

Debt, Transfers and Reserves Summary

	Actual FY 06	Original Budget FY 07	Adjusted Budget FY 07	Proposed Budget FY 08	% Change From Original FY 07	% Change From Adjusted FY 07
Debt Service	\$18,123,904	\$20,011,680	\$20,011,680	\$21,126,520	5.57%	5.57%
Intergovernmental Transfers	2,555,954	2,414,600	2,363,687	2,452,800	1.58%	3.77%
Interfund Transfers	14,269,256	10,386,472	10,386,472	13,022,388	25.38%	25.38%
Reserve for Contingency	0	4,442,350	4,442,350	9,148,500	105.94%	105.94%
Total Miscellaneous	\$34,949,114	\$37,255,102	\$37,204,189	\$45,750,208	22.80%	22.97%

Budget Changes

- The 5.57% increase in Debt Service is due to planned bonding in the FY 08 Capital Budget.
- The 25.38% increase in Interfund Transfers in FY 08 is primarily due to the addition of a transfer to the Other Post Employee Benefits (OPEB) Fund along with a decrease in the transfer to Capital.
- The 105.94% increase in the Reserve for Contingency in FY 08 is primarily due to a planned carry over of \$5.0M to FY 10.

Debt Service

Description	Actual FY 06	Original Budget FY 07	Adjusted Budget FY 07	Proposed Budget FY 08	% Change From Original FY 07	% Change From Adjusted FY 07
Personnel	\$0	\$0	\$0	\$0	0.00%	0.00%
Operating	18,123,904	20,011,680	20,011,680	21,126,520	5.57%	5.57%
Capital Outlay	0	0	0	0	0.00%	0.00%
Total	\$18,123,904	\$20,011,680	\$20,011,680	\$21,126,520	5.57%	5.57%
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 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 \$20,660,000 in new bonds at 3.88%. The County was also able to refund \$23,965,000 in previously issued bonds at 3.77%.

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

Budget Changes

The 5.57% increase in Debt Service is due to planned bonding in the FY 08 Capital Budget.

Intergovernmental Transfers

Description	Actual FY 06	Original Budget FY 07	Adjusted Budget FY 07	Proposed Budget FY 08	% Change From Original FY 07	% Change From Adjusted FY 07
Personnel	\$0	\$0	\$0	\$0	0.00%	0.00%
Operating	2,555,954	2,414,600	2,363,687	2,452,800	1.58%	3.77%
Capital Outlay	0	0	0	0	0.00%	0.00%
Total	\$2,555,954	\$2,414,600	\$2,363,687	\$2,452,800	1.58%	3.77%
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 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 06	Original Budget FY 07	Adjusted Budget FY 07	Proposed Budget FY 08	% Change From Original FY 07	% Change From Adjusted FY 07
Personnel	\$0	\$0	\$0	\$0	0.00%	0.00%
Operating	14,269,256	10,386,472	10,386,472	13,022,388	25.38%	25.38%
Capital Outlay	0	0	0	0	0.00%	0.00%
Total	\$14,269,256	\$10,386,472	\$10,386,472	\$13,022,388	25.38%	25.38%
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

This budget includes transfers from the General Fund to the Capital, Grant, Enterprise, OPEB, 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.
- Transfer to OPEB is to provide funds for future liability of post employment benefits.
- 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 262,424
- Sheriff/Court Grants 146,266
- Carroll Transit Grant 323,546
- Pension Trust Fund 985,423
- OPEB Fund 3,000,000
- Aging Grants 64,600
- BERCC Grant 23,870
- Carroll Community College-Adult Basic Ed 300,000
- Junction Grant 63,479
- LMB Grant 72,640
- Recreation Grant 8,100
- Capital Fund (non-Enterprise Funds) 4,453,190
- Airport Enterprise Fund- Operating 40,000
- Utilities Enterprise Fund - Operating 172,850
- Utilities Enterprise Fund - Capital 457,000
- Solid Waste Enterprise Fund - Operating 2,645,000

For a description of the programs and services these funds support see the Community Investment Plan Budget book, and Grant, Pension Trust, OPEB Fund, and Enterprise Fund sections of this book.

Budget Changes

The 25.38% increase in FY 08 is primarily due to the addition of a transfer to the Other Post Employment Benefits (OPEB) Fund along with a decrease in the transfer to the Capital Fund.

Reserve for Contingencies

Description	Actual FY 06	Original Budget FY 07	Adjusted Budget FY 07	Proposed Budget FY 08	% Change From Original FY 07	% Change From Adjusted FY 07
Personnel	\$0	\$0	\$0	\$0	0.00%	0.00%
Operating	0	0	0	0	0.00%	0.00%
Capital Outlay	0	4,442,350	4,442,350	9,148,500	105.94%	105.94%
Total	\$0	\$4,442,350	\$4,442,350	\$9,148,500	105.94%	105.94%
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.