

**COUNTY COUNCIL OF CECIL COUNTY, MARYLAND
LEGISLATIVE SESSION 2019-20**

RESOLUTION NO. 61-2019

Title of Resolution: Supplemental Appropriation – Fund Balance – Volunteer Fire Service

Synopsis: A Resolution to amend the Annual Budget and Appropriation Ordinance for Cecil County, Maryland for the fiscal year ending June 30, 2020 in order to provide the Volunteer Fire Service Department Budget within the General Fund additional expenditure appropriation authority in the amount of \$232,338. The additional expenditure authority will provide funding for the allocation budget to fund the error by the Maryland State Assessment Office in the assignment of fire district codes to new County properties for the four prior fiscal years (FY2016-FY2019).

Introduced by: Council President on behalf of the County Executive

Introduced and order posted on: October 15, 2019

Consideration scheduled on: November 5, 2019

By:  _____
Council Manager

Notice of time and title of Resolution having been posted by October 15, 2019 at the County Administrative Building, 200 Chesapeake Blvd, Elkton, and consideration by the County Council of Cecil County having been scheduled on November 5, 2019.

By:  _____
Council Manager

Explanation: CAPITALS INDICATE MATTER ADDED TO EXISTING ORDINANCE.
~~Strike through~~ indicate matter deleted from existing ordinance.
Underlining indicates language added by amendment.
~~Double Strike through~~ indicates language deleted by amendment.

RESOLUTION NO. 61-2019
Supplemental Appropriation – Fund Balance – Volunteer Fire Service

1 **WHEREAS**, in accordance with Section 505 of the Cecil County Charter, on April 1, 2019, the
2 County Executive submitted a proposed budget to the County Council for Fiscal Year 2020; 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 2020; and

5 **WHEREAS**, in accordance with Section 507(b) of the Cecil County Charter, on June 4, 2019, the
6 Budget for Cecil County was adopted for Fiscal Year 2020; and

7 **WHEREAS**, the County Executive is revising the Fiscal year 2020 revenue estimate for Cecil
8 County to allocate \$232,338 from the Budget Stabilization Reserve Fund to allow the following
9 appropriation within the General Fund: The addition of \$232,338 in expenditure authority for the
10 Volunteer Fire Service Department’s operating budget to fund the increase in FY2016-FY2019
11 allocations. As outlined in Cecil County Code Chapter 49-1 Section D(1) the annual allocation is to be
12 divided among the nine volunteer fire companies in exact proportion which the assessed valuation of
13 taxable property within the district served by each volunteer fire company bears to the assessed
14 valuation of taxable property within the County. The budget increase is a direct result of the error by
15 the Maryland State Department of Assessments in assigning fire district codes to new properties in
16 Cecil County. Without the correct code assigned to new parcels, the report submitted to the County to
17 calculate the annual allocation for the prior four fiscal years, was incorrect and did not include all
18 taxable property. The assessment office identified the error in FY2020, and then went back as far as
19 the system would allow (FY2016), reviewed all properties in Cecil County and then updated those
20 properties that were missing a fire district code; and

21 **WHEREAS**, such appropriation is necessary to provide \$232,338 of fund balance from the
22 Budget Stabilization Reserve Fund for expenditures.

23 **NOW THEREFORE, BE IT HEREBY RESOLVED BY THE COUNTY COUNCIL OF CECIL COUNTY,**
24 **MARYLAND**, that the Annual Budget and Appropriation Ordinance for Cecil County, Maryland for Fiscal
25 Year 2020 is hereby amended and a supplemental appropriation to the Current Budget in the amount
26 of \$232,338 of additional expenditures in the General Fund to the Volunteer Fire Service Department
27 budget is approved.

28 **AND BE IT FURTHER RESOLVED BY THE COUNTY COUNCIL OF CECIL COUNTY, MARYLAND**, that
29 this Resolution shall take effect on the date of its passage.

RESOLUTION NO. 61-2019
Supplemental Appropriation – Fund Balance – Volunteer Fire Service

INTRODUCED: October 15, 2019

ADOPTED: November 5, 2019



President of the Council

ATTEST:



Council Manager



CECIL COUNTY, MARYLAND DEPARTMENT OF FINANCE

FISCAL NOTE

SUMMARY OF LEGISLATION

SPONSOR: Council President Meffley at the request of the County Executive

RESOLUTION NO. 61-2019 – SUPPLEMENTAL APPROPRIATION – FUND BALANCE – VOLUNTEER FIRE SERVICE

SYNOPSIS: A resolution to amend the Annual Budget and Appropriation Ordinance for Cecil County, Maryland for the fiscal year ending June 30, 2020 in order to provide the Volunteer Fire Service Department Budget within the General Fund additional expenditure appropriation authority in the amount of \$232,338. The additional expenditure authority will provide funding for the allocation budget to fund the error by the Maryland State Assessment Office in the assignment of fire district codes to new County properties for the four prior fiscal years (FY2016-FY2019).

FISCAL IMPACT SUMMARY: The approval of this bill will have a net fiscal impact on the Cecil County of \$232,338 by expending the FY2020 assigned fund balance (Budget Stabilization Reserve Fund) designated by the County Executive to provide additional budget for the Volunteer Fire Company’s annual allocation as required by County Code Section 49-1.

FISCAL ANALYSIS:

Cecil County Code Chapter 49-1 reads as follows:

A.

The County shall levy on the assessable property in Cecil County, annually, the sum equivalent to \$0.024 per \$100 of assessed valuation of taxable property within the County for the purpose of assisting in the maintenance and operation of nine volunteer fire or fire and ambulance companies in Cecil County.

B.

The levy shall be made June 1 and the sum of money to be paid by the County to each volunteer fire or fire and ambulance company shall be paid on or before September 1 of the fiscal year for which levied.

C.

Amount.

(1)

The sum of \$29,600 shall be allocated among the nine volunteer fire companies as follows:

- | | |
|---|---------|
| (I) Cecilton Fire Company, Inc. | \$3,100 |
| (II) Charlestown Fire Company, Inc. | \$3,000 |
| (III) Chesapeake City Fire Company | \$3,200 |
| (IV) Community Fire Company of Perryville | \$2,900 |
| (V) Hack's Point Fire Company | \$2,400 |
| (VI) North East Fire Company | \$3,600 |
| (VII) Rising Sun Fire Company | \$3,600 |
| (VIII) Singerly Fire Company of Elkton | \$4,200 |
| (IX) Water Witch Fire Company at Port Deposit | \$3,600 |

(2)

The sum of \$9,000 shall be allocated to support ambulance service as follows:

- (I) Cecilton Fire Company, Inc. \$1,000
- (II) Charlestown Fire Company, Inc. \$1,000
- (III) Chesapeake City Fire Company \$1,000
- (IV) Community Fire Company of Perryville \$1,000
- (V) Hack's Point Fire Company \$1,000
- (VI) North East Fire Company \$1,000
- (VII) Rising Sun Fire Company \$1,000
- (VIII) Singerly Fire Company of Elkton \$1,000
- (IX) Water Witch Fire Company at Port Deposit \$1,000

D.

Allocation.

(1)

The amount equivalent to \$0.02 per \$100 of assessed valuation of taxable property in the County minus the \$38,600 required in Subsection C of this section shall be allocated among the nine volunteer fire companies in the exact proportion which the assessed valuation of taxable property within the district served by each volunteer fire company bears to the assessed valuation of taxable property within the County.

(2)

The district served by each volunteer fire company shall be determined by the Cecil County Firemen's Association and the assessed valuation of taxable property within each district shall be certified by the Supervisor of Assessments for Cecil County based on the date of finality prior to the fiscal year in which the distribution is to be made.

E.

The sum equivalent to \$0.004 per \$100 of assessed valuation of taxable property in the County shall be distributed by the County to the nine volunteer fire or fire and ambulance companies in equal allocations.

F.

In order to be eligible for any of the funds provided for in this section, each of the nine volunteer fire or fire and ambulance companies named herein shall meet the minimum specifications and standards approved by the Cecil County Firemen's Association.

The County Administration was contacted by a fire company and asked to check if new County properties were being accurately allocated to the correct fire district. This question stemmed from the amount of new commercial property along the Route 40 corridor most specifically between North East & Perryville and those new entities requiring support from the local fire company. As the County relies on the information from the Maryland Department of Assessment and Taxation to determine eligibility and valuation, the request was forwarded to the State for review. It was discovered that a number of new properties, including some of the commercial properties along Route 40 did not have a fire district code assigned to them. Without the fire district code, the properties in question were not allocated to any fire company for FY2020.

The State immediately began a review to be certain all properties in Cecil County accurately reflect a fire district code and assured the County the reason for the error has been addressed. A new report was provided to the County by the State and the FY2020 allocation was recalculated. The checks, including the corrections, were mailed to the nine fire companies prior to the September 1 deadline.

Once the error was detected for FY2020, the County then began to question how many years had the fire codes been missing from County properties. Again the State Assessment Office went back and within their system, had the ability to

go back to the prior four fiscal years and recalculate the assessments within the nine fire company districts and provided the information to the County in order to recalculate the amount due for the prior four fiscal years to each fire company.

The attached schedule shows the results by fire company based on the revised assessment numbers provided to the County:

FIRE COMPANY	2016	2017	2018	2019	TOTAL
CECILTON	897.53	1,766.90	2,036.28	4,099.29	8,800.00
HACK'S POINT	821.17	639.56	1,271.54	1,769.38	4,501.65
CHESAPEAKE CITY	1,130.03	525.74	2,318.01	2,225.91	6,199.69
SINGERLY	3,150.03	1,328.39	4,974.41	7,873.23	17,326.06
NORTH EAST	6,203.06	5,459.67	7,876.46	7,995.63	27,534.82
CHARLESTOWN	26,779.13	13,412.17	35,209.11	40,687.99	116,088.39
WATER WITCH	2,808.99	2,177.78	3,992.16	4,002.49	12,981.43
PERRYVILLE	(603.39)	1,252.62	14,136.42	15,180.98	29,966.63
RISING SUN	1,478.90	1,303.56	1,720.41	4,435.67	8,938.54
	42,665.45	27,866.38	73,534.81	88,270.56	232,337.21

In conversations about the issue of fire district codes and the assignment to new properties, the Administration brought the Department of Land Use and Development into the conversation. They recommended a note be placed on the subdivision plat at the time of formation and included in the information transmitted to the local assessment office when a new property is identified and approved. The fire chiefs are included in this information of new addresses and they will be able to see the fire district code identified on new property.