

washingtonpost.com

Council Chides Duncan on Costs

Montgomery Overruns Prompt Criticism

By Tim Craig
 Washington Post Staff Writer
 Wednesday, February 2, 2005; Page B01

Montgomery County Council members delivered a stern warning to County Executive Douglas M. Duncan yesterday that they will no longer tolerate cost overruns on capital projects.

The admonition was prompted by the request from Duncan (D) for an additional \$5 million in county and state funds to complete renovations to the Montgomery County Detention Center in Rockville, now expected to cost \$28 million.

The council voted unanimously to approve additional money, but not before shaving nearly \$1 million from the administration's request.

Before the vote, several council members took Duncan to task for what they said are his failings when it comes to protecting taxpayers' money.

"This is the tipping point, folks," said council member Michael Subin (D-At Large). "The executive has hit the tipping point on consistency, on reliability, on accountability, on a whole lot of issues."

Speaking for Duncan, county budget director Beverley Swaim-Staley said: "We work very hard to complete county projects within the allotted budget, and are proud of our record overall. However, each project presents its own unique set of challenges. . . . Many of the projects we have undertaken over the past few years are one-of-kind. . . . These are not cookie-cutter buildings."

The council's criticism comes as Duncan's biggest venture, the Music Center at Strathmore, is scheduled to open tomorrow. The North Bethesda concert hall is one of a series of major projects he has pushed to completion during his tenure.

When the \$100 million Strathmore experienced cost overruns of nearly \$10 million, the council agreed - after an extensive debate -- to pay \$3 million of the added cost in lieu of funding future maintenance.

Taxpayers have supplied extra funds for other construction that did not stay within budget. The Bethesda North Marriott Hotel and Conference Center, built by the Maryland Stadium Authority, cost an extra \$4 million in state and local funds. The Montgomery County Correctional Facility in Clarksburg, initially budgeted at \$80.6 million, has ballooned to \$94.2 million, according to fiscal analysts.

The county also bailed out the Black Rock Center for the Arts in Germantown in 2003 after its foundation could not pay off construction loans. The Silver Theatre in downtown Silver Spring required an additional \$5.6 million.

Advertisement

VONAGE
 The Broadband Phone Company

Use your high-speed connection to save on all your calls.

\$24.99/mo.

Unlimited calls to all 50 states and Canada.

SWITCH »



In all, cost overruns on county construction projects in the past two years have totaled nearly \$40 million.

The overages have contributed to higher tax bills. In 2003, the executive and council approved \$86 million in new taxes on personal income, energy consumption and regular telephone and cell phone use.

Several fiscal analysts employed by the council said last week the overruns were not unusual for large building projects. Yesterday, however, council members argued that the added costs threaten the county's reputation in Annapolis and undermine efforts to clear a backlog of school construction projects.

"One of these days, we are going to say, 'You know it's a good project, but it's time we send a message,' " said council member Steven A. Silverman (D-At Large). "In the private sector, people would get fired for this."

Although the county has a AAA bond rating, which allows it to borrow money with the lowest interest rates, there are signs that spending on projects has taken its toll. Two years ago, a study by Governing Magazine and Syracuse University gave the county a C grade for capital management. Fairfax got an A.

© 2005 The Washington Post Company

Advertising Links	What's this?
MyCashNow - \$100 - \$1,000 Overnight Payday Loan Cash goes in your account overnight. Very low fees. Fast decisions. Direct deposit is not required. No credit check. Confidential - secure. www.mycashnow.com	
Home Owners - Don't Miss Out Get \$150,000 loan for \$690 per month. Refinance while rates are low. www.lowermybills.com	
LendingTree.com - Official Site Lendingtree - Find a mortgage, refinance, home equity or auto loan now. Receive up to four loan offers within minutes. When banks compete, you win. www.lendingtree.com	