

Allegany County FY 2017 CIP

Presented May 5, 2016



Debt Affordability Component

Prepared By Allegany County Finance Department



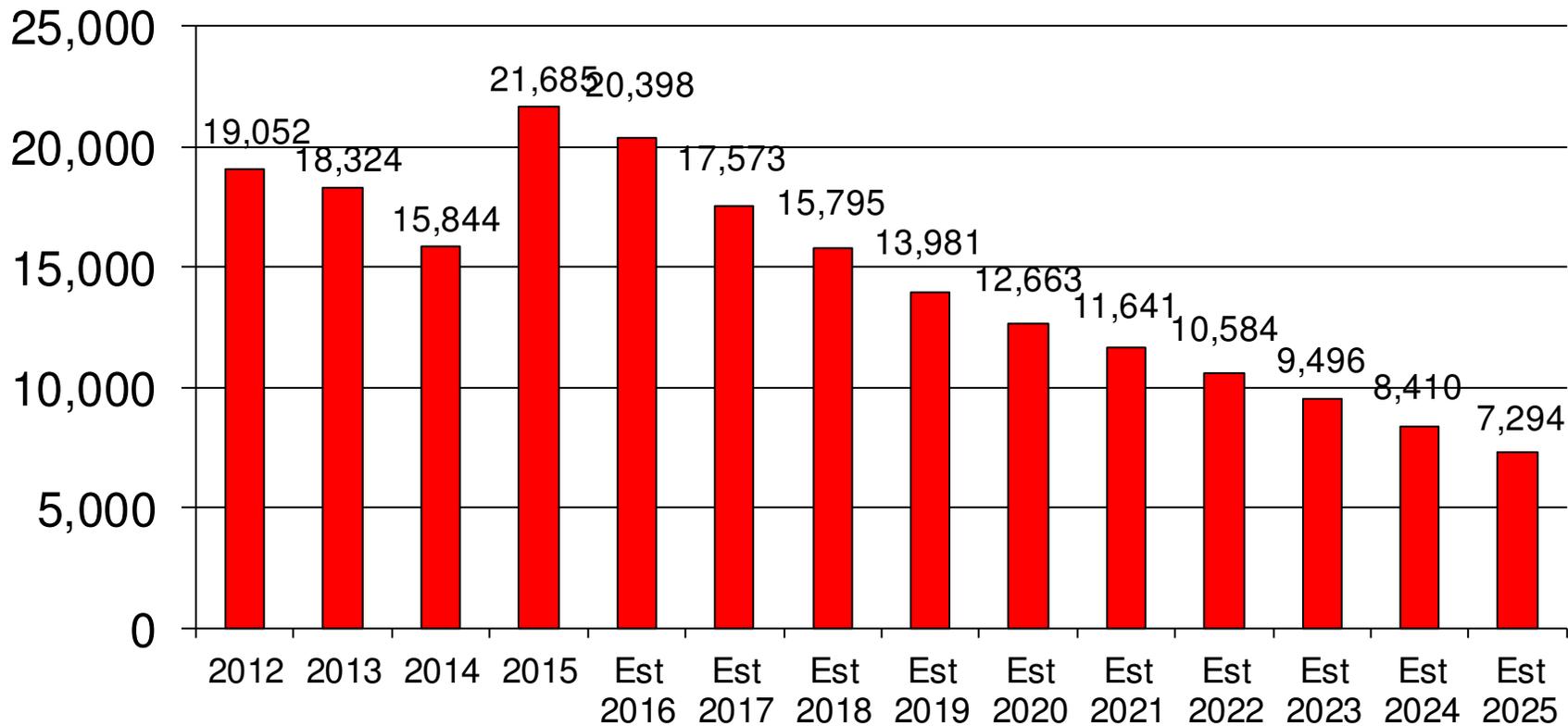
Debt Affordability Model

	FY 2016 Estimate	FY 2017 Estimate	FY 2018 Estimate	FY 2019 Estimate	FY 2020 Estimate	FY 2021 Estimate
Assumptions						
GO Debt Borrowing Rate	3.25%	3.5%	3.8%	4.0%	4.3%	4.3%
Property Tax Growth Rate	-0.8%	0.2%	0.2%	0.2%	0.2%	0.2%
Income Tax Growth Rate	5.0%	5.0%	3.0%	3.0%	3.0%	3.0%
Intergovernmental Growth Rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other Growth Rate	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
General Fund Exp. Growth Rate	2.9%	1.9%	1.5%	1.5%	1.5%	1.5%
Assessed Value (In Thousands)	3,839,670,858	3,864,872,938	3,872,602,684	3,880,347,889	3,888,108,585	3,895,884,802
Non Inmate Population	72,952	72,441	71,934	71,431	70,931	70,434
New Borrowing	\$0	\$9,830,000	\$0	\$4,352,400	\$0	\$0
Additional Debt Service Payments	\$0	\$0	\$905,173	\$895,626	\$1,312,852	\$1,297,921

	Maximum Rate @ 90%	FY 2016 Estimate	FY 2017 Estimate	FY 2018 Estimate	FY 2019 Estimate	FY 2020 Estimate	FY 2021 Estimate
Debt Affordability Ratios							
Debt Per Capita	\$585	\$280	\$378	\$348	\$378	\$350	\$325
GF Debt Service/General Fund Revenue	11.70%	4.39%	3.48%	3.51%	3.56%	2.83%	2.98%
GF Debt Service/General Fund Expenditures	13.50%	4.39%	3.48%	3.51%	3.56%	2.83%	2.98%
Debt/Full Value	3.15%	0.53%	0.71%	0.65%	0.70%	0.64%	0.59%



Existing General Obligation Debt (Dollars in Thousands)

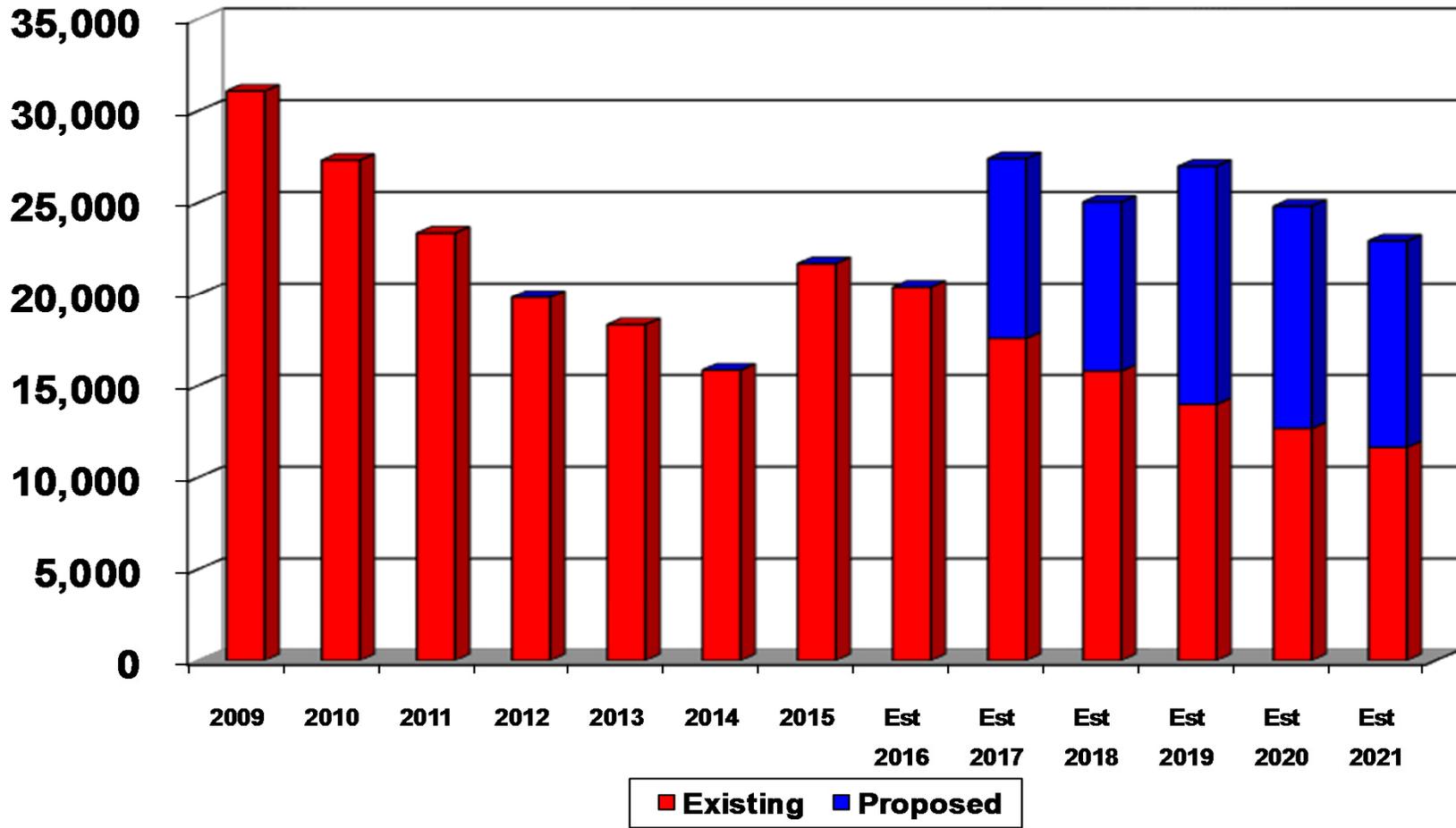




Allegany County, Maryland

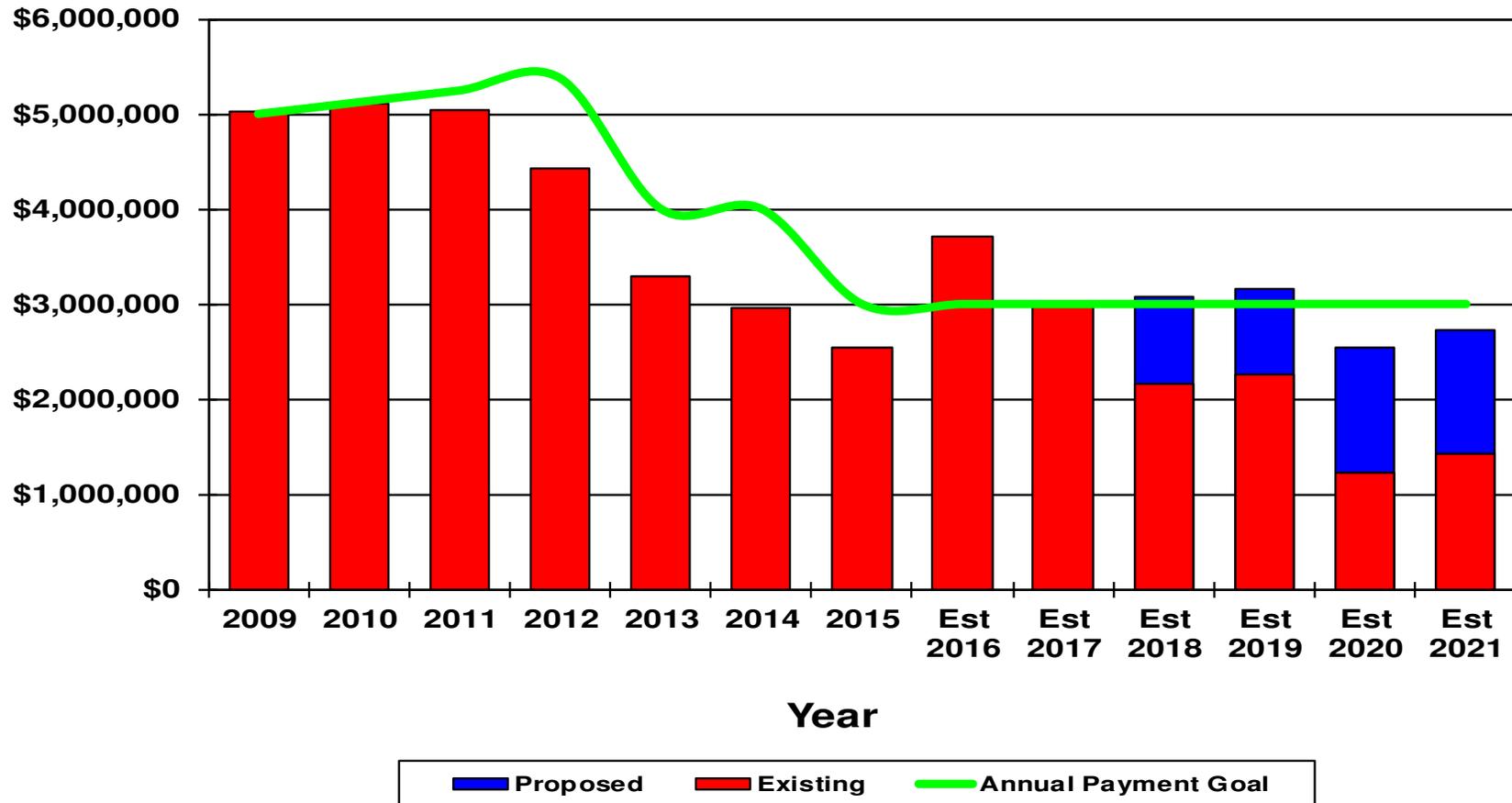
Existing & Proposed General Obligation Debt

(Dollars in Thousands)





General Fund Estimated Debt Service Payments



For FY 13, the \$5,000,000 Annual Payment Goal was **REDUCED** to \$4,000,000 based on an August 2011 update to Debt Affordability. During FY 15 Budget sessions, a \$3,000,000 goal was targeted for the future, so \$3,000,000 is identified from FY 15 forward.



Debt Affordability Conclusions

- **Borrowing will have to remain conservative to stay within our goals**
- **With caution, we can stay at \$3M for our annual debt service goals**
 - **No new revenues to support increased debt service without making cuts**
- **New Allegany Borrowing has strained our budget in the near term**
- **Efforts should be continued to constrain borrowing and use one-time money to fund projects on a cash basis.**
- **Need to focus on retaining our bond rating to save on future interest rates.**



Conclusion

Adoption of the Five Year CIP is planned for June 2, 2016.

This information is available at www.gov.allconet.org. The public is also invited to EMAIL the finance department at finance@alleganygov.org .