

Debt, Transfers and Reserves Summary

	Actual FY 05	Original Budget FY 06	Adjusted Budget FY 06	Proposed Budget FY 07	% Change From Original FY 06	% Change From Adjusted FY 06
Debt Service	\$13,794,458	\$17,254,900	\$17,254,900	\$20,099,205	16.48%	16.48%
Intergovernmental Transfers	2,144,748	2,496,880	2,496,880	2,414,600	-3.30%	-3.30%
Interfund Transfers	12,516,744	14,178,965	14,178,965	10,368,572	-26.87%	-26.87%
Reserve for Contingency	0	3,597,170	3,597,170	4,909,131	36.47%	36.47%
Total Miscellaneous	\$28,455,951	\$37,527,915	\$37,527,915	\$37,791,508	0.70%	0.70%

Budget Changes

- The 16.48% increase in Debt Service is due to planned bonding in the FY 07 Capital Budget.
- The 26.87% decrease in Interfund Transfers in FY 07 is primarily due to a one-time pension expenditure in FY 06.
- The 3.3% decrease in Intergovernmental Transfers in FY 07 is primarily due to a one-time expenditure in the FY 06. The Town Program is based on population growth and the size of the assessable base of the Towns.

Debt Service

Description	Actual FY 05	Original Budget FY 06	Adjusted Budget FY 06	Proposed Budget FY 07	% Change From Original FY 06	% Change From Adjusted FY 06
Personnel	\$0	\$0	\$0	\$0	0.00%	0.00%
Operating	13,794,458	17,254,900	17,254,900	20,099,205	16.48%	16.48%
Capital Outlay	0	0	0	0	0.00%	0.00%
Total	\$13,794,458	\$17,254,900	\$17,254,900	\$20,099,205	16.48%	16.48%
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 06 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 \$35,060,000 in bonds in FY 06. The interest rate on the bonds was 3.97%.

The primary uses of bonding are Ag Preservation, school construction (see Board of Education Debt Service) and road construction.

Budget Changes

The 16.48% increase in Debt Service is due to planned bonding in the FY 07 Capital Budget.

Intergovernmental Transfers

Description	Actual FY 05	Original Budget FY 06	Adjusted Budget FY 06	Proposed Budget FY 07	% Change From Original FY 06	% Change From Adjusted FY 06
Personnel	\$0	\$0	\$0	\$0	0.00%	0.00%
Operating	2,144,748	2,496,880	2,496,880	2,414,600	-3.30%	-3.30%
Capital Outlay	0	0	0	0	0.00%	0.00%
Total	\$2,144,748	\$2,496,880	\$2,496,880	\$2,414,600	-3.30%	-3.30%
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, Senior 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. The 3.3% decrease in the FY 07 Recommended Budget is primarily due to one-time expenditure in FY 06.

Interfund Transfers

Description	Actual FY 05	Original Budget FY 06	Adjusted Budget FY 06	Proposed Budget FY 07	% Change From Original FY 06	% Change From Adjusted FY 06
Personnel	\$0	\$0	\$0	\$0	0.00%	0.00%
Operating	12,516,744	14,178,965	14,178,965	10,368,572	-26.87%	-26.87%
Capital Outlay	0	0	0	0	0.00%	0.00%
Total	\$12,516,744	\$14,178,965	\$14,178,965	\$10,368,572	-26.87%	-26.87%
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

Budget Changes

The 26.87% decrease in FY 07 is primarily due to a one-time pension expenditures in FY 06.

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	282,485
• Sheriff/Court Grants	42,602
• Carroll Transit Grant	320,900
• Pension Trust Fund	1,175,000
• Aging Grants	64,600
• BERC Grant	23,870
• Junction Grant	54,900
• LMB Grant	65,290
• Recreation Grant	8,100
• Capital Fund (Community Investment Plan)	5,577,115
• Airport Enterprise Fund – Operating	40,000
• Utilities Enterprise Fund - Operating	140,000
• 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.

Reserve for Contingencies

Description	Actual FY 05	Original Budget FY 06	Adjusted Budget FY 06	Proposed Budget FY 07	% Change From Original FY 06	% Change From Adjusted FY 06
Personnel	\$0	\$0	\$0	\$0	0.00%	0.00%
Operating	0	0	0	0	0.00%	0.00%
Capital Outlay	0	3,597,170	3,597,170	4,909,131	36.47%	36.47%
Total	\$0	\$3,597,170	\$3,597,170	\$4,909,131	36.47%	36.47%
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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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.