

Debt, Transfers and Reserves Summary

| | Actual FY 14 | Original Budget FY 15 | Adjusted Budget FY 15 | Budget FY 16 | % Change From Orig. FY 15 | % Change From Adj. FY 15 |
|--|---------------------|-----------------------------|-----------------------------|---------------------|---------------------------------|--------------------------------|
| Debt Service | \$25,363,195 | \$26,845,910 | \$26,845,910 | \$27,220,370 | 1.39% | 1.39% |
| Ag Preservation Debt Service | 1,538,983 | 1,821,200 | 1,821,200 | 1,916,100 | 5.21% | 5.21% |
| Intergovernmental Transfers | 2,823,567 | 2,927,640 | 2,976,507 | 3,079,160 | 5.18% | 3.45% |
| Interfund Transfers | 11,390,494 | 7,760,377 | 7,760,377 | 9,755,500 | 25.71% | 25.71% |
| Reserve for Contingencies | 0 | 3,276,083 | 3,276,083 | 4,028,380 | 22.96% | 22.96% |
| Total Debt, Transfer and Reserves | \$41,116,239 | \$42,631,210 | \$42,680,077 | \$45,999,510 | 7.90% | 7.78% |

Mission and Goals

The budgets in Debt, Transfers, and Reserves are a functional grouping for presentation purposes.

Budget Changes

- Debt Service increases slightly due to bonds sold for the 800 MHz Digital Radio System and Pavement Management.
- Agricultural Land Preservation Debt Service increases due to planned Installment Purchase Agreement easement transactions.
- Intergovernmental Transfers increases due to State Aid for Fire and an NPDES compliance position, which are both offset in other budgets, as well as increased payments to Towns based on the Town Program formula.
- Interfund Transfers increases due to a one-time transfer of funds to establish the Risk Workers Compensation ISF.
- Reserve for Contingencies increases due to the addition of funding for the housing of prisoners offsite and funding for a Reserve for Positions.

Debt Service

| Description | Actual FY 14 | Original Budget FY 15 | Adjusted Budget FY 15 | Budget FY 16 | % Change From Orig. FY 15 | % Change From Adj. FY 15 |
|---------------|-----------------|-----------------------------|-----------------------------|-----------------|---------------------------------|--------------------------------|
| Personnel | \$0 | \$0 | \$0 | \$0 | 0.00% | 0.00% |
| Benefits | 0 | 0 | 0 | 0 | 0.00% | 0.00% |
| Operating | 25,363,195 | 26,845,910 | 26,845,910 | 27,220,370 | 1.39% | 1.39% |
| Capital | 0 | 0 | 0 | 0 | 0.00% | 0.00% |
| Total | 25,363,195 | 26,845,910 | 26,845,910 | 27,220,370 | 1.39% | 1.39% |
| Employees FTE | 0.00 | 0.00 | 0.00 | 0.00 | ----- | ----- |

Note: The Adjusted Budget includes budget changes made during the year. Ongoing mid-year changes have been annualized for comparison purposes.

Contact

Ted Zaleski, Director of Management and Budget
(410) 386-2082

Description

The funding in this budget is for the principal and interest the County pays on long-term debt. The County uses an analysis of the debt affordability to determine an appropriate level of debt to prevent revenue from being burdened by an unmanageable debt service payment as well as to protect the County's bond rating.

The County is reviewed annually by the three rating agencies and in FY 15 received the following ratings:

Fitch AAA
Standard & Poor's AAA
Moody's Aa1

The Standard & Poor's rating was increased from AA+ to AAA in FY 14.

Due to its strong credit rating, the County was able to issue \$73,515,000 in new bonds in FY 15. The issue consists of \$15,000,000 in new debt and \$58,515,000 in refunded debt. The issue has a 20-year repayment schedule at 2.574%.

The primary uses of bonding are road construction and school projects.

Budget Changes

Debt Service increases slightly due to bonds sold for capital projects, including the 911 Radio System and Pavement Management.

Ag Land Preservation Debt Service

| Description | Actual FY 14 | Original Budget FY 15 | Adjusted Budget FY 15 | Budget FY 16 | % Change From Orig. FY 15 | % Change From Adj. FY 15 |
|----------------------|-----------------|-----------------------------|-----------------------------|-----------------|---------------------------------|--------------------------------|
| Personnel | \$0 | \$0 | \$0 | \$0 | 0.00% | 0.00% |
| Benefits | 0 | 0 | 0 | 0 | 0.00% | 0.00% |
| Operating | 1,538,983 | 1,821,200 | 1,821,200 | 1,916,100 | 5.21% | 5.21% |
| Capital | 0 | 0 | 0 | 0 | 0.00% | 0.00% |
| Total | 1,538,983 | 1,821,200 | 1,821,200 | 1,916,100 | 5.21% | 5.21% |
| Employees FTE | 0.00 | 0.00 | 0.00 | 0.00 | ----- | ----- |

Note: The Adjusted Budget includes budget changes made during the year. Ongoing mid-year changes have been annualized for comparison purposes.

Contact

Phillip Hager, Director of Land Use, Planning and
Development (410) 386-2145
Sheree Lima, Management and Budget Project Coordinator
(410) 386-2082

Description

The funding in this budget is for debt service the County pays on Installment Purchase Agreements (IPA) for the Agricultural Land Preservation Program. The budget is determined by a combination of known debt service and estimated IPA's for the upcoming fiscal year. Typically, a land owner is offered 40% of Fair Market Value for the agricultural easement and the County pays 5.25% annual interest for 20 years on the easement value.

Budget Changes

Agricultural Land Preservation Debt Service increases in FY 16 due to planned Installment Purchase Agreement easement transactions in FY 15.

Intergovernmental Transfers

| Description | Actual FY 14 | Original Budget FY 15 | Adjusted Budget FY 15 | Budget FY 16 | % Change From Orig. FY 15 | % Change From Adj. FY 15 |
|---------------|-----------------|-----------------------------|-----------------------------|-----------------|---------------------------------|--------------------------------|
| Personnel | \$0 | \$0 | \$0 | \$0 | 0.00% | 0.00% |
| Benefits | 0 | 0 | 0 | 0 | 0.00% | 0.00% |
| Operating | 2,823,567 | 2,927,640 | 2,976,507 | 3,079,160 | 5.18% | 3.45% |
| Capital | 0 | 0 | 0 | 0 | 0.00% | 0.00% |
| Total | 2,823,567 | 2,927,640 | 2,976,507 | 3,079,160 | 5.18% | 3.45% |
| Employees FTE | 0.00 | 0.00 | 0.00 | 0.00 | ----- | ----- |

Note: The Adjusted Budget includes budget changes made during the year. Ongoing mid-year changes have been annualized for comparison purposes.

Contact

Ted Zaleski, Director of Management and Budget
(410) 386-2082

Description

The County provides a number of revenues to Carroll County municipalities. The Bank Shares Tax, Road Grant, and State Aid to Fire Protection are all pass through revenues from the State. The County provides liquor and building permit services, and then sends the collections to municipalities. The County also shares County revenue with the municipalities through the Town Program funding. Brief descriptions of these revenues follow:

- **Bank Shares Tax**
This revenue replaced the municipal share of a discontinued State tax.
- **Local Permits**
As a service to the towns, the County collects fees for permits issued inside town boundaries.
- **Local Liquor License**
As a service to the towns, the County collects liquor license fees inside town boundaries.
- **Road Grant**
The State allocates funds to the County to replace Federal road funding. The municipalities receive 20% of the total allocation and individual town distributions are based on road mileage within their jurisdiction.
- **State Aid to Fire Protection**
State funds received by the County are passed on to the Volunteer Emergency Services Association. The County receives quarterly payments and distributes these funds at the end of the fiscal year.
- **Town Program**
The County shares a portion of its revenue with the municipalities. The amount is adjusted based on changes in municipal assessable bases and populations. Assessable base and population determine individual town distributions.

Budget Changes

- Operating increases from the FY 15 Original to Adjusted due to a transfer of the NPDES compliance position to the Watershed Protection and Restoration Fund. The salary for this position is paid by the towns.
- Operating increases due to the town program formula and an increase in State Aid for Fire Protection, which is offset by an increase in general fund revenues.
- The Town Program is formula driven based on town populations and the inflation rate.

Interfund Transfers

| Description | Actual FY 14 | Original Budget FY 15 | Adjusted Budget FY 15 | Budget FY 16 | % Change From Orig. FY 15 | % Change From Adj. FY 15 |
|---------------|-----------------|-----------------------------|-----------------------------|-----------------|---------------------------------|--------------------------------|
| Personnel | \$0 | \$0 | \$0 | \$0 | 0.00% | 0.00% |
| Benefits | 0 | 0 | 0 | 0 | 0.00% | 0.00% |
| Operating | 11,390,494 | 7,760,377 | 7,760,377 | 9,755,500 | 25.71% | 25.71% |
| Capital | 0 | 0 | 0 | 0 | 0.00% | 0.00% |
| Total | 11,390,494 | 7,760,377 | 7,760,377 | 9,755,500 | 25.71% | 25.71% |
| Employees FTE | 0.00 | 0.00 | 0.00 | 0.00 | ----- | ----- |

Note: The Adjusted Budget includes budget changes made during the year. Ongoing mid-year changes have been annualized for comparison purposes.

Contact

Ted Zaleski, Director of Management and Budget
(410) 386-2082

Budget Changes

Operating increases due to a one-time transfer of funds to establish the Risk Workers Compensation ISF.

Description

This budget includes transfers from the General Fund to the Capital, Grant, and Enterprise Funds.

Transfer to Capital moves operating funds to the Community Investment Plan for paygo funding.

The expenditures from the General Fund to the Grant Fund can be voluntary contributions by the Commissioners to support State and Federal grant programs or the contribution may be a requirement of the State or Federal program.

Enterprise funds are funded primarily by collections of fees for services provided.

Included in the inter-fund transfer:

| | |
|---|-----------|
| Aging Grants | \$71,750 |
| Carroll Community College – Adult Basic Ed. | 300,000 |
| Citizen Services – Transportation Grant | 1,015,000 |
| Court’s Grant | 93,940 |
| Health Department Grant | 4,000 |
| Housing | 23,000 |
| Local Management Board Grant | 57,000 |
| Recreation Grant | 8,100 |
| Sheriff Services Grants | 48,990 |
| Solid Waste Enterprise Fund – Operating | 2,415,000 |
| State’s Attorney Office Grant | 313,770 |
| Transfer to Capital | 3,136,950 |
| Utilities Enterprise Fund – Operating | 189,350 |
| Transfer to Risk Internal Service Fund – Workers Compensation | 2,078,650 |

For a description of the programs and services these funds support, see the Grant Fund section and Enterprise Fund section Community Investment Plan Budget book.

Reserve for Contingencies

| Description | Actual FY 14 | Original Budget FY 15 | Adjusted Budget FY 15 | Budget FY 16 | % Change From Orig. FY 15 | % Change From Adj. FY 15 |
|---------------|-----------------|-----------------------------|-----------------------------|-----------------|---------------------------------|--------------------------------|
| Personnel | \$0 | \$0 | \$0 | \$0 | 0.00% | 0.00% |
| Benefits | 0 | 0 | 0 | 0 | 0.00% | 0.00% |
| Operating | 0 | 0 | 0 | 0 | 0.00% | 0.00% |
| Capital | 0 | 3,276,083 | 3,276,083 | 4,028,380 | 22.96% | 22.96% |
| Total | 0 | 3,276,083 | 3,276,083 | 4,028,380 | 22.96% | 22.96% |
| Employees FIE | 0.00 | 0.00 | 0.00 | 0.00 | ----- | ----- |

Notes: The Adjusted Budget includes budget changes made during the year. Ongoing mid-year changes have been annualized for comparison purposes.

Contact

Ted Zaleski, Director of Management and Budget
(410) 386-2082

Description

The Reserve for Contingencies provides funds for emergency and unforeseeable expenses. It is difficult to determine how much will actually be needed in a given year. Examples of expenses that could be covered by the reserve are:

- Snow removal costs in excess of the snow removal budget
- Newly mandated Federal or State programs
- Unforeseen disruptions to critical County facilities and systems

Funds are moved from the Reserve to the appropriate budget with the approval of the Board of County Commissioners in response to a specific problem or opportunity.

Budget Changes

- The Reserve for Contingencies is generally set at 1% of General Fund revenues.
- Reserve for Contingencies increases due to the addition of funding for the contractual offsite housing of inmates and funding for a Reserve for Positions.