

# NON-DEPARTMENTAL

Non-Departmental is used to manage resources and indirect costs for activities that are not specifically associated with one department or agency. The Office of Management and Budget (OMB) has the primary responsibility for the activity in Non-Departmental. OMB collaborates with the Office of the County Executive, the Legislative Branch, the Office of Finance, and the Office of Central Services to plan and direct Non-Departmental transactions.

## STRUCTURE

There are four primary areas in Non-Departmental: Debt Service, Grants and Transfers, Other, and Contingency.

- Debt Service – manages the County’s debt issuance plan and monitors related principal and interest payments.
- Grants and Transfers – administers County contributions to various community organizations, Community Television, Economic Development Corporation, Financial Services Corporation, and the Conference and Visitors Bureau. It also provides transfers to various capital improvement projects.
- Other – manages operational transactions that are not agency specific including office space and utilities, special compliance efforts, retiree benefits, and equipment leases.
- Contingency – provides resources for costs related to unsettled collective bargaining agreements, designated operating activities, and unanticipated employee separation costs.

## FY 2016 BUDGET SUMMARY

The FY 2016 approved General Fund budget for Non-Departmental is \$252,364,600, an increase of \$29,699,600 or 13.3% over the FY 2015 budget.

	FY 2014 ACTUAL	FY 2015 BUDGET	FY 2015 ESTIMATED	FY 2016 APPROVED	CHANGE FY15 - FY16
Debt Service	\$ 82,096,074	\$ 88,754,300	\$ 88,945,300	\$ 98,947,900	11.5%
Grants and Transfers	32,405,069	31,353,800	31,454,700	30,594,700	-2.4%
Other Non-Departmental	104,862,586	102,056,900	102,799,000	105,156,600	3.0%
Contingency	-	500,000	(31,634,300)	17,665,400	3433.1%
<b>TOTAL</b>	<b>\$219,363,729</b>	<b>\$ 222,665,000</b>	<b>\$ 191,564,700</b>	<b>\$ 252,364,600</b>	<b>13.3%</b>

## FY 2016 FISCAL OVERVIEW

- \$5.2 million allocated for grants to community organizations
- \$23.0 million to address resource levels for retiree life and health benefits
- \$15.0 million provided to Dimensions Healthcare System (including payment for the refunded debt)
- \$6.3 million for operating costs associated with the speed camera program and other fine programs
- \$1.4 million for transfers to the Capital Improvement Program (CIP)
- \$2.6 million for Summer Youth Enrichment Program

**FY 2015 KEY NOTATIONS**

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- Distributed over \$6.4 million to community-based organizations for various programs serving County residents
- Provided funding for the purchase of new public safety and public works vehicles and studio equipment for Prince George's Community Television.

## DEBT SERVICE

	FY2014 ACTUAL	FY2015 APPROVED	FY2015 ESTIMATED	FY2016 APPROVED	CHANGE FY15-FY16
<b>PRINCIPAL</b>					
Schools (GOB's)	\$ 34,683,200	\$ 37,255,100	\$ 37,319,200	\$ 42,250,300	13.4%
Schools (Q-bonds)	3,094,800	3,047,700	3,149,700	3,149,700	3.3%
Mass Transit	1,835,000	1,350,000	1,350,000	1,205,000	-10.7%
Roads (GOB's)	20,950,400	22,353,100	22,396,900	24,451,900	9.4%
Public Buildings	8,331,500	9,066,100	9,074,900	11,421,500	26.0%
Fire	1,559,600	2,001,800	2,004,800	2,515,700	25.7%
Community College	2,088,300	250,800	2,252,400	2,254,300	798.8%
Correctional Facilities	1,006,710	1,280,200	1,282,100	1,500,400	17.2%
Library	1,875,400	1,860,400	1,863,200	2,153,200	15.7%
Health	328,500	564,100	567,500	653,800	15.9%
Police	106,400	388,500	389,000	593,900	52.9%
Hospital	-	-	-	-	0.0%
MILA Debt	34,520	37,000	36,950	10,320	-72.1%
Local Government Insurance Trust (LGIT) Debt	-	-	-	-	0.0%
Current Year Bond Sale	-	-	-	-	0.0%
Sinking Fund Payments	-	-	-	-	0.0%
<b>TOTAL</b>	<b>\$ 75,894,330</b>	<b>\$ 79,454,800</b>	<b>\$ 81,686,700</b>	<b>\$ 92,160,000</b>	<b>16.0%</b>

Note: Numbers may not add due to rounding. MILA debt is accounted for in State Debt Assumption Payments, rather than in debt service in the Comprehensive Annual Financial Report (CAFR).

**NON-DEPARTMENTAL**

**GENERAL FUND**

	FY2014 ACTUAL	FY2015 APPROVED	FY2015 ESTIMATE	FY2016 APPROVED	CHANGE FY15-FY16
<b>INTEREST AND SERVICE CHARGES</b>					
Schools - General Obligation Bonds (GOB's)	\$ 21,847,300	\$ 21,112,600	\$ 22,324,000	\$ 22,723,000	7.6%
Mass Transit	476,300	397,600	390,700	337,400	-15.1%
Roads (GOB's)	13,410,500	12,899,600	13,327,200	13,196,500	2.3%
Public Buildings	7,608,600	7,448,200	8,232,600	8,937,700	20.0%
Fire	1,612,900	1,642,800	1,723,400	1,757,600	7.0%
Community College	1,184,800	1,118,000	1,220,400	1,268,800	13.5%
Correctional Facilities	1,126,800	1,194,100	1,288,800	1,371,900	14.9%
Library	1,619,100	1,600,200	1,760,400	1,915,400	19.7%
Health	229,600	218,900	229,100	242,700	10.9%
Police	481,000	697,600	792,100	904,800	29.7%
Hospital	-	-	-	-	0.0%
MILA Debt	7,500	5,000	5,000	2,400	-52.0%
Local Government Insurance Trust (LGIT) Debt	-	-	-	-	0.0%
Current Year Bond Sale/Refinancing	-	5,000,000	-	1,730,700	-65.4%
Service Charges	-	-	-	-	0.0%
<b>TOTAL INTEREST AND SERVICE CHARGES</b>	<b>\$ 49,604,400</b>	<b>\$ 53,334,600</b>	<b>\$ 51,293,700</b>	<b>\$ 54,388,900</b>	<b>2.0%</b>
<b>PRINCIPAL</b>	<b>\$ 75,894,330</b>	<b>79,454,800</b>	<b>81,686,700</b>	<b>92,160,000</b>	<b>16.0%</b>
<b>TOTAL PRINCIPAL, INTEREST AND SERVICE CHARGES</b>	<b>\$ 125,498,730</b>	<b>\$ 132,789,400</b>	<b>\$ 132,980,400</b>	<b>\$ 146,548,900</b>	<b>10.4%</b>
Less:					
Mass Transit	\$ (2,512,249)	\$ (1,889,500)	\$ (1,889,500)	\$ (1,889,500)	0.0%
School Surcharge	(36,321,071)	(27,849,100)	(27,849,100)	(30,400,000)	9.9%
Telecommunications Tax Supported School Projects	(2,233,653)	(2,374,100)	(2,374,100)	(2,374,100)	0.0%
IRS Subsidy	(2,335,683)	(2,537,400)	(2,537,400)	(2,537,400)	0.0%
Bond Premiums	-	(9,585,000)	(9,585,000)	(10,400,000)	8.5%
CP35 Q Bond Payments	-	-	-	-	0.0%
<b>NET COUNTY DEBT</b>	<b>\$ 82,096,074</b>	<b>\$ 88,754,300</b>	<b>\$ 88,945,300</b>	<b>\$ 98,947,900</b>	<b>11.5%</b>
Note: Numbers may not add due to rounding. MILA debt is accounted for in State Debt Assumption Payments.					

## FY 2016 Debt Issuance Plan

Prince George's County plans to issue new general obligation bonds of approximately \$200 million in the spring of 2016. The main factor behind the debt issuance continues to be the construction of public schools, followed by road repair and roadway enhancements. The County's current bond rating is AAA by all major bond rating agencies.

## Outstanding General Fund Direct Debt

**Direct Debt** is debt incurred by Prince George's County government in its own name. The gross outstanding general fund debt, the amount that would be due if 100% of the principal were due on June 30, includes the County's general obligation bonds, Revenue Authority revenue bonds and Maryland Local Government Insurance Trust obligations issued for self-insurance liability funding.

**Net Direct Debt** is gross debt less (1) gross debt payable primarily from user charges or other identified debt-supporting revenue streams and (2) gross debt reimbursable from the State of Maryland. This represents total direct debt excluding self-supporting debt. On June 30, 2012, the County's outstanding net direct debt totaled \$714.7 million; on June 30, 2013, it was \$899.5 million; and on June 30, 2014, it increased to \$844.3 million. These figures exclude overlapping debt of the Industrial Development Authority Lease Revenue Bonds.

**Self-Supporting Debt** are portions of the gross direct debt that are not dependent on County tax revenues. Self-supporting outstanding debt, including debt that is repaid solely from the County's share of certain State-collected taxes and user charges, is detailed below:

<b>SELF-SUPPORTING DIRECT DEBT</b> (Millions \$'s)		
	<b>6/30/2013</b>	<b>6/30/2014</b>
<b>General Obligation Bonds:</b>		
Mass Transit Debt-Washington Suburban Transit Commission (WSTC)	\$ 12.5	\$ 10.5
Stormwater Management	140.9	136.6
County Solid Waste Management Bonds	40.4	36.0
School Facilities Supported by School Surcharge	294.2	279.9
School Facilities Supported by Telecommunications Tax	25.7	24.5
Maryland Development Debt	0.1	0.1
Maryland Community Development Administration (CDA) Infrastructure	0.5	0.4
State Bonds	0.0	0.0
<b>Revenue Bonds:</b>		
Solid Waste Management System	0.8	0.4
<b>Total Self-Supporting Debt</b>	<b>\$ 515.1</b>	<b>\$ 488.4</b>
SOURCE:		
FY 2014: CAFR for the Year Ending June 30, 2014 Prince George's County, Maryland, Page 153 (Table 14).		
FY 2013: CAFR for the Year Ending June 30, 2013, Prince George's County, Maryland, Page 153 (Table 14).		

<b>NET TAX-SUPPORTED GENERAL FUND DEBT</b>			
<b>(Millions \$'s)</b>			
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
	<b>6/30/2012</b>	<b>6/30/2013</b>	<b>6/30/2014</b>
Net Direct Debt	\$714.7	\$899.5	\$ 844.3
Overlapping Debt	65.3	60.7	55.8
<b>TOTAL</b>	<b>\$780.0</b>	<b>\$960.2</b>	<b>\$ 900.1</b>
<b>ANNUAL GROWTH</b>	<b>\$ (1.9)</b>	<b>\$180.2</b>	<b>\$ (60.1)</b>
<b>SOURCE:</b>			
FY 2012: CAFR for the Year Ending June 30, 2012, Prince George's County, Maryland, Page 153 (Table 14)			
FY 2013: CAFR for the Year Ending June 30, 2013, Prince George's County, Maryland, Page 153 (Table 14)			
FY 2014: CAFR for the Year Ending June 30, 2014, Prince George's County, Maryland, Page 153 (Table 14)			

### Overlapping Debt

In addition to the direct debt, the County has formally agreed to pay the Industrial Development Authority of Prince George's County for the payments due on lease revenue bonds through annual lease payments. The Authority uses the lease payments made by the County to retire its outstanding debt. Most of the proceeds of the debt issued by the Authority were used to build the Prince George's County Courthouse in Upper Marlboro. On June 30, 2014, the outstanding general fund net overlapping debt was \$55.8 million.

### Debt Service and Other Payments

When debt is issued, the County is given a debt service payment schedule similar to amortization payments provided to a citizen when funds are borrowed to purchase a home or a car. The County is required to budget annually for the payment of principal and interest due on the amount of debt that it has incurred along with the annual premium payments and lease payments described under "Other Obligations". (Revenue Authority debt and certain other lease payments are shown under Other Non-Departmental.)

From time to time, the County reviews its debt to see if it should restructure or refinance the debt to minimize its cost or to maximize cash flow requirements. A similar technique is used by the taxpayer who refinances his or her mortgage when interest rates are lowered, resulting in a reduced monthly payment. Alternatively, the taxpayer may choose the lower interest rate and opt for the same monthly payment and thus pay off his or her debt much quicker.

In general, the County is obligated for its first payment of interest six months after debt is issued; the first payment of principal is due twelve months after the debt is issued.

**Recoveries**

Portions of the debt and obligations related to mass transit are retired through dedicated tax levies. In addition, the County receives certain payments by the State of Maryland for a portion of the Industrial Development Authority (IDA) lease payments. Starting from FY 2001, school surcharge revenues have been used to offset part of the cost of new school construction. Starting in FY 2007, part of the telecommunications tax revenues that are set aside each year in a separate capital project fund have been used to support school construction bonds.

**Debt Service General Fund Sources**

Highway User Revenue is allocated between the Highway Maintenance Division in the Department of Public Works and Transportation and Debt Service for roads.

**Debt Levels**

The County's Net Direct Debt has grown due to the rising needs for capital projects, in particular school construction. The County plans to keep its debt levels below its self-imposed and statutory limits.

Fiscal Year	Population	Assessed Value	Net Direct Debt	% of Net Direct Debt to Assessed Value	Net Direct Debt Per Capita	Debt Service as a % of General Fund Expenditures
2014	N/A	\$ 73,425,415,435	844,289,449	1.1%	N/A	3.3%
2013	890,081	75,993,572,331	899,514,499	1.2%	1,011	3.1%
2012	881,138	82,964,524,909	714,695,331	0.9%	811	3.4%
2011	874,045	95,135,150,806	714,419,526	0.8%	817	3.8%
2010	865,705	96,054,707,346	705,280,978	0.7%	815	3.4%
2009	834,560	85,155,247,625	704,467,333	0.8%	844	2.7%
2008	830,514	72,900,955,419	782,927,125	1.1%	943	2.7%
2007	832,699	60,716,650,060	759,188,646	1.3%	912	3.1%
2006	836,644	52,277,304,579	709,848,849	1.4%	848	2.9%
2005	840,513	46,612,628,987	686,662,549	1.5%	817	3.3%
2004	836,103	43,066,687,540	661,141,076	1.5%	791	4.2%

## Notes:

1. Population estimates are from the U.S. Census Bureau, Population Estimates Branch, except FY 2014 which is unavailable at this time.
2. Beginning in fiscal year 2002, real property assessed value in Maryland has been adjusted from approximately 40% of market value to full market value (100%) by the State Department of Assessments and Taxation. Personal property assessed value remains unchanged at full market value.
3. The amount of net direct debt represents the County's general obligation bonded debt - which excludes the Primary Government's Stormwater Management Enterprise Fund bonds paid with dedicated tax collections, Solid Waste Management System bonds repaid from user charges, debt for parks reimbursed by the joint venture M-NCPPC, debt for mass transit reimbursed by the WSTC (joint venture), debt for school facilities paid by school surcharge, and debt for school facilities funded by telecommunications tax - and includes Parking Authority's (component unit) bonded debt.

SOURCE: CAFR for the Year Ended June 30, 2014, Prince George's County, Maryland, Page 143 (Table 5), Page 153 (Table 14) and Page 157 (Table 18).

## GRANTS AND TRANSFER PAYMENTS

GRANT PROGRAM	FY 2014 ACTUAL	FY 2015 BUDGET	FY 2015 ESTIMATE	FY 2016 APPROVED	CHANGE FY 15 - FY 16
Grants to Community Organizations	\$ 3,549,514	\$ 5,770,000	\$ 5,770,000	\$ 5,241,500	-9.2%
Required Payments	175,673	234,400	234,400	227,600	-2.9%
Economic Development Corporation	2,934,000	2,974,200	2,974,200	2,860,200	-3.8%
Financial Services Corporation	750,200	1,019,300	769,300	739,800	-27.4%
Prince George's Community Television	935,100	935,100	935,100	917,600	-1.9%
Conference and Visitors Bureau	781,688	758,000	758,000	728,900	-3.8%
Other Economic Development	15,333	15,400	15,400	15,400	0.0%
Memberships	588,795	614,900	615,800	631,700	2.7%
Strategic Goals Initiative	571,918	250,000	600,000	475,000	90.0%
Dimensions Health Corporation	15,000,000	15,000,000	15,000,000	15,000,000	0.0%
Other Payments	1,302,848	2,482,500	2,482,500	2,382,000	-4.0%
Transfers to Other Funds	-	-	-	-	0.0%
Transfers to Capital Improvement Program	5,800,000	1,300,000	1,300,000	1,375,000	5.8%
<b>TOTAL</b>	<b>\$ 32,405,069</b>	<b>\$ 31,353,800</b>	<b>\$ 31,454,700</b>	<b>\$ 30,594,700</b>	<b>-2.4%</b>

**Grants to Community Organizations -- \$5,241,500**

Funding supports a variety of community-based organizations serving County residents.

**Required Payments -- \$227,600**

Amounts shown here represent anticipated costs mandated by State or local legislation, regulation or contractual agreement.

**Economic Development Corporation -- \$2,860,200**

This funding supports the Economic Development Corporation, a non-profit organization that promotes economic development, neighborhood and business revitalization, workforce services and youth employment, while collaborating with the business community and other public entities.

**Financial Services Corporation -- \$739,800**

This funding supports the Financial Services Corporation, a non-profit corporation that provides non-traditional financing for small and minority-owned businesses in Prince George's County.

**Prince George's Community Television -- \$917,600**

Funding supports Community Television of Prince George's County Channels 76 and 70, the award-winning nonprofit cable access station.

**Conference and Visitors Bureau -- \$728,900**

This funding supports the Conference and Visitors Bureau, a promotional agency under contract with the County that assists in the implementation of the County's comprehensive economic and cultural development program.

**Other Economic Development -- \$15,400**

Regional marketing and administrative programs are supported by these funds.

**Memberships -- \$631,700**

This funding represents the cost of the County's participation fees in various professional organizations.

**Strategic Goals Initiative -- \$475,000**

Funding will be utilized to further the County's economic development initiatives.

**Dimensions Healthcare System, Inc. -- \$15,000,000**

These resources are designated to support the Dimensions Healthcare System in partnership with the State of Maryland (includes debt service on refunded bonds).

**Other Payments -- \$2,382,000**

This funding includes grants to various non-profit and health and human services agencies.

**Transfers to Capital Improvement Program -- \$1,375,000**

Funds allocated to capital projects, including the Redevelopment Authority.

## OTHER NON-DEPARTMENTAL EXPENSES

	FY 2014 ACTUAL	FY 2015 BUDGET	FY 2015 ESTIMATED	FY 2016 APPROVED	CHANGE FY15 - FY16
General Fund Insurance	8,206,340	\$ 8,437,800	\$ 8,437,800	\$ 8,756,600	3.8%
Judgments and Losses	-	200,000	200,000	200,000	0.0%
Postage	1,501,090	1,150,000	1,500,000	1,500,000	30.4%
Real Estate Acquisition Program	4,307,737	4,282,200	4,282,200	2,747,000	-35.9%
Equipment Leases	13,464,500	17,041,600	17,094,800	21,628,900	26.9%
Other Leases	16,039,600	16,713,400	16,723,400	15,413,400	-7.8%
Utilities	10,487,099	9,805,100	10,675,000	9,999,000	2.0%
Streetlight Electricity	3,217,956	2,650,000	3,000,000	3,200,000	20.8%
Traffic Signal Electricity	4,166,878	3,850,000	4,250,000	4,250,000	10.4%
Miscellaneous Expenses	8,008,100	9,307,200	7,916,200	9,440,500	1.4%
Speed Camera Program	6,754,000	5,280,400	5,280,400	6,307,000	19.4%
Compensated Absences	-	-	-	-	0.0%
State Debt Assumption Payments	137,163	140,000	140,000	140,000	0.0%
Deferred Compensation in Lieu of State Retirement	60,573	100,000	100,000	100,000	0.0%
Miscellaneous Pensions	-	3,000	3,000	3,000	0.0%
Unemployment Insurance	610,500	550,000	550,000	600,000	9.1%
Retirement Incentive	-	-	-	-	0.0%
Retiree Life Benefits/Annuities	1,044,602	950,000	950,000	1,050,000	10.5%
Retiree Health Benefits	25,048,400	25,048,400	25,048,400	23,048,400	-8.0%
Other Benefit Cost	4,702,950	-	-	-	0.0%
Department of Justice Settlement Costs	458,821	486,900	486,900	486,900	0.0%
<b>Sub-Total</b>	<b>\$ 108,216,308</b>	<b>\$ 105,996,000</b>	<b>\$ 106,638,100</b>	<b>\$ 108,870,700</b>	<b>2.7%</b>
<b>Expenditure Recoveries</b>					
Retiree Benefits	\$ (58)	\$ -	\$ -	\$ -	0.0%
Leases/Utilities	(2,525,348)	(2,526,500)	(2,526,500)	(2,526,500)	0.0%
Washington Suburban Transit Commission Acquisition Program	-	-	-	-	0.0%
Postage	(391,153)	(537,600)	(537,600)	(537,600)	0.0%
Other	(16,451)	(175,000)	(175,000)	(50,000)	-71.4%
	(420,711)	(700,000)	(600,000)	(600,000)	-14.3%
<b>Sub-Total</b>	<b>\$ (3,353,722)</b>	<b>\$ (3,939,100)</b>	<b>\$ (3,839,100)</b>	<b>\$ (3,714,100)</b>	<b>-5.7%</b>
<b>Total</b>	<b>\$ 104,862,586</b>	<b>\$ 102,056,900</b>	<b>\$ 102,799,000</b>	<b>\$ 105,156,600</b>	<b>3.0%</b>

**General Fund Insurance (Self-Insurance Fund) -- \$8,756,600**

General Fund Insurance is managed by the Risk Management Unit in the Office of Finance. It insures fire, casualty, automobile, and public losses. The Self-Insurance Fund is composed of the following governmental entities: the County, the Community College, the Memorial Library System, and the Board of Education. Contribution levels are based on the results of an annual actuarial study.

**Judgments and Losses -- \$200,000**

This appropriation represents contingent small claims payouts by the County.

**Postage -- \$1,500,000**

The postage appropriation for FY 2016 increases by \$350,000.

**Real Estate Acquisition Program (REAP) -- \$2,747,000**

On May 3, 1991, pursuant to the Real Estate Acquisition Program (REAP), the County financed the acquisition of two leased properties. The agreement required annual appropriations beginning in FY 1994 to pay annual purchase installment payments. REAP II was issued in August 1994 totaling \$21.9 million. The financing consisted of the purchase of five facilities and the relocation of over 600 employees in 10 different County agencies.

**Equipment Leases -- \$21,628,900**

The FY 2016 expenditures include the principal and interest payment of the 2011, 2012, 2013, 2014, and 2015 lease purchase payments. It also includes resources for voting machine rentals.

**Other Leases -- \$15,413,400**

The Office of Central Services is responsible for maintaining the County's lease agreements for various locations. The County has agreed to pay the IDA for payments due on lease revenue bonds through annual lease payments. The Authority uses the lease payments to retire its outstanding debt. Most of the debt proceeds were used to build the Prince George's Courthouse in Upper Marlboro.

**Utilities -- \$9,999,000**

Utility costs reflect projected expenditure levels for electricity, gas, oil, and propane used by the County.

**Streetlights -- \$3,200,000**

Projected energy costs for streetlights maintained by the County.

**Traffic Signals -- \$4,250,000**

Operational funding for traffic signals provided by the County for vehicular and pedestrian safety.

**Miscellaneous Expenses -- \$9,440,500**

This category includes resources for general and administrative services related to the implementation of the County's strategic plan, collection of emergency transportation fees, and the Summer Youth Program. Starting from FY 2012, this budget also includes costs for payments to the State for the State Department of Assessments and Taxation (\$2.8 million in FY 2015).

**Speed Camera Program, etc. -- \$6,307,000**

The County incurs costs to run the Speed Camera Program, including payment to the vendor, which are offset by the revenue generated. The amount listed also includes cost associated with the Red Light Camera Program and false alarms managed by the Revenue Authority.

**State Debt Assumption Payments -- \$140,000**

The County makes payments on various County facilities that have been financed with State debt.

**Deferred Compensation in Lieu of State Retirement -- \$100,000**

Several appointed employees have elected to participate in a Deferred Compensation Plan in lieu of the Maryland State Pension System. These costs are included in this category.

**Miscellaneous Pensions -- \$3,000**

A teacher who retired in 1962 is eligible for a supplementary County retirement payment in the amount of \$25.00 per month. Another retiree was added in FY 1998. Article 73B, Section 63, of the Annotated Code of Maryland requires that the County Council of Prince George's County levy and pay pensions to former judges of the People's Court or their surviving spouses. Eligibility is based on court service as provided in the aforementioned law. Additionally under State law (Estates and Trusts Article, Section 2-108), the County must pay pensions to former judges of the County's Orphans' Court.

**Unemployment Insurance -- \$600,000**

This represents the anticipated unemployment insurance claims payable during the fiscal year.

**Retiree Life and Health Insurance -- \$24,098,400**

This represents both the Retiree Life Benefits/Annuities (\$1.0 million) and the Retiree Health Benefits (\$23.0 million) costs. The County portion of health and life insurance costs for retired

employees are funded in this category. It includes \$1,000,000 for retiree life insurance, \$50,000 for retiree annuities, and \$23,048,400 for retiree health benefits, or Other Post Employment Benefits (OPEB).

**Department of Justice Settlement Costs -- \$486,900**

Funding is budgeted for anticipated costs associated with the ongoing services begun as part of the Department of Justice settlement, including crisis response and K-9 training.

**Expenditure Recoveries (Project Charges) -- (\$3,714,100)**

Expenditure Recoveries are from non-general funds for the use of space at the Inglewood Center and REAP II recoveries, charges for utilities, maintenance and equipment usage payments, retiree health insurance recoveries, and postage recoveries from various funds. The FY 2016 recoveries include certain payments by the State of Maryland for a portion of the IDA lease payments.

**NON-DEPARTMENTAL**

**OTHER FUNDS**

**CONTINGENCY**

	FY 2014 ACTUAL	FY 2015 BUDGET	FY 2015 ESTIMATED	FY 2016 APPROVED	CHANGE FY15 - FY16
<u>Compensation Contingency</u>					
Negotiations	\$ -	\$ -	\$ -	\$ -	0.0%
Retirement Incentive Savings	-	-	-	-	0.0%
Furlough Savings	-	-	-	-	-100.0%
Reduction in Force	-	-	-	-	-100.0%
To Be Determined Reductions	-	-	(31,634,300)	-	0.0%
Office Automation Savings	-	-	-	-	0.0%
Operating Contingency	-	500,000	-	17,665,400	-100.0%
Leave Payout Contingency	-	-	-	-	0.0%
Fringe Benefits Contingency	-	-	-	-	0.0%
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 500,000</b>	<b>\$ (31,634,300)</b>	<b>\$ 17,665,400</b>	<b>3433.1%</b>

**ECONOMIC DEVELOPMENT INCENTIVE FUND**

This fund will provide financial assistance in the form of loans, guarantees, and grants to benefit existing and potential industrial and commercial businesses in the County. The primary goal of the fund is to create and retain jobs, broaden the local tax base, promote economic development opportunities, and assist in the retention of existing businesses and the attraction of new businesses.

	FY 2014 ACTUAL	FY 2015 BUDGET	FY 2015 ESTIMATED	FY 2016 APPROVED	CHANGE FY15-FY16
<b>EXPENDITURE SUMMARY</b>					
Compensation	\$ -	\$ -	\$ -	\$ -	0.0%
Fringe Benefits	-	-	-	-	0.0%
Operating Expenses	4,491,881	13,000,000	11,000,000	9,000,000	-30.8%
Capital Outlay	-	-	-	-	0.0%
<b>Sub-Total</b>	<b>4,491,881</b>	<b>13,000,000</b>	<b>11,000,000</b>	<b>9,000,000</b>	<b>-30.8%</b>
Recoveries	-	-	-	-	0.0%
<b>TOTAL</b>	<b>\$ 4,491,881</b>	<b>\$ 13,000,000</b>	<b>\$ 11,000,000</b>	<b>\$ 9,000,000</b>	<b>-30.8%</b>
<b>STAFF</b>					
Full-Time - Civilian	-	-	-	-	0.0%
Full-Time - Sworn	-	-	-	-	0.0%
Part-Time	-	-	-	-	0.0%
Limited Term Grant	-	-	-	-	0.0%

**NON-DEPARTMENTAL**

**OTHER FUNDS**

Economic Development Fund - Summary - FY 2013 - FY 2018 Preliminary Estimates - Subject to Change - For Illustrative Purposes Only						
	FY 2013 ACTUAL	FY 2014 ACTUAL	FY 2015 ESTIMATED	FY 2016 APPROVED	FY 2017 PROJECTED	FY 2018 PROJECTED
<b>Beginning Balance - July 1st</b>	\$ 50,000,000	\$ 49,200,340	\$ 45,579,581	\$ 36,107,881	\$ 25,418,981	\$ 15,890,681
<b>Revenues</b>						
Transfers In - General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Income	105,263	538,006	455,800	361,100	254,200	158,900
Loan Repayments (Principal and Interest)	-	333,115	1,072,500	1,950,000	3,217,500	4,485,000
Equity Investment Returns	-	-	-	-	-	-
Federal Aid	-	-	-	-	-	-
State Aid	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-
Appropriation from Fund Balance	799,660	3,620,759	9,471,700	6,688,900	9,528,300	8,356,100
<b>Total Revenues</b>	<b>\$904,923</b>	<b>\$4,491,881</b>	<b>\$ 11,000,000</b>	<b>\$9,000,000</b>	<b>\$13,000,000</b>	<b>\$13,000,000</b>
<b>Expenditures</b>						
Transfers Out - General Fund	-	-	6,000,000	\$0	-	-
Direct Grants	-	-	-	3,000,000	4,500,000	4,500,000
Small Business Loans	904,923	4,491,881	5,000,000	3,000,000	4,000,000	4,000,000
Major Project Loans	-	-	-	3,000,000	4,500,000	4,500,000
Equity Investments	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 904,923</b>	<b>\$ 4,491,881</b>	<b>\$ 11,000,000</b>	<b>\$ 9,000,000</b>	<b>\$ 13,000,000</b>	<b>\$ 13,000,000</b>
<b>Excess of Revenues over Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Other Adjustments</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (4,000,000)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Ending Fund Balance</b>	<b>\$ 49,200,340</b>	<b>\$ 45,579,581</b>	<b>\$ 36,107,881</b>	<b>\$ 25,418,981</b>	<b>\$ 15,890,681</b>	<b>\$ 7,534,581</b>
Assumptions: (1) Excess cash balance invested annually at a rate of 1.0%. (2) As the EDI Fund develops, there may be additional opportunities to receive both State and Federal grants for economic development projects.						

