

Miscellaneous Summary

	Actual FY 02	Original Budget FY 03	Adjusted Budget FY 03	Budget FY 04	% Change From Orig. FY 03	% Change From Adj. FY 03
Debt Service	\$27,073,280	\$14,113,495	\$14,113,495	\$13,688,430	-3.01%	-3.01%
Intergovernmental Transfers	1,887,090	1,890,410	1,890,410	2,071,840	9.60%	9.60%
Interfund Transfers	9,238,990	18,991,451	18,991,451	10,859,025	-42.82%	-42.82%
Reserve for Contingency	6,481,634	2,990,772	2,990,772	3,781,595	26.44%	26.44%
Total Miscellaneous	\$44,680,994	\$37,986,128	\$37,986,128	\$30,400,890	-19.97%	-19.97%

Budget Changes

- The 3.01% decrease in Debt Service in FY 04 is based on the existing debt and anticipated new debt of the County and refinancing of the 1993 bonds issued.
- The 9.60% increase in Intergovernmental Transfers in FY 04 is primarily due to
- The 42.82% decrease in the Interfund Transfer budget in FY 04 is primarily due to the net effect of the transfer to capital which includes the additional \$2 million appropriation for roads that was approved by the Board of County Commissioners and one-time use of over \$10 million generated from the local hospital bond settlement for use in capital projects in FY 03, which was higher than a typical year.
- The 26.44% increase in the Reserve for Contingency in FY 04 is primarily due to two reasons: an accounting accrual for payroll expenses and additional funds set aside for salary increases where certain agencies, including the Courts, Sheriff Services, the State's Attorney's Office, Animal Control, the Library and Soil Conservation are county-funded but not controlled by the County, making it difficult to reduce their funding levels once appropriated. The 3% salary increase for these agencies has been put into this Reserve and will be available if the decision to give salary increases is approved.

Highlights, Changes and Useful Information

- \$16,200,000 of bonds were sold in FY 03 with an interest rate of 3.711395%.
- \$2,645,000 is included in the interfund transfer to the Solid Waste Enterprise Fund.

Debt Service

Description	Actual FY 02	Original Budget FY 03	Adjusted Budget FY 03	Budget FY 04	% Change From Original FY 03	% Change From Adjusted FY 03
Personnel	\$0	\$0	\$0	\$0	0.00%	0.00%
Operating	27,073,280	14,113,495	14,113,495	13,688,430	-3.01%	-3.01%
Capital Outlay	0	0	0	0	0.00%	0.00%
Total	\$27,073,280	\$14,113,495	\$14,113,495	\$13,688,430	-3.01%	-3.01%
Employees FTE	0.00	0.00	0.00	0.00	-----	-----

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

Contact

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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 and to protect the County's bond rating.

The County is rated yearly by three rating firms and in FY 03 received the following ratings:

Fitch	AA+
Standard and Poor's	AA
Moody	Aa2

Due to the County's strong credit rating, the County was able to issue \$16,200,000 in bonds in FY 03 with an interest rate of 3.711395%.

The primary uses of bonding are school construction (see Board of Education Debt Service) and road construction. The FY 04-09 CIP includes approximately \$35.2 million of bonded road projects.

Budget Changes

The 3.01% decrease in Debt Service in FY 04 is based on the existing debt and anticipated new debt of the County and refinancing of the 1993 bonds issued.

Intergovernmental Transfers

Description	Actual FY 02	Original Budget FY 03	Adjusted Budget FY 03	Budget FY 04	% Change From Original FY 03	% Change From Adjusted FY 03
Personnel	\$0	\$0	\$0	\$0	0.00%	0.00%
Operating	1,887,090	1,890,410	1,890,410	2,071,840	9.60%	9.60%
Capital Outlay	0	0	0	0	0.00%	0.00%
Total	\$1,887,090	\$1,890,410	\$1,890,410	\$2,071,840	9.60%	9.60%
Employees FTE	0.00	0.00	0.00	0.00	-----	-----

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

Contact

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Description

The County provides a number of revenues to Carroll County municipalities. The Bank Shares Tax, Road Grant and State Aid – Fire are all pass through revenue from the State. The County provides liquor and building permit services then sends the collections to the 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, except in Mt. Airy.
- **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 previous Federal road funding. The municipalities receive 20% of the total allocation and individual town distributions are based on road mileage within their jurisdiction.
- **Town Program**
The County shares a portion of its revenue with the municipalities. The amount changes with changes in municipal assessable bases and populations. Their assessable base and population determine individual town distributions.

Budget Changes

Intergovernmental transfers increased 9.2% mainly due to the County's contribution to the municipalities through the Town Program. This contribution is formula driven based on the town's population and assessable base.

Other Interfund Transfers

Description	Actual FY 02	Original Budget FY 03	Adjusted Budget FY 03	Budget FY 04	% Change From Original FY 03	% Change From Adjusted FY 03
Personnel	\$0	\$0	\$0	\$0	0.00%	0.00%
Operating	9,238,990	18,991,451	18,991,451	10,859,025	-42.82%	-42.82%
Capital Outlay	0	0	0	0	0.00%	0.00%
Total	\$9,238,990	\$18,991,451	\$18,991,451	\$10,859,025	-42.82%	-42.82%
Employees FTE	0.00	0.00	0.00	0.00	-----	-----

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

Contact

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Description

The interfund transfers are expenditures from the General Fund to the Capital, Economic Development Trust, Grant and Enterprise Funds. Transfer to Capital moves operating funds to the Capital Budget for paygo funding. The Economic Development Trust Fund was established to increase the County's efforts in economic development. 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 is:

- Health Department Grant \$4,000
- State's Attorney Office Grants \$182,170
- Sheriff/Court Grants \$8,000
- Carroll Transit Grant \$208,750
- Pension Fund \$3,200,000
- Aging Grants \$64,600
- Capital Fund \$3,383,995
- Economic Development Trust Fund \$1,000,000
- Airport Enterprise Fund - Operating \$40,105
- Utilities Enterprise Fund - Operating \$122,405
- Solid Waste Enterprise Fund - Operating \$2,121,190
- Solid Waste Enterprise Fund - Capital \$523,810

For a description of the programs and services these funds support see the Capital Budget book, and Economic Development, Grant Fund and Enterprise Fund sections of this book.

Budget Changes

The 42.82% decrease in the Interfund Transfer budget in FY 04 is primarily due to the net effect of the transfer to capital which includes the additional \$2 million appropriation for roads that was approved by the Board of County Commissioners and one-time use of over \$10 million generated from the local hospital bond settlement for use in capital projects in FY 03, which was higher than a typical year.

Reserve for Contingencies

Description	Actual FY 02	Original Budget FY 03	Adjusted Budget FY 03	Budget FY 04	% Change From Original FY 03	% Change From Adjusted FY 03
Personnel	\$0	\$0	\$0	\$0	0.00%	0.00%
Operating	3,240,817	2,990,772	2,990,772	3,781,595	26.44%	26.44%
Capital Outlay	3,240,817	0	0	0	0.00%	0.00%
Total	\$6,481,634	\$2,990,772	\$2,990,772	\$3,781,595	26.44%	26.44%
Employees FTE	0.00	0.00	0.00	0.00	-----	-----

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

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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 snow removal budget
- Newly mandated Federal or State programs
- Unexpected increase in the Detention Center population

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 26.44% increase in the Reserve for Contingency in FY 04 is primarily due to two reasons:

- Historically, the County has not accrued payroll expenses. To remain in compliance with the Government Accounting Standards Board (GASB), accounting is planning the first accrual in FY 03 or FY 04. Additional funds were included in FY 04 for the payroll accrual.
- Due to funding uncertainties, the Commissioners were unable to approve the planned 3% salary increase at the time of adoption. Certain agencies, including the Courts, Sheriff Services, the State's Attorney's Office, Animal Control, the Library and Soil Conservation are county-funded but not controlled by the County, making it difficult to reduce their funding levels once appropriated. The 3% salary increase for these agencies has been put into this Reserve and will be available if the decision to give salary increases is approved.