

Open Work Session
Discussion on New Public Safety Building
October 20, 2020

Mr. John Psota, Acting County Executive, Sheriff Mike Lewis, and Mr. Nick Rice, Purchasing Agent, came before Council. Mr. Psota said, as they progress through the Public Safety Building project and its latest projected cost estimate of approximately \$28 million, the Finance Department was recently tasked with analyzing the prospective impact this estimate would have on the County's long-term debt forecast and its debt policy. He said, given COVID's budgetary impact and the Maryland State Bureau of Revenue's estimate uncertainties, they applied estimated variables in this analysis to include the following: an interest rate of 3.5 percent on their debt; an applied 5 percent reduction in general fund revenue for FY22 with no general fund revenue for the next four years; and a capital project list of important funding needs over the next five years. He said, to be clear, there is an identified need for this Public Safety Building project. He said the purpose of this presentation is to fulfill their responsibility to provide the prospective impact that the capital projects listed could have on their future debt management and their future borrowing capacity. He said, for this presentation, he would like to introduce Pam Oland.

Mrs. Pam Oland, Director of Finance, then came before Council and passed out handouts. She said, as Mr. Psota stated, she was asked to look at the availability of debt service and, moving forward, if they were to do this project, as well as other projects listed in their CIP, or potentially coming up in the next CIP. She said, as Mr. Psota stated, their County policy states that the sum of their principal and interest payments on general obligation debt should not exceed 12 percent of total general fund estimated revenue. She said, with the current estimate of FY21, they know COVID is going to impact that revenue number, so they used 5 percent as an estimate, which is about a \$7.6 million-dollar reduction, to make their general fund revenue \$145 million dollars. She said that 12 percent number of \$145 million dollars means they would have the availability every year to spend about \$17.5 million dollars in debt service. She said, with what they are projecting right now for FY21, that translates into having about \$13 million dollars and change in debt service principal and interest payments, so that leaves space for FY22 to be able to have a debt service payment of about \$4.2 million dollars. She clarified, she is rounding all of these numbers up for ease of talking about them. She said, in 2022 they will pay down some debt and it will go off their books, so that gives them availability again to go back up to that \$17 million-dollar number to borrow another \$1.2 million dollars. She said, then, in 2023 they will retire some debt, so in 2024 they will be able to have another principal and interest payment growth of \$1.4 million dollars. She clarified, while doing this analysis, that \$17 million dollars was their cap, they did not raise revenue through this five-year period, and 2025 and 2026 are not listed on this because they are not really retiring a whole lot of debt in 2025 and 2026; thus, there is not really the availability to borrow a whole lot in 2025 and 2026 based on the current analysis of what is going to retire off their books.

Mrs. Oland said they took a look at only five areas that require funding from the County for the next five years. She said they looked at the Board of Education, the Sheriff's Department, the Airport, the Library, and Wor-Wic. She said the Airport and Library are numbers that came to them in last year's CIP. She said the \$19 million dollars for the Sheriff's Department is what they would need to borrow to accomplish the plan as it is currently stated. She said the Board of Education and Wor-Wic have already submitted their CIP for 2022-2026, so she has updated these numbers using that. She said one thing to note on the

Board of Education is that their list includes \$17.4 million dollars of forward funding, which means the State will repay the County that money if they move forward with the projects, but if the County stops the projects partway through, that is money that will not be recouped, so she made the worst-case scenario in this projection that the County would have to spend \$46.2 million dollars for their list of items over the next five years. She said, in Wor-Wic's last CIP they asked for the Applied Technology Building in 2022-2023, and in their newest CIP they have added a new building for 2024-2026 called a Learning Center. She clarified, that is new, so Council would not find it in the previous CIP, and it is not one they have even talked about, but because Wor-Wic presented it to the Administration before presenting Council with this information, they included it on this list.

Mrs. Oland said, ultimately what this means over five years is, if they funded every single one of these projects, they would need \$95 million dollars to borrow, and the last page of her presentation basically walks through whether they have the availability to borrow \$95 million dollars. She said the \$4.1 million dollars she showed Council on the third page saying they have that availability in 2022 translates at a 3.5 percent 20-year bond at about \$60 million dollars they could borrow. She said, in 2022, the list on the fourth page shows \$41 million dollars of spending. She said this schedule, basically, walks through what they would have left at the end of 2022, and there is still almost \$19 million dollars left they could borrow, and they could put some new debt towards that based on their limit. She said it comes all the way down to the end of 2026, and, unless they get money back from the State for that \$46 million dollars, they do not have the availability to borrow anything else, and they would be violating their policy after five years. She clarified, they would have tapped out all of their borrowing capacity on five Departments, and not be able to borrow for any other general fund project at the current estimates.

Mrs. Oland concluded, basically, what this is trying to show Council is that they have some tough decisions in front of them as to what projects they want in their CIP, and at what level they want them for the next five years. She said, additionally, Council was asking about pay-go funding, and they are working with their financial advisor, Davenport, to get those numbers, but it is looking very slim without eroding their fund balance to have funding for pay-go, so pay-go is not really a savior in this process. She clarified, she does not have those exact numbers, but Council asked that question, so she is looking at that, but based on their current estimates, it appears that is also going to run out within the next five years without eroding their current fund balance.

Mr. Holloway asked what method Mrs. Oland used to come up with the 5 percent reduction in their revenue estimate. He said, from what he is reading and hearing, and has heard from other people and the County Administration, it was going to be a lot more severe than that. Mrs. Oland responded, they looked at 8 percent, which would be an even further cut, but picked 5 percent because they feel it is going to be at least that much. Mr. Holloway then asked if Mrs. Oland came up with a number, or did she just pick a number, to which Mrs. Oland responded, they looked at a range of numbers, and they also made the decision that, based on where some of their revenues come from, right now with stimulus, etc., their revenues are holding up. She clarified, come an election in two weeks and changes at the federal government, this is all an estimate. Mr. Psota added, as they stated at the beginning of this presentation, for the purposes of what they are trying to do here, they have to come up with an educated guess, and they came up with the 5 percent, as he stated at the beginning, just as they came

up with 3.5 percent on the interest for their debt as it stands. Mr. Holloway said, so it is just a guess, to which Mr. Psota responded, yes. Mr. Holloway said that was what he was trying to figure out.

Mr. Davis asked if this includes if they go into a recession, to which Mr. Psota responded, they do not know. He said, with the impact of COVID, they do not know, and with a structural deficit in the State, they just do not know, and there is also the election, so there are so many unknowns. He said, for the purposes of moving forward and as a discussion item as they prepare for their 2022 budget process, he knows they are here specifically for the discussion for the Public Safety Building, but this is basically an exercise for all of their CIP going forward. He clarified, as Mrs. Oland said, as far as which projects they are looking at, and what level they want to fund them, this is basically a larger discussion that there are so many uncertainties, so they are flying blind, and they just do not know.

Mr. Dodd said he also was wondering about the 5 percent reduction in revenue because of COVID, and really expected more, but understands it is an educated guess. Mr. Psota responded, they are averaging it out over five years, but they could see growth in the next two years, and then as property assessments come in, it affects property values, so they feel comfortable for the purpose of what they are doing here. He clarified, it could be 8 percent, or it could be 3 percent, they just do not know over a five-year period, again, keeping in mind the \$17.4 million of forward funding from the State after year four.

Mrs. Oland said, as Mr. Psota stated, they kept 5 percent reductions, so they did not up their number or lower their number, they kept revenue flat for five years, but that is not going to happen. She clarified, there will be a reduction here and there, or growth here and there, so, again, to make this an easier exercise, they kept it flat so they did not keep constantly changing how much debt service availability they had, but they do not feel they are significantly understating that number they have available.

Mr. McCain said, on the capital projects, he was trying to look at the CIP online, and he keeps finding bits and pieces of it, but cannot find the right file. He said Mrs. Oland may know off the top of her head, but they took the big nuts here with the Board of Education, Sheriff's Department, Airport, and Library, but miscellaneous makes up everything from the Civic Center to Roads, and that is not in here. He said the thing that is also not in here, and also not in their CIP, which could be a really, really big nut, is sewer. He said County sewer has been on the radar here for some time, and they do not have a plan as they sit here, but it is going to fall somewhere in this window, and they know is coming. He then asked if Mrs. Oland knows off the top of her head the total of the CIP, to which Mrs. Oland responded, unfortunately she is not connected to the network right now, but she knows where to find it on the network. Mr. McCain said his overall point is that they are, obviously, kind of skinny here, but they also know the capital projects are actually bigger than this example to some degree, so he was just trying to get an idea of whether they are talking 10 percent more, or 20 percent more. Mrs. Oland responded, when she was putting this together, she was pretty much looking at the Departments with multimillion-dollar requests for debt service over the five-year period, and she took the requests that were probably in the \$4+ million-dollar range. She clarified, she cannot swear she did not miss any, but she tried to look at what their top projects were, but unfortunately does not have that number with her. Mr. McCain said they may need to do the same modification of this after they have the discussion on water and sewer, which could be a big number. Mrs. Oland said, again, this debt service policy is just for things that would get paid out of the general fund with general fund money, so they did not even include anything in this

associated with the landfill or Solid Waste because they are an enterprise fund, and they would pay their own debt service. She said she is not well versed in water and sewer to know if that would be set up as an enterprise fund or not, but she knows at the City of Salisbury it is an enterprise fund, so they would pay their own debt service there. Mr. Holloway said they would probably start out with grants, to which Mrs. Oland responded, again, that would play into whether or not it is a governmental fund, or whether or not it is an enterprise fund and would fall under this.

Mrs. Acle said, when they were going over the budget, the Sheriff's Department gives Council a pretty itemized budget of his Department every year during budget time, but they do not get that from the Board of Education, the Library, or Wor-Wic. She said she hates to pick on them, but looking at their audit, Wicomico County Schools frequently did not comply with governing State laws for CIPs. She then asked if this is something they need to look a little closer into as far as these different entities they are doing capital projects for. Mr. McCain responded, before they get too far into that, he would definitely challenge Mrs. Acle on that Board of Education statement. He clarified, Council gets the Board of Education's budget, and it is hard to get anything more detailed than the Board of Education's budget they present to Council. Mrs. Acle said they did not get subcategories, to which Mr. McCain responded, maybe Mrs. Acle missed it because it is hard to get much more detailed than that. He said they break down every single Department, so he has no idea what Mrs. Acle is talking about. Mrs. Acle they show the five major categories, and that is it. She said it is the same with the Library, to which Mr. McCain responded, he would challenge Mrs. Acle on that. Mrs. Acle then asked if this is something Council needs to look at because, as she said, the Sheriff's Department is very detailed and has all the subcategories, to which Mrs. Oland responded, the difference is that the Sheriff's Department is 100 percent funded by the County, and is a County Department. She explained, the Board of Education is a component unit that the County provides funding for, but are not responsible for their budget or their presentation of their budget. Mrs. Acle said this audit says they are, to which Mr. McCain responded, Mrs. Acle needs to read the last page of that audit. He said all eight of their statements have been acknowledged and corrected by the Board of Education. Mrs. Oland said they can look into that statement, to which Mrs. Acle responded, it is neither here nor there, she is just wondering if Council needs just a little more information on these different entities in their CIP. Mr. Psota said he thinks that is the purpose of this discussion. He said, as they look at projects going forward, and look at the amount of funding they provide for them. He said they are painting a picture here that after four years it gets skinny unless they do their due diligence and their fiduciary responsibility they are doing now to identify the fact that in four years it gets skinny. He clarified, there are variables in there, and he is an optimist, but he would like to say that, quite frankly, they are really hopeful they do not have any growth over five years, but for the purposes of getting an idea of where they are, that is why they put the 5 percent in there and stagnant growth. He said a larger view is looking at everything going forward as to what they can afford, keeping this in mind in the future.

Mr. Holloway said, not to beat a dead horse, but they mentioned 5 percent, and Mr. Davis brought up a recession, and Mr. Cannon was on Council during the last one. He then asked if Mr. Cannon remembers what their markdown was as far as revenues back in 2007-2008, to which Mr. Cannon responded, he can only say they cut anywhere from 17-25 percent, but he would never say that is what may be happening in the next year. Mr. Holloway said he remembers it was a lot more than \$4-5 million, and he remembers the Sheriff's Department, unfortunately, took the biggest hit during that time.

Mr. Cannon said they are getting federal reimbursables for the Airport on the water line, to which Mrs. Oland responded, that is not in this analysis. Mr. Cannon clarified, they can anticipate that money. Mr. Taylor said that is the CARES grant. Mr. Cannon said they have to forward fund the water, to which Mr. Taylor responded, they are getting something like \$4 million from the State. Mr. Cannon said that could be another \$4 million they are looking at recouping. He said his point is, from what Mrs. Oland is saying, they are sliding into home base in five years, and all other projects would have to stop in five years, to which Mrs. Oland responded, in this analysis they are trying to show that they are going to have to be very careful when putting together their CIP, and when they are looking at funding projects. She said, basically, \$95 million dollars is kind of the target at this moment, and after \$95 million dollars they do not have a whole lot of borrowing capacity unless something changes, such as revenue grows, or they postpone or cut projects. Mr. Holloway added, or change their policy, to which Mrs. Oland responded, the downside of that is, when they go to borrow, it would then potentially change this 3.5 percent number. Mr. Holloway said that is why they keep the policy as they have it, and why they have kept it for so long. Mrs. Oland explained, there are three variables that can change; they can hope their revenue number is not cut 5 percent and stays stagnant for five years; they can look at their projects over the next five years and be very judicious with their money as to what they spend it on; and the last piece is that they could change their policy, but that has detrimental impact on the percentage they can offer, and how much lenders would be willing to lend the County.

Mr. Dodd asked how much they plan on borrowing in the next five years, to which Mrs. Oland responded, if they funded every project on this list it would be \$95 million. She said the biggest nut on this list is the \$41 million for next year - \$19 million for the Public Safety Building, \$10 million for the Board of Education, and Wor-Wic is looking for \$5.4 million for their Applied Technology Building, but the Airport is only listed at \$6 million dollars. She explained, the runway extension is actually estimated to be about an \$11 million-dollar project, but they are making the assumption the FAA will give the County about \$5 million in grant money for that, so they would only have to borrow \$6 million.

Mr. Cannon said it is kind of unusual because they sort of put the cart before the horse on this whole thing. He said normally these types of capital projects are all vetted very carefully with Administration and staff, and then the recommendation comes to Council. He said he thinks what is happening now is they are asking Council to make that recommendation, to which Mrs. Oland responded, she thinks it is more that they are trying to frame the picture associated with Council and Administration trying to make a decision on the Public Safety Building, so they are trying to give a broader picture of what the Public Safety Building impact at the number it is currently listed has on the County's finances as a whole. She said, again, they had to make assumptions to do that, and they are not asking Council to make a decision on the Board of Education column or the Wor-Wic column, but they are asking Council to keep in the back of their mind that these are the asks the Administration has received which they could be coming to Council with, or they could be coming to Council saying they could not fund some of these things because of this information. She clarified, the ask right now is what to do with the Public Safety Building, and the \$19.6 million-dollar number was generated by taking the number from the last presentation, which was \$27.9 million dollars, and backed off what they had remaining from previous and the \$5 million dollars they are planning to borrow for this project, so that is already accounted for.

She said, basically, this is what is remaining, but she added some money to furniture and fixtures, which is not in the listing of the Public Safety Building.

Mr. Cannon said the architects might have to help them with this. He clarified, recognizing the fact that Mrs. Oland clearly stated they are really pushing the envelope here, might there be a way in the Public Safety Building project that phase B, which is the Emergency Services Building, could be delayed in any means whatsoever, sort of treating the two buildings as separate entities right now. He said they could make sure phase A with the Sheriff's Department gets done, and they can worry about Emergency Services after that. Mr. McCain clarified, this does not include Emergency Services. Mr. Cannon said he thought phase B was Emergency Services, and what he is getting at is that phase A and phase B are both \$28 million, to which Sheriff Lewis responded, no, phase A is \$28 million. Mr. Davis said they are looking at another \$9 million for phase B, to which Mr. Dodd responded, he bets it will be more than that.

Mr. Nick Rice clarified, phase A is the Public Safety Building with the anticipation of Phase B happening. He said there are some values in phase A that are for phase B, so it is being planned so they are not overriding each other, but the \$28 million is for phase A.

Mr. Hastings said there is talk at the federal level about potential money coming to the State and local government if there is a new coronavirus package, but that might not happen after the election. He said they also know that the State of Maryland is expecting a potential \$7 million-dollar deficit for next year, and then a potential \$4 million dollars later on, so the State of Maryland may not have a whole lot of money in the next ten years. He said he does not know how guaranteed the \$17.4 million is for the County to get that money back in this calculation, so he understands how precarious this situation is. He then asked what the options are going forward, or how they can come to a better conclusion as to what their real options are. Mr. Psota responded, for clarification on the \$17.4 million, the only way that would not come back is if they did not do the projects. He explained, for example, if the State said that because of their economic picture they did not fund the project, that \$17.4 is applied to the amount they put down for those projects. He said, going forward, that is kind of where they are, and this was to give Council an idea of where they are at this level.

Mr. Taylor asked if this has been vetted with the Board of Education because the CIP they just turned in for next year is \$45 million total, \$38 million of which is the County share, and this presentation has it down for \$10 million. He clarified, he understands the \$17.4 million floating around, but he just wonders because he does not think \$10 million covers Mardela and the final portion of Beaver Run, to which Mrs. Oland responded, this number is actually from a schedule the Board of Education provided as to their cashflow needs over this period. She clarified, she took this right from a presentation from the Board of Education. Mr. Taylor asked if this has been sent back to the Board of Education to look at in terms of what Mrs. Oland came up with, to which Mr. Psota responded, for the purpose of this discussion, they took the information from the CIP submitted by the Board of Education. He reiterated, again, for the purpose of this, they did not go back and ask if the numbers were correct because this is information they were given by the Board of Education. He said, again, the larger picture here is that they need to look at their projects going forward and the level of funding, and not to get too much into the weeds as to whether these are actually good numbers because they are telling Council they are. He said they are being upfront here that these numbers are variables; the 5 percent is a variable, the 3.5 percent is a

variable, and some of these numbers on the capital projects are today's numbers versus five years from now, and are variable. He said they are just trying to give Council an idea that they are trying to do the best they can with the information they have to help them all in the future make the best decisions they can for the taxpayers. Mr. Taylor said he was just making the suggestion since the BOE turned in \$37-million in addition to the two schools. He said he thinks there is a \$9 million-dollar infrastructure upgrade at WiHi that he thinks they had County money for. He said he does not know how important that is, or how far the can could be kicked further down the road, but \$9 million dollars is not peanuts.

Mr. Cannon said, as he said before, this whole process got ahead of itself. He clarified, when he says this whole process, he means the CIP. He said, in their report, the architectural firm made the County aware of what these new numbers were going to be in February 2020. He said Council received the CIP almost two months later on April 21, 2020, and he still does not understand why the CIP did not represent this. He said this means what has to happen now is, in order for Council to move forward from day one, they have to have a complete reevaluation of the CIP, as he knows Mrs. Oland has done to a certain degree based on the numbers they see that will impact the County. He said, if they move forward with this project, the CIP has to be amended, but he thinks that should not come from this table, he thinks the Executive Branch is going to have to get together and completely rework the CIP based on the numbers, and then come back to Council with how they are going to make each of these projects work as a County for Council to review. Mrs. Oland said the Charter says they have to provide Council with an updated CIP every year, and they are in the process of gathering that from all Departments. She said, again, she understands this is not a full picture of the CIP, and they need to reevaluate the complete CIP. She said they are being asked to make a decision on the Public Safety Building, but they do not have complete information to be able to make a decision because they do not yet have all of the information from all Departments, and have not yet vetted it within Administration to then bring it to Council. She said the Public Safety Building is also moving down a track where they are going to get to a point they cannot go back, so the question becomes, which is the cart, and which is the horse, honestly, in the process right now. She said they know they will be giving Council a CIP. She clarified, this is her saying this only, but an idea is maybe to put a halt at this moment on anything further with the Public Safety Building until they do an updated CIP, or should they make a decision on the Public Safety Building and then the rest of the CIP has to fall in line with that decision. She said those are two courses of action they can take, but they wanted Council to be aware of what this project as currently presented could do to their finances. Mr. Cannon said this presentation is absolutely fantastic. He said it is very, very helpful for Council, but, as Mrs. Oland said, this project is already moving forward, so he thinks they have to figure out how they can make it work. He said, in doing so, they need to know how they are going to stretch their dollars, and that is the information they are going to have to have from the Administration to let Council know, again, in the form of some type of an amended CIP they can all feel comfortable with. Mrs. Oland said it is just going to be the newly issued CIP. She clarified, she does not think they will amend the 2021-2025 CIP, they will issue the new 2022-2026 CIP with that information.

Mr. Dodd said, if they issue a new CIP, do they have to still make amendments to the previous CIP, or just go with the new CIP, to which Mr. Cannon responded, that is what he was trying to ask. He said it sounds to him like Mrs. Oland is suggesting Council wait a year, to which Mrs. Oland responded, no. She explained, they have already made the decision to borrow \$5.189 million in this bond, and that is why the number in her presentation is only \$19 million dollars. She said, again, the capital budget set what

they are planning to spend for 2021. She said they are now planning for 2022 forward, so Council will be getting a new plan that will schedule what they need to do for 2022 forward. Mr. Cannon asked if Council will be getting it in December, to which Mrs. Oland responded, yes, and that is why she said that their intention is not to update 2021-2025 because Council will be getting a new one with 2022-2026.

Mr. McCain said another dimension to this that needs to be said is, at their last meeting with Sheriff Lewis and the architects presenting the building and the total cost, numerous Council people expressed some questions, but they really have not had the architects back to address some of those issues. He said there were things brought up, such as the overall square footage. He clarified, he is not saying those things should be changed or altered, but he thinks they need to be talked about because there may be ways to do some modifications to maybe save some significant dollars. He said the fenestration of the building was discussed, but there may be something that can be done to still present a safe and attractive building, but at the same time might save a few million dollars. He said there was discussion about the garage area, so maybe something can be done there that might save money. He said, as Mr. Psota has commented, and as he said, they can see from Mrs. Oland's presentation that it is skinny, and they know there are other projects the County is going to have to do that are not on here, so anything they can do helps. He said he just thinks that should be part of the whole discussion.

Mr. Dodd said this train is already rolling down the track and he does not know what they can do to stop it, but, as Mr. Cannon said, they need to find a way to make it work, to which Mr. Davis responded, Mr. Dodd is not looking at the variables that were mentioned. He said Mr. Dodd said the train is already going down the track, but if they go into a recession, they are going to have to stop that train. He suggested, before they continue to roll this train down the track they are going to have to figure out where this money is coming from. He said they have an election coming up, and the State has not been in Session so they do not know what is going to happen there. He said they have to look at all of that before they say anything. He clarified, it is no offense to anyone wanting to see the building go up, but they do not want to get in over their heads where they have a \$20 million-dollar building going up, and then get cut. He said, as Mrs. Oland said, they have to look at all of these variables and see where this money is going to come from, and then on the Sheriff's Department side they need to look at maybe having to cut some for now to get the building going. He said he is quite sure there is part of this building that could be cut, but could be added on at a later date, at least certain parts of it. He said they could have the main sections of the building, but, as Mr. McCain said, the garage or something like that could be added on later. He concluded, they have to work both sides of this track and see if the Sheriff's Department can work with them as far as funding this building.

Mr. Cannon asked if an estimated groundbreaking has been established with the \$5 million that was put in this year, to which Mrs. Oland responded, no. She said, again, because they are still in the design phase, she is not aware of that. Mr. Rice clarified, prior to the delay, which they have been on since they started this conversation, they were set to put bid documents out this fall and break ground early next year. He said they have the funding to finish the design of the building, but they would not be able to start the construction of the building until they have the full \$28 million for the construction of the building, so, as of right now, they are not looking at construction until FY22 at the earliest. Mr. Dodd asked if he heard Mr. Rice correctly that they have to have \$28 million before they can start the building, to which Mr. Rice responded, generally they do not start a project unless they have the entire

funds for the project. He said they would be writing a contract with a contractor for \$28 million dollars, but would not have \$28 million dollars. He clarified, they have phased projects before in two fiscal years, but generally they want the full 100 percent of the fund of the contract to be in their account beforehand because they cannot cut a purchase order for money they do not have in an account.

Mr. Cannon said it sounds to him like they have to get the FY22 CIP to this table.

Mr. Dodd asked if Mrs. Oland has worked on a plan B, to which Mrs. Oland responded, she is not sure she understands what Mr. Dodd means. Mr. Dodd clarified, Mr. Davis was talking about an upcoming recession, and if there is a recession and they cannot fund this, what is Mrs. Oland going to do after that without putting the building on hold, to which Mrs. Oland responded, she is not sure there is another option, other than putting the building on hold. She said, if they truly do not have the ability to do funding because of recession, then the building would be put on hold, and other adjustments would have to be made. Mr. Cannon said those adjustments would be across the board, not just the Sheriff's Office, but Wor-Wic, the Library, and the Board of Education, to which Mrs. Oland responded, yes. Mr. Cannon said that sequence is going to be up to Administration to try to find, to which Mrs. Oland responded, correct. She explained, the task she was presented with was to let Council know the global picture, and, again, there are assumptions to have created this global picture. She said they wanted Council to have a frame of reference so, when they submit the CIP, Council has this in the back of their brain as to why they may have made the decision they made in the CIP.

Mr. Taylor said, based on what was just said about having to have the money in the pot before going to contract, he does not think that is the case for schools because, if it is, for Mardela they are going to need about \$25 million dollars, to which Mrs. Oland responded, it is broken up differently for the schools, and those contracts are with the school itself, not with the County. Mr. Taylor said he does not know why necessarily the County would have to be that way, and it might be worth considering that, but that is just a thought. Mr. Davis explained, it is different when they are building schools compared to anything else because a lot of funding comes from the State.

Mr. Taylor asked if it would be helpful for Council to have the worksheets for the Board of Education amounts to know what projects they represent so Council has some further information based on what these summary numbers are, to which Mrs. Oland responded, her intention is, when Council has the CIP, they will know what projects are in each fiscal year, and the funding that is in those school years for whatever Departments they are putting in.


Mr. Dodd asked when they should meet about this again, to which Mr. Cannon responded, he thinks it is driven by the CIP. He said it sounds to him like this is going to delay the project maybe a couple of months at a minimum because that is the Legislative process that has to occur between the Administration and the Department Heads, and then coming back to this table. He said that is, realistically, what he sees. He then asked if that is correct, to which Mr. Psota responded, he believes so.

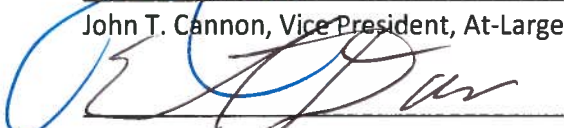
Mr. Psota said, in regards to the Public Safety Building itself, he thinks this is a good opportunity for a fresh face, and a good working relationship with the Sheriff's Department where they can sit down. He said they now have a picture as to a common goal, and that is to value engineer a building going forward

to the best of their ability, and they have this relationship and that ability. He said, if they can make this part of the CIP budgetary process in December, he thinks that is a reasonable goal, and they can come back to Council with as skinny of a building as they can.

Mr. Cannon thanked Mrs. Oland for her presentation and said it was very valuable. Mr. Dodd added, it was very informative. There was no further discussion.



Larry W. Dodd, President, District 3


John T. Cannon, Vice President, At-Large



Ernest F. Davis, District 1


Nicole Aele, District 2


Josh Hastings, District 4


Joe Holloway, District 5


William R. McCain, At-Large


Laura Hurley, Council Administrator