

Open Work Session

Discussion of Revised Capital Improvement Program (CIP) for Fiscal Year 2020-2024

May 21, 2019

Mr. Weston Young, Assistant Director of Administration, came before Council. Mr. Cannon said they have already gone through the initial revisions, so they are just looking at what the updated revisions are. Mr. Young said, to recap, the CIP was submitted in December, and, on April 12th, he submitted a memo, which they spoke about a few days later at a Work Session. He said, in that time, he sent two memos, the first on April 23rd where he touched on some changes made from the December document that he did not lay out in the first memo. He said there was an adding error on the funding source summary page that, luckily, was pointed out to him. He said he provided a summary of the change in funding sources from the December submittal to now, and he also provided details regarding the existing pay go that was a new funding source he mentioned. He said the existing pay go funds are left over money from older pay go projects that have not been touched in at least three years, so, typically, it is leftover money from projects that had been sitting. He said, through the CIP and associated budget process, they are requesting to reallocate those funds to pay for some of the projects in the CIP.

Mr. Young said his May 15th memo is, basically, about the reinstatement of the Mardela Middle-High School project. He reported, they were notified by Dr. Hanlin and her staff that the State portion of the Westside Intermediate roof money was not going to be available. He said they had proposed \$291,000 as the County match for that project, so what Council sees in the most recent version of the CIP is they have moved that \$291,000 to Mardela. He said it allows for what they call an ed-spec study, which is part of the process in laying out what the school needs, and the ultimate form of the school, and his understanding is that it is important because it also keeps the school in the State queue. He said the remaining requested funds in the out years are shown, and the difference between the \$291,000 and the requested \$700,000 was put in FY21, and the funding source for those out years has just been shown as to be determined. He said that, generally, concludes the update to the CIP.

Mr. Dodd asked if the Westside project is just being moved one year, to which Mr. Young responded, they do not know. He said they were told it is not on the State's radar, and they do not have their funds. Mr. Dodd asked if it is on the County's radar, to which Mr. Young responded, the match they had for it has been reallocated. He said what they have tried to do is fund these systemic renovations, so, if there are air conditioning renovations at a school, they will gladly pay for that. He said there is typically a State match, but what they are finding is the State is not matching these projects like they used to. He said his office is aware of it, and they wanted to fix the roof, but they did not have the full amount needed because they were requiring the State to pay a large portion. Mr. Dodd asked if there is any damage being caused right now, to which Mr. Young responded, there has to be. He said the roof is one of the most important parts of a building, and, whether it is Westside or the Detention Center, which is having issues as well, everything below it starts failing from water damage and so forth. He said they do not have the full amount needed for Westside Intermediate, so they are moving that money to help get Mardela started. Mr. Holloway asked what the full amount for Westside is, to which Mr. Young responded, \$1.4 million comes to mind, but he does not know if he has that information because he has the latest document, which removed it from the CIP. Mr. Holloway said his question is, if they are saying the roof is bad, and of course there are probably problems, does the State not recognize that? He said Mr. Young just said the roof is the most important part of the building, so, if it is bad enough for the County to put it in the CIP, has the Board of Education pushed enough on the State to get their part of the funding? He said he finds this a little baffling, to which Mr. Young responded, that is probably a

better conversation to have with Dr. Hanlin and her facilities staff. He said the way it was explained to him was that the State does not have their portion in line for this project. He said he knows they have had some change in leadership in terms of school funding, and there is proposed Legislation that will, hopefully, provide more money for schools. He said, again, the roof and foundation are two of the key parts of the building, and, if either one of them start to fail, they are going to have major structural issues. Mr. Dodd said he wants to point out that many of the speakers at the last meeting kept talking about mold, so they know where mold is coming from, to which Mr. Young responded, it can be water seeping in from the roof, or groundwater, or it could be inadequate heating and air conditioning and nothing is drying the air. Mr. Holloway asked if Mr. Young thinks the assessment that the roof is really that bad is correct, to which Mr. Young responded, it was the Board of Education's third priority. He explained, they did something different this year, and gave them their top three priorities understanding the funding limitations. He said he believes they are coming together, even though it does not sound that way in the media, but he believes they are working better together than before. He said their top three priorities were Beaver Run as number one, Mardela as number two, and Westside Intermediate as number three. He said hearing that the State did not share Westside Intermediate as being a priority, they are reallocating the money they were going to put towards it as their match. Mr. Holloway asked if the State came down to look at it, to which Mr. Young responded, that is a question for the Board of Education, but he knows they defend their buildings. Mr. Holloway said, several years ago, they had this same kind of conversation about the Civic Center. He explained, they had a private roofer look at it who said they did not really need a roof, but it just needed repairing, so the County spent \$70,000 instead of a couple million. He said, since Westside was number three on the list, he supposes the roof may not be that bad, to which Mr. Young responded, they may be taking a priority to funding new schools, and not these renovations. Mr. Holloway said not keeping up with the roof is why they need new schools sometimes, to which Mr. Young responded, he can tell Council, at least from his standpoint, with what they call systemic renovations, if the State matched this project, the County would be giving \$291,000, and, going from memory, the whole project is over a million dollars, so they would be getting a significant match, and taking care of an existing school. He clarified, that is not committing any money in the out years, but taking care of that one item. He said, if they could do that and take care of the air conditioning, it seems like it is piecemealing, but it takes care of their existing infrastructure. He said the issue and concern they still have with Mardela is that overall the County match is \$18.2 million dollars over four years, and they do not know three or four years out if they can afford that, so they have concerns when they promise money that many years out, and that amount of money. He said, again, the roof was one where they would get a hefty match from the State, and it would be a one-time fix in FY20. Mr. Holloway said he is glad Mardela is back in the CIP, but he is sorry the Westside roof is not being repaired, but he guesses they cannot have it both ways.

Mr. Cannon said he has Mr. Young's memo, but he does not seem to have the actual graph that breaks down year by year. He said they are doing \$291,000 in fiscal year 2020, but what are the numbers for 2021, 2022, 2023, and 2024, to which Mr. Young responded, the CIP document is updated. He said the version on-line should say May 15th, which is the latest revision he emailed to Mrs. Hurley, and he also emailed IT to have them put it on-line. Mr. Cannon said he downloaded the wrong version. Mr. Kilmer said it is \$4.4 million in 2021, \$7 million in 2022, and \$6.5 million in 2023, but that is to be determined, so that is kind of nebulous. Mr. Young said, again, in the out years, they do not know where that money is coming from and, again, they are going to be pushing hard at the State level to get State school funds. Mr. Kilmer said, for the people who are interested in Mardela, they have the \$291,000 that is going to be spent to start the process, but next year there is no guarantee, to which Mr. Young responded, there is a \$4.4-million-dollar placeholder in the CIP, and they have the funding as to be determined. He said they will know more a year from now in terms of what their revenues are looking like. He said, with that

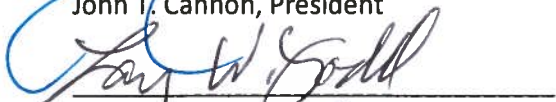
level of funding, the ball is well rolling at that point. He said he thinks what they will do, and what they do every year with the CIP, is look at where they are, and, if there are any projects for which they do not have enough money when they finally go out to bid, they will look at whether they need to put that in FY21, or whether they can find money and go through the reallocation process to make that project whole. He said they will have a better idea of the revenues. He said it is important to note, though, that in 2021 they are borrowing another \$7 million for Beaver Run, and they have the \$2.8 million for the Public Safety Building queued up for 2021 borrowing. He said he believes they also have \$1.2 million for Coulbourne Mill Dam, and they are working on Morris Mill now. He said Coulbourne Mill is their second high-hazard dam, and that needs some improvements as well, so they are already looking at significant borrowing next year. Mr. Holloway then asked where they are at on the Public Safety Building. He said he thinks he read somewhere that there were some issues with the design, to which Mr. Young responded, there are no issues. He clarified, what the Sheriff's Office started was a concept feasibility study, so it was looking at what they need in a new facility, and, as the Board of Education does with their schools, looking out to see what the ultimate use is in the growth of the facility. He said they have recently awarded the design, so one of the reasons they pushed out the Public Safety Building is, by the time the design is complete and construction has started, they have enough money to last them into FY21. Mr. Holloway said they paid for one design, to which Mr. Young responded, that was more of a concept plan. He said with design documents, such as even for the remodeling at the courthouse, they are talking hundreds of pages of electrical and mechanical, and they do not have that yet. He said they acquired the site, and it is a great location. He said, with the chosen design consultant, they are going to take all of that into consideration. He said every other sentence that comes out of his mouth is that they have a budget, and they need to fit within that budget, so they are not looking at a \$22 million dollar building. He summarized, where he was going with all of that is they have proposed borrowing in this document for 2021 of \$7 million for Beaver Run, \$1.2 million for Coulbourne Mill dam, and \$2.8 million for a portion of the Sheriff's Building. Mr. Dodd asked if Coulbourne Mill dam is going to cause any road closures, to which Mr. Young responded, during the work, quite possibly. He said it is not to the extent that Morris Mill is, but Mr. Dallas Baker can go into more detail the next time he talks to Council. He said the downstream embankment needs to be armored, and he thinks the spillway is fine, but he may be a little rusty on those details. Mr. Dodd asked if Mr. Young has an update on the South Division Street opening, to which Mr. Young responded, no, he does not have the latest, but he knows they got through the State concerns. Mr. Cannon said they need signage on Morris Mill big time because nobody knows where to go. He said they end up on Jackson Road in Fruitland. There was no further discussion.

Signatures on next page


**Open Work Session
Discussion of Revised Capital Improvement Program (CIP) for Fiscal Year 2020-2024
May 21, 2019**



John T. Cannon, President




Larry W. Dodd, Vice President, District 3



Ernest F. Davis, District 1

Marc Kilmer, District 2




Josh Hastings, District 4



Joe Holloway, District 5



William R. McCain, At-Large



Laura Hurley, Council Administrator