



# Howard County

## Internal Memorandum

**Subject:** Testimony

**To:** Lonnie Robbins  
Chief Administrative Officer

**From:** Holly Sun, Administrator  
Office of Budget

**Date:** June 12, 2018



Please accept this request to amend the Fiscal 2018 budget in the amount of \$3.0 million to cover unexpected operating costs related to the Ellicott City flood response and recovery efforts.

Preliminary estimate indicates at least \$20 million unbudgeted cost incurred or estimated for dealing with the aftermath of the devastating May 27 flash flood in Ellicott City. The numbers continue to evolve. While the majority of the fiscal impact is expected to affect FY 2019, about \$7 million were confirmed as FY 2018 expenses that need immediate coverage.

Thanks to an aggressive mid-year savings plan implemented since January by all County agencies (excluding education entities), the County is expected to absorb in its current budget approximately \$4 million of the unanticipated costs in various funds. In addition, following best practices and advices from the Financial Advisor, the County established a policy reserve at the end of FY 2017 designating \$5 million prior fund balance on top of Rainy Day funds as the first step to enhance our financial positions. This sound fiscal practice paid off today and allowed us to support \$1.9 million of the requested budget amendment. The remaining \$1.1 million needed in the current year will be funded by utilizing unspent FY18 General Fund NonD contingency reserve.

The fiscal impact and direct cost of flood recovery is expected to be significant. We are still in the process of working diligently with departments and all stakeholders in developing a better understanding of the scope of work, costs and solutions. We will come back by fall with more information and a budget amendment request for FY 2019.

Thank you for your consideration and please feel free to contact me if you have any questions.