, is all my concern.

[00:04:35] Richard Jones

Well, in addition to that, if I may, I understand how you get the count. How do you determine and again, you probably describe it to a while ago that they're actually local. What you're looking at licenses, What are you looking at? What do you recommend?

[00:04:49] Michael Loewke

I go to the job site. I for example, the first visit that we did had to get every single person on the job site. So we're checking on their driver's license. If they don't have a driver's license, then I will look for a pay stub as long as it's current and reflects where they live. Or I'll take a utility bill or something, something of those means, but primarily driver's license, which is what most people do have. I was on site, for example, last Thursday. I did an inspection there and some of the guys have a new company called Winterstein that I went to get. Two other guys didn't have stuff. So, for example, the next day the GC provided me copies of their driver's licenses or sign to me that way. So that's how I'm actually auditing the labor is physically talking and checking with each of the workers on the site.

[00:05:39] Richard Jones

So you're only doing it on that day that you're on site.

[00:05:42] Michael Loewke

That's correct it's every other month.

[00:05:45] Richard Jones

So what about all the other days? How do you check how do you check in totality?

[00:05:51] James Malcolm

You can't do that.

[00:05:52] Rose Woodwoorth

Yeah, he can't. If you remember, we had them switched from, they normally do monthly checks, but we have them switched to bi-monthly to lower the cost.

[00:06:01] Michael Loewke

With Monroe County.

[00:06:02] Michael Loewke

We do all the jobs twice a month with Orange County town of Montgomery. We're doing basically a once a month inspections on all of their projects. I mean, obviously, since my visits are so infrequent, yes, it's difficult to, I guess, be as accurate or be on top of them as would be probably useful. But that's why I'm as thorough as I can when I go to Inness, for example, because I am only there every other month. So I'm trying to be a little extra diligent when I go to those projects.

[00:06:39] Richard Jones

You don't announce your going to be there.

[00:06:39] James Malcolm

So just you don't have to be there centrally.

[00:06:43] James Malcolm

Baxter signing off on an affidavit that everything they're presenting you. To the best of their knowledge, because they're gathering the information on the individual sub.

[00:06:52] Michael Loewke

That's correct.

[00:06:52] James Malcolm

So when it's all said and done, they're signing off on an affidavit that what they gave you is correct to the best of their knowledge.

[00:07:01] Michael Loewke

Yes.

[00:07:01] James Malcolm

OK, I'm fine. Thank you.

[00:07:04] James Malcolm

You're welcome.

[00:07:07] Diane Eynon

Any other questions? Rick.

[00:07:09] Richard Jones

Yeah, That's that's great. It reinforces what Kevin probably told us quite a while ago.

[00:07:15] Rose Woodwoorth

Yeah, it's over a year now, so it's been a long time.

[00:07:18] Diane Eynon

Well this is helpful for me.

[00:07:21] Faye Storms

So does anybody know.

[00:07:23] Richard Jones

You don't announce when you're going to be there, right?

[00:07:24] Michael Loewke

That's correct. All the inspections are random.

[00:07:28] Diane Eynon

Mike, you had a question.

[00:07:30] Michael J. Ham

Yeah. So are we keeping up to date on all the workman's comp paperwork also?

[00:07:35] Michael Loewke

That's correct. I have everything generalizability, commercial auto policy, worker's compensation in New York state, disability benefits and all of their stuff is current right now. I have a running spreadsheet that basically will let me know when documents are expiring within 30 days. I give that to Danielle, who works for Baxter, and she makes sure I get everything before it's expired. If I have any issues where it's I've asked several times, then I will speak to Rose about that. But so far we haven't had any real issues with them. They've been pretty compliant.

[00:08:10] Faye Storms

Do you go over payroll, do you go over payroll to compare.

[00:08:15] Michael Loewke

I did not go over their payroll, no.

[00:08:17]

[00:08:20] Rose Woodwoorth

I did want to say when Brooklyn bottling closed out, because that's the only one we've had close out so far, they provide us with a binder.

[00:08:29] Rose Woodwoorth

And I think I sent it to the to you guys at that point. But in that binder, there's copies of the insurance certificates, literally, like you said, everything from worker's comp to auto.

[00:08:39] Michael Loewke

Right. And as soon as this Inness is completed, you'll get another closeout binder from this project that has all the insurance information, all my inspection forms, communication application, all of those other things is basically a summation of the project and where they stand from a labor standpoint. And if there's anything that you'd also like me.

[00:09:00] James Malcolm

One last quick. (inaudible)

[00:09:06] Rose Woodwoorth

That's him, not me, right?

[00:09:08] Michael Loewke

I think we lost him.

[00:09:08] Diane Eynon

He's frozen.

[00:09:08] Rose Woodwoorth

I think he had this problem with time to.

[00:09:14] Diane Eynon

He's not muted, he's frozen.

[00:09:15] Rose Woodwoorth

Yeah.

[00:09:17] Richard Jones

So when is Inness going to be finished?

[00:09:18] James Malcolm

One quick question.

[00:09:18]

(inaudible)

[00:09:18] Rose Woodwoorth

Oh, Jimmy, you're back. Go ahead.

[00:09:23] James Malcolm

Ok, just quick question. And on the insurances. I'm guaranteeing you there's people there that are ten ninety nine. What's happening with that?

[00:09:35] Michael Loewke

So if we have a suspected ten ninety nine violation, then that's something that we can report. I mean I haven't run into it yet because usually when I've had an issue where someone hasn't had a driver's license, they send me the pay stub for that individual and I'm getting an actual pay stub.

[00:09:53] Michael Loewke

That was just me. The interview was not ten ninety nine. Do you have a suspicion of that on this project?

[00:09:58] James Malcolm

What I'm telling you is I would just about guarantee you and regardless of what the pay stub is, somebody was a ten ninety nine working for Bob Baxter. And that could just be.

[00:10:10] Richard Jones

Jim freeze again?

[00:10:14] Diane Eynon

Yes.

[00:10:14] James Malcolm

For instance.

[00:10:25] James Malcolm

If it was something you ever thought of or maybe if it's something that you just a simple each one of these working for the contractor, because theoretically, if you're at ten ninety nine, you're independent. But your partner, Steve.

[00:10:46] Diane Eynon

I think we got the gist

[00:10:48] James Malcolm

That's the big problem in a state it just going to finish, that's a big problem in the state of New York because unreported income liability issues later on on. So, you know, I wouldn't want to see the the incentivize the owner of the project have it tossed back on him because a contractor comes in and he's insuring five people and there's another 12 there that are actually ten ninety nine's.

[00:11:20] James Malcolm

That's all.

[00:11:23] Richard Jones

What is that or what does it appear that Inness will be finished?

[00:11:28] Michael Loewke

I'm sorry.

[00:11:31] Richard Jones

When does it appear that Inness will be finished with there project?

[00:11:35] Michael Loewke

It looks like May. The apartment I'm sorry, the cabins, the units of cabins are pretty much all complete.

[00:11:41] Michael Loewke

They're expecting the hotel to be done by end of March. And then there's going to be some other work as well with the restaurant. I was in the restaurant recently. The restaurant should also probably be done by around the end of March. But then there's some other grounds, work that's being done, maintenance areas and things of that nature. So I would guess probably May if the schedule moves along as they're expecting.

[00:12:05] Richard Jones

Ok, thank you.

[00:12:09] Diane Eynon

All right, thank you, Kevin. Appreciate you coming today.

[00:12:12] Michael Loewke

Sure. And again, if there's any other things you'd like me to include in my reports going forward are things you'd like me to look for, as you're mentioning, with ten ninety nine violations. Again, that is something that we we pay attention to here in Monroe County to generally when a guy says, hey, I'm from Joe Schmo company, whatever. You never heard from them before during that kind of raises the flag when it comes to a ten ninety nine possible violator. So then we start to ask questions about which company are you working for, how much you're getting paid. And then that kind of gets into the work we're doing when it comes to prevailing wage stuff with Rockland as well.

[00:12:48] Michael Loewke

But it is something that we can certainly

[00:12:51] James Malcolm

I think it's important on this as well. I think you're missing where where I'm coming from. Anyhow, I'm not talking about a ten ninety nine violation. I'm talking about the contractor. Not not who's in there.

[00:13:04] James Malcolm

You're getting the information from not declaring that these are independent subcontractors and therefore there can be insurance issues, liability issues.

[00:13:14] James Malcolm

And it's probably something that I mean, audit and governance can kick around, but it's something maybe we might want to take a look at.

[00:13:24] James Malcolm

There's there's a certain reason why these contractors can do a job for a third less than other people because the general contractor is not responsible for the liability and all that on on all this ten ninety nine theoretically is subs.

[00:13:40] Michael Loewke

Sure.

[00:13:41] James Malcolm

It's not a minor issue.

[00:13:47] Diane Eynon

All right, so that's something that Mike and/or I can talk about further, looking at our practice here and what we want to do potentially around this.

[00:13:58] Diane Eynon

Ok, thanks, Jimmy.

[00:13:58] Rose Woodworth

Thanks, Kevin.

[00:14:02] Michael Loewke

You're welcome. Have a great rest of your day.

[00:14:05] Rose Woodworth

Appreciate you taking the time.

[00:14:05] Michael Loewke

Good Bye.

[00:14:10] Diane Eynon

So Rose just for my information, how do we verify then payroll?

[00:14:17] Rose Woodworth

Payroll. We don't verify for contractors. We only verify payroll for the actual employees of the job of the project.

[00:14:27] Diane Eynon

And is that because that's impossible to do?

[00:14:29] Rose Woodworth

No, it's just because it wasn't something that they've committed to. So, like, if they did commit to prevailing wage, then that would be different. And so I obviously I have no idea how to speak to that. That would be Jimmy. But like I know if we had prevailing wage, that would be taken care of by Loewke Brill. But also Mike has said the union is very much on top of it. If it's union work. Right?

[00:14:57] James Malcolm

It doesn't have to be union work or not, in this situation, you simply ask is, is everyone here, an employee of Baxter or whoever? We want a full list of subcontractors, including independent ten ninety nine subs. It's not hard. You just got to tell them what you want and have them sign off on an affidavit and if they're lying, that they're lying.

[00:15:22] Michael J. Ham

Yeah, what Jimmy is alluding to also is, is that, you see, you know, hypothetically, you take a contractor, he hires 10 guys. OK. He puts a bid in for the price, and then he creates the most individual subs and they're all DBA, you know, so therefore, they're not actually paying any insurance's.

[00:15:39] Faye Storms

Right.

[00:15:40] Michael J. Ham

And that's where that's that's where the problem occurs. You know.

[00:15:44] Faye Storms

Yeah. It's a hidden it's all hidden.

[00:15:46] Diane Eynon

So would this be better to start in governance or in audit? Probably governance.

[00:15:53] Michael J. Ham

Yeah, we could. We could. Yeah. I got language. We can get language together here and then hand it over back over to what I don't even know. Go ahead Rose.

[00:16:00] Rose Woodworth

And I am wondering if that should be part of some of the changes that we start to look at with the, like not it's just going to be the wrong term here, but like the local purchases policy where like we look at all of that as a whole or or we could break it out separately.

[00:16:17] James Malcolm

It's a.. It's a state issue. You're breaking the law.

[00:16:22] James Malcolm

If you're not paying what you're supposed to pay. And if we have a policy where we're asking people to declare and getting lists or whatever, and it's not a heavy lift. Are you a subcontractor or are you a ten ninety nine? Pretty

simple, the same thing that way you find out if the general contractor is not paying the right insurances, I'm telling you, you can't believe the amount of money cost New York State every year.

[00:16:54] Diane Eynon

Yeah, OK.

[00:16:56] Diane Eynon

All right. We'll start with this and governance and where we end up, whether it's an existing policy or something new that we add will, we can make that determination.

[00:17:05] Diane Eynon

Ok. All right. Thanks. All right. So we're bets around the agenda here a bit. But if you could on page three minutes from our our last audit meeting on November 9th. Take a look if there's any changes or comment about minutes.

[00:17:29] Rose Woodwoorth

I was surprised when reviewing these that we met in person. I was like we definitely did, but it seems like so long ago.

[00:17:40] Diane Eynon

Yeah.

[00:17:41] Faye Storms

I know it was a long time ago compared to what's happened since then.

[00:17:46] Diane Eynon

Yes. Rosie, I don't know if this matters, but we do have a typo on today's agenda, if it matters,

[00:17:53] Rose Woodwoorth

OK, where?

[00:17:55] Diane Eynon

Under new business we have A, B two B's should be A, B.

[00:17:59] Rose Woodwoorth

Ah yup. Thank you. At least I skipped D.

[00:18:02] Rose Woodwoorth

So.

[00:18:03] Diane Eynon

Yeah, that's cool. All right.

[00:18:07] Rose Woodwoorth

Thank you.

[00:18:07] Diane Eynon

I have a motion of regarding the minutes.

[00:18:12] Michael J. Ham

I'll make a motion.

[00:18:14] Faye Storms

I'll second.

[00:18:14] Diane Eynon

All in favor?

[00:18:16] Diane Eynon

To accept the approved minutes from the last meeting. I.

[00:18:20] Michael J. Ham

I.

[00:18:21] Diane Eynon

Great, thank you. All right. I need a motion to go into executive session.

[00:18:33] Faye Storms

I'll make that motion to go into executive session.

[00:18:37] Michael J. Ham

I'll second it.

[00:18:37] Diane Eynon

All in favor.

[00:18:39] All

Aye.

[00:18:40] Richard Jones

Rose non-members of the audit committee should drop off. Is that

[00:18:45] Rose Woodwoorth

No, it's not necessary.

[00:18:47] Richard Jones

OK

[00:18:47] Rose Woodwoorth

Oh, it's to go. You're going into executive session to review.

[00:18:54] Rose Woodwoorth

I guess staff timesheets.

[00:18:56] Diane Eynon

Yes.

END OF TRANSCRIPT



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