

Debt, Transfers, and Reserves Summary

	Actual FY 18	Original Budget FY 19	Adjusted Budget FY 19	Budget FY 20	% Change From Orig. FY 19	% Change From Adj. FY 19
Debt Service	\$26,265,759	\$24,540,330	\$24,540,330	\$24,671,020	0.53%	0.53%
Debt Service - Agricultural Preservation	1,811,469	3,056,860	3,056,860	1,831,000	-40.10%	-40.10%
Intergovernmental Transfers	3,205,504	3,233,740	3,233,740	3,185,210	-1.50%	-1.50%
Interfund Transfers	11,185,860	7,660,800	7,673,810	7,442,860	-2.84%	-3.01%
Reserve for Contingencies	0	4,163,030	4,163,030	4,579,280	10.00%	10.00%
Total Debt, Transfers, and Reserves	\$42,468,592	\$42,654,760	\$42,667,770	\$41,709,370	-2.22%	-2.25%

Highlights, Changes, and Useful Information

The budgets in Debt, Transfers, and Reserves are a functional grouping for presentation purposes.

Budget Changes

- Debt Service – Agricultural Preservation decreases primarily due to a one-time principal payment of \$1.2M for a mature Installment Purchase Agreement (IPA) in FY 19.
- Intergovernmental Transfers decreases due to downward adjustment in town populations to account for changes in vacancy rates, average household size, and mortality rates, partially offset by 2.25% inflation.
- Interfund Transfers increases due to:
 - An increase in Transfer to Capital for paygo on capital projects
 - A Commissioner decision to decrease Transfer to Solid Waste
 - An increase in Transfer to Grants for Aging and Disabilities and the State’s Attorney’s Office
- The Reserve for Contingencies increases due to the addition of a Fire Chief and Administrative Assistant.

Debt Service

Description	Actual FY 18	Original Budget FY 19	Adjusted Budget FY 19	Budget FY 20	% Change From Orig. FY 19	% Change From Adj. FY 19
Personnel	\$0	\$0	\$0	\$0	0.00%	0.00%
Benefits	0	0	0	0	0.00%	0.00%
Operating	26,265,759	24,540,330	24,540,330	24,671,020	0.53%	0.53%
Capital	0	0	0	0	0.00%	0.00%
Total	\$26,265,759	\$24,540,330	\$24,540,330	\$24,671,020	0.53%	0.53%
Employees FTE	0.00	0.00	0.00	0.00	-----	-----

Note: The Adjusted Budget includes budget changes made during the year. Ongoing 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, as well as to protect the County's bond rating.

The County is reviewed annually by the three rating agencies.

In FY 19, the County improved its bond rating level by earning the third Aaa rating from Moody's Investors Service, confirming a strong credit worthiness with the three major credit rating agencies.

- Fitch AAA
- Standard & Poor's AAA
- Moody's Aaa

Due to its strong credit rating, the County was able to issue \$25.0M in new bonds in FY 19. The primary uses of bonding are road construction, water resources, and school projects.

Budget Changes

In FY 20, the anticipated bond issue is \$34.8 million.

Debt Service – Agricultural Preservation

Description	Actual FY 18	Original Budget FY 19	Adjusted Budget FY 19	Budget FY 20	% Change From Orig. FY 19	% Change From Adj. FY 19
Personnel	\$0	\$0	\$0	\$0	0.00%	0.00%
Benefits	0	0	0	0	0.00%	0.00%
Operating	1,811,469	3,056,860	3,056,860	1,831,000	-40.10%	-40.10%
Capital	0	0	0	0	0.00%	0.00%
Total	\$1,811,469	\$3,056,860	\$3,056,860	\$1,831,000	-40.10%	-40.10%
Employees FTE	0.00	0.00	0.00	0.00	-----	-----

Note: The Adjusted Budget includes budget changes made during the year. Ongoing mid-year changes have been annualized for comparison purposes.

Contact

Thomas Devilbiss, Director of Land and Resource
Management (410) 386-2506
Lynn Karr, Senior Budget Analyst (410) 386-2082

Description

The funding in this budget is for debt service the County pays on Installment Purchase Agreements (IPAs) for the Agricultural Land Preservation Program. The budget is determined by a combination of known debt service and estimated IPAs for the upcoming fiscal year. Typically, a land owner is offered 40% of Fair Market Value for the agricultural easement and the County pays 5.0% annual interest for 20 years on the easement value.

Budget Changes

Debt Service – Agricultural Preservation decreases due to a \$1.2M one-time principal payment of a mature Installment Purchase Agreement in FY 19.

Intergovernmental Transfers

Description	Actual FY 18	Original Budget FY 19	Adjusted Budget FY 19	Budget FY 20	% Change From Orig. FY 19	% Change From Adj. FY 19
Personnel	\$0	\$0	\$0	\$0	0.00%	0.00%
Benefits	0	0	0	0	0.00%	0.00%
Operating	3,205,504	3,233,740	3,233,740	3,185,210	-1.50%	-1.50%
Capital	0	0	0	0	0.00%	0.00%
Total	\$3,205,504	\$3,233,740	\$3,233,740	\$3,185,210	-1.50%	-1.50%
Employees FTE	0.00	0.00	0.00	0.00	-----	-----

Note: The Adjusted Budget includes budget changes made during the year. Ongoing mid-year changes have been annualized for comparison purposes.

Contact

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

Description

The County provides a number of revenues to Carroll County municipalities. The Bank Shares Tax, Road Grant, and State Aid for Fire Protection are all pass-through revenues from the State. The County provides liquor and building permit services and sends the collections to 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 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 for 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 formula is driven by inflation and population. This budget decreases due to downward adjustment in town populations to account for changes in vacancy rates, average household size, and mortality rates, partially offset by 2.25% inflation.

Interfund Transfers

Description	Actual FY 18	Original Budget FY 19	Adjusted Budget FY 19	Budget FY 20	% Change From Orig. FY 19	% Change From Adj. FY 19
Personnel	\$0	\$0	\$0	\$0	0.00%	0.00%
Benefits	0	0	0	0	0.00%	0.00%
Operating	11,185,860	7,660,800	7,673,810	7,442,860	-2.84%	-3.01%
Capital	0	0	0	0	0.00%	0.00%
Total	\$11,185,860	\$7,660,800	\$7,673,810	\$7,442,860	-2.84%	-3.01%
Employees FTE	0.00	0.00	0.00	0.00	-----	-----

Note: The Adjusted Budget includes budget changes made during the year. Ongoing 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, and Enterprise Funds.

Transfer to Capital moves operating funds to the Capital Fund 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 Solid Waste Enterprise Fund is to support operations.

The transfer to the Utilities Enterprise Fund is to fund the Board of Education facilities.

Included in the Interfund Transfer:

Transfer to Grant Fund	
Aging and Disabilities	\$234,280
Circuit Court	56,830
Citizen Services State – Health Department	4,000
Comprehensive Planning	31,410
Housing and Community Development	33,500
Local Management Board	46,530
Public Safety	108,750
Recreation	8,100
Sheriff's Office	32,590
State's Attorney's Office	172,100
Transit	1,124,390
Total	\$1,852,480

Transfer to Capital Fund	\$4,454,150
Transfer to Solid Waste Enterprise Fund	\$615,000
Transfer to Utilities Enterprise Fund	\$521,230

Reserve for Contingencies

Description	Actual FY 18	Original Budget FY 19	Adjusted Budget FY 19	Budget FY 20	% Change From Orig. FY 19	% Change From Adj. FY 19
Personnel	\$0	\$0	\$0	\$0	0.00%	0.00%
Benefits	0	0	0	0	0.00%	0.00%
Operating	0	4,163,030	4,163,030	4,579,280	10.00%	10.00%
Capital	0	0	0	0	0.00%	0.00%
Total	\$0	\$4,163,030	\$4,163,030	\$4,579,280	10.00%	10.00%
Employees FTE	0.00	0.00	0.00	0.00	-----	-----

Notes: The Adjusted Budget includes budget changes made during the year. Ongoing 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 expenditures that could be covered by the reserve are:

- Snow removal costs in excess of the Storm Emergencies budget
- Newly mandated Federal or State programs
- Unforeseen disruptions to critical County facilities and systems

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 generally set at 1% of General Fund revenues. The increase in FY 20 is due to the addition of a Fire Chief and Administrative Assistant.