

## **Open Work Session**

### **Amending FY21-25 CIP/FY21 Budget to Include Funding for New Scale House at Newland Park Landfill December 1, 2020**

Mr. Mark Whitelock, Deputy Director of Public Works, and Ms. Pam Oland, Director of Finance, came before Council. Mr. Whitelock said they are proposing replacement of the scale house at the Newland Park Landfill. He said the current scale house has been in place for 26 years, and it is getting increasingly harder to fix the scales when they break down, and the cost right now has nearly doubled in the last four years. He said this project had been proposed in prior year CIPs, and he thinks had been funded up to \$400,000. He said the design work is done, the bidding has been done, and it certainly came in well past the estimate for what they thought it would be. He said the scales right now as they stand are in poor shape, and are going to give up on them one of these days. He said the scale processes 42 weighs an hour, and brings in nearly \$3,000 an hour, and that would be lost revenue if those scales were to fail.

Mr. Dodd said they have two scales right now, but now they want to put a brand new one in, and he was told that the two old scales will be taken apart and destroyed. He then asked if there is any way to keep one as a backup, to which Mr. Whitelock responded, no because they can barely find parts for them now. He said the scale company basically told them that they know of three of these scales that are still in existence, and Wicomico County owns two of them, so their proposal is to demolish those.

Mrs. Acle asked if a scale house is a building with two scales in it, to which Mr. Whitelock responded, they have a house in the middle and a scale on either side. He explained, one scale accepts incoming trucks to the landfill, and the other scale accepts outgoing trucks. He said they get weighed coming in, and they get weighed coming out. He said they looked at putting in just one scale, but the problem with one scale is the traffic, and also, if that scale were to be down for any reason, then the lost revenue would be \$3,000 an hour, or daily losses would be \$26,000 if the scale was down just one day.

Mr. Dodd asked, if a scale is down, do they not take trash, to which Mr. Whitelock responded, that has never happened. He said, with the way the waste stream works in Wicomico County, it would be nearly impossible to not take waste. He said they cannot waive fees, so they would have to talk to Council and something would have to be done, whether it be a flat fee in the interim, but it has never happened.

Mr. Whitelock said they will put in new scales, and the old scales and scale house will be demolished, and the site where it currently sits is proposed as a rainy-day site. He explained, when it rains, they will not send small trucks up on the landfill because there are problems with getting stuck, so they will divert those trucks to this rainy-day site where they can handle that off the landfill site itself.

Mr. Davis asked if the design of the new scales is in line with future development of the landfill, and are they being placed in a good location for the landfill expansion across the street, to which Mr. Whitelock responded, he would like to say they would be in the optimum spot. He clarified, the problem is they have limited space to work with, but they believe they have placed them in a way that will work best for that. He said the theory in the expansion of the landfill is that Brick Kiln Road would be closed from the collector road to the current scale house, and then all of that landfill would come across Brick Kiln Road, and this is set off at an angle that faces into that, so incoming traffic would be going that way.

Mr. Taylor asked if all of the money that is being asked for tonight is to come from the enterprise fund for Solid Waste, to which Mrs. Oland responded, that is correct.

Mrs. Oland said there is draft Legislation in Council's packet, and she wants to note two spots referencing "and capital budget". She explained, they are proposing this as an operating budget amendment only because it is going in the operating budget, and is not creating a capital project. She said, in talking with Mr. Whitelock, this is something that can be 100 percent encumbered before June 30, 2021, so it would not need to carry over and become a multiyear project. She said, like every other Department's operating budgets that have capital sections, this is not going in the capital budget section in the budget, it is literally just going in the operating budget of the landfill, so she would like to remove the two places where it says "and capital budget". She said she wanted Council to be aware of that so when they see it they will know the reason she is proposing not modifying the capital budget because they are not actually creating a capital budget, they are creating an operating capital item.

Mr. Dodd asked if the exact figure is \$1,436,250 from the enterprise fund with the changes Mrs. Oland just mentioned, to which Mrs. Oland responded, yes. She said, in the heading of the Resolution and in the third whereas paragraph they would take out the words "and capital budget", and would just amend the operating budget. Mr. Taylor said he is glad Mrs. Oland brought that up because, looking at the Charter definition of capital project, he is not sure about that. He said Section 704-G of the Charter talks about amending the capital budget, and to him this is a capital item, to which Mrs. Oland responded, but it is not in the capital section of the budget. Mr. Taylor said it should be, and that is the point if they want to follow the Charter. Mrs. Oland responded, they have all kinds of budget items throughout the County, and they have capital sections of the budget in the operating budget, but they buy vehicles, they buy equipment, or they build a building because they can get it done within a year. She said the capital budget is typically long-term projects, and this is a six-month project they are looking at trying to do, so, again, her recommendation would be to remove "and capital budget". Mr. Taylor said he thinks they better look at the Charter and think that one over, but that is just his suggestion.

Mr. Dodd asked if this needs to have a Public Hearing, to which Mrs. Hurley responded, yes, and she believes they can schedule that for December 15 as it only requires one week of advertising. Mr. Dodd asked if they will need another Work Session to discuss Mr. Taylor's concerns, to which Mrs. Hurley responded, she thinks it is probably a good idea for Mr. Taylor to work that out. Mr. Taylor said he does not think his suggestion would hold anything up, frankly, to which Mrs. Hurley responded, other than the language in the Resolution, and they would need to work that out before the 15<sup>th</sup>.

Mr. Holloway asked if this being an enterprise fund has anything to do with the way the formula works, to which Mrs. Oland responded, no. She said, again, if they look in any section of the budget, the capital budget is referenced as capital budget, and the rest of the sections are the operating budget. She said the account numbers they are referencing are operating budget account numbers, not capital budget account numbers because they are staying within fund 51, not going to the capital budget fund. She clarified, they are staying in the Solid Waste fund, thus they are operating. Mr. McCain said that makes perfect sense, and it is a short-term project. Mrs. Oland said it is a large dollar short-term item, but it is like buying a large dollar piece of equipment. Mr. Taylor suggested they be realistic, and said this is not a

short-term capital item, it is going to be around for a long time, and that is the nexus here that gets them into the Charter, to which Mrs. Oland responded, but equipment is around for a long period of time, and they put that in the operating budget. Mr. Taylor said the only thing Mrs. Oland is talking about short-term is that she is trying to get it in this year, which is fine, and he is not arguing against that, he is just simply saying that, if they are going to do it the way the Charter reads, this would be a capital item. He said it is a \$1.4 million-dollar item, so they are not talking peanuts here.

Mr. Cannon said this is a discussion Mr. Taylor probably should have with Mr. Wilber. Mr. Dodd agreed, and said they are not going to work it out tonight, and they do not need to vote on this tonight.

Mr. Holloway asked, with the price of materials, is there an escalation clause in this contract, to which Mr. Whitelock responded, he believes it was last year when they bid this out, and it has increased by \$20,000. He said they called the contractor, but there is a certain contingency that is built into this, so there is not anything that would require any more funding or require them to come back to Council.

Mr. Holloway said, just for the benefit of anybody listening, this is in the landfill fund, so they are not borrowing money to do this. He said it is coming out of tipping fees and their landfill operating fund, so it is not something they have to go to the bond market for, or increase taxes over, or anything like that. There was no further discussion.

  
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Larry W. Dodd, President, District 3


  
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Joe Holloway, Vice President, District 5

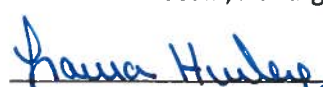
  
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Ernest F. Davis, District 1

  
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Nicole Acle, District 2

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Josh Hastings, District 4

  
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John T. Cannon, At-Large

  
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William R. McCain, At-Large

  
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Laura Hurley, Council Administrator