

HISTORIC ST. MARY'S CITY

A MUSEUM OF HISTORY & ARCHAEOLOGY AT
MARYLAND'S FIRST CAPITAL

Fiscal Year 2025 Capital Budget

TESTIMONY OF JOHN L. SEIDEL, PHD

**Executive Director
Historic St. Mary's City Commission**

**Appropriations Committee
Capital Budget - Budget Hearing
Delegate Mark Chang, Chair
March 4, 2024**

**Budget and Taxation Committee
Capital Budget – Budget Hearing
Senator Craig Zucker, Chair
March 5, 2024**

Mr. Chairman and Members of the Committee, thank you for the opportunity to provide testimony on the proposed FY 2025 Capital Budget of the Historic St. Mary's City Commission (HSMCC) and to offer the agency's response to the Legislative Capital Budget Analysis.

I joined the Historic St. Mary's City Commission as its new Executive Director/CEO only two months ago, on January 3, 2024. I have reviewed the Legislative Capital Budget Analysis for FY 2025, which I fully support. I also have reviewed the 2023 Legislative Audit of HSMCC, as well as past capital and operating budgets, which have given me insights into the recent history regarding these various programs, some of which was touched on in the analysis. Although I recognize that the in-depth audit of HSMCC must have been at times painful, my new colleagues at the Commission and I have found it extraordinarily useful. It has been especially helpful to me, as I review the history of the agency and assess its operations and procedures.

The Legislative Capital Budget Analysis correctly notes that in the past there has been a significant lag in encumbering capital funds. As noted in the HSMCC's response (below), there are complex reasons for this, most of which we believe are now resolved. Some of the delay was simply because of turnover in leadership at HSMCC. Other factors include a more complicated procurement process than normal, in which St. Mary's College of Maryland (SMCM) handles capital procurement for the agency, resulting in two-party discussions and the potential for confusion or delay. This manifested itself in changes to the scoping of a major project, the lack of an MBE requirement in a solicitation, and delays in funds transfers. The working relationship

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between HSMCC and SMCM has been solidified in the past two months and is now on the path to operating smoothly. HSMCC also has put in place more regular meetings with the Department of General Services (DGS), along with internal milestones and progress updates to ensure timely performance.

The success of these measures is shown in the jump in encumbrances over the past 60 days, from the \$48,000 noted in the budget analysis to the current \$2,863,273. Other projects also are moving more quickly. The design and engineering phase, along with other state agency (MDE/CAC/etc.) approvals, has been completed for many of the outstanding projects and they are now moving into the solicitation phase. Encumbrances will increase as solicitations for the various projects are completed, contracts are issued, and vendors begin construction.

The coming 400th anniversary of Maryland's founding, in 2034, offers an important milestone in our history. But it also can serve as a catalyst for greater recognition of HSMCC and the surrounding region. We anticipate a corresponding increase in visitors in the coming years, so these capital projects are critical in positioning ourselves to serve these constituents. We also believe that the anniversary can generate significant economic growth through heritage tourism and related activity, making the capital improvements all the more valuable. Ten years may appear to be a long time away, but from a planning perspective - and especially in terms of the necessary infrastructural development - it is critical that we begin the preparations for 2034 now. We owe it to the State and our varied constituents to capitalize on this rare opportunity and make the most of it. That will require investments of time and both State and private funding, but the opportunities and potential are profound. We are grateful to the General Assembly and the Moore-Miller Administration for their support of these efforts.

I am delighted to have joined HSMCC and to support their nationally recognized efforts at stewardship of the museum's extraordinary historic resources, as well as the remarkable educational opportunities they offer. On behalf of my colleagues and the many thousands of Maryland citizens who enjoy these resources each year, I thank you for your continued support of our work. Our response to the Legislative Capital Budget Analysis follows.

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Historic St. Mary's City Commission Fiscal Year 2025 Capital Budget

AGENCY RESPONSE TO DEPARTMENT OF LEGISLATIVE SERVICES BUDGET ANALYSIS

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The Historic St. Mary's City Commission (HSMCC) concurs with the analysis and recommendations regarding its FY 2025 capital budget (DB01). The agency also offers the following comments, as requested by the analyst.

GO Bond Recommended Actions

1. Adopt the following narrative:

Encumbrances and Expenditures Report: The budget committees have previously requested updates regarding annual project encumbrances and expenditures for the Site Improvements project at Historic St. Mary's City. This committee narrative requests that the Historic St. Mary's City Commission (HSMCC) submit a report by December 1, 2024, detailing year-to-date encumbrances and expenditures for all site improvement projects. The report should also include the priority level of each project and any changes in timelines, designs, or priorities within the Site Improvements project.

Information Request	Author	Due Date
Report on site improvements encumbrances and expenditures	HSMCC	December 1, 2024

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Response to Recommended Actions - HSMCC will submit a report on site improvement encumbrances and expenditures on December 1, 2024. The current status of projects is shown in Table 1, below.

Project Funding Report					
FY	PHASE	PROJECT MANAGERS	TITLE	FUNDING	ENCUMBERED
2022	C	ST MARYS COLLEGE OF MARYLAND	FARTHING'S PARKING LOT	1,775,000	1,371,257
2023	C	DEPARTMENT OF GENERAL SERVICES	GHOST FRAME REPLACEMENT	155,530	155,530
2023	D	DEPARTMENT OF GENERAL SERVICES	DESIGN/INSTL HVAC SYSTEM FOR EXHIBIT	269,000	36,031
2023	D	DEPARTMENT OF GENERAL SERVICES	RENOVATIONS TO FARTHING'S BATHROOMS	150,000	27,000
2023	D	DEPARTMENT OF GENERAL SERVICES	DESIGN/INSTL HVAC FOR CHAPEL EXHIBIT	340,743	49,520
2023	C	DEPARTMENT OF GENERAL SERVICES	ADA ACCESSIBLE PIER	500,000	503,000
2023	C	DEPARTMENT OF GENERAL SERVICES	REPLACE & SEAL RIVEN SIDING	180,000	196,828
2022	C	DEPARTMENT OF GENERAL SERVICES	ADA PATHWAYS SITE WORK	524,107	524,107
2024	P	DEPARTMENT OF GENERAL SERVICES	RENOVATION TO FARTHING'S COMPLEX	750,000	
			Project Totals	4,644,380	2,863,273
			FY 2022 - FY 2024 Appropriation		5,000,000
			Encumbered YTD		57%

Table 1. HSMCC Capital Project Status 2.29.24

Analyst Request for Agency Comment on Encumbrances

In the “Summary of Fiscal 2025 Funded State-owned Projects,” the analysis noted that HSMCC has reported encumbering only \$48,000 of the \$5.0 million that has been authorized thus far. HSMCC was asked to comment on the reasons for the low encumbrances to date and what they are doing to ensure that sufficient progress is made on site improvement projects.

Agency Comment

Current status – In the last 60 days, there has been marked progress on contract awards and encumbrances. Encumbered funds now stand at \$2,863,273, vs the \$48,000 noted in the analysis. This reflects the February 28, 2024 approval of the Farthings Parking Lot Project (\$1,371,257), as well as encumbrances for renovations on barns at the Godiah Spray Complex (\$196,828), ghost frame building replacements (\$155,530), and other projects.

The design and engineering phase, along with other state agency (MDE/CAC/etc.) approvals, has been completed for many of the other outstanding projects and they are now moving into the design and construction phases. Encumbrances will increase as solicitations for the various projects are completed, contracts are issued, and vendors begin construction. HSMCC is now at 57% encumbered for the fiscal 22-24 appropriation.

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Explanation of previous delays – Previous progress was slow due to a number of factors that have now been resolved. These included the revision of project scopes, funds transfer approval delays between agencies, and meeting state solicitation requirements for MBE requirements on the large Farthing's Parking Lot project.

Corrective measures - Measures taken to ensure more timely procurement and encumbrances include:

- clarification of relative responsibilities between HSMCC and St. Mary's College of Maryland, which handles major capital procurement for HSMCC;
- weekly meetings between representatives of the Department of General Services and the HSMCC Facilities Director; and
- better internal tracking of project progress at HSMCC to identify problems and delays early.

Thanks to Governor Moore, his administration, and the Maryland General Assembly, HSMCC has been able to invest significant funds into maintaining and enhancing the site to attract more visitors. Throughout the two years of the pandemic HSMCC, like Maryland state parks, witnessed a significant increase in visitors who used its facilities to safely exercise and socialize with family and friends. With increased attention to site improvements, we anticipate a continued growth in visitation and earned revenue.

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