

Mayor and City Council of Cumberland

WORK SESSION

City Hall Council Chambers
57 N. Liberty Street
Cumberland, MD 21502

Tuesday, March 30, 2021
4:30 p.m.

This meeting was held via Video-Conference

PRESENT: Raymond M. Morriss, President; Council Members: Seth Bernard, Richard Cioni, Eugene Frazier and Laurie Marchini.

ALSO PRESENT: Jeffrey D. Rhodes, City Administrator; Marjorie Woodring, City Clerk; Robert Smith, City Engineer; Lee Borrer, Community Development Specialist; Jennifer Diercksen, Davenport & Company, LLC

I. AGENDA REVIEW – APRIL 6, 2021

Mr. Rhodes advised that Jennifer Diercksen from Davenport & Company, LLC was in attendance to provide comments on Resolution R2021-03 up for approval on the public agenda for April 6th. Mr. Rhodes quickly went through the wording of the revised resolution, emphasizing the last sentence advising that any such general obligation bonds will be sold by negotiated underwriting.

Ms. Diercksen provided an update on the City's bond sale and revised resolution, saying they had initially planned for a competitive public sale, and had set a date for the sale, which would allow bidders from various investment banks to sign up to submit bids with the lowest investment rate winning. She said, however, that due to volume in the market only two bidders signed up for the tax-exempt series, so they ended up moving it to today in hopes one other bidder would sign up, as they typically like to see three.

Ms. Diercksen advised that as of yesterday afternoon there were still only two bidders, so they called around to investment banks, and she noted that the problem was not the credit quality of the City. She said they could have done a competitive sale today, but there was no guarantee that the two bidders that had signed up would actually submit, so they recommended transitioning to a negotiated sale instead. She advised that underwriters from investment banks would submit their lowest interest rate bids. She added that in a negotiated sale the City would hire a specific underwriter that allows more flexibility in terms of timing the market. Ms. Diercksen stated that RW Baird was selected as the underwriter, and said the new bond sale date is set for April 15th.

Mayor Morriss asked Ms. Diercksen why she thought only the two companies were looking to bid – why not more? She replied that it was not a credit issue, that it was sort of an anomaly; maybe due to size, which she stated was under the normal threshold, and mentioned that it could have been due to other sales on the calendar, but said it really wasn't any specific reason. The Mayor asked if this could change the rates to better in the City's favor, or possibly higher than anticipated. Ms. Diercksen advised that she didn't think it would be higher, and stated they were kind of conservative in their numbers. She added that in talking with the underwriter, she thinks they will give fair rates, and said they will make sure the City gets the best deal possible.

Mr. Rhodes stated that the City has done negotiated sales in the past, and isn't new in any sense of the word. Ms. Diercksen, concurred, saying that in both the 2013 and 2017 issuances, the City did negotiated sales.

Mayor Morriss reviewed the reports, minutes, and proclamations of the agenda, and Mr. Rhodes advised that Lee Borrer was in attendance to go over the public hearing for proposed projects for the CDBG 2021 Annual Action Plan.

Ms. Borrer advised that the public hearing presentation will include three different pots of funding, and said for the hearing on Tuesday she will provide an overview of the process for the 2021 Annual Action Plan regular funding, and will also discuss surplus funds from FY2019 CDBG, as well as the third round of Cares Act funding. She advised that applications they receive can be used for any of the three pots of funding. She added that the overview would include projects on each list, public comment, and public hearing notification.

Mr. Cohen provided background on Ordinance No. 3885, granting Shenandoah Cable Television, LLC (Shentel) the non-exclusive right to use the City's public rights-of-way to deliver high-speed internet service to FSU. He advised that the agreement allows the line to go to FSU running through the City on utility poles, not underground. He said in exchange, the City will be getting the use of 12 fibers for traffic lights with cameras, and added that the value is fairly significant. Mr. Cohen added on a side note, Shentel provides telecom services and said it's conceivable that at a later date the company may want to locate service to the City, which would give Cumberland another cable and internet provider.

Mr. Smith advised on the route through the City that Shentel is using, and said that they negotiated how many strands of fiber they could get, and had consulted with the IT Department and the Police Department. He advised there are a lot of benefits, and said it's been a good partnership so far. He also stated that if the company needs to go underground in the future, they will get permits through Engineering, and added that Shentel hopes to expand.

Mr. Rhodes reviewed the 10 Orders in the Consent Agenda:

Order 26,758, accepting the bid from Carl Belt, Inc. for Koon Dam Concrete Repairs (11-20-WFP) in the estimated lump sum of \$571,330.00, for necessary repairs at the dam structure.

Mr. Smith advised that the dam is an old structure, and well beyond the need for some care. He stated that it's inspected with the Federal Bridge Program through the state of PA, with repairs done on the City's dime. He advised that they've had to do 3 phases of emergency sidewalk repair, and said this will replace the remainder of the sidewalk and part of the dam structure, which will extend the useful life of this asset.

Order 26,759, accepting the bid from Carl Belt, Inc. for the Flood Control System concrete repairs (01-13-FPM) in the estimated lump sum of \$148,650.00 for repairing or replacing existing concrete structures related to the Flood Control System in Cumberland and Ridgeley, with the work occurring across 6 locations of the City.

Mr. Smith advised that the system is in need of some repairs, and stated that they received a grant for \$188K, with a 25% match required. He advised that these repairs will be in 2 phases, with this being the first, and the second occurring in Ridgeley at the scenic railroad yard. Mr. Smith added that they have had discussions with MDE to do additional work to exhaust the grant funds, and stated that the work will probably begin around July of this year.

Order 26,770, authorizing the execution of a letter of agreement with Verizon Maryland, LLC for renewal of their lease of 3 parking spaces in the George Street Garage at a cost of \$75/each per month, with the option to renew for 1 additional year.

Mr. Rhodes advised that this is an ongoing year-to-year parking lease with Verizon.

Order 26,771, approving an amendment to the 2020 CDBG Annual Plan to allocate CDBG CARES Act Funds in the amount of \$113,160.00 to the Allegany Youth Enrichment Program, and \$6,750.00 to the YMCA Transitional Homeless Sanitizer Project.

Ms. Borrer advised that this Order approves 2 projects, and said the comment period will end on April 6th, with no comments being received to date. She said she will notify M&CC when those funds are to be allocated to those agencies.

Order 26,772, authorizing the execution of a letter of engagement with Saxton & Stump and the Evitts Creek Water Company (ECWC) outlining terms for the provision of professional legal services in connection with compliance with laws and regulations of the PA Public Utilities Commission, and the PA Department of Environmental Protection, relative to the operations of the ECWC.

Mr. Cohen advised that an important part of the City's water resources are located in PA, and said this law firm has helped in the past with regulatory matters, and is willing to continue to help the City and the ECWC in the future.

Order 26,773, authorizing Change Order No. 8 with Leonard S. Fiore, Inc. for Phase I of the CSO Storage Facility project at the WWTP in the decreased amount of \$7,240 due to unused contingent items.

Mr. Smith explained that this is really just an administrative item, and said that the way the MDE works their contracts, you can't have unused items at the end of it.

Order 26,774, accepting the Sole Source proposal from Robinson Pipe Cleaning to clean the Evitts Creek sewer main at the not-to-exceed cost of \$50K.

Mr. Smith advised that this job is primarily to address the Linderville Outfall, which is the sewer line that run along Willowbrook Road and run parallel with Messick Road. He stated that this is an area with tree root intrusion into the lines, and said the Sewer Department had been working with finding other providers of this service, when it finally became an emergency with more backup that goes to the Evitts Creek Pump Station. He added that the not-to-exceed cost is based on the charge per foot of pipe that is cleaned out.

Order 26,775, authorizing execution of a Facility Encroachment Agreement with CSX for an area near the Gene Mason Sports Complex, related to the 78" Parallel Pipeline project (19-16-S).

Order 26,776, authorizing execution of a Facility Encroachment Agreement with CSX for an area near the CSX Bridge near the WMSR, related to the 78" Parallel Pipeline project (19-16-S).

Mr. Smith said both of these orders are essentially the same, and stated that they permit the City to locate the pipeline in property controlled by CSX. He added that this type of agreement is very typical when going underneath the railroad with pipeline.

Order 26,777, authorizing execution of a Grant Agreement between the DDC and the MD Department of Housing and Community Development (DHCD) for the receipt of \$55,461.00 through

the DHCD Maryland Strong Economic Recovery Initiative, to be used to award Covid relief funds to downtown businesses.

Mr. Rhodes advised that the DDC pursued this funding which will be used to help 25 businesses downtown with grants, and added that the money can be spent on rent, mortgage, utilities, payroll, and any other Covid-related matters.

II. DISCUSSION OF POSSIBLE USES FOR AMERICAN RESCUE PLAN ACT OF 2021 FUNDING

Mayor Morriss advised that Mr. Rhodes had a meeting with the County and Frostburg about what can and can't be done with this funding. He stated that there's a limited time frame, and said the City wants to make sure it gets the biggest bang for its buck. He added that they need to get some good projects in mind.

Mr. Rhodes talked about his roundtable discussion at the County today, along with Ken Tressler and Mark Gandolfi, and advised that most of the funding will have to be spent on infrastructure, broadband, or Covid relief. He said there are a number of high-dollar public infrastructure projects that are eligible, but said he doesn't believe bridge work is eligible. Mr. Rhodes stated that could change, though, when they get further definition. He added that economic development seems to be a "no", unless it pertains to helping entities with Covid-related difficulties.

Mr. Rhodes advised that tourism was emphasized, and mentioned the River Walk project. He said he believes they may be able to grant funds to tourism-related organizations, for example, assisting the WMSR in its reopening. He also mentioned the Virginia Avenue waterline project, which would likely be eligible. Mr. Rhodes advised that they are hoping to see some guidance from the treasury within the first two weeks of April, and said Cumberland's cut will be a little over \$20M. He added that he thinks the City is in a good position because of the number of infrastructure projects that are either underway, or that are in the planning stages. He said they may be able to fund those instead of borrowing, which could keep the water and sewer rates down. Mr. Rhodes stated that he heard cities should be bold in their thinking, but don't stretch too far, because you don't want to have to end of paying the money back.

Mr. Smith advised that the City actually has two 12" water lines running parallel that support the southern end of town. He said the City does have a capital improvement program, advised that there are plenty of projects that fit the bill, and said there may be others once they get to see the criteria. Mr. Smith noted that there is a time-table tied to the funds, and advised that it has to be spent by December 2024.

In answer to a question from the Mayor, Mr. Rhodes advised that it would be very easy to use some of the funds for water and sewer line work on the Baltimore Street project, which could help divert funds to other parts of the project that are not eligible. Mayor Morriss expressed regret that the River Park wasn't closer to construction, to be able to use some of the funds, but Mr. Rhodes said to keep in mind that the other half of the money won't be issued until later in 2024.

Mr. Smith advised that the Engineering Department is monitoring the project budget, and said that Contract Officer Derrik Grimm will get an updated cost to submit to SHA within the next week or two. He added that they understand funding sources and can find gaps, and said in light of this conversation; water, sewer, and broadband are being paid for by grants. He also suggested to M&CC to focus more on the water/sewer side when talking about infrastructure projects, unless they can find a partner like MD Broadband Co-op, or Shentel. He said broadband is a little bit harder discussion because you have to find someone to service it.

There was discussion on passing funds on to non-profits. Mr. Rhodes explained that you have to look at the underlying services they want to impact, and said additional guidelines will be forthcoming. Mr. Smith discussed funding for the underground construction of the Baltimore Street project, and said TAP doesn't cover all of it, that it basically covers the elements that create the road, the bike lane, and portions of the sidewalk, adding that it's based on percentages that were favorably give to the City by MDOT. He advised that they know what their allocations can be spent on, and said that it really depends on how the bids come back as to how they can use funds, and how the City needs to fill the gaps. He added that water, sewer, and broadband are not covered by federal money, so this may be a good use for the Recovery Act funds.

There was more discussion on Canal Place and the River Park project. Mr. Smith stated that he had a conversation recently with the Corp regarding the re-watering project, through Trone's office, on trying to figure out how to get that project kick-started on the federal side. He advised that he gave a long list, at Mr. Rhodes' direction, to all their federal delegates to acquire support. He added that they need all these pieces to come together, but it would be a good use of the funds. Mr. Rhodes noted that he found out it doesn't appear that paving can be done with the funds unless there is replacement of utility lines in the streets.

Mayor Morriss stated that this meeting has shown some good initial brainstorming, and said now there is a need to prioritize, look at guidelines when they're available, and spend the money wisely to get these projects underway.

III. ADJOURNMENT

With no further business at hand, the meeting adjourned at 5:40 p.m.

Respectfully submitted,
Marjorie A. Woodring
City Clerk

Minutes approved April 20, 2021