

New York State Comptroller
THOMAS P. DiNAPOLI

Town of Schuyler Falls

Host Fee Payments

June 2026 | Report 2026M – 26

Prepared by the Division of Local Government and School Accountability

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Audit Results

Town of Schuyler Falls

Audit Objective

Did the Town of Schuyler Falls (Town) receive accurate host fee payments?

Audit Period

April 1, 2016 – February 17, 2026

Understanding the Audit Area

Landfill host fee payments are intended to compensate municipalities for having landfills located within their borders, making it important that town officials ensure these fees are accurately calculated and paid. Accurate calculations and payments strengthen accountability by ensuring landfill operators comply with contractual agreements, while providing town officials and taxpayers with confidence that revenues are properly received so they can be used for their intended public purpose and potentially reduce the financial burden on town taxpayers.

The Clinton County (County) Landfill (landfill) is located in the Town and is operated by a waste management company (corporation). As of January 31, 2026, the Town received host fee payments from the corporation totaling approximately \$4.3 million for waste received at the landfill during the period of April 1, 2016 through December 31, 2025.

Audit Summary

The Town did not receive accurate host fee payments. As a result, the Town did not have access to funds that could have been used for its operations or to potentially reduce the financial burden on Town taxpayers.

We reviewed all 39 quarterly host fee payments totaling approximately \$4.3 million that were received by the Town as of January 31, 2026, for waste received at the landfill during the period of April 1, 2016 through December 31, 2025, and determined that 35 of the 39 payments (90 percent) were inaccurate and had calculation errors totaling \$464,122. This occurred because the corporation did not accurately calculate payments in accordance with the terms of the host agreements. As a result, as of January 31, 2026, the Town had not received \$329,588 in host fees that it was entitled to.

Because officials did not establish adequate procedures to review the host fee payments, they were unaware that the corporation had not paid all host fees owed to the Town until we notified them in January 2026. Officials contacted the corporation to discuss the accuracy of the host fee payments previously made to the Town. The corporation subsequently agreed to pay the Town the outstanding host fees and interest. On February 17, 2026, the Town received a payment from the corporation totaling \$370,651, consisting of \$329,588 for the outstanding host fees and \$41,063 for interest.

The report includes one recommendation that, if implemented, will improve the Town's oversight of host fee payments. Town officials generally agreed with our recommendations and have initiated, or indicated they planned to initiate corrective action.

We conducted this audit pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Article 3 of the New York State General Municipal Law (GML). Our methodology and standards are included in Appendix C.

The Town Board (Board) has the responsibility to initiate corrective action. A written corrective action plan (CAP) that addresses the findings and recommendations in this report should be prepared and provided to our office within 90 days, pursuant to Section 35 of GML. For more information on preparing and filing your CAP, please refer to our brochure, *Responding to an OSC Audit Report*, which you received with the draft audit report. We encourage the Board to make the CAP available for public review in the Town Clerk's office.

Host Fee Payments: Finding and Recommendation

In 1996, the Town, County and corporation entered into a host agreement requiring the corporation to pay the Town host fees quarterly for each ton of acceptable waste (e.g., municipal solid waste and construction and demolition waste) received for disposal in the landfill. In 1999, the Town, County and corporation entered into a supplemental host agreement, with an amendment made in 2016, requiring the corporation to pay the Town additional host fees quarterly for each ton of acceptable waste received for disposal in the landfill.

In accordance with the host agreements (i.e., host agreement and supplemental host agreement), the corporation is required to make quarterly host fee payments to the Town (payable on January 15, April 15, July 15 and October 15 each year) based on the total amount (in tons) of acceptable waste received for disposal at the landfill during the preceding three months, multiplied by established rates per ton.

Town officials are responsible for ensuring the Town receives all host fees that it is entitled to. Officials should have procedures in place to ensure the quarterly host fee payments received from the corporation are accurately calculated in accordance with the terms of the host agreements.

Resources we make available to local officials that can help officials improve operations are included in Appendix A.

Finding 1 – The Town did not receive accurate host fee payments.

We reviewed all 39 quarterly host fee payments totaling approximately \$4.3 million that were received by the Town as of January 31, 2026, for waste received at the landfill during the period of April 1, 2016 through December 31, 2025, to determine whether the payments were accurately calculated in accordance with the terms of the host agreements. We determined that 35 of the 39 payments (90 percent) were inaccurate and had calculation errors totaling \$464,122.

Specifically:

- 20 payments were underpaid by a combined total of \$396,855, with amounts ranging between \$248 and \$52,888.
- 15 payments were overpaid by a combined total of \$67,267, with amounts ranging between \$20 and \$10,360.

As a result, as of January 31, 2026, the Town had not received \$329,588 in host fees that it was entitled to for waste received at the landfill during the period of April 1, 2016 through December 31, 2025 (Figure 1).

The inaccurate host fee payments occurred because the corporation did not accurately calculate payments in accordance with the terms of the host agreements. For example, the corporation used the same rate per ton for all tons of waste received at the landfill when calculating the quarterly host fee payments for 2018 through 2025 instead of an increased rate per ton for waste received at the landfill in excess of 175,000 tons per year¹ in accordance with the supplemental host agreement.

The Secretary to the Supervisor received the quarterly host fee payments from the corporation and provided the Town Supervisor (Supervisor) with the reconciliation notices that the corporation submitted with the payments, which contained the amount of tons of waste received for the quarter by month, and the rate used in the calculation of the corresponding host fee payment. However, the Supervisor did not compare the calculations to the terms of the host agreements to ensure that the host fee payments received were accurately calculated.

¹ The New York State Department of Environmental Conservation issued a permit for the landfill to increase its annual limit from 175,000 tons to 250,000 tons per year in 2018. As a result, the waste received at the landfill did not exceed 175,000 tons until 2018.

Figure 1: Host Fees Received as of January 31, 2026

Fiscal Year	Entitled To	Received	Not Received
2016 ^a	\$179,977	\$171,200	\$8,777
2017	301,271	299,660	1,611
2018	376,170	356,715	19,455
2019	474,783	426,761	48,022
2020	516,982	462,125	54,857
2021	516,611	465,308	51,303
2022	524,277	489,838	34,439
2023	561,080	527,007	34,073
2024	575,473	535,090	40,383
2025	595,763	559,095	36,668
Totals	\$4,622,387	\$4,292,799	\$329,588

a) For the period of April 1, 2016 through December 31, 2016.

As a result, officials were unaware that the corporation had not paid all host fees owed to the Town until we notified them in January 2026. Officials contacted the corporation to discuss the accuracy of the host fee payments previously made to the Town. The corporation subsequently agreed to pay the Town the outstanding host fees and interest. On February 17, 2026, the Town received a payment from the corporation totaling \$370,651, consisting of \$329,588 for the outstanding host fees and \$41,063 for interest.

Because officials did not establish adequate procedures to review the host fee payments, the Town had not received all host fees that it was entitled to as of January 31, 2026. As a result, the Town did not have access to funds that could have been used for its operations or to potentially reduce the financial burden on Town taxpayers.

Recommendation

1. Town officials should establish procedures to ensure that all host fee payments received are accurately calculated in accordance with the terms of the host agreements.

Appendix A: Profile, Criteria and Resources

Profile

The Town is located in Clinton County and has a population of approximately 4,800 residents. The Town's 2026 budgeted appropriations totaled approximately \$3.6 million.

The Town is governed by the elected five-member Board, which includes the Supervisor and four Council members. The Board is responsible for general oversight of Town operations and finances. The Supervisor, as chief fiscal officer, is responsible for receiving, disbursing and retaining custody of Town money.

The Town had three individuals serve as Supervisor during the audit period. The current Supervisor was first elected to a two-year term that began on January 1, 2024 and then re-elected to a one-year term that began on January 1, 2026. A former Supervisor was in office from January 1, 2016 through December 31, 2019 and another former Supervisor was in office from January 1, 2020 through December 31, 2023.

Criteria

In 1996, the Town, County and corporation entered into a host agreement requiring the corporation to pay the Town host fees quarterly for each ton of acceptable waste received for disposal in the landfill. In addition, in 1999, the Town, County and corporation entered into a supplemental host agreement, with an amendment made in 2016, requiring the corporation to pay the Town additional host fees quarterly for each ton of acceptable waste received for disposal in the landfill.

In accordance with the host agreements, the corporation is required to make quarterly host fee payments to the Town (payable on January 15, April 15, July 15 and October 15 each year) based on the total amount (in tons) of acceptable waste received for disposal at the landfill during the preceding three months, multiplied by established rates per ton.

Town officials are responsible for ensuring that the Town receives all the host fees that it is entitled to. Officials should have procedures in place to ensure the quarterly host fee payments received from the corporation are accurately calculated in accordance with the terms of the host agreements.

Additional Resources

OSC's *Local Government Management Guides*, and other informational resources that are available on OSC's website to help officials understand and perform their responsibilities, include:

- *The Practice of Internal Controls*: <https://www.osc.ny.gov/files/local-government/publications/pdf/the-practice-of-internal-controls.pdf>

In addition, local officials can use OSC's website to search for audits, resources, publications and training for officials at: <https://www.osc.ny.gov/local-government>

Appendix B: Response From Town Officials

The content below is a reproduced copy of the original response letter issued by Town officials, is reformatted to meet the Americans with Disabilities Act *Web Content Accessibility Guidelines (WCAG)*,² and may have included changes to spelling and grammar. The substance of the content was not changed.

MINDY SMITH

Supervisor

LISA ROKETENETZ

Deputy-Supervisor

KELSI RUSSELL

Town Clerk/Tax Collector

DARREN SEYMOUR

Supt of Highways



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Councilman

Unit Name: Town of Schuyler Falls Audit

Report Title: Host Fee Payments Audit

Report Number: 2026M-26

The Town of Schuyler Falls agrees with the findings; the following will serve as the corrective action plan.

Audit Recommendation: Town officials should establish procedures to ensure that all host fee payments received are accurately calculated in accordance with the terms of the host agreements.

² <https://www.ada.gov/resources/2024-03-08-web-rule/#highlights-of-the-requirements-in-the-rule>

Plan of Action(s): A new contract was written up between the Town of Schuyler Falls, Corporation and Clinton County per the request of the supervisor. The new contract lays out the dollar amount by tier with CPI annual escalator on annual basis. The supervisor will compare the calculations to the terms of the host agreement to ensure the host payments received are accurately calculated.

Implementation Date: July 2026

Person Responsible for Implementation: Town Supervisor

Signed

Mindy Smith

Town Supervisor

Date 6/15/26

Town of Schuyler Falls is an equal opportunity provider, and employer. To file a complaint of discrimination, write: USDA, Director of Civil Rights, 1400 Independence Ave., SW, Washinton D.C. 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382.

Appendix C: Audit Methodology and Standards

We obtained an understanding of internal controls that we deemed significant within the context of the audit objective and assessed those controls. Information related to the scope of our work on internal controls, as well as the work performed in our audit procedures to achieve the audit objective and obtain valid audit evidence, included the following:

- We interviewed Town officials and reviewed the host agreements and financial records to gain an understanding of the Town's procedures related to ensuring the accuracy of host fee payments that are received. We documented any associated effects of deficiencies in those procedures.
- We reviewed all quarterly host fee payments that were received by the Town as of January 31, 2026, for waste received at the landfill during the period of April 1, 2016 through December 31, 2025, to determine whether the payments were accurately calculated in accordance with the terms of the host agreements. For host fee payments that were not accurately calculated, we determined the reason and calculated the amounts of any underpayments or overpayments.
- We reviewed the payment that the Town received from the corporation on February 17, 2026 to determine whether it was in the amount of the host fees owed to the Town.

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Questions?

GLENS FALLS REGIONAL OFFICE

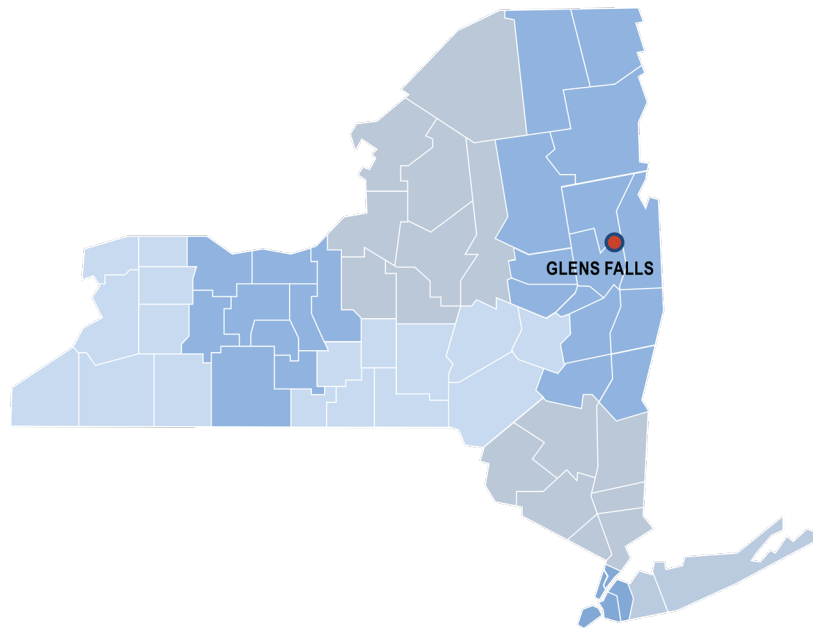
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