



# Onondaga County Legislature

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## **WAYS & MEANS COMMITTEE - -2020 BUDGET REVIEW OF CAPITAL IMPROVEMENT PROJECTS SEPTEMBER 16, 2019 DEB CODY, CHAIR**

**MEMBERS PRESENT:** Mr. May, Mr. Jordan, Mr. Rowley, Mr. Ryan, Mrs. Ervin

**MEMBERS ABSENT:** Ms. Williams

**ALSO ATTENDING:** Chairman Knapp, Mr. Burtis, Mrs. Tassone, Ms. Abbott-Kenan, Dr. Chase, Mr. Holmquist, Mr. McBride, Mr. Bush, Mr. Bottrill, *see also attached list*

Chair Cody called the meeting to order at 10:23 a.m. She pointed out the room exits, asked everyone in attendance to sign in, and for speakers to use their microphones. She noted that there is a tight schedule, and asked that everyone be respectful of each other's time. Mr. May pointed out that the presentations should be limited to approximately 5 minutes – some departments will take longer than others; there is flexibility for them, but we will try to stick to the schedule to keep things going and keep the process focused on the budget itself.

Mr. May stated for the record that we are looking at a pretty good starting place, if not a really good starting place. The rate is down to an historic low; today will talk about borrowing. As we start to get into departments, he wants to reference some themes upfront that will be important and save some discussion. The budget portrays the agenda of the new administration – there is significant alignment between the legislative branch and the administrative branch. Regarding the process and understating it, there are a lot of 101 changes and dynamics within the budget itself across many departments. Before we start the process, he suggested trying to figure out what aligns with new programs, with mandates, i.e. Jail, District Attorney. From a legislation point of view, we want to narrow it down to the truly discretionary items from a staffing standpoint. What isn't in the budget are offsets – in order to do that we need to be a little bit more ahead on 101 than we have seen in the past.

Chair Cody said that Mr. May streamlined the process last year and it worked well. If there are more in depth questions than can be gotten into here, further information can always be requested from the departments.

## **2020 – 2025 CAPITAL IMPROVEMENT PLAN – Rustan Petrela, Deputy Commissioner**

### **CIP 2020 -2025 Presentation**

Presented to CIP Committee on 9/4/2019

Presented to Planning Board on.....

Planning Board adopted the resolution endorsing the CIP 2020-2025 on .....

As usually the focus of this CIP is on maintenance and environment (69% of funds). There are no projects which extend sewer or road infrastructure
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### **Comparative information**

#### **Scope of Plan**

**(\$ in Millions)**

	2019-2024	2020-2025	Increase/ Decrease	% Increase/ Decrease
Plan (\$)	\$460.5	\$661.9	\$201.4	43.7%
County Wide	\$222.4	\$332.5	\$110.1	49.5%
Special Funds	\$238.1	\$329.4	\$91.3	38.3%
Proposed Projects	54	53	-1	
New Projects	5	15	10	

**Main contributors for the increase in County Wide Funds are:**

1. Nine new projects, four of which in Parks (\$13.5M) and one in finance for \$75M (STEAM)
  2. DOT has an increase of \$48M due to more funds dedicated to Cap. Highways Constr. Cold Mix and Hot Mix repairs
- Fed aid increased by \$26.8M and State aid increased by \$4.6M

**Main contributors for the increase in Special Funds (Sewer) are:**

1. Six new WEP projects for a total of \$169.4M

CIP request for expenses in the upcoming year (Local funds only)

	Total	Debt	Cash
Local Funds Requested last year for 2019	58.8	49.6	9.2
Local Funds Requested this year for 2020	132.1	123.4	8.7

Percentage of debt limit exhausted is 17.4%

**List of new projects for 2020 - 2025**

Department	Project	Total cost	Our cost	Year
Facilities	DH&C Plant Upgrades	\$700,000	\$700,000	2020
Finance	STEAM High school	\$75,000,000	\$75,000,000	2020
I.T.	Evidence Management System Upgrade	\$630,000	\$630,000	2020
Parks (\$13.5M)	Beaver Lake Nature Center Boardwalk Replacement	\$1,835,000	\$1,835,000	2020
	Hopkins Road Softball Park Rehabilitation	\$2,000,000	\$2,000,000	2020-21
	Oneida Shores Park Shoreline Rehabilitation	\$670,000	\$670,000	2020-24
	Parks Various Infrastructure Rehab. and Improvement	\$9,023,000	\$9,023,000	2020-25
Library	Mobile Library Outreach	\$260,000	\$260,000	2020
DOT	DOT Facilities Improvements	\$1,000,000	\$1,000,000	2020-21
WEP (\$169.4M)	Combined Sewer Overflow 029 Walton St. Abatement	\$2,020,000	\$2,020,000	2020-21
	Combined Sewer Overflow 067 Abatement	\$16,900,000	\$16,900,000	2020-24
	Davis Rd Pump Station and Forcemain Improvements	\$5,995,000	\$5,995,000	2021-22
	Metro WWTP 1978 Plant Annex Asset Renewal	\$48,500,000	\$48,500,000	2021-25
	Sewer Consolidation	\$90,000,000	\$90,000,000	2023-25
	Route 481/298 Industrial Corridor Sewer Improvements	\$6,000,000	\$6,000,000	2021-22
<b>TOTAL COST OF NEW PROJECTS for 2020 - 2025</b>		<b>\$260,533,000</b>	<b>\$260,533,000</b>	

**Capital Spending by Fund**

(In millions)

	General	Sewer	Water	Van Duyn	Total
2019-2024 CIP	\$222.4	\$238.1	\$0.0	\$0.0	\$460.5
2020-2025 CIP	\$332.5	\$329.4	\$0.0	\$0.0	\$661.9

**In %**

	General	Sewer	Water	Van Duyn	Total
2019-2024 CIP	48.3%	51.7%	0.0%	0.0%	100.0%
2020-2025 CIP	50.2%	49.8%	0.0%	0.0%	100.0%

**Funding Sources (General Fund)**

	Borrowing	State Aid	Fed. Aid	Cash Cap.	Other
2019-2024 CIP	51.1%	19.8%	2.2%	26.9%	0.0%
2020-2025 CIP	54.2%	14.7%	9.6%	21.5%	0.0%

**Mandated vs. Non-Mandated**

	Mandated	Non-Mandated
2019-2024 CIP	39%	61%
2020-2025 CIP	38%	62%

- Usually focuses on maintenance and environment – 69%
- No projects which extend sewer or road infrastructure
- Scope is 43.7% increase over last year
- Last year \$460.5 million; this year \$661.9 million – 6 years
- County wide \$332.5 million; \$110.1 million increase over last year, 49.5% increase
- Special funds \$91.3 million over last year, 38.3% increase
- 17.4% Percentage of debt limit exhausted
- \$250.5 million – total cost of new projects

Mr. Petrela reviewed each new projects:

**Facilities:**

- DH&C upgrades – various upgrades in technologies – increase efficiencies and decrease time for repair

## Finance:

- \$75 million STEAM High School; joint initiative of Syr. School Dist., Onondaga Co., and Onondaga/Cortland/Madison Board of Education services
- Debt service will not be paid by the local taxpayers; it will be paid by the state

## IT:

- \$630K Evidence Mgmt. System upgrade – used by all police agencies in county, Center for Forensic Sciences; system over 10 yrs. old – new system will have more benefits than the old and new hardware

## Parks:

- \$1.8 million - Beaver Lake Nature Center boardwalk replacement – ½ mile of 3 miles is in bad shape; repair
- \$1 million – Hopkins Rd Softball Park – rehab turf, parking lot, fences, lights, concession stand
- \$670K Oneida Shores Park – rehab boat launch and retaining wall; build a weigh station for fisherman
- \$9.023 million – Various parks infrastructure rehab – annual, ongoing – prioritized by dept.

## Library:

- \$260K – Mobile Library Outreach – bus to provide services to remote areas, nursing homes, day cares

## DOT:

- \$1 million – maintenance and repair of Jamesville and Marcellus facilities

## WEP:

- \$2.02 million - CSO#029 Walton St., mandated–modify existing conveyances to all federal/state requirements
- \$16.9 million – CSO#067- modify existing conveyances to all federal/state requirements
- \$5.995 million Davis Rd. Pump Station and Force Main – Cicero, North Syracuse service area – flow to Oak Orchard – 2 independent pipes
- \$48.5 million - Metro WWTP Annex – dept. determined needs for repairs and maintenance
- \$90 million - Sewer consolidation – sewer systems of towns and villages – allow for better maintenance and repair to meet federal requirements
- \$6 million – Rt. 481/298 Industrial Corridor Improvements – new conveyance parallel to existing one to better serve industries

## Projects seeking authorization this fall:

List of projects to be authorized in Fall 2019 (\$ in 000's)

This list as well as project descriptions from CIP 2020-2025 book will be sent to Bond Counsel with the request to draft respective bond resolutions

	Recommended Projects	Exec. Recommended Debt Only
	<b>Corrections</b>	
1	Physical Plant Improvements and Security Upgrades	\$442
	<b>Sub Total</b>	<b>\$442</b>
	<b>E-911</b>	
1	Auxiliary Power Systems Replacement	\$688
2	Next Generation 911 (NG-911) Telephone System Replac./refresh	\$212
3	Oblique Aerial Digital Imagery Refresh	\$300
4	Public Safety Radio Tower Replacement	\$265
5	Repave E911 Center Parking Lot	\$344
6	Replac. of Mobile Data Communications Network (MDCN) Infrastructure	\$3,600
	<b>Sub Total</b>	<b>\$5,409</b>
	<b>Facilities</b>	
1	Carnegie Library Rehabilitation	\$2,015
2	Courthouse - HVAC Renovations	\$1,000
3	DH&C Plant Upgrades (NEW)	\$700
4	Facilities Various Capital Improvements	\$1,500
5	LED lighting upgrade in various buildings in downtown campus	\$444
	<b>Sub Total</b>	<b>\$5,659</b>
	<b>Finance Dept.</b>	
1	Build a Scie, Tech., Engin, Arts and Math. (STEAM) High School (NEW)	\$75,000
	<b>Sub Total (Note: This</b>	<b>\$75,000</b>
	<b>I.T.</b>	
1	Evidence Management System Upgrade (NEW)	\$630
	<b>Sub Total</b>	<b>\$630</b>
	<b>Office of Environment</b>	
1	Ash Tree Management (2019-2024)	\$600
	<b>Sub Total</b>	<b>\$600</b>
	<b>Parks</b>	
1	Beaver Lake Nature Center Boardwalk Replacement (NEW)	\$1,835
2	Hopkins Road Softball Park Rehabilitation (NEW)	\$2,000
3	Long Branch Park Improvements	\$1,000
4	Parks Various Infrastructure Rehabilitation and Improvement (NEW)	\$2,256
	<b>Sub Total</b>	<b>\$7,091</b>
19	<b>GENERAL FUND TOTAL (Excludes DOT, Library and OCC)</b>	<b>\$94,831</b>
	<b>Library</b>	
1	Mobile Library Outreach (NEW)	\$260
2	Petit Branch Library addition and improvements	\$485
	<b>Sub Total</b>	<b>\$745</b>
	<b>DOT</b>	
1	DOT Facilities Improvements (NEW)	\$1,000
	<b>Sub Total</b>	<b>\$1,000</b>
22	<b>COUNTY WIDE FUNDS TOTAL</b>	<b>\$96,576</b>
	<b>WEP</b>	
1	B.ville S.Knolls WWTP Disinfection and Phase II Asset Renewal Improv.	\$31,280
2	Combined Sewer Overflow 029 Walton Street Abatement Project (NEW)	\$2,020
	<b>Sub Total</b>	<b>\$33,300</b>
24	<b>ALL FUNDS TOTAL</b>	<b>\$129,876</b>

## Corrections:

- Previous authorization of \$693K; request \$442K in 2020 – HVAC, kitchen and laundry appliance, ceilings, floors, roadways, entrances, fences, etc.

## Emergency Communication:

- Auxiliary Power System Replacement, \$688K – replace generator, near 3 decades old and replace UPS
- Next Generation 911 Telephone System Replace/Refresh, \$212K – life cycle of 5 years; for engineering,
- Oblique Aerial Digital Imagery Refresh, \$300K – dispatches use pictures to dispatch first responders; also used by SOCPA; last pictures taken in 2014
- Radio Tower Replacement, \$265K – ongoing – have authorized \$339K and one was replaced
- Repave parking lot, \$355K – 30 yrs. old – grind and resurface, 1,000 sq. ft. addition
- Replace Mobile Data Communication. Network Infrastructure, \$3.6 million – radios at tower sites and in vehicles – implemented in 2007 – radios have 10-year life cycle

## Facilities:

- Carnegie Rehab, \$2.015 million – restructure to be suitable for county offices
- Court House HVAC Renovation, \$1 million – is 50 years old – first phase
- DH&C Plant Upgrades, \$700K
- Facilities Various Capital Improvements, \$1.5 million – ongoing – needs prioritized in various buildings – asbestos removal, sidewalk replacement, floors, HVAC, mechanical and electrical systems, etc.
- LED Light Upgrades Downtown, \$444K – parking lot upgrades at Oncenter and Justice Center – quick payback

## Finance:

- STEAM school, \$75 million (discussed previously); not local dollars

## IT:

- Evidence Management System, \$630K (discussed previously)

## Environment:

- Ash Tree Management, \$600K – cost of projects expected to be half of what was originally thought – bids are low; inoculation done in-house

## Parks:

- Beaver Lake Board Walk - \$1.8 million (previously discussed)
- Hopkins Rd., \$2 million (previously discussed)
- Long Branch Park, \$1 million – parking lot improvements, rest rooms ADA compliancy, storage/maintenance building repair
- Various Infrastructure Improvements, \$2.256 million (previously discussed)

## Library:

- Mobile Library Outreach, \$260K (previously discussed)
- Petit Brach Addl. Improvements, \$485K – community room addition, improvements inside and outside

## DOT:

- Facilities Improvements, \$1 million (previously discussed)

## WEP:

- Baldwinsville/Seneca Knolls WWTP Disinfection and Phase II Asset Renewal Improvements, \$31.280 million – disinfection was done and addressed chlorine discharge; second phase of asset renewal is a mandated project to meet state/federal requirements
- Combined Sewer Overflow #209 Walton St. Abatement, \$2 million (already discussed)

## Mr. Petrela:

- Seeking a total of \$129.8 million; \$75 million of that is STEAM School – not paying debt service on

## Mr. May:

- 911 projects - last year they came in with a bunch of projects – some were approved and some weren't  
There was a lot of small projects, and there was a desire to use cash where possible and logical
- Which projects are new?

## Mr. Petrela:

- There are no new projects in the CIP that you haven't seen before.

## Mr. May:

- The legislature received a capital request in the fall for a specific list of projects – 8 or 9 of them.

## Mr. Petrela:

- They were authorized; when they are fully authorized they are not in the scope anymore in the CIP.

- Referred to the chapter in the CIP entitled *Authorized Projects*, where they are listed. If there are projects where part of the money was authorized, but there is still more money to be authorized--seen in the CIP

Mr. May:

- Only some of the projects were authorized, not all.

**Mr. Petrela said that he will get an answer on which of the projects were not authorized and in the CIP.**

Mr. May:

- Where is the debt limit with and without STEAM

Mr. Petrela:

- STEAM in not part of the 17.4%; that is only the scheduled debt, which is already borrowed
- Only 17.4% of the state's limit has been exhausted
- It will show in the county books as scheduled debt.
- There will come a point where that scheduled debt will affect that limit, but taxpayers will not feel the effect of it – state will provide money to pay debt service

Mr. May:

- Where do we sit today, prior to all of this being approved?

Mr. Petrela:

- 17.4%.

Mr. May:

- If everything presented today is approved, what is that number

Mr. Petrela:

- Referred to page 21 of the CIP; 23.36% is a worst case scenario.

Mr. May:

- Offsetting revenue notwithstanding, i.e. revenue against the amphitheater, etc.

Mr. Petrela:

- Yes

#### *Financial Summaries*

##### **Debt Limits**

Local Finance Law permits the county to issue General Obligation debt up to a statutory Debt Limit. The Statutory Debt Limit is 7% of the five-year average full valuation of Taxable Real Property within the county. Total Net Indebtedness is calculated by adding the county's short and long-term debt and subtracting the legal exclusions. As of July 3, 2019 the county had utilized 17.41% of its Statutory Debt Limit.

Should all Authorized and Unissued debt be issued this would represent 1.68% of the debt limit.

If the entirety of the projects proposed in the 2020 CIP advance and the corresponding debt is issued by the county in 2020 to fund said projects, this debt would represent 5.61% of the debt limit but combined with the debt that will retire in 2020 the net effect is a 4.27% of the debt limit. The following table shows the calculation of Total Net Indebtedness.

#### **Calculation of Total Net Indebtedness**

5-Year Average Full Valuation of Taxable Real Property	\$26,988,277,671
Debt Limit (7% of 5-year average) (1)	\$1,889,179,437

Outstanding Indebtedness	Scheduled Debt as of July 3, 2019	Authorized and Unissued Debt	Proposed Debt for 2020	Total Debt as of Dec 31, 2020
Bonds	\$674,416,611			
Bond Anticipation Notes	\$3,802,855			
Outstanding Gross Indebtedness	\$678,219,466	\$172,878,463 <sup>†</sup>	\$119,023,000	\$970,120,929
Less Exclusions (Sewer, Water, Defeased Debt)	(\$349,360,568)	(\$141,104,404)	\$ (13,032,000)	(\$503,496,972)
Less Retired Debt			(\$25,345,391) <sup>†</sup>	(\$25,345,391)
Total Net Indebtedness	\$328,858,898	\$31,774,059	\$80,645,609	\$441,278,566
Debt Limit Margin	\$1,560,320,539			\$1,447,900,871
Percentage of Debt Limit Exhausted	17.41%	1.68% <sup>†</sup>	4.27%	23.36%

(1) The Debt Limit of the county is computed in accordance with the provisions of Article VIII of the State Constitution and Title 9 of article 2 of the Local Finance Law.

Mr. Bottrill:

- Referred to the STEAM school - supports the concept; went to city schools and recognizes the value that a STEAM school would have for the city and the county
- How was the \$75 million number determined--- it seems to be a very round number; is it an approximate or exact number, could it be less based on a competitive bid process?

Mr. Wixson:

- Since 2002 the building has had several studies done; the most recent one (spring, early summer), came back with a number of \$75 million.
- The City Planning Department came up with a higher number; other contract consultants came up with a low costs.
- Based on the standards of State Education Department today, and based on the condition of the building as it sits, we came up with \$75 million. The number includes soft costs and actual brick and mortar costs. Confirmed that the project will be bid out.

Mr. Bottrill:

- Has asbestos has been abated from the property?

Mr. Wixson:

- Almost all of our buildings have some degree of asbestos in them. It is now just a practice.
- The building has had major abatements done to it
- Wouldn't consider it 100% clean – there is likely to be some provisions for abatement in the project.

Mr. Bottrill:

- Previously worked at SU at the Law School; a brand new building cost \$90 million – everyone wired to technology
- Keep in mind that to build new is approximately only \$15 million more
- Have the physical structure already – trying to understand; it's a big number – build a brand new building on the hill for \$90 million; and just updating a current building for \$75 million

Mr. Wixson:

- Would have to consider the size of the building described at SU vs the size of the building here
- The old Central Tech is a very large building

Mr. Bottrill:

- SU building was 200,000 sq. feet

Mr. Wixson:

- Would have to consider if it is logistically correct
- In order for the city and county to select a property for transportation, accommodating as much student community as we can, is a lot different than being able to park a building next to the dormitories when the students are already there

Mr. Bottrill:

- It is something to be aware of to consider

Mr. Wixson:

- There is already a nice tie in to the vocations school next door with the city of Syracuse
- Have a building downtown Syracuse that something has to be done with
- If we don't invest in this building a rehabilitate it, and come up with something very productive for the use of this building; at some point the taxpayers locally will be saddled with the burden to demolish it

Mr. Ryan:

- Corrections - thought some of that was done; what is authorized?

Mr. Petrela:

- Have had 2 authorizations; total is \$693K
- Improvements done is 2018, 2019 – authorized money in 2017 and 2018
- Seeking authorization now for the money that will be spent in 2020
- Project goes until 2022 – every year we come and seek authorization for part of the scope

Mr. Ryan:

- In total will it be \$693,000?

Mr. Petrela:

- In total it will be \$1.13 million

Mr. Rowley:

- My concern with the capital plan is always debt service related.
- In county wide funds, you are going to ask us to authorize \$94 million in new debt

Mr. Morgan agreed.

Mr. Rowley:

- That will turn into the debt service that the budget has to handle more/less in terms of funding sources and other aid from places coming in, but if I read it correctly debt service in countywide funds is going to jump from \$32.985 million to \$39.400 million in 2021
- In terms of a budget is it a big number to handle year over year – wondering what the thinking is on it – are you comfortable with that?

Mr. Morgan:

- The reason you see the big jump is the \$75 million for the STEAM School

Mr. Rowley:

- That is going to be aided?

Mr. Morgan:

- It is, but it still has to show up in debt service

Mr. Rowley:

- The STEAM School is \$75 million – it's in the authorized number of \$93 million

Mr. Morgan:

- Yes, the total actual countywide funds outside of the special funds is \$96.5 million looking to authorize this fall
- Without that we would be in the 20-21 million range – typically about what we come over for
- That's a reasonable new authorization

Mr. Rowley:

- Of the \$39.4 million do we know how much of that is going to be reimbursed by the state in 2021?

Mr. Morgan:

- Whatever is associated with the STEAM School, which I don't know off the top of my head

Mr. Petrela

- If we borrowed the money at 2.6% interest rate, it would be approximately \$5.2 million; if conservative of 3.3% it would be a little shy of \$5.4 million

Mr. Rowley:

- Do we know how the state is going to reimburse us?

Mr. Morgan:

- They will tie the state aid as close to the debt schedule as possible. The proposal is for the county to own the building and lease it back to the school district – similar to city does with the school districts now
- State aid typically doesn't flow until the project is complete and occupation of the building; we are going to be waiting a bit. Debt service will kick in before state aid flows.
- Goal is to tie that to the state as closely as possible

Mr. Rowley:

- Do we have any kind of commitment from the state?

Mr. Morgan:

- There was state legislation passed before they recessed this past session
- It is awaiting the governor's signature to allow the county to even borrow; it also approved the funding at double the rate that they typically get for a state aid construction project.
- That brings the funding up to close to the \$75 million
- Various pieces of legislation had to be authorized by the state for this project to go forward – that has happened, waiting for the governor to sign off
- It's a model that State Education is comfortable with and used in different parts of the state.
- It's a matter of the county being a financier in this situation.
- Will work to ensure that those debt service payments are funded as close to possible at the due dates on a yearly basis.

Chair Cody:

- Was that it for state legislation – are there other things that need to be looked at this year?

Mr. Morgan:

- No – all of the legislation necessary for this project to move forward the way it's envisioned was addressed

Mr. May:

- Understand authorizations coming from the state; the state is going to fund ultimately the project; but the city, as the primary operator of the school, will the money be channeled through the city and their state application?

Mr. Morgan:

- Yes

Mr. May:

- Actually we are once removed – will have arrangements with the City of Syracuse School District

Mr. Morgan:

- There was a desire to have the county as a direct interceptor to that aid, but it was not something that they would approve or consider
- The county will have a contract with the School District and the City to have protections to ensure that the county gets its money to pay debt service

Mr. May:

- Theoretically, this is not a business that the county wants to be in; we are best suited to pursue the bonds

Mr. Morgan:

- That's the theory behind it; the county executive is supportive of this project and willing to lend the county's credit and faith to support the project

Mr. May:

- To the point that is retired, we are out of the school business because of the arrangement with the city at the onset

Mr. Morgan:

- Correct. The vision is that at the end of the debt service, the county will transfer the school to the school district

Chairman Knapp:

- We are putting language in that if for some reason the state aid falls short, the delta will hit the abstract.

Mr. Morgan:

- There have been discussions about what that contingency plan will be – whether it is the abstract or intercept of sales tax, or what it may be.

Chairman Knapp:

- Hillbrook – we have authorized some improvements there; there has been a delay; can you update us on what is going on?

Mr. Wixson:

- Some Hillbrook work has been completed – some of the security provisions
- Are you speaking of the large project?

Chairman Knapp:

- Yes – we are going to put an addition on at some point

Mr. Wixson:

- We bid that project – it came in over budget
- We scaled it down, and those new bids open today at 2:00 p.m.

Chairman Knapp:

- Can you give an update on where we are with amphitheater bonding – money from Oneida Nation that is covering that debt; where is that tracking?

Mr. Morgan:

- To date Oneida Nation exclusivity payments have more than covered the debt service.
- The payment received recently, is the largest we have received on a quarterly basis.
- That money continues to track higher than the annual debt service on the amphitheater.
- That excess amount, along with Legislator May's \$150K in sales tax, continues to build – it will stay in that reserve



- Can provide more specifics – from a global level we are in good shape

Mr. Burtis:

- STEAM School - planning to seek legislative authorization for the project in fall of 2019
- Do we have an idea of what the plan is? Legislator Bottrill talked about the school and its age. Something needs to be done there, as it is a historical asset in the community, but it comes down to money.
- Is there a full plan for the money – build out, etc.?

Mr. Wixson:

- Events of the development would be first getting the funds authorized
- Secondly, getting a series of studies and design development
- At some stage there has to be a decision on whether this becomes a design bid build or whether to seek legislative action for a design build.
- Once determined there will be an aggressive path for design.
- If it is design bid build, it will be full bid packages – they go out and design
- A design build would allow some backing into the budget – knowing you have \$75 million budget, it would allow you to back into that ceiling on funding.
- Nobody has made that decision yet

Mr. Bottrill:

- Worked with the school district on many projects in the past; what is the school district's role in this – do they decide what needs to happen; do they gather the bids; how will that work; what will be their role, when is the bidding process; what's the county's role and the school district's role?

Mr. Morgan:

- Since the county is seeking authorization to fund this project, we will be the main lead on the competitive process, managing the project from contractual and financial standpoints
- This is the school district's world – they know what needs to be done – will be a partnership with the school district and the city
- From a technical and mechanical perspective, we are going to handle all of that administrative work.
- Will issue the bids; assumes there will be a joint committee that will make decisions on how to proceed
- We will issue and let the contracts, pay bills, monitor the project

Mrs. Abbott-Kenan:

- With my school board experience, and I'm asking for a point of clarification--districts didn't always have an option – have to get bids; there is an option in this case to design build vs design bid build – how does that work?

Mr. Wixson:

- It requires state legislation for a specific project – it was done at the amphitheater and Expo Center at the State Fair.
- Timing of it is important – has to be done within a certain season of the State Legislature
- Not a county choice; it's a state choice – state controls the competitive bid process – it would be their exception to the rules that they would have to authorize

Ms. Abbott-Kenan:

- That would allow bypassing State Education Law?

Mr. Wixson:

- Yes

Mr. Morgan:

- Doesn't believe the design build is at play here anymore – was discussed initially

Mr. Bush:

- This is a city owned building; is going to be a city school

Mr. Wixson:

- It is going to be part of the city school district; they will operate it.

Mr. Bush:

- Can you explain to the taxpayer why the county is involved in this project?

Mr. Morgan:

- The county is best positioned to finance this project from a credit perspective
- It's a city school, but suburban schools will send students to this school as well – 60/40 split between city and rest of the county
- Programs and curriculum that are going to be cultivated--if suburban schools want to replicate it, they would have to invest millions of dollars themselves to do so

Mr. Bush:

- Will those suburban school districts then pay Syracuse tuition to educate those students coming from their districts?

Mr. Morgan:

- I'm not positive of the flow of the finances at this time, but believes there will be some sort of chargeback for the districts that send students to the school

Mr. Bush:

- Will the suburban schools lose revenue for every student that leaves their district to go to this fifth city high school

Mr. Morgan:

- Potentially – not positive about that – not fully versed on the school finances – am getting up to speed on it
- Believes a good majority of suburban school districts have communicated their support of this school
- If there is a potential that they will lose revenue it doesn't sound like it's to the level that it is a concern

Mr. Bush:

- It sounds like it's a charter school concept and has the potential of draining students from the four high schools in the city
- My concern is that it really is a city school district issue – somehow the county is being brought into this.
- The financing of it is another concern - \$75 million in a building - not sure where you are going to park cars or where schools buses can drop students off – that's a whole other issue that somebody else has to decide
- Concerned about the county's involvement in this

Mrs. Ervin:

- 20 years ago when on the Jamesville-Dewitt School Board, we were trying to do a regional school in that building – now coming to fruition
- Not just a city school building – going to be a regional school with students from wherever
- Districts that cannot provide the kind of services that would be provided here--sending the students and the state aid with them, like you send your students to any school.
- It's not going to be just a city high school
- The reason it is so important is because there are employers who want people with skills that they don't have coming out of high school that they will acquire coming out of this school
- It is certainly a positive thing
- We are only going to be financing the building and at some point turn the building over
- We are involved because we are concerned about the students of our county--they might be able to get these kinds of services that they aren't getting in some of the county schools. Some schools have the ability to finance these kinds of things, but most of them don't.
- Suspects that even the students coming out of your area (to Mr. Bush) will benefit greatly by this building
- I don't see why the reason we are concerned about financing is in play because the state is going to reimburse us. It's not going to be immediately, but we will be reimbursed.
- It's not like with State Education (to Ms. Abbot Keenan) because it's a building that is being built separately and then leased over to the schools.
- The downsides to any of this is very minimal. We are creating downsides today by talking about it this way. It's a positive thing to do and I don't see any reason why we should belabor it any longer.

Mr. May:

- STEAM – good comments, good questions, good input – agrees with Legislator Ervin; Legislator Bush raises issues that some of us may encounter where we cross over into different school districts in different suburban areas
- The purpose of today's discussion is what the debt request is going to be; what the project will generally entail.
- Had a good first chance to start vetting the necessity of this when we asked the State to allow us to do the borrowing. The next step will be to look at the actual request, what's involved, how we are going to get to the numbers that we get to; and make our determination based on the feedback that we get from our communities, districts. The business community has weighed in extremely heavily on this initiative as far as its favor with the project.
- There are a lot of things to talk about, but the main thing to talk about today is the budget. We anticipate seeing the capital requests.

Mr. Rowley:

- Mr. Petrela used to do a model where we managed fund balance use in terms of projects. Last year WEP got a decent increase in the sewer rate. I am interested in perception of the debt service of the debt that we have planned for in WEP going forward
- There is chunk dedicated to cash capital – wondering if that has been factored into the WEP budget, fund balance; how is fund balance playing out over the next six years in the projection

Mr. Morgan:

- As we move forward especially as we talk about consolidation, as the county executive has laid out his desire to move in that direction, we have taken Mr. Petrela's base model, added to it, developed it more to account for more variables
- Starting and moving forward with a revised model to help us determine where that rate needs to be on an ongoing basis. If we start to take on additional assets that we need to manage, then it is going to impact that.
- We continue to use a mix of fund balance, reserves, and a rate increase to offset debt service.
- Obviously, managing expenses to make that rate steadily incline instead of having rate shock for the taxpayers
- Only proposing to use \$4 million in fund balance for 2020, a significant reduction from 2019
- We are cognizant of the fact that we can't drain \$11 million on a yearly basis—it is going to be needed to flatten out that rate increase
- Cash capital is at \$6 million – also a reduction year over year – that cash is continuing to be used strategically but is not going to really offset the debt that we are still going to need to issue
- As we get into WEP review, you will see the pieces and how they are moving going into 2020. We will continue to review the need for that rate and where it needs to be based on potential folding in additional suburban assets

Mr. Rowley:

- My hope, as a legislator, is that we try to manage the spikes.

Mr. Ryan:

- Hillbrook – you are rebidding that; the bids came in higher?

Mr. Wixson:

- The bids came in about \$560K higher than our budget request and authorization of the funds for last year

Mr. Ryan:

- Did we change the scope of what we wanted to do?

Mr. Wixson:

- In the design process there was some "scope creep" – there was some improvements that were requested within the design from Hillbrook and Children and Family Services operational requests
- Of lately, we paired it back to just specifically what was needed to meet the mandate for Raise the Age, which was what the project was about.
- We paired it back, changed some finishes, made some strategic realignment of some of the security provisions; believe this time it will come in under budget

Mr. Ryan:

- The line of question in the purview of the Public Safety Committee, and there are public safety concerns – we have a new classification of youthful offenders that are going up there and we need to be ready
- What changed?

Mr. Wixson:

- The parking lot on original bid was intended to be enlarged, which creates some additional parking lot lighting – were going to add almost one third to the existing parking lot with some expectation that this would be a benefit down the road as the facilities continues to grow.
- There was some drainage changes in areas outside of the secure perimeter.
- There were some additional exits with their own individual containments in the situation of an evacuation – we reconsidered that and made the containment more of a bullpen type in the exterior yard.

Chairman Cody adjourned the meeting at 10:31 a.m. until 1:00 p.m.

Respectfully submitted,

*Deborah L. Maturo*

DEBORAH L. MATURO, Clerk  
Onondaga County Legislature

ATTENDANCE

COMMITTEE: Ways & Means - Capital

DATE: 9/16/19

NAME	DEPARTMENT/AGENCY
PLEASE PRINT	
Traus Glezio	Office of Environment
Nick Capizza	WEP
Frank Merito	WEP
Shannon Hunt	WEP
Mike Leann	WEP

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