

# Debt, Transfers and Reserves Summary

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	Actual FY 15	Original Budget FY 16	Adjusted Budget FY 16	Budget FY 17	% Change From Orig. FY 16	% Change From Adj. FY 16
Debt Service	\$26,482,418	\$27,060,580	\$27,060,580	\$27,395,710	1.24%	1.24%
Debt Service - Ag. Pres.	1,721,438	2,075,890	2,075,890	1,772,200	-14.63%	-14.63%
Intergovernmental Transfers	2,975,722	3,079,160	3,079,160	3,139,450	1.96%	1.96%
Interfund Transfers	7,463,620	9,755,500	9,755,500	7,785,120	-20.20%	-20.20%
Reserve for Contingencies	0	3,975,360	3,975,360	4,262,500	7.22%	7.22%
<b>Total Debt, Transfer and Reserves</b>	<b>\$38,643,198</b>	<b>\$45,946,490</b>	<b>\$45,946,490</b>	<b>\$44,354,980</b>	<b>-3.46%</b>	<b>-3.46%</b>

## Highlights, Changes, and Useful Information

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 capital projects.
- Agricultural Land Preservation Debt Service decreases due to lower than planned Installment Purchase Agreement easement transactions in FY 16.
- Intergovernmental Transfers increases due to State Aid for Fire Protection, which is offset in another budget, as well as increased payments to Towns based on the Town Program formula.
- Interfund Transfers decreases due to a transfer of funds to establish the Risk Management Workers Compensation Internal Service Fund in FY 16.
- Reserve for Contingencies increases due to the 0.5% difference between the 2.5% salary increase planned and the 3.0% included in the Proposed Budget.

# Debt Service

Description	Actual FY 15	Original Budget FY 16	Adjusted Budget FY 16	Budget FY 17	% Change From Orig. FY 16	% Change From Adj. FY 16
Personnel	\$0	\$0	\$0	\$0	0.00%	0.00%
Benefits	0	0	0	0	0.00%	0.00%
Operating	26,482,418	27,060,580	27,060,580	27,395,710	1.24%	1.24%
Capital	0	0	0	0	0.00%	0.00%
<b>Total</b>	26,482,418	27,060,580	27,060,580	27,395,710	1.24%	1.24%
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 \$37,185,000 in new bonds in FY 16. The issue consists of \$28,000,000 in new debt and \$9,185,000 in refunded debt. The issue has a 20-year repayment schedule at 2.63%. In FY 17, it is anticipated that \$25 million in new bonds will be issued.

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

# Ag Land Preservation Debt Service

Description	Actual FY 15	Original Budget FY 16	Adjusted Budget FY 16	Budget FY 17	% Change From Orig. FY 16	% Change From Adj. FY 16
Personnel	\$0	\$0	\$0	\$0	0.00%	0.00%
Benefits	0	0	0	0	0.00%	0.00%
Operating	1,721,438	2,075,890	2,075,890	1,772,200	-14.63%	-14.63%
Capital	0	0	0	0	0.00%	0.00%
<b>Total</b>	1,721,438	2,075,890	2,075,890	1,772,200	-14.63%	-14.63%
<b>Employees FTE</b>	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 Devillbiss, Director of Land and Resource Management  
 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 decreases in FY 17 due to fewer Installment Purchase Agreement easement transactions in FY 16.

# Intergovernmental Transfers

Description	Actual FY 15	Original Budget FY 16	Adjusted Budget FY 16	Budget FY 17	% Change From Orig. FY 16	% Change From Adj. FY 16
Personnel	\$0	\$0	\$0	\$0	0.00%	0.00%
Benefits	0	0	0	0	0.00%	0.00%
Operating	2,975,722	3,079,160	3,079,160	3,139,450	1.96%	1.96%
Capital	0	0	0	0	0.00%	0.00%
<b>Total</b>	2,975,722	3,079,160	3,079,160	3,139,450	1.96%	1.96%
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 for 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 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.

## Budget Changes

- 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 15	Original Budget FY 16	Adjusted Budget FY 16	Budget FY 17	% Change From Orig. FY 16	% Change From Adj. FY 16
Personnel	\$0	\$0	\$0	\$0	0.00%	0.00%
Benefits	0	0	0	0	0.00%	0.00%
Operating	7,463,620	9,755,500	9,755,500	7,785,120	-20.20%	-20.20%
Capital	0	0	0	0	0.00%	0.00%
<b>Total</b>	<b>7,463,620</b>	<b>9,755,500</b>	<b>9,755,500</b>	<b>7,785,120</b>	<b>-20.20%</b>	<b>-20.20%</b>
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 decreases due to a transfer of funds to establish the Risk Management Workers Compensation Internal Service Fund in FY 16.

## 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 interfund transfer:

Aging Grants	\$96,750
Carroll Community College – Adult Basic Ed.	300,000
Circuit Court Grants	117,890
Health Department Grant	4,000
Housing Grants	28,000
Local Management Board Grants	57,000
Public Works – Transit Grants	1,177,000
Recreation Grants	8,100
Sheriff Services Grants	55,620
Solid Waste Enterprise Fund – Operating	2,415,000
State’s Attorney Office Grant	57,600
Transfer to Capital	3,136,950
Utilities Enterprise Fund – Operating	204,490
Transfer to Risk Workers Compensation Internal Service Fund	196,114

# Reserve for Contingencies

Description	Actual FY 15	Original Budget FY 16	Adjusted Budget FY 16	Budget FY 17	% Change From Orig. FY 16	% Change From Adj. FY 16
Personnel	\$0	\$0	\$0	\$0	0.00%	0.00%
Benefits	0	0	0	0	0.00%	0.00%
Operating	0	3,975,360	3,975,360	4,262,500	7.22%	7.22%
Capital	0	0	0	0	0.00%	0.00%
<b>Total</b>	0	3,975,360	3,975,360	4,262,500	7.22%	7.22%
Employees FTE	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.
- Operating increases due to the 0.5% difference between the 2.5% salary increase planned and the 3.0% included in the Proposed Budget.