



CECIL COUNTY, MARYLAND

DEPARTMENT OF FINANCE

FISCAL NOTE

SUMMARY OF LEGISLATION

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

BILL NO. 2020-07 – ROADS & BRIDGES CAPITAL BUDGET-TRANSFER BOND FUNDS BETWEEN CAPITAL PROJECTS – BELVIDERE ROAD IMPROVEMENTS PHASE 1

SYNOPSIS: A bill to amend the Annual Budget and Appropriation Ordinance for Cecil County, Maryland for the fiscal year ending June 30, 2021 to transfer existing bond appropriation authority within the Roads & Bridges Capital Projects Budget in the amount of \$1,000,000 from the Belvidere Road Improvement Project Phase I to the Replace Central Yard Fuel Project (\$500,000) and the Mechanics Valley Road over CSX Bridge Project (\$500,000). This bill will also remove new FY2021 bond funding of \$1,125,000 from the Central Yard Fuel Point and Mechanics Valley Bridge projects to lower the County's overall capital debt burden for FY2021.

FISCAL IMPACT SUMMARY: Net fiscal impact to the County will be reduced capital borrowing in Fiscal 2021 of \$1,125,000. The new planned FY2021 bonds will be removed from the two projects and will be replaced with prior borrowed bonds. The bill transfers \$1,000,000 of existing bond appropriation authority from a new project to two projects that are in final design and need additional funding to complete construction.

FISCAL ANALYSIS:

The FY2021 Proposed Capital Improvement Program—Roads and Bridges Capital Program was seeking to move \$1,000,000 of prior funding to the Belvidere Road Improvement Phase 1 Project. The program also was seeking new bond authority for the construction balance needed for the Upgrade to the Central Yard Fuel Point Project and the Replacement of Mechanics Valley Road Bridge Project.

In a letter dated April 14, 2020 from the County Executive to the County Council, Dr. McCarthy informed the Council the Proposed Capital Improvement Program (CIP) was reviewed by his staff, and due to the growing fears of the economic effects of the COVID-19 pandemic, were advising him against starting new projects. Although the CIP is a planning document, he felt it necessary to share with the Council the advice he had received and believed it fiscally prudent to recommend deferral of five projects seeking new project funding in FY2021:

2. NEW PROJECTS IN THE FY21 CIP THAT WILL BE DEFERRED UNTIL FY2022.

- a. Facilities – Administration Building Security (County-\$150,000)
- b. Parks- Rising Sun High Turf Field (County-\$1,300,000)
- c. Sheriff's Office-Retrofit Space for Evidence & Armory (County-\$535,000)
- d. Cecil County Animal Services-Phase 2 Expansion/Sprinkler (County-\$640,000)
- e. Roads-Belvidere Road Improvements Phase 1 (County-\$1,000,000)

The last item in that list, the Belvidere Road Improvement Phase I Project was not seeking new FY2021 bond authority, but rather was having unused, already borrowed bonds transferred to the project to start design work. However, due to the pandemic, it was decided a better use of those already borrowed bond funds was to transfer the bond funds to two projects, instead of borrowing new bonds, that are poised for construction in FY2021, the Replacement of the Central Yard Fuel Point and the Replacement of Mechanics Valley Road Bridge. The implementation strategy letter went on to say:

In order to complete the Fuel Point project at the central yard and the necessary match required for the Mechanics Valley Road Bridge project mentioned earlier, it is our intent to move the prior funding of \$1,000,000 placed on the Belvidere Road Improvement project to the two projects close to construction. The use of bond cash we have in the bank to complete two projects so close to construction seems more reasonable than starting something new on the Belvidere Road Improvement Project.

The County Executive is seeking the amendment as outlined in the strategy letter to ensure the projects that are ready for construction in FY2021 have the required funding and the new project is not started until County revenues stream effected by the pandemic return to normal.