

**A D D E N D U M**  
**FINANCE COMMITTEE**  
**DECEMBER 9, 2010**

**1) Referral from the County Attorney:**

1) Request for a transfer of funds in the amount of \$800 to cover a budget shortfall.

2) Request for a Contingent Fund transfer in the amount of \$2,500 to fund the appeal of the matter of Warren County, et al against Adirondack Park Agency, as per resolution No. 255 of 2010.

# RESOLUTION REQUEST FORM NO. 10

## Request for Transfer of Funds

TO: JOAN SADY, CLERK, WARREN COUNTY BOARD OF SUPERVISORS

FROM: COUNTY ATTORNEY - LAW

Name of Department

SIGNED: 

DATE: 12/8/10

<u>FROM CODE</u>	<u>TITLE</u>	<u>TO CODE</u>	<u>TITLE</u>	<u>AMOUNT</u>
A.1420 140	Salaries – Sick Leave Incentive	A.1420 440	Legal/Transcripts	\$800.00

Sample: A.4018.0020 110 Preventive Program – Family Health – Salaries – Regular \$xxx.xx

Please state reason for transfers requested: To cover budget shortfall.

\*Please note: All amounts must be in whole dollars – no cents.

### CONTINGENT FUND TRANSFER REQUESTS

<u>FROM CODE</u>	<u>TITLE</u>	<u>TO CODE</u>	<u>TITLE</u>	<u>AMOUNT</u>
A.1990 469	Contingent Account- Other Payments/Contributions	A.1420 440	Legal/Transcript	\$2,500.00

Please state reason for transfer request: Per Resolution No. 255 of 2010.

Please file original request with Clerk of the Board and retain copy for your records.

# County Treasurer's Budget Analysis Report

## Department Head Responses

Department Head Responses are in bold.

Note: Except for the department head responses, information on this report was reproduced from the County Treasurer's memo dated November 24, 2010

### Status of 2009 Public Improvement Bond Moneys

Additional money will be required to be transferred to the Purchase of DPW Equipment and Gaslight Village capital projects to cover the deficits and the projects then need to be closed. The issue has been reported in previous budget analysis reports, and will be taken care of prior to the December Board meeting.

	Appropriations	Encumbrances	Expenditures	Balance
Railroad Stations	\$ 2,506,300	-	2,458,674	47,626
Health & Human Services Bldg	\$ 17,418,000	19,257	17,318,150	80,593
Point of Care	\$ 542,975	38,827	504,148	-
Purchase of DPW Equipment	\$ 2,495,225	-	2,497,461	(2,236)
Gaslight Village	\$ 1,227,475	-	1,229,857	(2,382)
Soil and Water	\$ 471,815	-	471,815	-
Bridges Rehabilitation	\$ 500,000	51,366	228,190	220,444
	<b>\$ 25,161,790</b>	<b>\$ 109,450</b>	<b>\$ 24,708,295</b>	<b>\$ 344,045</b>

Based on a recommendation by the Treasurer's Office, the Health & Human Services Building project was reduced by unneeded funds and the Point of Care and Soil and Water projects were closed with \$1.4 million being transferred to the Debt Service Fund which reduced the 2011 budget for debt service by \$1.4 million.

### Siemens

We currently owe approximately \$4.6 million in lease principal for two energy projects with Siemens. Based on the recommendation of the Treasurer's Office, we are currently in the process of refinancing these two capital leases to take advantage of the current low interest rates. We have preliminarily determined that the County would realize a projected net savings of \$350,000 over the term of the bond. We have recently been advised by our fiscal advisor to delay the issuance of the bonds due to the current state of the bond market. This issue could have been avoided had prompt attention been given to the recommendation from the Treasurer's Office to refinance. We may now be in jeopardy of not realizing the projected net savings as interest rates are currently on the rise. The County should be taking prompt action on any recommendation that will save taxpayers money so that opportunities are not missed.

We have paid Performance Assurance fees over a two year period totaling \$12,354 to Siemens for the Municipal Center Energy Project and we have yet to see a Performance Assurance Report as required in the contract. We have been reporting this in our monthly budget analysis reports since June 25, 2010 and have not received a corrective action response on when this issue is going to be resolved.

The energy performance projects from Siemens were presented to the County as budget neutral, meaning that there would be no taxpayer money required. The following charts show the net project costs to the County compared to the contract savings amount reported by Siemens. The difference between these two amounts is the cost or benefit to the taxpayers. As noted in the chart, the Westmount Energy Project has cost taxpayers \$488,149, while the Countryside Adult Home Energy Project has benefited taxpayers \$35,771. These amounts were calculated assuming that the contract savings per Siemens is correct even though there has been no independent verification of their numbers. We have not received a performance assurance report for the Municipal Center Energy Project as discussed above and will report on that when we receive it. We have not received a corrective action response concerning the fact that the Westmount project was sold to the County as budget neutral, yet it has cost taxpayers \$488,149.

### Westmount Energy Project

Performance Period	Debt Service	Performance Assurance	Medicaid/ State Aid	Net Project Costs	Contract Savings Per Siemens	Cost to Taxpayer
Performance Year 1 June 2005-May 2006	384,403	6,397	-	390,800	197,548	193,252
Performance Year 2 June 2006-May 2007	384,403	6,653	(49,919)	341,137	209,558	131,579
Performance Year 3 June 2007-May 2008	384,403	6,919	(141,990)	249,332	225,925	23,407
Performance Year 4 June 2008-May 2009	384,403	7,196	(121,512)	270,087	213,297	56,790
Performance Year 5 June 2009-May 2010	384,403	7,483	(59,858)	332,028	248,907	83,121
	<b>1,922,015</b>	<b>34,648</b>	<b>(373,279)</b>	<b>1,583,384</b>	<b>1,095,235</b>	<b>488,149</b>

Countryside Adult Home

Performance Period	Debt Service	Performance Assurance	Medicaid/ State Aid	Net Project Costs	Contract Savings Per Siemens	Cost/ (Benefit) to Taxpayer
Performance Year 1 June 2007-May 2008	14,031	4,254	(8,035)	10,250	33,577	(23,327)
Performance Year 2 June 2008-May 2009	27,545	4,381	(8,035)	23,891	29,825	(5,934)
Performance Year 3 June 2009-May 2010	27,545	4,513	(8,035)	24,023	30,533	(6,510)
	69,121	13,148	(24,105)	58,164	93,935	(35,771)
Total Siemens Projects	1,991,136	47,796	(397,384)	1,641,548	1,189,170	452,378

The following should be noted when reviewing the Siemens projects:

1. Siemens had been incorrectly reporting realized annual savings totaling \$1,196,529 over a four year period for the Westmount Energy Project. This amount includes \$766,754 for contract savings and \$429,775 for what Siemens calls other benefits. These other benefits represent reimbursements from DPW and Countryside Adult Home for a share of debt service, performance assurance, maintenance, energy and laundry costs that are paid to Westmount. Since these reimbursements are one County department paying another County department, they are not considered savings to the County as a whole. This issue had been reported by the Treasurer's office for the past four years and was last reported in the September 30, 2009 Budget Analysis Report. Siemens has since corrected this problem in the Performance Year 5: June 2009-May 2010 report that was recently presented to the Board.

2. Siemens also adjusted the contract savings amounts for years one through four for the Westmount Energy Project with a total increase in savings of \$69,294 based on errors by Siemens relating to escalated utility rates, incorrect performance year data for year one, adjusted avoided laundry costs and heat recovery savings which are all discussed in the Appendix of the Performance Year 5: June 2009-May 2010 report. It does not appear that anyone from the County verified the accuracy of these adjustments to years one through four. It also does not appear that these adjustments were discussed with the Health Services Committee based upon review of the minutes for the September 24, 2010 committee meeting.

3. It is also important to note that of the total \$1,189,170 reported for contract savings by Siemens, only \$567,548 is measured and verified by Siemens. The \$621,622 balance of the contract savings are considered contract stipulated meaning that the County contractually agreed that Siemens would not be accountable for measuring this amount.

4. We have also contracted with Siemens to provide maintenance on their projects and have not included these costs in our analysis since we are aware that there would be maintenance costs no matter what system we have in place. It is important to note that we have contracted with Siemens to provide maintenance for Westmount, Countryside and the Municipal Center at a total 15 year cost of \$957,393, \$140,918 and \$619,472, respectively. The total maintenance cost for these three projects is \$1.7 million. We are averaging \$9,400 a year in maintenance costs for Countryside for windows, lighting and a kitchen conversion which seems excessive for the work performed. The County should take a closer look at the maintenance costs associated with these projects to determine if they are merited. We have not received a corrective action in response to this potential issue.

We have some serious reservations concerning the total contractual savings claimed by Siemens in the amount of \$1,095,235 for the Westmount Energy Project over the 5 year period. These reported savings have been accepted by the Health Services Committee and the full Board of Supervisors each year without any independent verification or analysis by the County. In order to avoid any possible future criticism, we strongly recommend that an analysis be conducted to verify these savings. We have not received a corrective action in response to this potential issue.

**Response Attached.**

Tax Levy Collections

The following table shows the percent of uncollected taxes as of October 31 of each year:

	10/31/2008	10/31/2009	10/31/2010
Tax Levy	30,400,250	31,765,003	36,126,044
Uncollected Taxes	3,278,954	3,962,822	4,196,354
% Uncollected	10.8%	12.5%	11.6%

As noted above, the percent of uncollected taxes has declined as of October 31, 2010 compared to prior year, which may be indicative of an improvement in the economy.

Over time - County Wide

The following table shows the change in the cost of over time for the County as of October 31 of each year:

	10/31/2008	10/31/2009	% Change	10/31/2010	% Change
Over time	1,312,753	1,148,718	-12.5%	1,039,890	-9.5%
% of Budget	83%	74%		75%	

As noted above, the County is spending less for over time as of October 31, 2010 than the previous two years and has a 9.5% reduction from October 31, 2009. This County is at 75% of its over time budget as of October 31, 2010. It should be noted that the 2010 budget for this account code has been increased by \$258,953 of which \$166,829 is for the Sheriff.

County Debt

The following shows the County's current debt outstanding as of October 31, 2010:

Bonds	
Public Safety Bldg & Commun Upgrade Bond	14,950,000.00
Recovery Act Bonds, Various Projects	21,480,000.00
Statutory Installment Bond - Airport Hangar	800,000.00
Capital Leases	
Westmount Co-Generation Plant	2,244,983.48
Municipal Center Energy Project	2,327,571.70
Countryside Adult Home Energy Project	279,676.88
Bond Anticipation Notes	
June 2005 Flood Damage	816,666.00
Purchase of Gaslight Village	400,000.00
Abatement & Demolition #1	577,148.00
Abatement & Demolition #2	146,038.00
Corinth Road	3,000,000.00
Tax Anticipation Note	2,500,000.00
Total Outstanding	<u>49,522,084.06</u>

General Fund - Three Largest Departments

The following summarizes the expenditure activity for the General Fund's three largest departments - Social Services (including Countryside), Health Services and Sheriff as of September 30, 2010. It should be noted that the full employee benefit costs are reflected in Social Services while only workers compensation is reflected in Health Services and Sheriff. For the 2011 budget, we will be reflecting the full employee benefit costs for all departments so that there is a better picture of the true cost of each department.

	Amended Budget	2010 YTD Actual	Percent Used	2009 YTD Actual	\$ Change 2010-2009 Actual	% Change 2010-2009 Actual
<u>Social Services</u>						
Personal Services	5,845,286.30	4,490,103.22	77%	4,676,441.69	(186,338.47)	-4%
Equipment	78,423.54	875.73	1%	20,051.58	(19,175.85)	-96%
Contractual Expenses	22,904,238.70	16,788,534.50	73%	17,842,842.34	(1,054,307.84)	-6%
Employee Benefits	2,795,528.00	1,790,155.18	64%	1,841,661.15	(51,505.97)	-3%
	<u>31,623,476.54</u>	<u>23,069,668.63</u>	<u>73%</u>	<u>24,380,996.76</u>	<u>(1,311,328.13)</u>	<u>-5%</u>
<u>Health Services</u>						
Personal Services	3,585,727.21	2,640,980.51	74%	2,812,278.60	(171,298.09)	-6%
Equipment	87,800.00	71,038.30	81%	3,395.75	67,642.55	1992%
Contractual Expenses	10,466,083.00	5,303,741.57	51%	6,494,579.15	(1,190,837.58)	-18%
Employee Benefits	38,845.00	35,015.66	90%	59,875.69	(24,860.03)	-42%
	<u>14,178,455.21</u>	<u>8,050,776.04</u>	<u>57%</u>	<u>9,370,129.19</u>	<u>(1,319,353.15)</u>	<u>-14%</u>
<u>Sheriff</u>						
Personal Services	10,548,479.60	8,511,722.94	81%	8,521,346.50	(9,623.56)	0%
Equipment	296,118.45	171,923.70	58%	42,926.85	128,996.85	301%
Contractual Expenses	3,137,676.77	2,415,437.63	77%	2,417,006.71	(1,569.08)	0%
Employee Benefits	34,100.00	34,070.67	100%	65,181.25	(31,110.58)	-48%
	<u>14,016,374.82</u>	<u>11,133,154.94</u>	<u>79%</u>	<u>11,046,461.31</u>	<u>86,693.63</u>	<u>1%</u>

Revenue Analysis

District Attorney

The department has \$147,297 budgeted for State Aid in 2010 and has claimed \$68,450 (46%) as of October 31, 2010. Typically, grants allow for quarterly claims to be made and an effort should be made to make quarterly claims on all grants for this department. The department has recently submitted a \$11,377 claim for the impact grant in November. **We are continuing to submit vouchers for our grant revenues and we are currently reviewing the Investigators gas line for reimbursement of the negative balance.**

County Treasurer

Sales Tax - It has been noted that we have collected \$321,324 more in sales taxes through October 31, 2010 than we did through October 31, 2009 which is a 0.9% increase.

County Clerk

As of October 31, the department has received \$993,636 in County Clerk Fees in 2009 and \$978,580 in 2010 which is a decrease of 1.5%. It should be noted that the 2010 amount is through September and is at 75% of the budget for this account, so the actual revenue amount received is on target with the budget.

As of October 31, the department has received \$1,421,454 in Mortgage Tax in 2009 and \$1,156,242 in 2010 which is a decrease of 19%. It should be noted that the 2010 amount is through September and is only at 54% of the budget for this account, so the actual revenue amount received is significantly lagging behind the budget. If this trend continues for the remainder of the year, the department would be \$0.6 million under budget for this revenue account.

Sheriff Law Enforcement

The department has \$181,268 budgeted for Other Sheriff's State Aid in 2010 and has claimed \$82,287 (45%) as of October 31, 2010 which is still under the amount that should be claimed as of the end of October. Typically, grants allow for quarterly claims to be made and an effort should be made to make quarterly claims on all grants for this department.

Sheriff's Correction Division

The department has recognized \$592,735 in Jail Services, Other Government revenue as of October 31, 2010 compared to \$471,094 as of October 31, 2009 which is an increase of 26%. It should be noted that the 2010 amount is through September and is at 78% of its amended budget for this account, so the actual revenue amount received is projected to exceed the budget at this point in time. The department increased the budget for this account in September by \$183,305 to be used for law enforcement vehicles and communication equipment based on revenue projections for the remainder of the year. A problem will occur if the revenues do not come in as projected which will cause the use of fund balance since the money has already been expended.

Mental Health

Two of the Mental Health agencies have not submitted their second quarter expense reports to the County which were due August 15, 2010. We record the quarterly departmental revenue based on these reports so it is important that they are received in our office timely. **CWI, Inc. has submitted their 2<sup>nd</sup> Q report and I have confirmed that the Treasurer's office is in receipt. Glens Falls Hospital has stated that they are in the process of catching up on required State and County fiscal reporting relative to our office and they anticipate this report being completed next week.**

Tourism

Tourism Occupancy - The department has collected \$222,119 more in occupancy taxes as of October 31, 2010 than we did as of October 31, 2009 which is a 9% increase. Our most recent figures through November indicate that we have collected approximately \$229,072 more than the same period in 2009 which is a slight increase.

Westmount

IGT - Supplemental Medicaid Upper Payment Limit - The department has not yet received their IGT money from the State. The prior year amount was received on April 30, 2009. The department has budgeted to receive \$1.8 million for this revenue in 2010. The department's cash is getting low which will require the County to issue a revenue anticipation note due to this delay in payment. **We will be requesting authorization to issue this note at the December Finance Committee meeting.**

Expenditure Analysis

The following summarizes budgeted expenditure line items where there is currently a problem or there may be a problem in the future.

<u>Department/Account</u>	<u>Amended Budget</u>	<u>YTD Actual 10/31/2010</u>	<u>YTD Balance 10/31/2010</u>	<u>% Used</u>
Medical Exam & Coroner				
Medical Fees	79,161	82,871	(3,710)	105%
Sheriff's Law Enforcement				
Salaries-Overtime	288,109	259,600	28,509	90%
Narcotics Control-DA				
Salaries-Part time	-	8,535	(8,535)	0%
Automotive-Gas & Oil	2,000	2,486	(486)	124%
OFA-Home Energy Assist				
Salaries-Regular	13,912	14,292	(380)	103%

**I did a budget amendment at my December 1<sup>st</sup> meeting to cover the over- budget situation in HEAP salaries. I increased budgeted salaries and revenue, revenue has already been received**

Planning				
Salaries-Part time	-	6,170	(6,170)	0%

**The funds for personnel services for the FWHC Event Coordinator totaling \$6,170 are to be provided by Capital Fund Account H292.9550.280. The Administrative Memo and Forms MSD-426 were delivered to the Deputy County Treasurer today.**

Solid Waste Management				
Contract	3,327,146	3,450,910	(123,764)	104%

<u>Department/Account</u>	<u>Amended Budget</u>	<u>YTD Actual 10/31/2010</u>	<u>YTD Balance 10/31/2010</u>	<u>% Used</u>
DPW-CR#48 Trout Lake Road Projects	-	660	(660)	0%
<b>Trout Lake Road Overage of \$ 660: DPW has requested that the Treasurers office so a journal entry to correct the error.</b>				
DPW-Services to Other Govt				
Salaries-Regular	49,000	51,432	(2,432)	105%
Salaries-Overtime	11,000	12,216	(1,216)	111%
<b>Services to Other Governments: DPW Requested a Transfer at Committee to increase both Revenues and Expenses for these Costs. Sal. \$3,296.82, OT.. \$1216.08.</b>				
Westmount-Nursing Admin-Management & Supervision				
Salaries-Part time	29,910	29,908	2	100%
Westmount-Physical Therapy-Aides, Orderlies, Assistants				
Salaries-Overtime	-	5	(5)	0%
<b>Area of Physical Therapy Aides, Salaries – Overtime will be addressed at the December 1<sup>st</sup> committee meeting.</b>				
Westmount-Dietary Service-Cook & Social Worker Wages				
Salaries-Overtime	6,744	6,002	742	89%
Westmount-Dietary Service-FSH HK LL Maintenance				
Salaries-Overtime	15,736	14,994	742	95%
Salaries-Part time	19,561	17,717	1,844	91%
Westmount-Laundry & Linen-FSH HK LL Maintenance				
Salaries-Overtime	1,022	1,090	(68)	107%
<b>Area of Laundry &amp; Linen FSH, HK LL Salaries – Overtime will be addressed at the December 1<sup>st</sup> committee meeting</b>				
Westmount-Fiscal Services-Clerical & Other Admin Wages				
Salaries-Overtime	2,304	2,204	100	96%
<b>Will continue to monitor and adjust as needed all other areas.</b>				

Notes:

Waste Management - The department is at 104% of its budget for its contract expenditure code as of October 31, 2010 with a total amount expended of \$3,450,910 which is 9.6% higher than the amount of \$3,150,050 as of October 31, 2009. If this trend continues for the remainder of the year, the department would be \$.6 million over budget for its contract expenditure code. We will be issuing a budget note in December to cover this projected deficit.

**BUDGET ANALYSIS REPORT RESPONSE BY  
COUNTY ADMINISTRATOR REGARDING SIEMENS ITEM**

The Treasurer's Office has raised a number of questions and made a number of comments with regard to the Siemens projects in the past few budget analysis reports. This response is to provide to the County Board of Supervisors a response to those concerns raised in the report, and constitutes the corrective action report recommended by the Treasurer's Office.

1) Refinancing. The first concern raised by the Treasurer's Office concerns a refinancing of two capital leases. This office agrees that the refinancing is an urgent issue and reports that it is now aggressively being pursued. I have spoken with the County's financial consultant with regard to the refinancing. She advises that the refinancing is currently being planned for January when it is felt that bond interest rates will be lower. (She advised that she believes that the end of year government bond renewals is presently causing higher interest rates.) While I appreciate, respect and agree with the Treasurer's concern and aggressiveness when trying to get an obligation refinance, it would be speculation and premature to assume that we will not still get good interest rates in January as the financial consultant is looking for.

2) Municipal Center Energy Project. The second item commented by the Treasurer's Office is the Performance Assurance Reports due from Siemens for the Municipal Center Energy Project. This is to advise the Supervisors that Siemens has remitted Energy Performance Reports for the first year of October 1, 2008 - September 30, 2009 and for the second year of October 1, 2009 through 2010. The appropriate course of action for these reports is for them to be reviewed by the County Facilities Committee in much the same fashion as the Health Services Committee reviews the reports for the Westmount Health Facility. Therefore, these two (2) reports will be

<u>Department/Account</u>	<u>Amended Budget</u>	<u>YTD Actual 10/31/2010</u>	<u>YTD Balance 10/31/2010</u>	<u>% Used</u>
DPW-CR#48 Trout Lake Road Projects	-	660	(660)	0%
<b>Trout Lake Road Overage of \$ 660: DPW has requested that the Treasurers office so a journal entry to correct the error.</b>				
DPW-Services to Other Govt				
Salaries-Regular	49,000	51,432	(2,432)	105%
Salaries-Overtime	11,000	12,216	(1,216)	111%
<b>Services to Other Governments: DPW Requested a Transfer at Committee to increase both Revenues and Expenses for these Costs. Sal. \$3,296.82, OT.. \$1216.08.</b>				
Westmount-Nursing Admin-Management & Supervision				
Salaries-Part time	29,910	29,908	2	100%
Westmount-Physical Therapy-Aides, Orderlies, Assistants				
Salaries-Overtime	-	5	(5)	0%
<b>Area of Physical Therapy Aides, Salaries – Overtime will be addressed at the December 1<sup>st</sup> committee meeting.</b>				
Westmount-Dietary Service-Cook & Social Worker Wages				
Salaries-Overtime	6,744	6,002	742	89%
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<b>Area of Laundry &amp; Linen FSH, HK LL Salaries – Overtime will be addressed at the December 1<sup>st</sup> committee meeting</b>				
Westmount-Fiscal Services-Clerical & Other Admin Wages				
Salaries-Overtime	2,304	2,204	100	96%
<b>Will continue to monitor and adjust as needed all other areas.</b>				

Notes:

Waste Management - The department is at 104% of its budget for its contract expenditure code as of October 31, 2010 with a total amount expended of \$3,450,910 which is 9.6% higher than the amount of \$3,150,050 as of October 31, 2009. If this trend continues for the remainder of the year, the department would be \$.6 million over budget for its contract expenditure code. We will be issuing a budget note in December to cover this projected deficit.

Second, the report is incorrect in the amount shown for 2006 - 2007 for Medicaid/State aid. This amount should be \$109,051 instead of \$49,919. Further, this amount reflects an eight month period as opposed to a twelve month period for reimbursement purposes. Third, the amount reflected for Medicaid/State aid is in fact lower than what was projected by the Siemens Project Report. According to the Westmount Controller, Betsy Henkel, interest has never been paid on the Purchase Agreement and an appeal has been filed with the State in this regard. Further, the State began withholding a portion of the depreciation amount based on their changed views that the project is not fully depreciable. The County of Saratoga who undertook a similar project for their nursing home, is currently disputing this with the State and our position has been to await the outcome of that before taking any action on the part of Warren County.

Fourth, cost savings realized through benefits that represent reimbursements do have some value.

4) Other Matters. The Treasurer's Office has raised other concerns with regard to the projects, costs and values therefore which will be examined further by this office in the coming months. I am arranging for a meeting with Siemens' officials and will be notifying the appropriate committee chairs and seeking Westmount Controller's participation and that of a representative from the Treasurer's Office.

forwarded to the Committee for their review. The second report was just recently received while the first report was received at the end of August. The first report was not forwarded on at the time it was received due to a misunderstanding that the report was not final. This error was discovered within the past couple of weeks, and therefore it is being addressed at this time. I do not believe that the County's financial or contractual position has been negatively impacted as a result of this confusion. This, of course, will not happen in the future since routine oversight of the energy project agreements and hence these reports will be assigned to the Superintendent of Buildings and Grounds so that the same are timely reviewed with the Committee. In addition, this office will maintain oversight and address all major issues with regard to the energy project.

3) Westmount Project Costs. The third comment and observations raised by the Treasurer's Office is that the Westmount Project was sold to the County as budget neutral, yet has cost the taxpayers \$488,149. The Treasurer's Office has also produced a chart outlining the position. With regard to this comment, it is important to note that the Treasurer's comments are somewhat speculative at this time. Further, the "cost to the taxpayer" is not entirely an accurate or complete statement. Funding for the Westmount Nursing Home is complicated. First, the facility receives private pay from some residents, Medicaid, other sources of funding and Federal monies are paid to support the facility that municipalities are required to reimburse the State 50% of funds received. This is known as Upper payment limit (formerly IGT). Therefore, without getting overly complicated, the statement "cost to the taxpayer" comment is not as clear or apparent as it may seem.