

Open Work Session

Discussion on Repurposing Perdue Stadium Roof Replacement Funds

April 16, 2019

Mr. Steve Miller, Director of Recreation, Parks and Tourism, came before Council, and said he is here to talk about a request to repurpose funds from an existing project that took place at Perdue Stadium, and repurpose those funds to address some issues at the exterior of the Civic Center. He reported, in FY18, the County provided \$700,000 to replace the flat roof at Perdue Stadium, and the estimate for that project was derived from a study done by Stafford Consulting in 2015. He said the good news is that the project came in significantly under budget to the tune of about \$400,000 in the budget, which is fantastic. He said they bid the project out, and the project has been completed. He said they waited a fair amount of time, and the roof itself is performing to every expectation they have, so they have a surplus of funds from that project, which was completed. He said he is here to request from Council the ability to repurpose those leftover funds, and to use those funds to address some issues, as he said, with the exterior of the Civic Center building.

Mr. Miller said, as a point of reference, the Jersey Boys incident a few weeks ago, obviously, was very disappointing, and a very frustrating night for a lot of folks, including their staff, to which Mr. Cannon added, he was there as well. Mr. Miller said they have heard from those folks, and, again, it was a very disappointing and frustrating evening, but one of the things it exposed, in addition to processes they can address, was the lack of capability for them to be able to communicate on the exterior of the building in efficient ways for situations like that. He said, if they are able to repurpose these funds, they are proposing to try to focus the repurposing in three primary areas. He said one would be to establish an exterior public address system at the Civic Center that could reach the entire perimeter exterior of the building, including the parking lots, so they would have the ability to make public service or public safety announcements. He said, if there was a weather issue, or any kind of safety issue, they would have the ability to very quickly communicate to everyone standing around the building. He said they established a system very similar to that at the Parker Complex when they expanded that facility, and that has been fantastic. He said, if bad weather comes through, or any kind of crisis, with the push of a button they can do an all-call to the parking lots and ballfields throughout the facility, and they would like to have the ability to do that at the Civic Center, so that would be one area where they would utilize those funds.

Mr. Miller said the second area would be to look at replacing the marquee at the Civic Center. He said that marquee is extremely old and outdated, and is very difficult to update, does not often update in real time, and is very limiting as far as their ability to communicate with people, not just to promote upcoming events, but also to communicate to folks if they have a delay, or some type of situation where they want to communicate with some type of video message, or real time kind of messaging. He said they do not have that ability right now, so they could look to replace that marquee to help promote and advertise, but also to communicate with folks standing outside. Mr. Dodd asked if that marquee can be repurposed and used somewhere else, to which Mr. Miller responded, he does not believe so because a lot of the technology is just outdated, so he does not know that it is of much use if they could replace it.

Mr. Miller said a third thing they would like to do, and this has been something longstanding, is they would like to address some additional security measures outside of the Civic Center with things such as planters or bollards that would make it more difficult for vehicular traffic to be able to address the front of the building, or even the lobby where folks are. He said it is far too easy for people to access right now, and they feel like that is a security issue, and something they would like to see addressed. He said

they know, unfortunately, in the world today that those types of situations happen, and they would like to be on the frontend of that. Mr. Dodd said he has been to a lot of events there, and he has seen where radio stations will park their vans right out front. He then asked if that would prevent them from doing that, to which Mr. Miller responded, they could probably make backdoor access. Mr. Dodd said he understands that, but he has also seen a lot of six-wheel trucks backed up to the front door as well unloading equipment, to which Mr. Miller responded, they would need to reconfigure truck marshalling, and how to get folks in and out who belong there and they want there. He clarified, what they do not want is for vehicles to just have access to the front of the building.

Mr. Miller said he is happy to answer any questions Council may have, but, ultimately, the request is to utilize the funds saved from the Perdue Stadium roof project to address some of these exterior issues.

Mr. McCain, said in Mr. Miller's letter, it also mentioned the possibility of some of those funds being used to modernize the exterior of the building. He then asked if Mr. Miller considers these items the modernization, or is he talking more about some façade changes that would improve the visual curb appeal. He said there has been such great work done inside, and there is all this good stuff on the inside, but the outside façade is still the basic façade that has been there for a long time, to which Mr. Miller responded, he thinks that needs to be addressed, but he thinks that is for another day, and another discussion. He said he thinks if they were to do a video board to replace that marquee, that would, certainly, modernize their capabilities to promote, but also could serve multiple functions.

Mr. Cannon said he was curious as to how the original funding request that came in could have been so astronomically overestimated. He said it was 240 percent overestimated as far as the initial costs, to which Mr. Miller responded, in 2015, Stafford Consulting did an assessment of both the Civic Center roof and the Perdue Stadium flat roof. He said they received a report, and, at that time, their estimate to replace the roof at Perdue Stadium was \$630,000, so, being that it was a few years old, they asked for \$700,000. He said, obviously, they way overshoot that, but that is where the estimate came from. He said they were pleased, obviously, that they could get it done for a lot less, but that is where that came from.

Mr. Cannon said he is kind of confused about when they initiate pay-go funding, and maybe Mr. Young can better answer this. Mr. Weston Young, Assistant Director of Administration, then came before Council. Mr. Cannon said he always thought of pay-go as a one-shot deal where they know what funds are available, and for 2018 they committed \$700,000. He said he finds it surprising that, since they did not spend the whole \$700,000, they are completely sending this over to another Department, for which nothing was requested in last year's budget as far as what they are talking about today, as he recalls. He said it is almost as if agreeing to fund Solid Waste a million dollars, and then a year later agreeing to take that same million dollars and put it over at the Airport. He said he just does not understand how they can say they are shifting the funds that were there. He then asked why they do not just turn in a new Capital Improvement Plan (CIP) based on the needs of the Civic Center itself as opposed to associate it with something from the Shorebirds Stadium, to which Mr. Young responded, when they come forward with CIP amendments for FY19 projects, they could wait, theoretically, and put it in the FY20 CIP, which he will discuss later in the meeting, and just place it like that. He said he thinks Mr. Miller is trying to handle this in the here and now. He said he can go into more detail when they discuss the CIP later in the meeting, but, typically, pay-go for capital projects comes from revenue obtained in the fiscal year, so for the FY20 CIP, the projects listed as pay-go will come from FY20 revenue. He clarified, the way pay-go works is somewhat similar with bonds. He said, when they bond projects, that money is intended and the bonds are written for that specific project. He said, after a period of time, whatever is left over, whether it is unused money for a specific project, or what they call bond premium, if they do not touch

the contingency they sometimes have in bonds, they can sometimes roll that over into another project, which they do through the budget process, or come before Council to get approval. He said his understanding from talking with Finance is that pay-go for a project typically rolls over year to year if it has not been spent for three years. He said, after three years, it is typically abandoned, and then either goes back to the general fund, or can be reallocated. He said it goes into what is called fund 32, which handles these pay-go monies that roll over year to year. He said they are going to propose in the CIP that some of the pay-go projects, or projects they are not bonding and are being paid for out of FY20 revenues as pay-go, and old pay-go monies that were for a project, be reallocated, which gets to what Mr. Cannon is saying. He said that means they do not need as much FY20 money to pay for these projects, but they are using old money that is rolled over year to year, and they have determined it is not needed. He said, in the case of what happened at Perdue Stadium, the work has been done, they have this leftover money, and they have needs, so, in essence, that is what they are trying to do now. He said, although it was under Perdue Stadium, it could be something Public Works-Roads needs, and they want to transfer from that Department to the other. He said Mr. Miller's house, which is Recreation, Parks and Tourism, is a very large entity, and he has recognized the Civic Center has needs that they can use this money for immediately, as the Jersey Boys situation detailed. He said it gets into moving money around, and what happens to bonded projects that have leftovers, or, in some extreme cases, get abandoned. Mr. Cannon asked, when they approve pay-go, where does that money go, to which Mr. Young responded, he believes it is called fund 32, and it is allocated for a project. He said, after three years, if the project has not been completed for whatever reason, it goes into a separate account that is specifically for these capital projects. He said sometimes they do not have enough funds to complete a project because their estimates come in over, and they are encountering struggles with that with the tariffs in metal prices. He said anything that requires lots of metal tends to cost a bit more nowadays.

Mr. Taylor said this is in Section 710 of the Charter. He said it is a short sentence about pay-go that says the balance remaining to the credit of the completed or abandoned capital project shall be available for appropriation in subsequent capital budgets, or be transferred to a fund for the retirement of bonds, or payment of interest if funds for such capital project were obtained from the sale of bonds. He said that really covers it, and there are several options, obviously. Mr. Young said, in Mr. Miller's case, it is doing it now. He said, when he presents the CIP, he will touch on some projects that are being proposed to be funded with some old pay-go money.

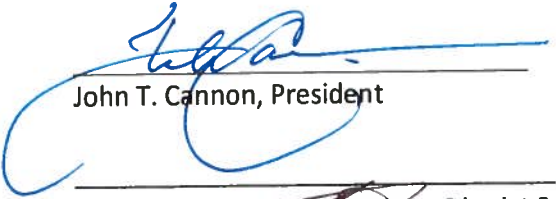
Mr. Holloway said, in reference to Mr. Cannon's statement a few minutes ago asking why it was so overbid, back in about 2008, the Civic Center Director brought forward putting a new roof on the Civic Center, and he was contacted by one of the local roofing companies that did not think this needed to be done. He said the Director had already hired an engineering firm that said the roof needed replacing. He said it was on the news, and he heard from this roofer who contacted him saying the roof did not need to be replaced. He said he convinced Rick to have the roofer look at it, so they had the engineering firm come back, and they said the roofer was right that it really did not need to be replaced at that time. He said they wanted hundreds of thousands of dollars to replace that roof. He said he does not know if this is the same engineering firm who now has given this estimate, but they have to move forward with the CIP and ask for this amount of money. He said this kind of makes him ask how much trust they have in what they are being asked to put in the CIP when they are talking about more than half. He said he knows that is a tough call, but he thinks they need to have a better idea of what is being asked of the taxpayers to spend so they do not end up with this kind of money being left over. He said it is great to have it left over, but they had to borrow it to begin with, so it has been sitting there. He said they only would have had to borrow half that much if they had correct numbers. He said the whole CIP ought to be looked at. He said he knows it is tough calling it out a couple of years in advance, but that is kind of

an embarrassment to the process to see it was that far off. Mr. Young said that is a good point, and he believes all Department Heads should have justification for the estimates they are providing. He said they do not have roofing experts in-house, so, in the case of the Civic Center, they are relying on engineers. He said sometimes one thing can look good on paper to an engineer, but really they need to talk to the field person who installs it to see if it will actually work, or if it is actually needed. He said, for example, they do ferry rehab on a regular basis, so they know what the prices have been, but when they talk roofs for a unique building, such as the Civic Center or Perdue Stadium, it is not always one size fits all. He said roofs should last for at least 20 years, or have warranties for 20 years, so when they do something that infrequently, it is hard to have updated, modern, accurate costs for something they do not do regularly, and they rely on experts to tell them, but Stafford, apparently, overestimated. Mr. Holloway said he thinks in the future when they get a bid similar to that they need to have a contractor, and get bids from the people who are going to do it before they come to the capital budget. He said they sit here and struggle to find money to fix other things, and here they are looking at this much money just sitting there, to which Mr. Young responded, but this is also one project out of probably 50 plus over the time period that they have not had those issues with. Mr. McCain said he does not want them to overcomplicate this scenario. He said Mr. Miller did his due diligence, and got an engineering firm that was an expert, but, obviously the bid came in high, and they got it done cheaper, which is great. He said they want to repurpose those dollars, and he thinks the due diligence was done. He said, if there is any recommendation, maybe they just should make sure they get two estimates in the future so at least they have something to compare it to. He said, other than that, he does not want to turn this into something more than what it is.


Mr. Cannon asked if Mr. Miller's request is a repurposing, to which Mr. Miller responded, yes. Mr. Cannon said, either way, it has to go through a Legislative process. He then asked if it is going to be so much more expeditious to do it as a repurposing through Legislation, or should they just reissue it through the other channels, such as the CIP, and recognize that it is a project for the Civic Center. He said, at this stage of the game with where they are in the budget, it is very advantageous because they are here, so is it a repurpose, or is it something where it should be reworking the CIP, which already has about 300 holes in it. Mr. Young said, if the improvements are not immediate, they could add it to the CIP. Mr. Cannon said Mr. Miller knows what he is doing, and he thinks he has saved the County money, so if Mr. Miller is recommending improvements to the Civic Center, he is all for that. He said it is just the process, and however they want to do it because it is going to have to go through the Legislative process anyway. He said he just asks that they rethink it a bit before it comes back to the table because it has to. Mr. Young said, if it can wait, it would make sense to put it with the CIP. Mr. Cannon said they do not want to slow things down because the worst thing about Government is they are always too slow with everything, so they would still like to move it forward, but with a process that is a little more palatable. Mr. Miller said they are happy to do it either way, and he thinks, at the end of the day, they just want the projects to get done, and he thinks it would benefit the Civic Center.

Mr. Hastings said, regarding the Jersey Boys, it would be great to be able to have audio go out to the people to know what is happening, and it would be nice also to have the visual to know there is a delay, but they cannot underestimate, obviously, the human element. He said he had a lot of people reach out to him saying there was not anyone there to tell them, and they were waiting for a while. He said, as much as possible, the human element of having somebody to speak to is also really important. Mr. Miller said he thinks with any situation like that, an all of the above approach is the way to go. He said, with respect to the show, they did everything humanly possible to make that show go. He said they jumped through every hoop, and, in their estimation, it should have happened. He said, with respect to the communication with the outside, they fell way short on that, and there is no other way to look at it.

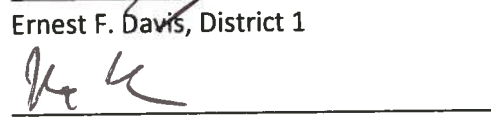
He said they should have communicated better with folks. He said, even without a PA system, they could have sent people out there, and there are things they could have done in retrospect, but, in real time, they believed they were ready to open the doors at any moment, and that is how they were preparing. He said, obviously, that did not happen, and that was very frustrating for many folks. He said he did not know Mr. Cannon was out there as well, to which Mr. Cannon responded, they had a good time. Mr. Miller said that was a tough night, and there is no doubt about that. Mr. Holloway said he does not recall that happening any other time, to which Mr. Miller responded, he has been told a Barry Manilow concert years ago got cancelled, but this is a very rare situation, and they hope to never have that again, obviously. There was no further discussion.



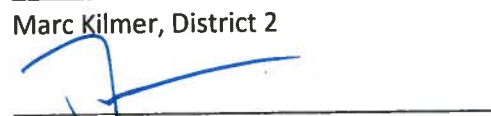
John T. Cannon, President



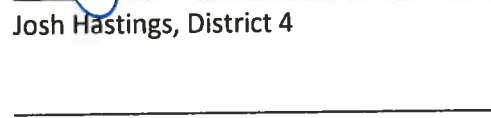
Larry W. Dodd, Vice President, District 3



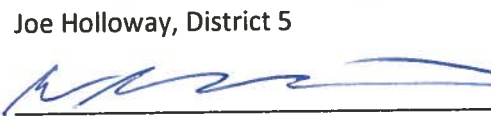
Ernest F. Davis, District 1



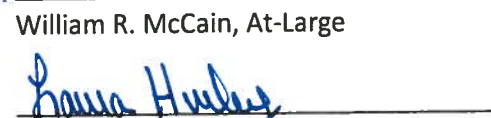
Marc Kilmer, District 2



Josh Hastings, District 4



Joe Holloway, District 5



William R. McCain, At-Large



Laura Hurley, Council Administrator