SPECIAL REPORT

DUTCHESS COUNTY JUSTICE & TRANSITION CENTER UPDATE



OCTOBER 2022



OFFICE OF THE DUTCHESS COUNTY COMPTROLLER

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Dear County Officials and Taxpayers,

The Dutchess County Comptroller's Office has completed a special follow-up financial report on the Justice and Transition Center capital project as of June 30, 2022. The previous report was an interim project accounting as of June 30, 2021, on all aspects of project spending with a focus on the status of the Justice and Transition Center (JTC, or Jail) construction. The JTC project is the largest capital project in Dutchess County history. To ensure proper oversight and accountability, the Comptroller's Office has been diligently monitoring all transactions within this project. This fourth project report continues our commitment to transparency of tax dollar spending to residents.

As of June 30, 2022, \$165 million has been spent or encumbered on all phases of the project, with a remaining \$26.8 million available to spend of the full \$192.2 million appropriated and approved. The Law Enforcement Center was completed and occupied in early 2019. There were no additional expenses for the LEC portion of the project since our June 2021 report. The Justice and Transition Center design has been downsized from its original 569 bed design to 328 beds in 2020. Funding approved in 2016 and available for this phase of the construction project is \$154.8 million. The current estimated cost to complete the revised jail plan is \$131.4 million, approximately \$22.8 million less than originally appropriated.

The current timeline for the jail construction completion has been extended three months from April 2024 to July 2024. This is due to the emergency housing shelter at 26 Oakley Street requiring prior completion before individuals currently utilizing the PODs can move into the new space, after which the PODs will be dismantled.

This report also includes a summary of contract change orders for the JTC project for the period July 1, 2021 to June 30, 2022.

We thank the Dutchess County Department of Public Works and Commissioner Balkind for assisting our office in reporting this information to the taxpayers of Dutchess County.

Respectfully submitted,

Robin L. Lois

Dutchess County Comptroller

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Background

This is a follow up report of the multi-year Dutchess County Justice and Transition Center Construction Project. This is the fourth report¹ released by our office for the taxpayers which gives a cumulative view of the costs related to the Law Enforcement Center (LEC – the Sheriff's office) and Justice and Transition Center project (JTC – the iail) as of June 30, 2022.

Our review includes costs for the LEC/JTC Capital Project H0487 which was authorized by the Dutchess County Legislature via Resolution #2016031, dated March 21, 2016, for a total of \$192.15 million. We also summarize all associated projects below to fully understand the scope and total cost of the project which is budgeted for over \$200 million.

The Sheriff's Office was completed in February 2019 at a total cost of \$33.65 million, \$2.8 million under budget.

After bail reform legislation was enacted in 2019 the jail was downsized from a 234,983 square foot building on 5 floors with 569 beds to a 161,987 square foot building on 3 floors with 328 total beds. The existing 1995 jail was originally going to be partially upgraded with new security systems but is now limited to roof replacement.

After inmate populations dropped significantly and consistently since 2016 the new design was approved by the New York State Commission of Corrections on April 28, 2020. Current data received from the Jail, for the period July 2021 – June 2022 indicates the jail population has averaged around 200 inmates daily.

The 2016 approved funding for the jail portion of the construction project was \$154.8 million. The estimated cost to complete the revised jail project is \$131.4 million, \$23 million less than is available to spend.

LEC/JTC COSTS Associated with Capital Projects as of June 30, 2022						
	Appropriated Funds	Encumbrances and Expenditures thru 6/30/2022	Appropriated Funds Remaining	Close Out Funds Transferred		
Fund H0456 - Jail Project - Design Phase	\$1,212,000	\$1,150,231	\$61,769	\$61,769		
Fund H0458 - Jail Project Land Acquisition	1,477,964	1,469,416	8,548	8,548		
Fund H0466 - Jail PODS Project	8,393,303	7,273,277	1,120,026	0		
Fund H0487 - DC Justice & Transition Center Project	192,150,000	165,285,128	26,864,872	0		
Fund H0513 - 100-102 Parker Avenue	488,000	487,537	463	463		
GRAND TOTAL	\$203,721,267	\$175,665,589	\$28,055,678	\$70,780		

H0456, H0458, and H0513 accounts are closed. Resolution #2018323 stated that the excess funds were transferred from the projects to the Appropriated Fund Balance account (which may be used to pay debt service or offset future capital project costs per Resolution #2018323).

¹Previous reports can be found at https://www.dutchessny.gov/Departments/Comptroller/Comptroller-Audits-Reviews-Reports.htm

Scope and Methodology

A review of expenditures related to the JTC project for the period July 1, 2021 – June 30, 2022, was conducted. Budget performance reports were compared to project accounting reports from the County's financial management system in order to determine if expenditures related to the JTC project were charged to the correct project. In addition, DPW provided internal tracking spreadsheets which were also reviewed for accuracy.

Observation

During our review, we noted there were a few entries which either did not have a project or had an incorrect project. These entries were promptly corrected by DPW.

Open Capital Accounts

Capital Project H0466 – Jail PODs Project

Capital Project H0466 remained unchanged regarding total funds expended. H0466 funded the PODs which were originally used for temporary housing for inmate overflow from the jail in 2015-2019. The PODs were vacated in 2019 upon population decreases and they were planned to be removed. However, there was no response to an RFP (Request for Proposal) for removal in January 2020. In March 2020, the County repurposed the PODs for an emergency homeless and medical shelter as part of its response to the COVID-19 pandemic. Hudson River Housing Inc., a not-for-profit contract agency of the County, is managing the POD shelter services. According to Dutchess County Department of Public Works (DPW), the remaining monies for the PODs totaling \$1,120,026 is available for maintenance until they are dismantled. Based on the JTC project schedule received from the Commissioner of DPW, the demolition of temporary housing unit B is tentatively scheduled for October 2023 and the demolition of temporary housing unit A is scheduled for March 2024. It is anticipated there will be approximately \$1M in unspent funds in this bond.

Capital Project H0487 – DC Justice & Transition Center Project

A total of \$5,902,595 has been encumbered and expended since our last report as shown in Chart I. The chart represents the encumbrances and expenses through our previous audit for the period ended 6/30/2021 and our current period reviewed of 6/30/2022. All financial activity was balanced with the county financial system which utilizes the general ledger date for reporting purposes.

Chart I

H Expenses thru 6/30/21-6/30/22 Capital Fund Summary						
Appropriated YTD Encumbrances Funds & Exp. thru 6/30/21 Encumbrances & Encumbrances Funds Exp. thru 6/30/22 Funds & Exp. thru 6/30/22 Funds & Exp. thru 6/30/22 Funds Exp. thru 6/30/22						
Fund H0466 - Jail PODS Project	\$8,393,303	\$7,273,277	\$7,273,277	\$0	\$1,120,026	
Fund H0487 - DC Justice & Transition Center Project	192,150,000	159,382,533	165,285,128	5,902,595	26,864,872	
GRAND TOTAL	\$200,543,303	\$166,655,810	\$172,558,405	\$5,902,595	\$27,984,898	

Summary of Costs

H0487 – DC Justice & Transition Center Project

The summary of expenditures from the H0487 \$192.15 million authorization follows with an examination of major budget areas as listed in the authorizing Bond Resolution.

The six budgeted areas correspond with the project accounting module within the County's financial system to track the financial activity by area. Along with the budget authorization for each area, the year-to-date encumbrances, and the expenditures through 6/30/22 are presented along with the available funds as of this

Encumbrances and expenses totaling \$165,285,128 represent monies committed and spent via executed contracts for services. As shown in Chart II below these commitments are associated with the completed LEC (Law Enforcement Center) construction and the current construction of the new Justice Transition Center.

Chart II

	Orig. Budget in Authorizing Bond Res.	Budget Amendments	Rev. Budget
Law Enforcement Center	\$36,509,088	\$0	\$36,509,088
Justice and Transition Center	154,170,912	\$(84,500)	154,086,412
Special Populations	50,000	0	50,000
Project Auditing	110,000	84,500	194,500
Youth Center	500,000	0	500,000
Bond Costs	810,000	0	810,000
TOTALS	\$192,150,000	\$0	\$192,150,000

	YTD Encumbrances thru 6/30/22	Expenses thru 6/30/22	Total of Encumbrances & Exp. thru 6/30/22	Available Funds (includes Encumbrances)		
Law Enforcement Center	\$0	\$33,650,908	\$33,650,908	\$2,858,180		
Justice and Transition Center	\$51,167,808	79,395,871	130,563,679	23,522,733		
Special Populations	0	186,014	186,014	(136,014)*		
Project Auditing	60,500	134,000	194,500	0		
Youth Center	0	345,250	345,250	154,750		
Bond Costs	0	344,776	344,776	465,224		
TOTALS	\$51,228,308	\$114,056,820	\$165,285,128	\$26,864,872		
*The negative above represents the additional funds expended versus budgeted.						

Project A - Law Enforcement Center



Fund H0487 Law Enforcement Center Project Department 1620 - DPW Buildings				
Account Description	Expenses thru 6/30/22			
Furniture, Fixtures, Equipment	\$1,252,104			
Building - Reconstruction	28,381,807			
Office Supplies	2,148			
Design Fees	4,012,372			
Furniture & Office Equipment	2,478			
Total Expenses:	\$33,650,908			

The Law Enforcement Center (the Sheriff's Office) was completed in February 2019. There were no additional expenses reported since our last 2021 audit. The project came in under budget by **\$2,858,181**.

Project B - Justice & Transition Center (JTC)



The JTC was downsized from its original 569 bed design to the current 328 bed design. The new design was approved by the NYS Commission of Corrections on April 28,2020 after inmate populations dropped significantly and consistently since 2016. Based on data received from the jail, the jail's population has averaged around 200 inmates between July 2021 and June 2022.

The 2016 approved funding for the construction project was \$154.8 million. The estimated cost to complete the revised jail plan in our report dated May 2020 was \$147 million. The current estimated cost to complete the project is \$131.4 million.

FUND H0487 Justice & Transition Center Project Department 1620 - DPW Buildings				
Account Description	Expenses thru 6/30/21	Expenses thru 6/30/22		
Positions	\$302,449	\$743,887		
Furniture, Fixtures, Equipment	73,490	807,506		
New Construction	21,696,489	65,829,090		
Building - Reconstruction	450,089	492,689		
Property Insurance	258,459	258,459		
Design Fees	9,187,696	11,032,089		
Rental/Lease Real Property	163,988	232,151		
Total Expenses:	\$32,132,660	\$79,395,871		

Project B - Justice & Transition Center (Cont.)

The JTC project costs totaled \$79,395,871 as of June 30, 2022. Costs expensed include:

- **Positions** expense represents the salary amount to date for Dutchess County employees assigned to the Justice & Transition Center Transition Team.
- Furniture, Fixtures, Equipment expenses were for IT equipment pertaining to security control systems.
- The expense for **New Construction** is the amount paid to The Pike Company as the general contractor. Pike's contract includes all the necessary trades (except security control systems). The predominant costs billed through 6/30/2022 included expenditures from the contract date September 9, 2020, through May 26, 2022. Mobilization, sitework, structural steel, roofing, concrete, and masonry were included as major areas billed. A total of \$63.91 million of the \$110.948 million contract represents 58% of the entire contract amount paid as of 6/30/22. In addition, \$1.919 million represents services provided by Black Creek Integrated Services Corp. pertaining to the security control systems.
- The Building Reconstruction expenses were primarily for services provided by Decar Fence, Inc. for security perimeter fencing, Island Pump and Tank Corp. for removal and disposal of an oil tank, and Williams Scotsman Inc. for mobile office rental.
- Property Insurance expense is the JTC Builders Risk Policy provided by Rose & Kiernan, Inc.
- Design Fees expensed were primarily from services provided by LaBella Associates D.P.C. for architectural design; Turner Construction Co. as Construction Manager; Ricci Greene Associates for Owner's Representative Services for the JTC; Advance Testing Company, Inc. for construction inspection services; and Tectonic Engineering Consultants, Geologists & Land Surveyors, DPC for environmental site monitoring.
- Rental/Lease Real Property expenses are incurred for rental of indoor vehicle and equipment storage space provided by 27 High St. Lofts, LLC fka Joey-Zero, LLC.

CONSTRUCTION PROGRESS

The Commissioner of DPW reported the following progress as of September 15, 2022:

- Building Framing 100% complete
- Roof System 85% complete
- Concrete floor slabs all floors 100% complete
- Exterior Curtain Wall System & Windows 85% complete
- Exterior Veneer Wall Finishes 75% complete
- Interior Wall Systems all floors 100% complete
- Interior Curtain Wall System and Windows 30% complete
- Mechanical, Plumbing, Electrical rough-in ground floor 92% complete
- Mechanical, Plumbing, Electrical rough-in 2nd floor 85% complete
- Mechanical, Plumbing, Electrical rough-in 3rd floor 75% complete
- Installed pre-engineered steel cells in Housing Units A-D, F and Upper floors 100% complete
- Ceiling Systems all floors 25% complete
- Interior Finishes all floors 20% complete
- Phase 4 Site Work utilities, sidewalks, curbs, asphalt paving, etc. 60% complete
- LEC/JTC Storage Building 45% complete
- Overall project schedule is on target to meet substantial completion March 2023.



Pictured Above: JTC Interior on 6/30/22



Pictured Above: Rear of JTC Building on 6/30/22

Project B - Justice & Transition Center (Cont.) CONSTRUCTION TIMELINE

The Justice and Transition Center is now due to be completed by July 2024, per communication received from the Commisioner of Public Works. He indicated that the final completion date has been changed due to the anticipated completion schedule for the Emergency Housing Shelter at 26 Oakley Street. Individuals staying in the PODs will be able to move to 26 Oakley Street and the PODs will be dismantled.

JTC Construction Timeline	As of April 2020	Updated Completion Date as of June 2022
Phase 4 (New Housing Units) Including Construction of LEC/JTC Storage Building	May 2023	March 2023
Phase 4 JTC Occupied (After NYSCOC Approval)	August 2023	June 2023
Phase 5 Demolition of 1984 Building & Temporary Inmate Housing Unit "B"	November 2023	March 2024
Phase 5A Demolition of Temporary Inmate Housing Unit "A"	November 2023	March 2024
Phase 6 All Remaining Site Work Complete, Project Closeout	April 2024	July 2024

SPECIAL POPULATIONS

A total of \$50,000 was allocated for Special Populations Programming and Analysis. According to Resolution #2016031, "The County shall continue to work with consultants as needed, to assist with programming and design of the Justice and Transition Center to meet the needs of special populations including women, youth, and individuals with behavioral health issues." The anticipated costs for this project area have exceeded the original estimate by \$136,014. Total expenditures reported as of June 30, 2022 were \$186,014 paid to Alternative Solutions Associates, Inc.

PROJECT AUDITING

Due to the size and scope of the project, County administration hired independent auditors to confirm and validate capital project expenditures. A total of \$110,000 has been allocated for project auditing of expenses related to the total project. In August 2021, DPW processed a budget transfer in the amount of \$84,500 to the Accountants and Auditors line from the Building Reconstruction line, as the project budget was overspent by \$24,000. The new amount allocated for project auditing is now \$194,500.

Fund H0487 Project Auditing Department 1620 - DPW Buildings		
Account Description	Expenses thru 6/30/22	
Accountants & Auditors	\$134,000	
Total Expenses	\$134,000	

- Total expenditures reported as of June 30, 2021 were \$107,800. An additional \$26,200 was reported as expended for a total of \$134,000 as of June 30, 2022.
- The Project Auditing expense is the amount paid to EFPR Group CPA's, PLLC for auditing cost reviews associated with the DC Justice and Transition Center project.

Project B - Justice & Transition Center (Cont.) YOUTH CENTER

A total of **\$500,000** was allocated for the Youth Services Program Assessment and Schematic Design. According to the resolution, "The County shall perform a Countywide study related to the integration of existing crime prevention efforts and youth services, and develop a youth services plan to determine the needs, scope and uses for a Youth Center."

- Total expenditures reported as of June 30, 2021 were **\$345,250**. No additional funds have been expended as of June 30, 2022.
- The \$345,250 was expended as follows: a total of \$341,496 was paid to the Public Consulting Group, Inc. The initial contract with PCG had expenses totaling \$94,570 to examine and analyze how youth services are provided by the County, develop a matrix of direct and contracted services, and provide a report detailing strengths and gaps in services.² An additional contract with PCG had expenses totaling \$246,926 to create 'The Path-to-Promise' action plan to categorize the assets the general community values; assess Youth Services; and assist the County in understanding which areas may need additional investment.³ A total of \$3,754 was expended on travel to Pennsylvania for key County stakeholders to visit a potential model for a youth center and adult vocational training that may be applicable to Dutchess County.
- The County has purchased the old YMCA property with the intent of building the Youth Opportunity Union (YOU) in the City of Poughkeepsie for an estimated \$25 million. Notations in the original H0487 resolution stated \$1 million would be set aside and the County Executive in a separate notation in the resolution stated a \$1.5 million intent for a Youth Center. The 2022 Capital budget plans for a total of \$15 million spent on the YOU of which \$10 million will be American Rescue Plan funds.

BONDING COSTS

Fund H0487 Bond Issuing Costs Department 1620 - DPW Buildings		
Account Description	Expenses thru 6/30/22	
Bond Issuing Costs	\$344,776	
Total Expenses	\$344,776	

Total expenditures reported as of June 2021 were **\$236,572**. An additional **\$108,240** was reported as expended for a total of **\$344,776** as of June 30, 2022. This represents costs associated with bonding the project.

In accordance with Capital Project H0487, Resolution #2016031 dated March 21, 2016, the serial bond issuance authorization was **\$192,150,000**. Interest costs at the rate of 2.76% were projected for the 31-year period totaling **\$82,213,722**. This resulted in the total projected cost to be \$274.36 million.

As of June 30, 2022, a total of \$151,274,436 was reported as revenue to cover anticipated costs for H0487. This amount was comprised of premium on bond obligations totaling \$1,274,436 and \$150,000,000 in serial bonds. Dutchess County projects the amount of bonding funds necessary to cover project costs for a specified period of time.

²Contract #17-0407-9/18-SS Public Consulting Group, Inc. with Dutchess County Department of Community and Family Services

³Contract #17-0630-12/18-SS Public Consulting Group, Inc. with Dutchess County DCFS

Update of Procurement Services Summary of Contract Change Orders - Account H0487

For the period of July 1, 2021 through June 30, 2022, three vendors received Change Orders at the County's request resulting in additional compensation to the vendors. A description of each change order follows:

LaBella Associates DPC - JTC					
Contract	Changes	Total Cost of Changes	% Increase	Original Contract Amount	Final Contract Amount
C#17-0396-7/23-PW	7	\$1,277,682	22.74%	\$5,618,000	\$6,895,682

This 7th Change Order added a lump sum of \$25,000 to this contract for additional services for the construction, administration, architectural, and engineering scope for the 1995 re-roof project at the Jail.

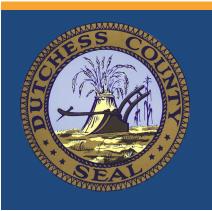
Advance Testing Company, Inc.					
Contract	Changes	Total Cost of Changes	% Increase	Original Contract Amount	Final Contract Amount
C#20-0371-12/23-PW	1	\$36,920	15.42%	\$239,471	\$276,391

The 1st Change Order for this contract was in the amount of \$36,920 and it was for additional special inspections during the construction of the JTC.

Turner Construction Co.					
Contract	Changes	Total Cost of Changes	% Increase	Original Contract Amount	Final Contract Amount
C#18-0473-7/23-PW	3	\$409,995	10.46%	\$3,918,340	\$4,328,335

The 3rd Change Order for this contract added \$359,995 for construction phase services.

OFFICE OF THE DUTCHESS COUNTY COMPTROLLER ROBIN L. LOIS, COMPTROLLER



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