

# Debt, Transfers and Reserves Summary

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	Actual FY 04	Original Budget FY 05	Adjusted Budget FY 05	Budget FY 06	% Change From Original FY 05	% Change From Adjusted FY 05
Debt Service	\$14,183,643	\$13,995,115	\$13,995,115	\$17,254,900	23.29%	23.29%
Interfund Transfers	19,190,812	12,245,890	12,245,890	14,178,965	15.79%	15.79%
Intergovernmental Transfers	2,095,596	2,142,285	2,142,285	2,496,880	16.55%	16.55%
Reserve for Contingency	0	4,162,225	4,162,225	3,597,170	-13.58%	-13.58%
<b>Total</b>	<b>\$35,470,052</b>	<b>\$32,545,515</b>	<b>\$32,545,515</b>	<b>\$37,527,915</b>	<b>15.31%</b>	<b>15.31%</b>

## Budget Changes

- The 23.29% increase in Debt Service is due to planned bonding in the FY 06 Capital Budget. Bonded projects in the FY 06 Capital Budget include \$5.9 million for roads, \$7.5 million for agricultural land preservation and \$3.7 million for school construction.
- The 15.79% increase in Interfund Transfers in FY 06 is primarily due to an increase in funding to the pension trust fund based upon the results of a pension plan actuarial valuation performed in FY 05.
- The 16.55% increase in Intergovernmental Transfers in FY 06 is primarily due to increases in the Town Program. The Town Program is based on population growth and the size of the assessable base of the Towns.
- The Reserve for Contingencies is based on 1.25% of budgeted revenue.

## Highlights, Changes and Useful Information

\$38,030,000 in bonds sold in FY 05, of which \$12,800,000 were taxable pension funding bonds saving the county approximately \$4.2 million dollars. The interest rate on the \$25,230,00 consolidated public improvement bonds is 3.64% while the interest rate on the taxable pension funding bonds is 5.15%.

# Debt Service

Description	Actual FY 04	Original Budget FY 05	Adjusted Budget FY 05	Budget FY 06	% Change From Original FY 05	% Change From Adjusted FY 05
Personnel	\$0	\$0	\$0	\$0	0.00%	0.00%
Operating	14,183,643	13,995,115	13,995,115	17,254,900	23.29%	23.29%
Capital Outlay	0	0	0	0	0.00%	0.00%
<b>Total</b>	<b>\$14,183,643</b>	<b>\$13,995,115</b>	<b>\$13,995,115</b>	<b>\$17,254,900</b>	<b>23.29%</b>	<b>23.29%</b>
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

**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 and to protect the County's bond rating.

The County is rated yearly by three rating firms and in FY 05 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 \$38,030,000 in bonds in FY 05 of which \$12,800,000 was taxable pension funding bonds. The interest rate on the \$25,230,000 consolidated public improvement bonds is 3.64% while the interest rate on the taxable pension funding bonds is 5.15%.

The primary uses of bonding are school construction (see Board of Education Debt Service) and road construction. The FY 06-11 CIP includes approximately \$33.4 million of bonded road projects.

## Budget Changes

The 23.29% increase in Debt Service is due to planned bonding in the FY 06 Capital Budget. Bonded projects in the FY 06 Capital Budget include \$5.9 million for roads, \$7.5 million for agricultural land preservation and \$3.7 million for school construction.

# Intergovernmental Transfers

Description	Actual FY 04	Original Budget FY 05	Adjusted Budget FY 05	Budget FY 06	% Change From Original FY 05	% Change From Adjusted FY 05
Personnel	\$0	\$0	\$0	\$0	0.00%	0.00%
Operating	2,095,596	2,142,285	2,142,285	2,496,880	16.55%	16.55%
Capital Outlay	0	0	0	0	0.00%	0.00%
<b>Total</b>	<b>\$2,095,596</b>	<b>\$2,142,285</b>	<b>\$2,142,285</b>	<b>\$2,496,880</b>	<b>16.55%</b>	<b>16.55%</b>
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

**Ted Zaleski, Director of Management and Budget**  
**(410) 386-2082**  
**Robert Sandlass, Budget Analyst (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 are all pass through revenues 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.
- **State Aid to Fire**  
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

The Town Program is formula driven based on the town's population and assessable base.

# Interfund Transfers

Description	Actual FY 04	Original Budget FY 05	Adjusted Budget FY 05	Budget FY 06	% Change From Original FY 05	% Change From Adjusted FY 05
Personnel	\$0	\$0	\$0	\$0	0.00%	0.00%
Operating	19,190,812	12,245,890	12,245,890	14,178,965	15.79%	15.79%
Capital Outlay	0	0	0	0	0.00%	0.00%
<b>Total</b>	<b>\$19,190,812</b>	<b>\$12,245,890</b>	<b>\$12,245,890</b>	<b>\$14,178,965</b>	<b>15.79%</b>	<b>15.79%</b>
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

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

## Description

This budget includes transfers from the General Fund to the Capital, Grant, Enterprise and Pension Trust 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 Pension Trust Fund moves the anticipated future liability of the current employees retirement.
- 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/CASA Grants	259,160
• Sheriff/Court Grants	48,190
• Carroll Transit Grant	288,210
• Pension Trust Fund	5,937,730
• Aging Grants	79,600
• BERG Grant	23,870
• LMB Grant	57,320
• Recreation Grant	8,100
• Capital Fund (Community Investment Plan)	4,606,455
• Airport Enterprise Fund – Operating	83,020
• Utilities Enterprise Fund - Operating	138,310
• 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 Community Investment Plan Budget book, and Grant, Pension Trust and Enterprise Fund sections of this book.

## Budget Changes

- The 15.79% increase in FY 06 is primarily due to an increase in funding to the Pension Trust Fund based upon the results of a pension plan actuarial valuation performed in FY 05.

# Reserve for Contingencies

Description	Actual FY 04	Original Budget FY 05	Adjusted Budget FY 05	Budget FY 06	% Change From Original FY 05	% Change From Adjusted FY 05
Personnel	\$0	\$0	\$0	\$0	0.00%	0.00%
Operating	0	0	0	0	0.00%	0.00%
Capital Outlay	0	4,162,225	4,162,225	3,597,170	-13.58%	-13.58%
<b>Total</b>	\$0	\$4,162,225	\$4,162,225	\$3,597,170	-13.58%	-13.58%
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

**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
- 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 Reserve for Contingencies is based on 1.25% of budgeted revenue.