

# Allegany County FY 2019 CIP

Presented May 10, 2018



## Debt Affordability Component

Prepared By Allegany County Finance Department



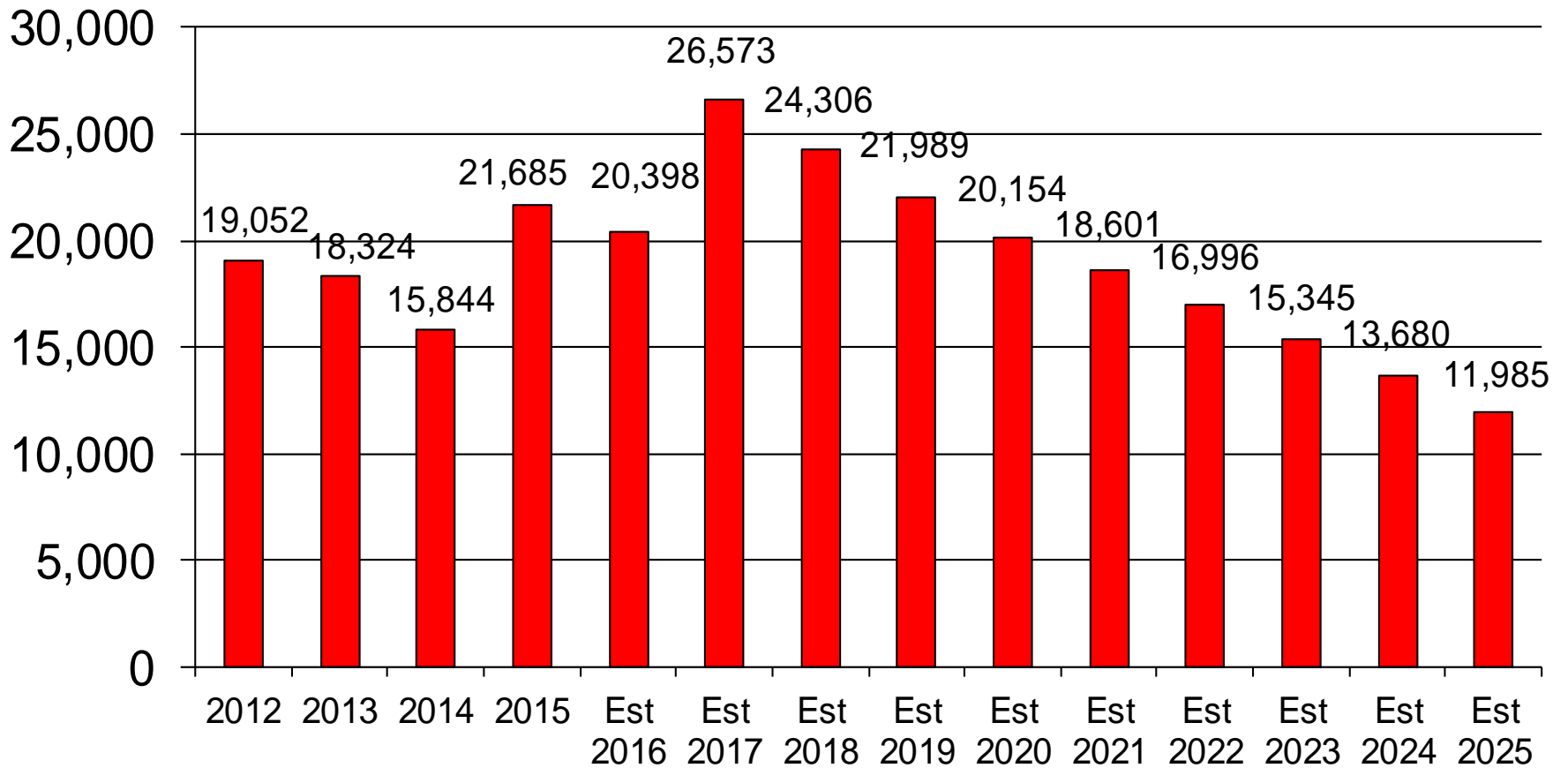
# Debt Affordability Model

	FY 2018 Estimate	FY 2019 Estimate	FY 2020 Estimate	FY 2021 Estimate	FY 2022 Estimate	FY 2023 Estimate
<b>Assumptions</b>						
GO Debt Borrowing Rate	3.25%	3.25%	3.50%	3.75%	4.00%	4.25%
Property Tax Growth Rate	0.2%	0.7%	1.0%	1.5%	2.0%	2.5%
Income Tax Growth Rate	-1.8%	-1.8%	0.0%	1.0%	1.5%	2.0%
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	0.7%	4.0%	2.5%	2.5%	2.5%	2.5%
Assessed Value (In Thousands)	3,876,312,569	3,897,983,255	3,956,453,004	4,035,582,064	4,116,293,705	4,198,619,579
Non Inmate Population	71,934	71,430	70,930	70,434	69,941	69,451
New Borrowing	\$0	\$0	\$9,199,500	\$0	\$0	\$0
Additional Debt Service Payments	\$0	\$0	\$0	\$0	\$0	\$0

	Maximum Rate @ 90%	FY 2018 Estimate	FY 2019 Estimate	FY 2020 Estimate	FY 2021 Estimate	FY 2022 Estimate	FY 2023 Estimate
<b>Debt Affordability Ratios</b>							
Debt Per Capita	\$585	\$338	\$308	\$414	\$387	\$359	\$330
GF Debt Service/General Fund Revenue	11.70%	3.40%	3.21%	3.10%	3.22%	3.12%	2.99%
GF Debt Service/General Fund Expenditures	13.50%	3.40%	3.21%	3.10%	3.22%	3.12%	2.99%
Debt/Full Value	3.15%	0.63%	0.56%	0.74%	0.68%	0.61%	0.55%



# Existing General Obligation Debt (Dollars in Thousands)

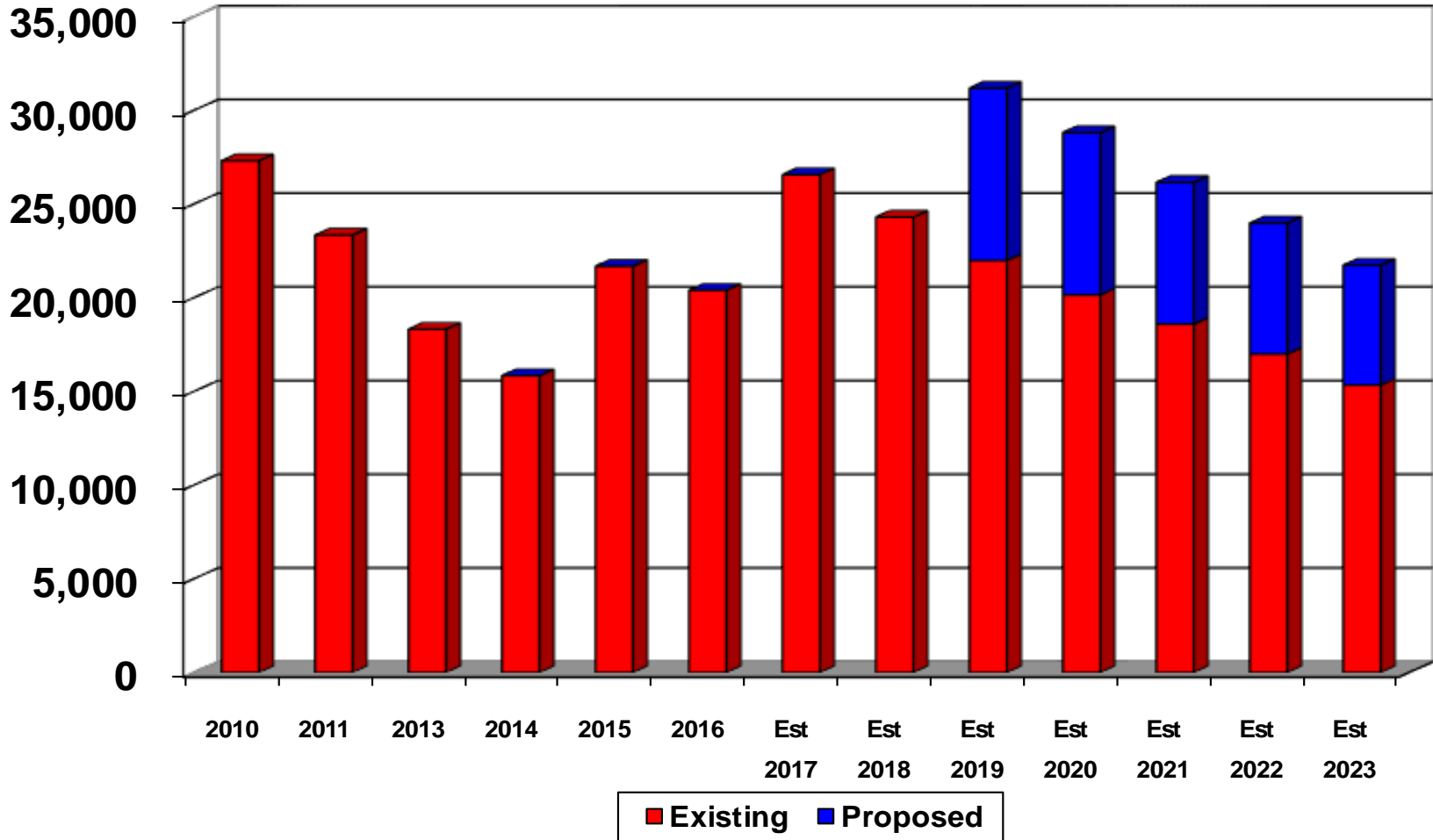




# Allegany County, Maryland

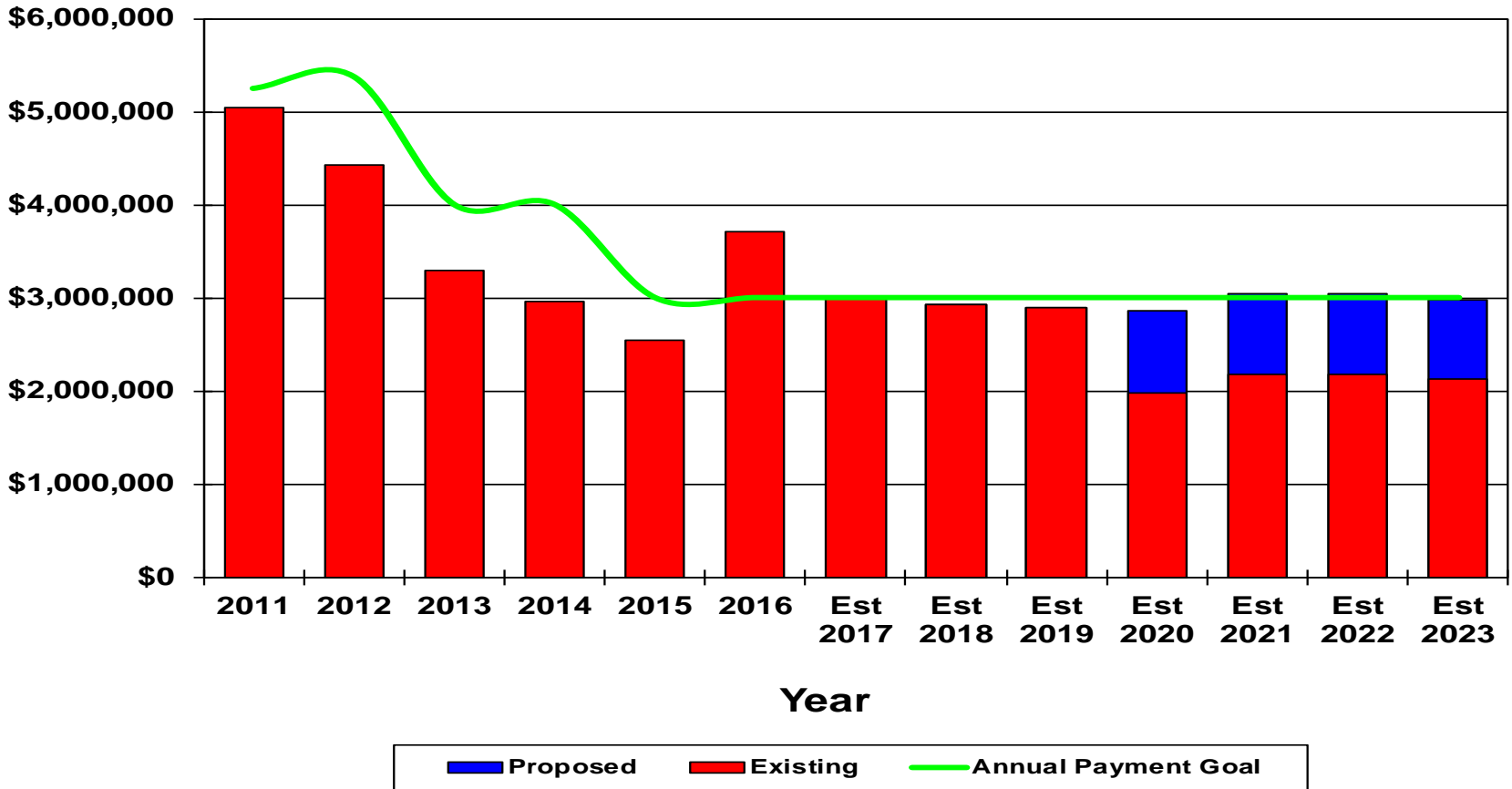
## Existing & Proposed General Obligation Debt

(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**
- **We can only sustain one more borrowing of just over \$9M in the next 8 years**
- **Projects will have to be reduced in scale or eliminated to stay under \$3M in debt service.**
- **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 7, 2018.**

**This information is available at [www.gov.allconet.org](http://www.gov.allconet.org). The public is also invited to EMAIL the finance department at [finance@alleganygov.org](mailto:finance@alleganygov.org) .**