

Amendment 1 to Amendment 21 to Council Bill No. 25-2018

**BY: Chairperson at the request
of the County Executive**

**Legislative Day No. 6
Date: May 31, 2018**

Amendment No. 1 to Amendment 21

(This amendment makes a technical correction to clarify that assigned (encumbered) fund balance is from FY17 and to reflect certain totals if FY18 and FY19.

This amendment also amends the description.

This amendment also directs the Budget Office to add a note in the final printing of the FY 19 budget.)

1 In the description of Amendment 21, strike “, as requested by the County Auditor” and, before
2 the “)” insert:
3 “This amendment also directs the Budget Office to add a note in the final printing of the FY 19
4 budget.”

5
6 On page 1, before line 1, insert:

7 “On page 3, in line 18, insert:

8 “Section 11. And Be it Further Enacted by the County Council of Howard County, Maryland
9 that the Budget Office shall add a note in the final printing of the Fiscal Year 2019 budget that
10 reads:

11 “The GFOA recommends a minimum unrestricted budgetary fund balance of no less than two
12 months of operating expenses.”; and”

13
14 On page 3, in line 19, strike “11” and substitute “12”.

15
16 On pages 152, 153 and 154, make the changes shown in the attached revised pages 152, 153 and
17 154.

18
19 Remove pages 152, 153 and 154 from Amendment 21 and substitute revised pages 152, 153 and
20 154 as attached to this Amendment to Amendment 21.

Proprietary Funds

Fleet Operations Fund

Description

The Central Fleet Operations Division is responsible for the purchase, operation and maintenance of all county vehicles. Revenue to operate Fleet Operations is generated from charges to the users. Included are the salaries of the mechanics who maintain county vehicles, the cost of supplies and depreciation on all vehicles maintained by the bureau. GFOA RECOMMENDS A MINIMUM UNRESTRICTED BUDGETARY FUND BALANCE OF NO LESS THAN TWO MONTHS OF OPERATING EXPENSES (THIS REPRESENTS ABOUT \$3.7 MILLION IN FY19).

	FY 2017 Actual	FY 2018 Estimated	FY 2019 Budget
Revenues:			
Fleet Operations Charges (Internal Agencies)	15,162,639	17,235,772	18,333,210
Fleet Operations Charges (External Agencies)	763,652	612,341	750,000
Sale of Capital Asset	208,762	260,000	200,000
Other Revenue	28,445	0	0
Total Revenues	16,163,498	18,108,113	19,283,210
Expenses:			
Fleet Operations	15,393,310	17,867,278	22,147,337
Contingency	0	0	398,000
Total Expenses	15,393,310	17,867,278	22,545,337
Other Financing Sources/(Uses):			
Appropriation from Fund Balance	0	0	3,262,127
Capital Contributions Received	198,874	0	0
Transfer to General Fund	(24,118)	0	0
Total Other Financing Sources/(Uses)	174,756	0	3,262,127
Net Assets:			
Beginning Net Assets	29,865,658	30,810,602	31,051,437
Net Change from Current Year Operations	944,944	240,835	0
Less Appropriation from Fund Balance	0	0	(3,262,127)
Net Assets - Ending (Unrestricted)	30,810,602	31,051,437	27,789,310
Non Cash Assets	20,708,041	20,708,041	20,708,041
Cash	10,102,561	10,343,396	7,081,269
<u>ASSIGNED (FY 17 ENCUMBERED)</u>	<u>(2,683,392)</u>	<u>NA(2,683,392)</u>	<u>NA(2,683,392)</u>
<u>UNASSIGNED</u>	<u>7,419,169</u>	<u>7,660,004</u>	<u>4,397,877</u>

Proprietary Funds

Technology & Communication Fund

Description

This fund charges the cost of central data processing operations, geographical information, records management services, radio maintenance and telephone services to county agencies. These costs are charged to county agencies utilizing the system/services through charge backs paid to this fund. Effective July 1, 2008, the Radio Maintenance Fund and Technology & Communication Fund were combined. GFOA RECOMMENDS A MINIMUM UNRESTRICTED BUDGETARY FUND BALANCE OF NO LESS THAN TWO MONTHS OF OPERATING EXPENSES (THIS REPRESENTS ABOUT \$4.1 MILLION IN FY19).

	FY 2017 Actual	FY 2018 Estimate	FY 2019 Budget
Revenues:			
Data Processing Chargeback	15,661,167	17,605,703	17,379,762
GIS Chargeback	1,037,895	1,048,649	898,954
Records Management Chargeback	893,243	929,164	921,292
Radio Maintenance Chargebacks	2,017,177	1,329,451	1,175,397
Telephone Services Chargebacks	2,883,603	2,502,990	2,610,442
Copier Rentals	417,615	495,522	515,435
Tower Rentals	1,349,789	1,509,816	1,540,638
Appropriation from Fund Balance	0	0	462,447
Total Revenues	24,260,489	25,421,295	25,504,367
Expenditures:			
Information System Services	15,777,238	16,955,349	17,203,484
GIS Operations	847,792	1,014,177	900,193
Radio Maintenance	3,006,699	2,509,448	2,715,644
Telephone Services	2,379,656	2,420,710	2,609,277
Records Management	809,354	898,619	920,599
Contingency	0	0	600,000
Total Expenditures	22,820,738	23,798,303	24,949,197
Other Financing Sources/(Uses):			
Transfers Out	(575,000)	(575,000)	(555,170)
Total Other Financing Sources/(Uses)	(575,000)	(575,000)	(555,170)
Fund Balance:			
Beginning Fund Balance	1,110,166	1,974,917	3,022,908
Net Change from Current Year Operations	864,751	1,047,992	(462,447)
Ending Fund Balance (Unrestricted)	1,974,917	3,022,908	2,560,461
<u>ASSIGNED (FY 17 ENCUMBERED)</u>	<u>(462,379)</u>	<u>NA(462,379)</u>	<u>NA(462,379)</u>
<u>UNASSIGNED</u>	<u>1,512,538</u>	<u>2,560,529</u>	<u>2,098,082</u>

Proprietary Funds

Risk Management Fund

Description

This fund combines county government risk management activities including: Workers' Compensation, General, Auto, Property, and Environmental Liability and Risk Management Administration. The County insures these exposures with an appropriate combination of self-insurance and purchased excess insurance. The County Library System, Community College, Economic Development Authority ~~AND~~, Housing Commission ~~and~~ Mental Health Authority participate in the Risk Management Fund. ~~The claims reserve of this fund is necessary to assure that adequate funds are available to pay for outstanding and future claims presented against the County. AT THE END OF FY2017, THE FUND HAS A CASH BALANCE OF \$14.9 MILLION AVAILABLE TO PAY \$15.0 MILLION IN ACTUARY REPORTED INCURRED CLAIMS. GFOA RECOMMENDS A MINIMUM UNRESTRICTED BUDGETARY FUND BALANCE OF NO LESS THAN TWO MONTHS OF OPERATING EXPENSES (THIS REPRESENTS ABOUT \$1.8 MILLION IN FY19).~~

	FY 2017 Actual	FY 2018 Estimated	FY 2019 Budget
Revenues:			
County Charges	9,411,505	10,058,238	10,068,898
Affiliated Agencies Charges	569,130	685,850	664,690
Interest Income	49,291	14,000	20,000
Insurance Recoveries	216,420	280,000	225,061
Other Revenue	61,279	0	0
Total Revenues	10,307,625	11,038,088	10,978,649
Expenditures:			
Claims Cost			
Claims	6,242,819	6,917,470	7,340,000
Insurance Premiums	1,030,806	1,480,000	1,580,000
Other Operating Expenses	295,826	371,941	402,249
Administrative Costs			
Interfund Transfer to General Fund	458,019	446,316	416,260
Other Administrative Costs	907,787	840,414	921,140
Contingency	0	0	319,000
Total Expenditures	8,935,257	10,056,141	10,978,649
Fund Balance:			
Beginning Fund Balance	(1,431,746)	(59,378)	922,569
Change - Current Year Operations	1,372,368	981,947	0
Fund Balance - Ending (Unrestricted)	(59,378)	922,569	922,569
<u>ASSIGNED (FY17 ENCUMBERED)</u>	<u>(25,734)</u>	<u>NA(25,734)</u>	<u>NA(25,734)</u>
<u>UNASSIGNED</u>	<u>(85,112)</u>	<u>896,835</u>	<u>896,835</u>