



# CECIL COUNTY, MARYLAND

## DEPARTMENT OF FINANCE

### FISCAL IMPACT NOTE

#### **SUMMARY OF LEGISLATION**

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

#### **RESOLUTION NO. 09-2020 – BUDGET AMENDMENT – CECIL COUNTY SALARY AND FRINGE BENEFITS – ADDITIONAL OPERATING ALLOCATION DERIVED FROM DEBT SERVICE SAVINGS**

**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 \$2,815,266 to the General Fund-Salary and Fringe Benefit 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 Salary and Fringe Benefit operating allocation.

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**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 Salary and Fringe Benefit allocation.

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#### **FISCAL ANALYSIS:**

Knowing that a significant savings was recognized in the fall of 2021 from the County's "debt service refinancing" and due to the increased cost of living expenses and difficulties in attracting and retaining qualified employees, the County Executive, with support from the Council President, awarded mid-year salary adjustments for certain County employees as well as well as certain employees of certain state agencies that the County is statutorily required to fund, as well as retention bonuses and signing bonuses for certain public safety employees. The debt service refinancing will still result in a net savings to the County for FY2022.