

Debt, Transfers and Reserves Summary

	Actual FY 07	Original Budget FY 08	Adjusted Budget FY 08	Proposed Budget FY 09	% Change From Orig. FY 08	% Change From Adj. FY 08
Debt Service	\$20,305,942	\$21,126,520	\$21,126,520	\$23,685,155	12.11%	12.11%
Intergovernmental Transfers	2,349,070	2,452,800	2,452,800	2,540,000	3.56%	3.56%
Interfund Transfers	9,938,656	16,068,802	16,068,802	13,706,633	-14.70%	-14.70%
Reserve for Contingency	0	9,141,438	9,141,438	10,356,162	13.29%	13.29%
Total Miscellaneous	\$32,593,668	\$48,789,560	\$48,789,560	\$50,287,950	3.07%	3.07%

Budget Changes

- The 12.11% increase in Debt Service is due to planned bonding in the FY 09 Capital Budget.
- The 14.70% decrease in Interfund Transfers in FY 09 is primarily due to one-time funding to LOSAP in FY 08 of \$1 million and a decrease in the transfer to the Capital Fund.
- The 13.29% increase in the Reserve for Contingency is due to the Board of County Commissioners decision to increase funding to plan for the possibility of a continued downturn in the economy, and for federal and state government decisions that may have an adverse impact on the county budget. Typically, 1.25% of the budget is planned for the reserve for contingency. In FY 08, the Commissioners reserved an additional \$5.0 million to carry over as revenue into FY 10. The 1.25% reserve for the FY 09 Proposed Budget is approximately \$4.8 million and \$5.6 million is additional reserve funding.

Debt Service

Description	Actual FY 07	Original Budget FY 08	Adjusted Budget FY 08	Proposed Budget FY 09	% Change From Orig. FY 08	% Change From Adj. FY 08
Personnel	\$0	\$0	\$0	\$0	0.00%	0.00%
Operating	20,305,942	21,126,520	21,126,520	23,685,155	12.11%	12.11%
Capital Outlay	0	0	0	0	0.00%	0.00%
Total	\$20,305,942	\$21,126,520	\$21,126,520	\$23,685,155	12.11%	12.11%
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 07 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 \$30,435,000 in new bonds at 3.93%. The County was also able to refund \$6,650,000 in previously issued bonds at 3.93%.

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

Budget Changes

The 12.11% increase in Debt Service is due to planned bonding in the FY 09 Capital Budget.

Intergovernmental Transfers

Description	Actual FY 07	Original Budget FY 08	Adjusted Budget FY 08	Proposed Budget FY 09	% Change From Orig. FY 08	% Change From Adj. FY 08
Personnel	\$0	\$0	\$0	\$0	0.00%	0.00%
Operating	2,349,070	2,452,800	2,452,800	2,540,000	3.56%	3.56%
Capital Outlay	0	0	0	0	0.00%	0.00%
Total	\$2,349,070	\$2,452,800	\$2,452,800	\$2,540,000	3.56%	3.56%
Employees FTE	0.00	0.00	0.00	0.00	-----	-----

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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.
- **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 07	Original Budget FY 08	Adjusted Budget FY 08	Proposed Budget FY 09	% Change From Orig. FY 08	% Change From Adj. FY 08
Personnel	\$0	\$0	\$0	\$0	0.00%	0.00%
Operating	9,938,656	16,068,802	16,068,802	13,706,633	-14.70%	-14.70%
Capital Outlay	0	0	0	0	0.00%	0.00%
Total	\$9,938,656	\$16,068,802	\$16,068,802	\$13,706,633	-14.70%	-14.70%
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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Budget Changes

The 14.70% decrease in FY 09 is primarily due to one-time funding to LOSAP in FY 08 of \$1 million and a decrease in the transfer to the Capital Fund.

Description

This budget includes transfers from the General Fund to the Capital, Grant, Enterprise, OPEB, LOSAP, and Employee 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.
- Transfer to LOSAP provides length of service payments to eligible volunteer firemen.
- 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	291,720
• Sheriff/Court Grants	96,770
• Carroll Transit Grant	457,028
• Pension Trust Fund	958,230
• OPEB Fund-County	3,500,000
• Aging Grants	64,600
• BERC Grant	23,870
• Carroll Community College-Adult Basic Ed	300,000
• LMB Grant	70,635
• Recreation Grant	8,100
• Capital Fund (non-Enterprise Funds)	5,139,700
• Airport Enterprise Fund- Operating	40,000
• Utilities Enterprise Fund - Operating	206,980
• Solid Waste Enterprise Fund - Operating	2,545,000

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.

Reserve for Contingencies

Description	Actual FY 07	Original Budget FY 08	Adjusted Budget FY 08	Proposed Budget FY 09	% Change From Orig. FY 08	% Change From Adj. FY 08
Personnel	\$0	\$0	\$0	\$0	0.00%	0.00%
Operating	0	0	0	0	0.00%	0.00%
Capital Outlay	0	9,141,438	9,141,438	10,356,162	13.29%	13.29%
Total	\$0	\$9,141,438	\$9,141,438	\$10,356,162	13.29%	13.29%
Employees FTE	0.00	0.00	0.00	0.00	-----	-----

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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 13.29% increase in the Reserve for Contingency is due to the Board of County Commissioners decision to increase funding to plan for the possibility of a continued downturn in the economy, and for federal and state government decisions that may have an adverse impact on the county budget. Typically, 1.25% of the budget is planned for the reserve for contingency. In FY 08, the Commissioners reserved an additional \$5.0 million to carry over as revenue into FY 10. The 1.25% reserve for the FY 09 Proposed Budget is approximately \$4.8 million and \$5.6 million is additional reserve funding.