

Debt, Transfers and Reserves Summary

	Actual FY 08	Original Budget FY 09	Adjusted Budget FY 09	Recomm Budget FY 10	% Change From Orig. FY 09	% Change From Adj. FY 09
Debt Service	\$23,432,870	\$23,685,155	\$23,685,155	\$23,813,622	0.54%	0.54%
Intergovernmental Transfers	2,447,158	2,540,000	2,540,000	2,635,000	3.74%	3.74%
Interfund Transfers	15,975,751	9,648,403	9,917,612	7,755,724	-19.62%	-21.80%
Reserve for Contingency	0	9,956,162	9,598,453	4,500,000	-54.80%	-53.12%
Total Miscellaneous	\$41,855,779	\$45,829,720	\$45,741,220	\$38,704,346	-15.55%	-15.38%

Budget Changes

- The 0.54% increase in Debt Service is due to planned bonding in the FY 10 Capital Budget.
- The increase in Inter-Fund Transfers from the FY 09 Original Budget and the FY 09 Adjusted Budget is primarily due to providing additional funds for CATS in the Grant Fund.
- The 21.80% decrease in Inter-Fund Transfers for FY 10 is primarily due to a decrease in the transfer to the Capital Fund used for one-time technology projects for the school system.
- The decrease in the Reserve for Contingency from the FY 09 Original Budget to the FY 09 Adjusted Budget is primarily due to providing additional funding for CATS, VESA hazardous materials unit, and a donation for the Shock Trauma facility.
- The 53.12% decrease in the Reserve for Contingency for FY 10 is due to the Board of County Commissioners' decision in FY 09 to reserve funding (approximately \$5.0 million) against the possibility of a continued downturn in the economy, and for Federal and State government decisions that could adversely impact the County budget. Typically, 1.25% of the budget is planned for the reserve for contingency.
- In compliance with GASB 27, 43, and 45, the appropriations for the Pension and OPEB Trust Funds are now included in the Fringe Benefits budget. Previously, these appropriations were shown under Inter-Fund Transfers. For comparison purposes, the FY 09 Original and Adjusted Budgets have been adjusted to reflect this Accounting change.

Debt Service

Description	Actual FY 08	Original Budget FY 09	Adjusted Budget FY 09	Recomm Budget FY 10	% Change From Orig. FY 09	% Change From Adj. FY 09
Personnel	\$0	\$0	\$0	\$0	0.00%	0.00%
Operating	23,432,870	23,685,155	23,685,155	23,813,622	0.54%	0.54%
Capital Outlay	0	0	0	0	0.00%	0.00%
Total	\$23,432,870	\$23,685,155	\$23,685,155	\$23,813,622	0.54%	0.54%
Employees FTE	0.00	0.00	0.00	0.00	-----	-----

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 as well as to protect the County's bond rating.

The County is reviewed annually by the three rating agencies and in FY 08 received the following ratings:

Fitch	AA+
Standard and Poor's	AA+
Moody	Aa2

The Standard and Poor's rating was increased from AA to AA+ in FY 09.

Due to its strong credit rating, the County was able to issue \$80,000,000 in new bonds at 4.37%.

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

Budget Changes

The 0.54% increase in Debt Service is due to planned bonding in the FY 10 Capital Budget.

Intergovernmental Transfers

Description	Actual FY 08	Original Budget FY 09	Adjusted Budget FY 09	Recomm Budget FY 10	% Change From Orig. FY 09	% Change From Adj. FY 09
Personnel	\$0	\$0	\$0	\$0	0.00%	0.00%
Operating	2,447,158	2,540,000	2,540,000	2,635,000	3.74%	3.74%
Capital Outlay	0	0	0	0	0.00%	0.00%
Total	\$2,447,158	\$2,540,000	\$2,540,000	\$2,635,000	3.74%	3.74%
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 companies 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 Protection**
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 changes in town populations and assessable bases.

Inter-Fund Transfers

Description	Actual FY 08	Original Budget FY 09	Adjusted Budget FY 09	Recomm Budget FY 10	% Change From Orig. FY 09	% Change From Adj. FY 09
Personnel	\$0	\$0	\$0	\$0	0.00%	0.00%
Operating	15,975,751	9,648,403	9,917,612	7,755,724	-19.62%	-21.80%
Capital Outlay	0	0	0	0	0.00%	0.00%
Total	\$15,975,751	\$9,648,403	\$9,917,612	\$7,755,724	-19.62%	-21.80%
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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- The 21.80% decrease in Inter-Fund Transfers for FY 10 is primarily due to a decrease in the transfer to the Capital Fund used for one-time technology projects for the school system.

Description

This budget includes transfers from the General Fund to the Capital, Grant, LOSAP, and Enterprise 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 LOSAP provides length of service payments to eligible volunteer firemen.
- Enterprise Funds are funded primarily by collections of fees for services provided.

In compliance with GASB 27, 43, and 45, the appropriations for the Pension and OPEB Trust Funds are now included in the Fringe Benefits budget. Previously, these appropriations were shown under Inter-Fund Transfers. For comparison purposes, the FY 09 Original and Adjusted Budgets have been adjusted to reflect this change.

Included in the interfund transfer is:

• Health Department Grant	\$4,000
• State's Attorney Office/CCAIC Grants	310,615
• Sheriff/Court Grants	191,839
• Carroll Transit Grant	634,400
• Aging Grants	145,000
• BERC Grant	23,870
• Carroll Community College - Adult Basic Ed	300,000
• LMB Grant	70,700
• Recreation Grant	8,100
• Capital Fund (non-Enterprise Funds)	3,322,000
• Utilities Enterprise Fund - Operating	200,200
• 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, Grant Fund, and Enterprise Fund sections of this book.

Budget Changes

- The increase from the FY 09 Original Budget and the FY 09 Adjusted Budget is primarily due to providing additional funds for CATS in the Grant Fund.

Reserve for Contingencies

Description	Actual FY 08	Original Budget FY 09	Adjusted Budget FY 09	Recomm Budget FY 10	% Change From Orig. FY 09	% Change From Adj. FY 09
Personnel	\$0	\$0	\$0	\$0	0.00%	0.00%
Operating	0	0	0	0	0.00%	0.00%
Capital Outlay	0	9,956,162	9,598,453	4,500,000	-54.80%	-53.12%
Total	\$0	\$9,956,162	\$9,598,453	\$4,500,000	-54.80%	-53.12%
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 53.12% decrease in the Reserve for Contingency is due to the Board of County Commissioners' decision in FY 09 to reserve funding (approximately \$5.0 million) against the possibility of a continued downturn in the economy, and for Federal and State government decisions that could adversely impact the County budget. Typically 1.25% of the budget is planned for the reserve for contingency as is the case for FY 10.