

RESOLUTION

Resolution Authorizing an Advance to The Federal Insurance Contributions Act (FICA) Fund from the General Fund in an Amount of \$1,825,000 in Fiscal Year 2024 (18)

WHEREAS, The County's FICA Fund cash balance has been depleted to levels below what is required to fund the 2024 payroll liabilities due to the demands placed upon the cash balance from contract settlements, compensation study adjustments, and wage inflation; and

WHEREAS, County Administration has been monitoring the cash balance of the FICA Fund due to concerns on the fund, and in the Levy of Taxes Ordinance for FY2025 has proposed an increased amount to the Federal Insurance Contributions Act levy to strengthen the cash balance and have the ability to fund liabilities in FY2025; and

WHEREAS, County Administration will continue to monitor cash balances in this fund and will recommend levy increases in future fiscal years as needed to maintain a six-month fund reserve; and

WHEREAS, this advance from the General Fund, for the purpose of providing temporary funding for contractually required expenditures that exceed available FICA Fund resources, is non-interest bearing and is to be reimbursed starting in fiscal year 2027 and ending in fiscal year 2031.

NOW, THEREFORE BE IT RESOLVED, by this County Board of McHenry County, Illinois, that a new advance from the General Fund to the FICA Fund is hereby authorized in an amount of \$1,825,000, and will be paid back to the General Fund over Fiscal Years 2027 through 2031; and

BE IT FURTHER RESOLVED, that the County Clerk is hereby authorized to distribute a certified copy of this Resolution to the County Treasurer, Chief Financial Officer and the County Administrator.

DATED at Woodstock, Illinois, this 19th day of November, A.D., 2024.

Michael Buehler, Chairman
McHenry County Board

ATTEST:

Joseph J. Tirio, County Clerk



McHenry County Board

County Board Room
Woodstock, IL 60098

Meeting: November 19, 2024
Department: County Administration
Prepared By: Kerri Wisz

RESOLUTION

SUBJECT: Resolution Authorizing an Advance to The Federal Insurance Contributions Act (FICA) Fund from the General Fund in an Amount of \$1,825,000 in Fiscal Year 2024 (18)

Board / Committee Action Requested:

To authorize an advance to the FICA Fund from the General Fund to cover FY24 payroll liabilities.

Background and Discussion: Due to increased payroll liabilities without increased funding, the FICA fund requires an advance from the General Fund to cover FY24 payroll liabilities. This advance will be paid back to the General Fund over fiscal years 2027 through 2031.

Impact on Human Resources: None

Impact on Budget (Revenue; Expenses, Fringe Benefits): None

Impact on Capital Expenditures: None

Impact on Physical Space: None

Impact on Other County Departments or Outside Agencies: None

Conformity to Board Ordinances, Policies and Strategic Plan: Yes