

County Council of Howard County, Maryland

2016 Legislative Session

Legislative day # 8

Resolution No. 101 - 2016

Introduced by: Mary Kay Sigaty and Jon Weinstein

A RESOLUTION proposing to amend the Howard County Charter by amending Section 603

“Submission and contents of the County budget” and Section 606 “Action on the annual budget and appropriation ordinance by the County Council” to require the budget ordinance to include certain specified funds a certain specified reserve and a contingency reserve Capital Project; to allow the County Council to increase the appropriation to these funds appropriation to the reserve, the Project, or the retiree obligations trust under certain circumstances; to amend Section 611 "Lapsed Appropriations" to provide that a certain fund is a non-reverting fund; and submitting this amendment to the voters of Howard County for their adoption or rejection in accordance with Article X of the Howard County Charter and Article XI-A of the Maryland Constitution.

Introduced and read first time on July 8, 2016.

By order Jessica Feldmark
Jessica Feldmark, Administrator to the County Council

Read for a second time and a public hearing held on July 18, 2016.

By order Jessica Feldmark
Jessica Feldmark, Administrator to the County Council

This Resolution was read the third time and was Adopted , Adopted with amendments , Failed , Withdrawn by the County Council on July 29, 2016.

Certified by Jessica Feldmark
Jessica Feldmark, Administrator to the County Council

NOTE: [[text in brackets]] indicates deletions from existing language; TEXT IN ALL CAPITALS indicates additions to existing language. ~~Strikethrough~~ indicates material deleted by amendment; Underlining indicates material added by amendment.

- 1 (4) An estimate of the several amounts, including any arbitrator's award made
- 2 pursuant to section 217, which the executive deems necessary for
- 3 conducting the business of the County to be financed from and not to
- 4 exceed estimated revenue for the ensuing fiscal year;
- 5 (5) A statement of the bonded and other indebtedness of the County
- 6 government and its agencies, including self-liquidating and special taxing
- 7 district debt;
- 8 (6) A statement of the proposed contingency reserves which shall not exceed
- 9 three per centum of the general fund and of any other fund;
- 10 (7) A comparative statement of the receipts and expenditures for the last
- 11 completed fiscal year, a comparative statement of authorized expenditures
- 12 and revenues and estimated expenditures and revenues for the currently
- 13 ending fiscal year, and the expenditures recommended by the Executive
- 14 for the ensuing fiscal year for each program or project which shall be
- 15 classified by agency, character and object; [[and]]
- 16 (8) ~~A CONTINUING, NONLAPSING RESERVE FUND FOR RETIREE OBLIGATIONS,~~
- 17 ~~WITH THE INTEREST EARNINGS OF THE FUND RETAINED TO THE CREDIT OF~~
- 18 ~~THE FUND;~~
- 19 (9) A CONTINGENCY RESERVE FUND, WHICH SHALL NOT EXCEED THREE PER
- 20 CENTUM OF THE GENERAL FUND; AND
- 21 (10) (9) Any other material which the Executive may deem advisable or the
- 22 Council may require.
- 23 (b) *Contents of the capital budget and capital program.* The proposed capital budget
- 24 and capital program shall be so arranged as to set forth clearly the plan of

1 proposed capital projects to be undertaken in the ensuing fiscal year and in each
2 of the next five fiscal years, and also the proposed means of financing the same.
3 The capital budget shall include a statement of the revenues anticipated during the
4 ensuing fiscal year from all borrowing and from other sources for capital projects.
5 The capital budget shall include a description of each proposed capital project to
6 be undertaken in the ensuing fiscal year, including those previously authorized.
7 THE CAPITAL BUDGET SHALL INCLUDE A GENERAL COUNTY CONTINGENCY RESERVE
8 CAPITAL PROJECT.

9 (c) *Contents of the budget message.* The budget message shall contain supporting
10 summary tables and shall explain the proposed current expense budget and capital
11 program both in fiscal terms and in terms of work to be done. It shall outline the
12 proposed financial policies of the County for the ensuing fiscal year and describe
13 the important features of the current expense budget. It shall indicate any major
14 changes in fiscal policies and in expenditures, appropriations and revenues as
15 compared with the fiscal year currently ending, and shall set forth the reasons for
16 such changes. As to the capital program, the message shall include an explanation
17 of changes made by the Executive in the program presented by the Office of
18 Planning and Zoning. The message shall also include such other material as the
19 Executive may deem necessary.

20 **Section 606. Action on the annual budget and appropriation ordinance by the County**
21 **Council.**

22 After the public hearing specified in the preceding section, the Council may decrease or
23 delete any items in the budget ordinance except those required by the public general laws of this
24 State and except any provisions for debt service on obligations then outstanding or for estimated

1 cash deficits. The Council shall have no power to change the form of the budget as submitted by
2 the Executive, to alter the revenue estimates or to increase any expenditure recommended by the
3 Executive for current or capital purposes ~~[[unless]]~~ EXCEPT: 1) AS expressly provided in State
4 ~~[[law,]]~~ LAW; 2) TO INCREASE THE APPROPRIATION APPROPRIATE FUNDS TO THE RETIREE
5 OBLIGATIONS RESERVE FUND TRUST, THE CONTINGENCY RESERVE FUND, OR THE CONTINGENCY
6 CAPITAL RESERVE RESERVE CAPITAL PROJECT; AND 3) ~~[[and except]]~~ to correct ~~[[mathematical]]~~
7 ARITHMETIC errors. The adoption of the budget ordinance, which shall include only the current
8 expense budget and the capital budget, shall be by the affirmative vote of not less than a majority
9 of the Council on an ordinance to be known as the Annual Budget and Appropriation Ordinance
10 of Howard County. The capital program, as defined in this Charter, shall be adopted by the
11 Council by its separate resolution. Any borrowing to finance capital projects must be authorized
12 by an existing law of the General Assembly of Maryland or by a law of the Council adopted in
13 accordance with the Charter. The Council may adopt from time to time bond issue authorization
14 ordinances pursuant to an enabling law or laws then in force and effect to provide the means of
15 financing such capital projects as are to be financed from borrowing. Such bond issue
16 authorization ordinances are not subject to referendum and shall take effect from the date of their
17 enactment. All of said ordinances referred to in this Section shall be exempt from the executive
18 veto. The Annual Budget and Appropriation Ordinance shall be adopted by the Council on or
19 before the first day of the last month of the fiscal year currently ending, and if the Council fails
20 to do so, the proposed current expense budget submitted by the Executive shall stand adopted,
21 and funds for the expenditures proposed in the current expense budget shall stand appropriated as
22 fully and to the same extent as if favorable action thereon had been taken by the Council.

23 **Section 611. Lapsed Appropriations.**

24 ~~Unless otherwise provided by public general law, all unexpended and unencumbered~~

1 appropriations in the current expense budget remaining at the end of the fiscal year shall lapse
2 into the County treasury, except that appropriations to the risk ~~[[management]]~~ MANAGEMENT,
3 RETIREE OBLIGATIONS RESERVE, and grants funds shall be non-reverting. No appropriation for a
4 capital project in the capital budget shall lapse until the purpose for which the appropriation was
5 made shall have been accomplished or abandoned; provided, however, that any capital project
6 shall stand abandoned if three fiscal years elapse without any expenditure from or encumbrance
7 of the appropriation made therefor. The balances remaining to the credit of the completed or
8 abandoned capital project shall be available for appropriation in subsequent capital budgets.

9 **AND BE IT FURTHER RESOLVED** by the County Council of Howard County,
10 Maryland, that at the next general election to be held in Maryland, the proposed amendment to
11 the Howard County Charter shall be submitted to the voters of Howard County for their adoption
12 or rejection in accordance with the provisions of the Article X of the Howard County Charter and
13 Article XI-A of the Maryland Constitution, and if adopted by the majority of the voters, shall
14 stand adopted from and after the 30th day following the general election.

15 **AND BE IT FURTHER RESOLVED** by the County Council of Howard County,
16 Maryland, that this Resolution, having been approved by two-thirds of the members of the
17 Howard County Council, stands adopted this 29th day of July, 2016 in accordance
18 with provisions of Article X of the Howard County Charter.

Amendment 1 to Council Resolution No. 101-2016

BY: Mary Kay Sigaty and
Jon Weinstein

Legislative Day No. 9
Date: July 29, 2016

Amendment No. 1

(This amendment:

- 1. Removes the proposed reserve fund for retiree obligations in light of the County's already-existing trust funds for retiree obligations, as well as other provisions related to the fund;*
- 2. Requires that the budget include a contingency reserve, not a contingency reserve fund;*
- 3. Changes the provision authorizing the Council to increase the appropriation for retiree obligations to refer to a trust instead of a fund, with the intention being to refer to the existing OPEB trust established by County law.*
- 4. Revises language to be clearer.)*

1 On the title page, in the purpose paragraph:

- 2 • strike "certain specified funds" and substitute "a certain specified reserve";
- 3 • strike "appropriation to those funds" and substitute "appropriation to the reserve, the
- 4 Project, or the retiree obligations trust";
- 5 • strike "to amend Section 611 "Lapsed Appropriations" to provide that a certain fund is a
- 6 non-reverting fund;"

7 On page 1:

- 8 • in line 2, before "Section 606" strike the comma and substitute "and";
- 9 • beginning in line 3, strike ", and Section 611 "Lapsed appropriations"

10 On page 2:

- 1 • beginning in line 16, strike beginning with “A CONTINUING” down through “THE FUND;”
2 in line 18;
3 • in line 19, strike “(9) and strike “FUND”;
4 • in line 21, strike “(10)” and substitute “(9)”.

5 On page 3:

- 6 • in line 7, after “INCLUDE A” insert “GENERAL COUNTY”.

7 On page 4:

- 8 • in line 3, strike “INCREASE THE APPROPRIATION” and substitute “APPROPRIATE FUNDS” and
9 strike “RESERVE FUND” and substitute “TRUST”;
10 • in line 4, strike “FUND”;
11 • also in line 4 strike “CAPITAL RESERVE” and substitute “RESERVE CAPITAL”;
12 • strike lines 22, 23, and 24 in their entirety.

13 On page 5:

- 14 • strike lines 1 through 7 in their entirety.

ADOPTED 7/29/16
FAILED _____
SIGNATURE Jessica Feldman

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Amendment 2 to Council Resolution No. 101-2016

BY: Greg Fox

Legislative Day No. 9
Date: July 29, 2016

Amendment No. 2

(This amendment deletes the reference to the contingency reserve fund and capital project and limits the amount that may be placed in the retiree obligations reserve fund.)

- 1 On page 4 strike beginning with the comma at the end of line 3 down through the semicolon in
- 2 line 4 and substitute "UP TO A MAXIMUM OF THE COST OF RETIREE OBLIGATIONS FOR THE NEXT
- 3 FISCAL YEAR PLUS THE AMOUNT NECESSARY TO COVER THE UNFUNDED ACTUARIAL ACCRUED
- 4 LIABILITY FOR THE NEXT 30 FISCAL YEARS;".

ADOPTED _____

FAILED _____

SIGNATURE _____

7/29/16
Jessica Feldman

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Amendment 1 to Amendment 2 to Council Resolution No. 101-2016

BY: Greg Fox

**Legislative Day No. 9
Date: July 29, 2016**

Amendment No. 1

(This amendment conforms the language to current nomenclature.)

1 In line 2, beginning with “RETIREE” strike down through “YEARS” in line 4 and substitute
2 “FULLY FUNDING THE ACTUARIALLY DETERMINED CONTRIBUTION FOR THE NEXT FISCAL
3 YEAR”.

ADOPTED

FAILED

SIGNATURE

Not introduced
Jessica Feldman