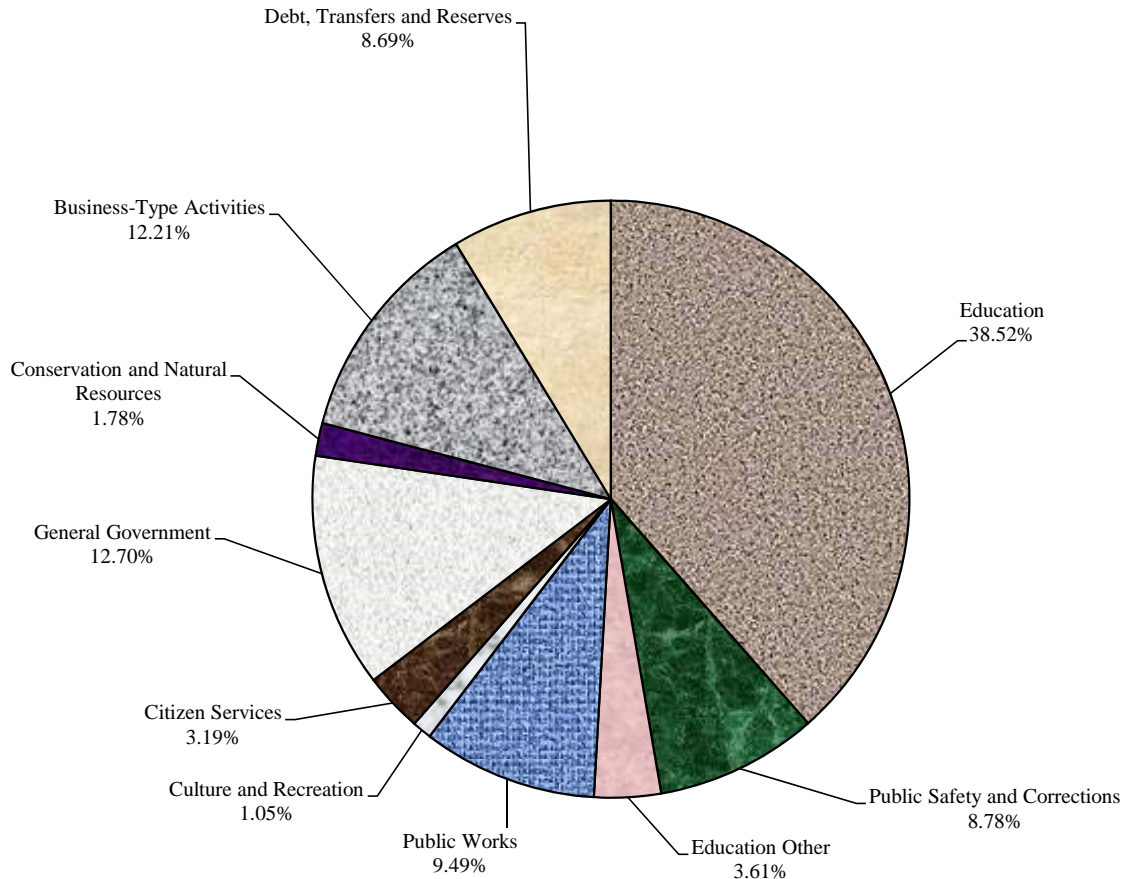


# All Funds Uses - By Category

Fiscal Year 2018 Budget

\$577,320,568

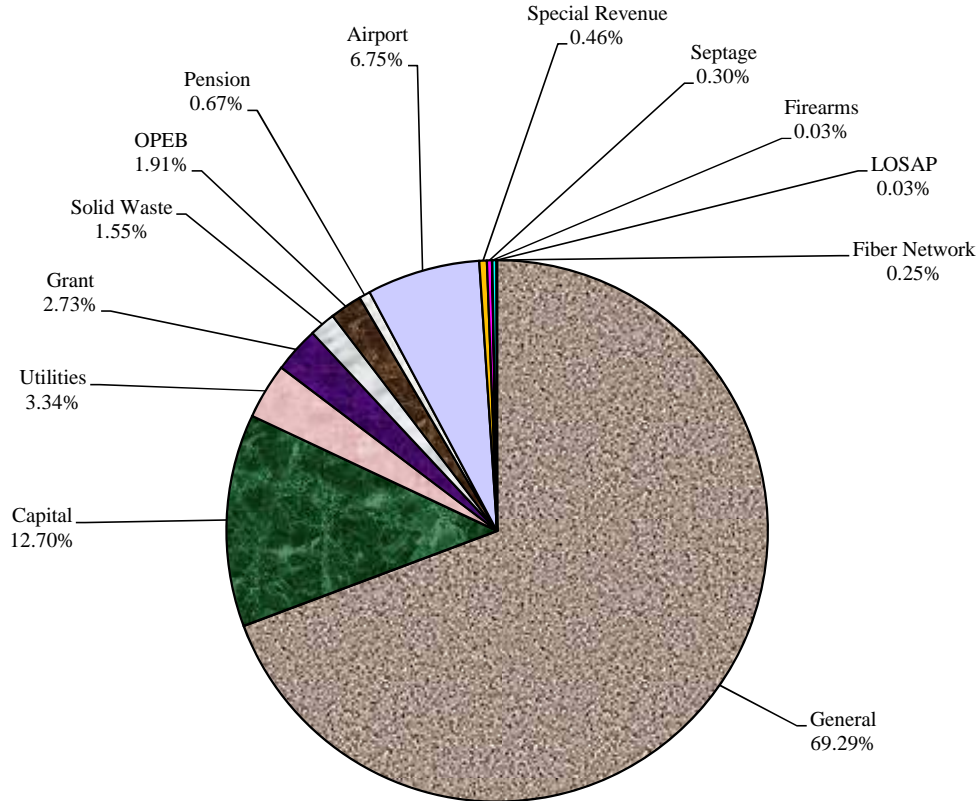


<u>Category</u>	FY 16 Actual	FY 17 Budget	% Chg from FY 16	FY 18 Budget	% Chg from FY 17
Education	\$207,496,702	\$220,611,465	6.32%	\$222,370,330	0.80%
Public Safety and Corrections	55,678,043	47,302,020	-15.04%	50,702,574	7.19%
Education Other	28,298,480	19,414,600	-31.39%	20,815,100	7.21%
Public Works	40,584,635	45,335,906	11.71%	54,762,035	20.79%
Culture and Recreation	4,328,326	4,569,170	5.56%	6,089,180	33.27%
Citizen Services	18,446,985	20,097,890	8.95%	18,407,211	-8.41%
General Government	40,726,611	63,665,106	56.32%	73,294,692	15.13%
Conservation and Natural Resources	11,664,880	8,728,548	-25.17%	10,251,010	17.44%
Business-Type Activities	44,871,014	26,038,461	-41.97%	70,479,396	170.67%
Debt, Transfers and Reserves	43,327,747	47,021,600	8.53%	50,149,040	6.65%
<b>Total</b>	<b>\$495,423,423</b>	<b>\$502,784,766</b>	<b>1.49%</b>	<b>\$577,320,568</b>	<b>14.82%</b>

# All Funds Uses - By Fund

Fiscal Year 2018 Budget

\$577,320,568



<u>Fund</u>	FY 16 Actual	FY 17 Budget	% Chg from FY 16	FY 18 Budget	% Chg from FY 17
General	\$378,435,671	\$388,407,000	2.63%	\$400,042,050	3.00%
Capital	49,030,519	56,917,665	16.09%	73,291,435	28.77%
Utilities	31,306,406	14,538,635	-53.56%	19,255,551	32.44%
Grant	15,285,193	14,641,680	-4.21%	15,775,507	7.74%
Solid Waste	10,169,858	8,815,806	-13.31%	8,948,500	1.51%
OPEB	4,111,678	10,578,580	157.28%	11,050,000	4.46%
Pension	1,608,096	3,434,760	113.59%	3,864,700	12.52%
Airport	948,864	954,220	0.56%	38,970,070	3983.97%
Special Revenue	1,383,300	2,666,620	92.77%	2,651,480	-0.57%
Septage	1,139,215	1,173,300	2.99%	1,732,075	47.62%
Firearms	154,054	155,500	0.94%	155,500	0.00%
Fiber Network	1,152,617	401,000	-65.21%	1,417,700	253.54%
LOSAP	697,952	100,000	-85.67%	166,000	66.00%
<b>Total</b>	<b>\$495,423,423</b>	<b>\$502,784,766</b>	<b>1.49%</b>	<b>\$577,320,568</b>	<b>14.82%</b>

# All Funds Budget

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The All Funds Budget consists of thirteen funds. When Appropriations are transferred from one fund to another, the appropriation is recorded in both. This creates double counting of appropriations and artificially increases the All Funds Budget. For example, in FY 18, \$6.1M of General Fund dollars is transferred to the Capital Fund to provide paygo funding to the Community Investment Plan (CIP). This is reflected in the General Fund as an Inter-fund Transfer to Capital of \$6.1M and in the Capital Fund as revenue of \$6.1M. In order to capture the total budget without the double-counted appropriations, certain transfers and reappropriations of funds from prior years need to be netted out of the All Funds Budget.

All Funds – FY 18	<b>\$577,320,568</b>
Double-Counted Appropriations:	
Prior Year Unappropriated	\$10,157,850
Current Year Surplus	1,400,000
Transfer from Capital to General Fund for Board of Education Debt Service	10,940,900
Interfund Transfers from General Fund	12,185,390
Other Post-Employment Benefits	11,050,000
County and Certified Law Enforcement Pension	3,864,700
Reallocated Transfer from the General Fund	760,000
Reallocated Bonds	5,049,907
Reallocated Property Tax	191,209
Reallocated Program Open Space	854,000
Reallocated Impact Fees	200,000
Reallocated Utilities User Fees	1,718,654
Reallocated Area Connection Charges	1,968,000
Special Revenue Fund – Hotel Tax	327,150
Length of Service Awards Program	166,000
Total Double-Counted Appropriations	60,833,760
Net All Funds Budget	<b>\$516,486,808</b>

# All Funds Revenue Summary

All Funds revenue is projected to be \$577.3M in FY 18. Total revenue is up \$74.5M, or 14.8%, above FY 17. This increase is primarily driven by an increase in Capital Contribution to the Airport Enterprise Fund from the Federal and Maryland Aviation Administration for the Runway Extension project. Without FY 18 funding for the Runway project, over 68% of revenue is coming from Property Taxes and Income Tax.

Revenue In Millions	FY 16 Budget	Percent of Total	FY 17 Budget	Percent of Total	FY 18 Budget	Percent of Total	Cumulative Percent of Total
Property Taxes	\$195.8	38.6%	\$200.5	39.9%	\$207.1	35.9%	35.9%
Income Tax	143.4	28.3%	152.1	30.3%	158.5	27.5%	63.3%
Bonds / Notes Proceeds	20.4	4.0%	28.6	5.7%	29.0	5.0%	68.4%
Charges for Services	30.9	6.1%	25.3	5.0%	25.0	4.3%	72.7%
Intergovernmental	22.3	4.4%	21.5	4.3%	26.8	4.6%	77.3%
Other Revenue	17.0	3.3%	17.3	3.4%	21.3	3.7%	81.0%
Interfund Transfers	28.5	5.6%	21.5	4.3%	23.1	4.0%	85.0%
Other Local Taxes	15.4	3.0%	18.5	3.7%	18.0	3.1%	88.2%
Prior Year Unappropriated	12.3	2.4%	9.2	1.8%	11.6	2.0%	90.1%
Interest and Gain (Loss)	2.1	0.4%	2.2	0.4%	2.8	0.5%	90.6%
State Shared	4.4	0.9%	2.8	0.6%	3.1	0.5%	91.2%
Capital Contribution – Business-Type Activities	5.4	1.1%	0.5	0.1%	42.3	7.3%	98.5%
Reallocated Funds	7.9	1.6%	1.2	0.2%	7.1	1.2%	99.7%
Licenses and Permits	1.6	0.3%	1.6	0.3%	1.6	0.3%	100.0%
<b>Total Revenue</b>	<b>\$507.4</b>	<b>100.0%</b>	<b>\$502.8</b>	<b>100.0%</b>	<b>\$577.3</b>	<b>100.0%</b>	<b>100.0%</b>

Percentages may not add to 100% due to rounding

Following are explanations of each of these revenues. Additional details on the source of these revenues and the processes used to arrive at the budgeted amounts can be found in the various fund sections.

## **Top 5 All Fund Revenues**

### ***Property Taxes***

Largest revenue at 35.9% of the total. The Property Tax group includes twelve separate taxes, credits, and charges. The most significant is the Real Property Tax. The Board of County Commissioners reduced this rate in FY 12 from \$1.048 per one hundred dollars of assessed value to \$1.028, and then to \$1.018 in FY 13. The Personal Property Tax rate was also lowered in FY 12 from \$2.62 per one hundred dollars of assessed value to \$2.57 and then to \$2.545 in FY 13. The Board of County Commissioners lowered the Personal Property Tax in FY 14 to \$2.515 per one hundred dollars, or a three-cent reduction from FY 13. In FY 15, the Commissioners issued a Property Tax rebate of \$0.01 per \$100 of assessment, or approximately \$1.8M. The Homestead Tax Credit was significant in recent years, but due to five years of negative reassessments this credit is greatly reduced. This credit is set by the Board of County Commissioners and caps the amount that taxes can increase on a primary residence at 5.0% a year. Property Tax is primarily a General Fund revenue; however, approximately 2.25% is usually dedicated to agricultural land preservation.

Property Taxes are estimated by several methods, including trend analysis, economic analysis, and real estate analysis. The primary means, however, are the assessments provided by the Maryland Department of Assessment and Taxation, and full detail is provided on their website which can be accessed at:  
<http://dat.maryland.gov/Pages/default.aspx>.

### ***Income Tax***

Second largest revenue at 27.5% of the total. Income Tax is calculated as a percentage of net taxable State income. The State caps the rate at 3.20%. The Commissioners lowered the Income Tax rate from 3.05% to 3.04% in FY 14, a reduction of 0.01%. In FY 15 the Commissioners again lowered the Income Tax rate by 0.01% from 3.04% to 3.03%, effective on January 1st, 2015. The State Comptroller's Office administers, collects, and distributes this tax to the counties and municipalities. Income Tax is primarily a General Fund revenue; however, 9.09% of Income Tax is traditionally dedicated to the capital budget for school construction and debt service. The Commissioners elected to reduce this amount to 7.09% in FY 16 through FY 17, to 7.59% in FY 18, and 8.09% in FY 19.

The budget for Income Tax is based on several factors, including a trend analysis of recent distributions, economic analysis of changes made at the State level, the local and national economies, and estimates provided by the State Comptroller's Office.

### ***Capital Contribution – Business-Type Activities***

The third largest revenue at 7.3% of the total. This category is based on specific and dedicated revenues that are budgeted to capital projects in the enterprise funds. In FY 18, the Airport Runway Expansion project is increasing \$38.0M. Funding sources include

Federal and Maryland Aviation Administration and the Airport Enterprise Fund. These revenues are based on appropriations budgeted to fund capital projects and do not reflect revenues that are necessarily collected in FY 18.

### ***Bonds/Notes proceeds***

The fourth largest revenue at 5.0% of the total. The County issues general obligation bonds to provide funds for construction of major capital facilities such as libraries, parks, and schools. The bonds are obligations of the County for which its full faith and credit are pledged. The principal sources of repayment for the bonds are general revenues of the County including property taxes and income taxes. Bonds issued for enterprise funds, while still general obligation bonds, are expected to be paid from enterprise fund revenues, such as area connection charges or rents.

Bonds are not budgeted in the same way as other revenues, where we estimate how much property or income tax we will collect. How much debt issued is based on several factors: debt affordability guidelines; our six-year Operating Plan; availability of Paygo funds; as well as the need for and timing of capital projects. In FY 18, the Commissioners are using \$29.0M in bonds, an increase of \$0.4M from FY 17.

### ***Intergovernmental (State and Federal)***

Fifth largest revenue at 4.6% of the total. The County receives Federal and State funding for several reasons, including school and bridge construction, environmental projects, grants, and reimbursements. State and Federal funding is used primarily in the General, Capital, and Grant Funds. The Grant Fund includes more than \$13.6M in various Federal and State funds to support programs such as housing, transit, and meals. Grant funds are also used to provide rental subsidies to the elderly, handicapped, disabled, and families with low income. Additionally, these funds are used to develop community-based services that promote positive outcomes for children, youth, and families.

The methods of budgeting State and Federal funds are varied. In some cases, particularly construction funding, there is a specific appropriation in the State budget. In cases where there is not a specific amount, such as the Highway User Revenue, which is formula based, estimates are provided by the government agency that oversees the revenue. Other revenues, such as grants, are usually subject to a combination of trend analysis and informed opinion.

## **Remaining All Fund Revenues**

### ***Charges for Services***

Fourth largest revenue at 4.3% of revenue. The Enterprise, General, and Grant Funds. The intent, unless otherwise determined, is that certain activities and services pay for themselves through user fees, and are not supported through general tax dollars or other non-related revenue sources.

In the Enterprise Fund, the primary sources of revenue are water and sewer usage fees, water and sewer connection fees, tipping fees, waste removal fees, and airport fuel sales

and rental fees. Rate modeling is used to forecast future needs and to set the appropriate rates to support the fund. Additionally, trend analysis is used in combination with the rate modeling to more accurately determine future revenue streams.

For the General Fund and the Grant Fund, the primary sources of revenue are related to Public Safety and Corrections, Public Works, Recreation, and General Government. These fees come from various sources related to building inspections, permitting and review fees, as well as admission and concessions fees at County parks. There are also fees derived through reimbursements from local agencies. The fees charged are based on a combination of factors. Trend analysis is used to determine revenue projections based on the current rate and fee structure. Additionally, fee analysis is performed to determine if the current rate and fee structure needs to be adjusted in order to meet actual costs incurred. Rate studies are also performed for fees reimbursed by the State or Federal government to ensure accuracy.

### ***Interfund Transfers***

4.0% of the total. Due to governmental accounting requirements, revenues that are transferred between funds are shown twice. For instance, Hotel Tax originates in the special revenue fund. When Hotel Tax is used it must be transferred from the Special Revenue Fund to the General Fund. This means that using \$0.1M of Hotel Tax will actually add \$0.2M to the All Funds revenue total. Each fund, Special Revenue and General Fund, will show that \$0.1M. Other interfund revenues do not involve special revenues, and include General Fund transfers to grants, capital, and enterprise funds. Here, the emphasis is on the General Fund as a whole. Overall revenue growth and available balances in the six-year Operating Plan are examined and analyzed.

### ***Other Revenues***

3.7% of the total. This group includes revenues from the general, capital, grant, enterprise, and trust funds. These revenues are budgeted based on numerous methods, including trend analysis, economic analysis, and estimates provided by State and Federal agencies.

### ***Other Local Taxes***

3.1% of the total. This includes Recordation, 911 fees, Impact Fees, and Admission fees. Recordation makes up about 80.6% of these fees. Trend analysis, current housing market, and opinions from industry experts are the sources of this budget.

### ***Prior Year Unappropriated***

2.0% of the total. This is the amount of revenue in excess of budget plus the amount of unspent appropriated dollars. Prior to FY 15, Carroll County law required that surplus funds be budgeted as revenue in the next fiscal year. During the FY 14 Legislative process, the law was changed for Carroll County effective October 1, 2013. \$11.6M of surplus is in the FY 18 Budget.

### ***Reallocated funds***

1.2% of the total. These funds may consist of reallocated bonds, reallocated General Fund transfer, and reallocated Property Taxes. These funds were previously appropriated to various projects that either came in under budget or the decision was made not to move forward with the projects. These sources of funding are being reallocated to projects included in the FY 18 budget.

In FY 18, a total of \$10.8M in bonds and current funding is being reallocated for various capital projects, such as building renovations. The amount that we can reallocate depends on numerous factors, including projects that were completed under budget or projects that were eliminated. The very nature of these types of decisions prevents it from being predictable or consistent with previous years.

### ***Interest & Gain/Loss***

0.5% of the total. The primary source of this revenue is interest earned on investments. The budget is based on our economic and monetary analysis as well as consultation with the County's Investment Officer.

### ***State Shared***

0.5% of the total. This includes Police Aid and Highway User Revenues. Both of these come from the State. The State of Maryland provides estimates to the County for both of these revenues. However, our own economic and legislative analysis is also considered.

### ***Licenses & Permits***

0.3% of the total. These are General Fund dollars. These funds are charged for the various services requested by residents and contractors. These revenues are budgeted based on numerous methods, including trend analysis, economic analysis, and real estate market analysis.