



# CECIL COUNTY, MARYLAND

## DEPARTMENT OF FINANCE

### FISCAL IMPACT NOTE

#### SUMMARY OF LEGISLATION

**SPONSOR:** Council President at the request of the County Executive

#### **BILL NO. 2018-18 – BUDGET AMENDMENT – WASTEWATER CAPITAL BUDGET – CHANGE FUNDING SCHEDULE FOR PORT DEPOSIT WWTP**

**SYNOPSIS:** A bill to amend the Annual Budget and Appropriation Ordinance for Cecil County, Maryland for the fiscal year ending June 30, 2019 to transfer existing bond appropriation authority within the Wastewater Capital Projects Budget in the amount of \$1,719,269.13 from completed Wastewater Capital Projects (Construct Principio Sanitary Sewer - North \$569,062.13, Replace CSX Sewer Line at Red Toad- \$40,000, I&I Meadowview, Cherry Hill, Highlands - \$50,000 & Upgrade NERAWWTP - \$1,060,207) to the Replace Port Deposit WWTP Project. The bill will also removes existing bond authority of \$555,000 from two inactive projects, (Expand Meadowview WWTP -\$430,000 & Upgrade Two Port Deposit Pump Stations -\$125,000) and add it to the Replace Port Deposit WWTP Project. The bill adds additional bond authority of \$763,175 to the Wastewater Capital Budget to allow for sufficient funding for the Replace Port Deposit WWTP Project. The bill will remove \$2,500,000 in estimated State grant funding and \$2,500,000 of other funding from the project funding schedule to reflect the County's plan to build a locally funded package plant to serve the sewer needs of the Town of Port Deposit. The end result of the bill is County bond expenditure authority of \$8,737,444 to Replace Port Deposit WWTP.

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**FISCAL IMPACT SUMMARY:** The approval of this bill will have a net financial effect on the Wastewater Capital Improvement Program of Cecil County for FY2019 by reducing the total cost of the Replace Port Deposit WWTP project by \$1,962,556. However, the bill is removing \$5,000,000 in funding from outside sources and transferring unused bond funding of \$2,274,269, from completed or inactive projects in order to have sufficient budget to build the current designed plant. The County will have to borrow an additional \$763,175 in public improvement bonds to fund the project. This will have a fiscal impact in FY2020 when the County goes to the bond market to borrow the funds for the project. Additional principal of \$763,175 may result in an additional interest expense of \$300,000 over the 20 year life of the borrowing.

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**FISCAL ANALYSIS:** The Port Deposit WWTP has reached the end of its useful life and is need of replacement. Most of the concern about the current plant is the structural integrity of the steel tank. The County, who took ownership of the plant a number of years ago has determined the affordable option for the County today is to fund a plant near the current plant that will serve the Town of Port Deposit and has the potential to serve future economic development in the community.