

COUNTY COUNCIL OF CECIL COUNTY, MARYLAND
LEGISLATIVE SESSION DAY 2022-05

RESOLUTION NO. 09-2022

Title of Resolution: Supplemental Appropriation and Budget Transfer – Debt Service - Salaries and Fringe Benefits

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-Salaries and Fringe Benefits 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 Salaries and Fringe Benefits Allocation.

Introduced by: Council President on behalf of the County Executive

Introduced and ordered posted: March 1, 2022

Scheduled for consideration: March 15, 2022 March 22, 2022

By: James Massey
Council Manager

Notice and title of Resolution having been posted by March 1, 2022 at the County Administration Building, 200 Chesapeake Blvd., Elkton and consideration by the Council having been scheduled on March 15, 2022.
aa,

By: James Massey
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 and Budget Transfer – Debt Service -Salaries and Fringe Benefits

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, 2020, the
6 Budget for Cecil County was adopted for Fiscal Year 2022; and

7 **WHEREAS**, the County Executive is revising the Fiscal Year 2022 Debt Service Fund revenue
8 estimate for Cecil County to establish the reduction of \$2,815,266 in interoperating transfer from the
9 General Fund operating budget, which provides the necessary funding to pay the principal and interest
10 payments associated with the County’s General Obligation Debt payments; and

11 **WHEREAS**, such appropriation is necessary to reduce by \$2,815,266 funding to the Debt Service
12 Fund from the General Fund. The County refinanced the County’s current 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 \$2,815,266 to be added to the Salary and Fringe Benefit operating allocation; and

15 **WHEREAS**, the allocation to the Salary and Fringe Benefit operating budget will be increased by
16 \$2,815,266 for a total of \$ 50,873,598 in Salary and Fringe Benefits, and the amount provided to the Debt
17 Service Fund from the General Fund will decrease by \$2,815,266.

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 \$2,815,266 in additional expenditures to the Salary and Fringe Benefit allocation operating
22 transfer by decreasing the General Funds’ Inter-Operating Transfer to the Debt Service Fund. The savings is
23 due to 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 this
25 Resolution shall take effect on the date of its passage by the County Council of Cecil County, Maryland.

INTRODUCED: March 1, 2022

ADOPTED: March 22, 2022

Supplemental Appropriation and Budget Transfer – Debt Service -Salaries and Fringe Benefits

ATTEST:

James Massey
Council Manager

[Signature]
President of the Council



CECIL COUNTY, MARYLAND DEPARTMENT OF FINANCE

FISCAL IMPACT NOTE

SUMMARY OF LEGISLATION

SPONSOR: Council President at the request of the County Executive

RESOLUTION NO. 09-2022 – Supplemental Appropriation and Budget Transfer – Debt Service – Salaries and Fringe Benefits

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.

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.

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.