

**COUNTY COUNCIL OF CECIL COUNTY, MARYLAND
LEGISLATIVE SESSION DAY 2021-13**

RESOLUTION NO. 39-2021

Title of Resolution: Supplemental Appropriation – Debt Service Fund – Public Library

Synopsis: A Resolution to amend the Annual Budget and Appropriation Ordinance for Cecil County, Maryland, for the fiscal year ending June 30, 2022, in order to provide an additional \$190,000 to the General Fund-Cecil County Public Library Allocation. The Resolution will reduce the General Funds' Inter-Operating Transfer to the Debt Service Fund, due to lower interest expense in FY2022 as a result of the refinancing of the County's debt. This decrease in the inter-operating transfer will provide the increase to the library's operating allocation.

Introduced by: Council President on behalf of the County Executive

By: _____
Council Manager

Introduced and ordered posted on: July 6, 2021

Scheduled for consideration on: July 20, 2021

By: _____
Council Manager

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

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.

Supplemental Appropriation – Debt Service Fund – Public Library

1 **WHEREAS**, in accordance with Section 505 of the Cecil County Charter, on April 1, 2021, the County
2 Executive submitted a proposed budget to the County Council for Fiscal Year 2022; 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 2022; and

5 **WHEREAS**, in accordance with Section 507(b) of the Cecil County Charter, on June 1, 2021, the
6 Budget for Cecil County was adopted for Fiscal Year 2022; and

7 **WHEREAS**, the County Executive is revising the revenue estimate in the Debt Service Fund in the
8 FY 2022 budget to establish the following amount: the reduction of \$190,000 in inter-operating transfer
9 from the General Fund operating budget, which will provide the necessary funding to pay the principal and
10 interest payments associated with the County's General Obligation Debt payments; and

11 **WHEREAS**, such appropriation is necessary to provide \$190,000 less in funding to the Debt Service
12 Fund from the General Fund. The County intends to refinance the County's debt in the fall of 2021. The
13 estimated interest savings for FY2022 from the refinancing of the County's General Obligation Bonds will
14 allow an additional \$190,000 in order to add to the Cecil County Public Library's operating allocation; and

15 **WHEREAS**, the allocation to the Library's operating budget will be increased by \$190,000 for a total
16 of \$6,230,417, and the amount provided to the Debt Service Fund from the General Fund will decrease by
17 \$190,000.

18 **NOW THEREFORE, BE IT HEREBY RESOLVED BY THE COUNTY COUNCIL OF CECIL COUNTY,**
19 **MARYLAND**, that the Annual Budget and Appropriation Ordinance for Cecil County, Maryland, for Fiscal
20 Year 2022 is hereby amended for the supplemental appropriation; and by amending the Current Budget to
21 appropriate \$190,000 in additional expenditures to the Cecil County Public Library's operating transfer, by
22 decreasing the General Funds' Inter-Operating Transfer to the Debt Service Fund. The savings is due to
23 lower interest expense in FY2022 as a result of the refinancing of the County's debt.

24 **AND BE IT FURTHER RESOLVED BY THE COUNTY COUNCIL OF CECIL COUNTY, MARYLAND**, that all
25 provisions of this Resolution shall take effect on the date that it is approved.

INTRODUCED: July 6, 2021

ADOPTED: _____

President of the Council

ATTEST:

Council Manager



CECIL COUNTY, MARYLAND

DEPARTMENT OF FINANCE

FISCAL IMPACT NOTE

SUMMARY OF LEGISLATION

SPONSOR: Council President at the request of the County Executive

RESOLUTION NO. 39-2021 – Supplemental Appropriation – Debt Service Fund – Public Library

SYNOPSIS: A Resolution to amend the Annual Budget and Appropriation Ordinance for Cecil County, Maryland, for the fiscal year ending June 30, 2022, in order to provide an additional \$190,000 to the General Fund-Cecil County Public Library Allocation. The Resolution will reduce the Inter-Operating Transfer to the Debt Service Fund in the General Fund, due to lower interest expense in FY2022 as a result of the refinancing of the County's debt. This decrease in the inter-operating transfer will provide the increase to the library's operating allocation.

FISCAL IMPACT SUMMARY: There is no net fiscal impact in FY2022 as the Resolution supports the transfer of the savings from decreased interest payments back to the general fund that will be used to provide additional operating funding to the Cecil County Public Library.

FISCAL ANALYSIS:

The FY2022 approved budget for the operating allocation to the Cecil County Public Library was reduced \$366,202, compared to FY2021; in an effort to allow the County to afford the addition of \$1 million dollars in debt service payments due to the completion of the new North East Library. In conversations between the County Executive and the Director of the Library, the reduction of the operating budget for the library system was going to have a direct effect on the services provided to the community.

As the County continued conversations through the spring of 2021, it was evident that the County would be able to avail themselves of significant savings if they refinanced their current debt. The County Executive who does not want to negatively impact the services of the library system, is proposing through this Resolution to increase the operating allocation to the Library for FY2022 by \$190,000 from savings derived from the refinancing of general obligation debt.