

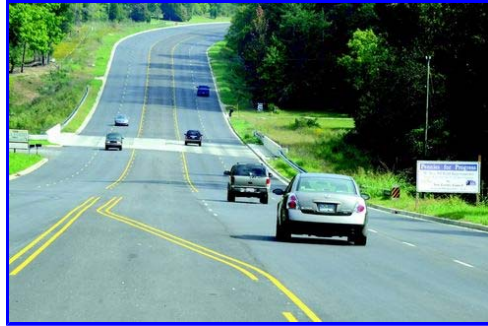
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County runs out of money to build roads

By Charles D. Perry · & 2008 The Herald

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Jim Stratakos • jstratakos@heraldonline.com

Traffic moves along the newly widened S.C. 161 near York. The 1997 "Pennies for Progress" project should be completed in November. Below, "Pennies" construction continues along S.C. 5.

York County officials know the county doesn't have enough money to pay for its road-building program. They just don't know how much more money they'll need.

And despite getting some good news this week about the "Pennies for Progress" program, leaders will have to wait until next month to find out how great of a shortfall the program will yield.

"We gonna have to come up short again?" Councilman Curwood Chappell asked Monday night. "We can talk all night, but money is the bottom line."

The program, funded by a 1-cent sales tax, has been marred by rising construction costs and shortfalls since it was approved by voters in 1997 and again in 2003. Of 53 "Pennies" projects, only seven have been completed.

York County officials said earlier this year that they'd lost trust in Capital Management and Engineering, the Rock Hill firm the county hired to manage "Pennies," because of poor communication about the money needed to finish the initial round of projects.

The 1997 referendum specified that only \$99.3 million could be raised from the sales tax to pay for the first round of 15 projects. Since then, when council members learned of projected shortfalls in the 1997 program, they found additional revenue from other sources, including state funding.

The 2003 referendum put the cap for those projects at \$173

million.

The relationship with CME came to a head last year when the program's latest projections went from a \$300,000 surplus in August to a \$22 million shortfall in December.

CME blamed higher-than-expected design estimates, some of which the company knew about at least two months before the county. County Manager Jim Baker learned of the problems in December. Soon after, plans were announced for the county to completely take over the program.

CME program manager Myron George said in April that while his company made accounting mistakes, it did nothing unethical. He said his job was to relay information to the county in quarterly reports and that he never updated between reports.

Despite their struggles with "Pennies," county leaders did get some brighter news about the program Monday. Baker said the county has recently been getting better prices on construction as private sector building has declined and oil prices have fallen.

The county plans to completely take over "Pennies" by June 2009.

Some county leaders on Monday praised staff for managing the transition so well. Council Chairman Buddy Motz said the county lacked the engineering expertise to handle "Pennies" when the program began, but now it's hired people with that knowledge.

Councilman Tom Smith said the county dealing directly with the state Department of Transportation instead of through another company "opens up a whole other world" of cooperation.

"It helps cut out the middle man," he said. "It's a savings overall."

But Chappell said he'd hold off on any back-patting.

"The reason I didn't brag on you," he told Leazer, "I bragged on the other ones. And sometimes when you brag on somebody, they let their guard down. And so I'll thank you at the end, OK -- if you do a better job."

Charles D. Perry • 329-4068

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