

Debt, Transfers and Reserves Summary

	Actual FY 16	Original Budget FY 17	Adjusted Budget FY 17	Budget FY 18	% Change From Orig. FY 17	% Change From Adj. FY 17
Debt Service	\$27,198,116	\$27,395,710	\$27,395,710	\$26,482,190	-3.33%	-3.33%
Debt Service - Ag. Pres.	1,733,879	1,772,200	1,772,200	1,847,110	4.23%	4.23%
Intergovernmental Transfers	3,079,160	3,139,450	3,139,450	3,180,180	1.30%	1.30%
Interfund Transfers	9,933,292	7,681,970	7,683,920	12,185,390	58.62%	58.58%
Reserve for Contingencies	0	4,219,850	4,219,850	4,987,690	18.20%	18.20%
Total Debt, Transfer and Reserves	\$41,944,447	\$44,209,180	\$44,211,130	\$48,682,560	10.12%	10.11%

Highlights, Changes, and Useful Information

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

Budget Changes

- Agricultural Land Preservation Debt Service increases due to a greater number of Installment Purchase Agreement easement transactions planned in FY 18.
- Intergovernmental Transfers increases due to increased payments to Towns based on the Town Program formula.
- Interfund Transfers increases due to an increase in transfer to capital, a transfer to the Fiber Network Enterprise Fund, and a transfer to Public Safety Grants.

Debt Service

Description	Actual FY 16	Original Budget FY 17	Adjusted Budget FY 17	Budget FY 18	% Change From Orig. FY 17	% Change From Adj. FY 17
Personnel	\$0	\$0	\$0	\$0	0.00%	0.00%
Benefits	0	0	0	0	0.00%	0.00%
Operating	27,198,116	27,395,710	27,395,710	26,482,190	-3.33%	-3.33%
Capital	0	0	0	0	0.00%	0.00%
Total	27,198,116	27,395,710	27,395,710	26,482,190	-3.33%	-3.33%
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 16 received the following ratings:

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

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

Due to its strong credit rating, the County was able to issue \$20,750,000 in new bonds in FY 17. The issue consists of \$14,000,000 in new debt and \$6,750,000 in refunded debt. The issue has a 20-year repayment schedule at 2.53%. In FY 18, it is anticipated that \$23 million in new bonds will be issued.

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

Ag Land Preservation Debt Service

Description	Actual FY 16	Original Budget FY 17	Adjusted Budget FY 17	Budget FY 18	% Change From Orig. FY 17	% Change From Adj. FY 17
Personnel	\$0	\$0	\$0	\$0	0.00%	0.00%
Benefits	0	0	0	0	0.00%	0.00%
Operating	1,733,879	1,772,200	1,772,200	1,847,110	4.23%	4.23%
Capital	0	0	0	0	0.00%	0.00%
Total	1,733,879	1,772,200	1,772,200	1,847,110	4.23%	4.23%
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

**Thomas Devilbiss, Director of Land and Resource
Management (410) 386-2506**

**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 5.0% annual interest for 20 years on the easement value.

Budget Changes

Agricultural Land Preservation Debt Service increases due to a greater number of Installment Purchase Agreement easement transactions planned in FY 18.

Intergovernmental Transfers

Description	Actual FY 16	Original Budget FY 17	Adjusted Budget FY 17	Budget FY 18	% Change From Orig. FY 17	% Change From Adj. FY 17
Personnel	\$0	\$0	\$0	\$0	0.00%	0.00%
Benefits	0	0	0	0	0.00%	0.00%
Operating	3,079,160	3,139,450	3,139,450	3,180,180	1.30%	1.30%
Capital	0	0	0	0	0.00%	0.00%
Total	3,079,160	3,139,450	3,139,450	3,180,180	1.30%	1.30%
Employees FTE	0.00	0.00	0.00	0.00	-----	-----

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Contact

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

Budget Changes

The Town Program formula is driven by inflation and population. The budget increases due to a 1.1% inflation rate and increase in town population.

Description

The County provides a number of revenues to Carroll County municipalities. The Bank Shares Tax, Road Grant, and State Aid for Fire Protection are all pass-through revenues from the State. The County provides liquor and building permit services and 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 for 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.

Interfund Transfers

Description	Actual FY 16	Original Budget FY 17	Adjusted Budget FY 17	Budget FY 18	% Change From Orig. FY 17	% Change From Adj. FY 17
Personnel	\$0	\$0	\$0	\$0	0.00%	0.00%
Benefits	0	0	0	0	0.00%	0.00%
Operating	9,933,292	7,681,970	7,683,920	12,185,390	58.62%	58.58%
Capital	0	0	0	0	0.00%	0.00%
Total	9,933,292	7,681,970	7,683,920	12,185,390	58.62%	58.58%
Employees FTE	0.00	0.00	0.00	0.00	-----	-----

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Contact

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

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.

The transfer to the Fiber Network Enterprise Fund is to fund the expansion of the existing Carroll County Fiber Network (CCFN) for business and economic development.

The transfer to the Solid Waste Enterprise Fund is to support operations.

The transfer to the Utilities Enterprise Fund is to fund the Board of Education facilities.

Included in the Interfund Transfer:

Aging Grants	\$96,750
Carroll Community College – Adult Basic Ed.	284,040
Circuit Court Grants	86,900
Fiber Network Enterprise Fund – Capital	1,000,000
Health Department Grant	4,000
Housing Grants	30,380
Local Management Board Grants	43,850
Public Works – Transit Grants	1,383,450
Public Safety Grants	409,080
Recreation Grants	8,100
Sheriff Services Grants	68,800
Solid Waste Enterprise Fund – Operating	2,415,000
State’s Attorney’s Office Grant	55,800
Transfer to Capital	6,087,130
Utilities Enterprise Fund – Operating	212,110

Budget Changes

Operating increases due to:

- An increase in transfer to capital of \$3.1M.
- A transfer to the Fiber Network Enterprise Fund of \$1.0M.
- A transfer to Public Safety Grants for \$0.4M.

Reserve for Contingencies

Description	Actual FY 16	Original Budget FY 17	Adjusted Budget FY 17	Budget FY 18	% Change From Orig. FY 17	% Change From Adj. FY 17
Personnel	\$0	\$0	\$0	\$0	0.00%	0.00%
Benefits	0	0	0	0	0.00%	0.00%
Operating	0	4,219,850	4,219,850	4,987,690	18.20%	18.20%
Capital	0	0	0	0	0.00%	0.00%
Total	0	4,219,850	4,219,850	4,987,690	18.20%	18.20%
Employees FTE	0.00	0.00	0.00	0.00	-----	-----

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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 Storm Emergencies 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.