

**COUNTY COUNCIL OF CECIL COUNTY, MARYLAND
LEGISLATIVE SESSION DAY 2017-03**

RESOLUTION NO. 10-2017

Title of Resolution: Supplemental Appropriation - Health Insurance Fund - Fund Balance

Synopsis: A Resolution to amend the Annual Budget and Appropriation Ordinance for Cecil County, Maryland for the fiscal year ending June 30, 2017 to increase the revenue estimate and budget expenditure authority within the Health Insurance Fund by a total of \$1,250,000 in order for the fund to have sufficient budgetary authority to pay incurred medical claims through year end, and to increase fund balance by \$1,250,000 to the General Fund in order to increase various departmental expenditures per Appendix A to provide a total of \$1,250,000 in additions to expenditures to the General Fund Budget.

Introduced by: Council President on behalf of the County Executive

Introduced and ordered posted on: February 7, 2017

Scheduled for consideration on: February 21, 2017

By: _____
Council Manager

Notice and title of Resolution having been posted on _____ at the County Administration Building, 200 Chesapeake Blvd., Elkton and consideration by the Council having been scheduled on _____.

By: _____
Council Manager

Explanation: CAPITAL LETTERS INDICATE LANGUAGE ADDED TO EXISTING DOCUMENT
~~Strike through~~ indicates language deleted from existing document
Underlining indicates language added to document by amendment.
~~Double Strike through~~ indicates language stricken from document by amendment

1 **WHEREAS**, in accordance with Section 505 of the Cecil County Charter, on April 1, 2016, the County
2 Executive submitted a proposed budget to the County Council for Fiscal Year 2017; and

3 **WHEREAS**, in accordance with Section 506 of the Cecil County Charter, the County Council held
4 public hearings on the proposed budget submitted by the County Executive for Fiscal Year 2017; and

5 **WHEREAS**, in accordance with Section 507(b) of the Cecil County Charter, on June 2, 2016, the
6 County Council adopted the budget for Fiscal Year 2017; and

7 **WHEREAS**, the Health Insurance Internal Service Fund currently has witnessed normal costs for most
8 employees; however, the plan is also experiencing a higher than normal number of high-dollar cases (the
9 Fund has seen more than 18 major cases so far this year versus a national norm of 5 for a plan the county's
10 size); the Fund therefore needs additional revenue from the County in order to meet current medical claim
11 payments through the end of the fiscal year and that these costs approximate \$850,000; and

12 **WHEREAS**, the County Executive has determined it is prudent for the Health Insurance Fund to re-
13 establish a fund balance to serve as a reserve for future major health events and has determined that a
14 minimum of \$400,000 should be added to the fund balance each year for five years to establish a
15 \$2,000,000 goal; and

16 **WHEREAS**, the County Executive is revising the Fiscal Year 2017 Health Insurance Internal Service
17 Fund Budget of Cecil County, Maryland to increase the revenue estimate and expenditure authority in the
18 total amount of \$1,250,000 to pay medical claims; and

19 **WHEREAS**, such appropriation is necessary to provide \$1,250,000 of fund balance from the General
20 fund for the increase in health care expenditures within the County Departments; and

21 **WHEREAS**, the County Executive is revising the Fiscal Year 2017 General Fund Expenditure Budget for
22 Cecil County, Maryland, to establish the following amounts within departmental budgets within the
23 General Fund as further detailed in Appendix A.

24 **NOW THEREFORE, BE IT HEREBY RESOLVED BY THE COUNTY COUNCIL OF CECIL COUNTY,**
25 **MARYLAND**, that the Annual Budget and Appropriation Ordinance for Cecil County, Maryland for Fiscal
26 Year 2017 is amended by increasing the revenue estimate and budget expenditure authority within the
27 Health Insurance Fund by a total of \$1,250,000 in order for the fund to have sufficient budgetary authority
28 to pay incurred medical claims through year end, and to increase fund balance by \$1,250,000 to the
29 General Fund in order to increase various departmental expenditures per Appendix A to provide a total of
30 \$1,250,000 in additions to expenditures to the General Fund Budget.

31 **AND BE IT FURTHER RESOLVED BY THE COUNTY COUNCIL OF CECIL COUNTY, MARYLAND,** that this
32 Resolution shall take effect on the date of its passage by the County Council.

INTRODUCED: February 7, 2017

ADOPTED: _____

President of the Council

ATTEST:

Council Manager