

SUPPLEMENTAL
INFORMATION

Asheville Community Profile
Budget Ordinance
Glossary of Budget Terms

ASHEVILLE COMMUNITY PROFILE

Community Description

The City of Asheville, with a population of 83,393, comprises an area of approximately 45.2 square miles in Western North Carolina. Asheville is the regional center for manufacturing, transportation, health care, banking, professional services, and shopping. The City is the county seat of Buncombe County, the largest city in Western North Carolina, and the eleventh largest city in the State. Asheville is nestled between the Blue Ridge and Great Smoky Mountains and located astride the French Broad and Swannanoa Rivers. The City is surrounded by lush mountains, many with elevations above 5,000 feet.

Recreational opportunities abound in the Asheville area with approximately 16% of the region's area designated as public or recreational. The Biltmore Estate, George Vanderbilt's 19th century estate, comprises over 8,000 acres just outside the city limits. The Blue Ridge Parkway is also headquartered in Asheville. The City also has a strong historic preservation program. This assistance in the preservation of downtown housing and historic structures has created a truly unique and vibrant urban atmosphere in downtown Asheville.

Asheville's natural and architectural beauty, moderate climate, strong job market, and outstanding educational and health care facilities make it one of the most attractive locations in the United States. Asheville is consistently ranked high among the best places to live, work and retire. The City's long-range planning is directed toward preserving this area's high quality of life, so that it shall remain one of the "best places."

Form of City Government

The City of Asheville, which was incorporated in 1797, operates under a Council/Manager form of government. The six-member City Council and the Mayor are elected at-large for staggered terms of four years. City Council, which acts as the City's legislative and policy-making body, selects the City Manager, who is the City's chief administrator and is responsible for implementing the policies and programs adopted by the City Council. The City's 1,000-person workforce provides basic City services including fire and police protection, planning and economic development, public works (streets, traffic, solid waste and stormwater services), parks and recreation, and water.

Statistical Information

Year Established

Asheville	1883
Buncombe County	1792

Size (square miles)

Asheville	45.2
Buncombe County	660

Climate

Avg. Yearly Temp.	55.6 F
Avg. Yearly Rainfall	47.07 in
Avg. Yearly Snowfall	13.3 in
Avg. Elevation	2,165 ft

Police Protection

Number of Stations	4
Number of Police Personnel	260
Number of Patrol Districts	3
Number of:	
Calls for Service Dispatched	110,353
UCR Part I Crimes Reported	4,280
UCR Part I Crimes Cases Cleared	1,107
Traffic Accidents Reported	3,321

Utilities

Miles of Streets	379.38
Number of Street Lights	9,809
Number of City-Maintained Intersections	62
Miles of Water Mains	1,643
Treatment Plants	3
Water Service Connections	51,776
Fire Hydrants	3,345
Daily Avg. Consumption of Water (gal)	20.9 million
Max. Daily Capacity of Treat. Plants (gal)	44 million

Fire Protection

Number of Stations	11
Number of Fire Personnel	239
Number of Responses	13,585
Number of Inspections Conducted	3,542

Culture & Recreation

Community Centers	11
Parks & Playgrounds	73
Park Acreage	937
Swimming Pools	3
Tennis Courts	30

ASHEVILLE COMMUNITY PROFILE

Demographic Information

(Source: U.S. Census Bureau, American Factfinder 2007; Geographic Area: City of Asheville, unless otherwise indicated. The Asheville Metropolitan Statistical Area includes the following counties: Buncombe, Haywood, Henderson, & Madison.)

<u>Population</u>			<u>Households</u>	
City of Asheville	83,393		Total	37,380
Buncombe County	238,318		Family Households	18,452 49.4
			Non-Family Households	18,928 50.6
			Average Household Size	2.12
			Average Family Size	2.82
<u>Age</u>			<u>Housing Occupancy</u>	
	<u>Number</u>	<u>Percent</u>	Total Housing Units	41,626
Under 5 years	4,765	5.7	Occupied Housing Units	37,380 89.8
5 to 9 years	4,349	5.2	Vacant Housing Units	4,246 10.2
10 to 14 years	3,851	4.6	Homeowner Vacancy Rate	3.7
15 to 19 years	4,677	5.6	Rental Vacancy Rate	7.2
20 to 24 years	6,613	7.9	<u>Housing Tenure</u>	
25 to 29 years	7,167	8.6	Occupied Housing Units	37,380
30 to 34 years	6,604	7.9	Owner-Occupied Housing Units	18,830 50.4
35 to 39 years	5,829	7.0	Renter-Occupied Housing Units	18,550 49.6
40 to 44 years	5,135	6.2	<u>Sex</u>	
45 to 49 years	5,181	6.2	Male	39,325 47.2
50 to 54 years	5,415	6.5	Female	44,068 52.8
55 to 59 years	5,289	6.3		
60 to 64 years	4,885	5.9		
65 to 69 years	3,499	4.2		
70 to 74 years	2,727	3.3		
75 to 79 years	2,312	2.8		
80 to 84 years	2,425	2.9		
85 years and over	2,670	3.2		
Median age (years)	38.2			
<u>Race</u>				
	<u>Number</u>	<u>Percent</u>		
White	66,143	79.3		
Black or African American	11,134	13.4		
Other	6,116	7.3		

Other Demographic Information

(Source: Asheville Area Chamber of Commerce)

<u>Public Schools</u>		<u>Area Colleges & Universities</u>	
Number of Elementary Schools	6	University of North Carolina-Asheville	3,629
Number of Middle/High Schools	2/1	Western Carolina University	9,050
Total Student Enrollment	3,849	Mars Hill College	1,245
		Warren Wilson College	1,002
		Montreat College	1,113
		Asheville-Bunc. Tech/Comm College	6,408
<u>Housing</u>			
Avg. Price Area Existing Homes (2010)	\$250,985		

ASHEVILLE COMMUNITY PROFILE

Economic Indicators

Growth in many of the City's revenues depends on the state of the economy. When the economy is expanding, revenues are up, and when the economy slows, revenues react accordingly. Given this relationship, key economic indicators, such as retail sales, unemployment rates, job growth, construction starts and hotel/motel sales are helpful in assessing why revenues are either up or down, and how they might be trending in the future. Although the City's revenues are most directly impacted by the local economy, trends in North Carolina and across the nation are also important.

Retail Sales (Source: N.C. Department of Revenue)

Buncombe County Retail Sales

		<u>% Growth</u>
FY 00-01	3,385,178,057	4.32%
FY 01-02	3,431,308,897	1.36%
FY 02-03	3,443,728,087	0.41%
FY 03-04	3,652,735,132	6.07%
FY 04-05	4,052,113,042	10.93%
FY 05-06	3,002,061,125	NA
FY 06-07	3,336,213,094	11.13%
FY 07-08	3,283,356,807	-1.58%
FY 08-09	2,995,665,910	-8.76%
FY 09-10	2,909,115,924	-2.90%
FY 10-11	3,125,296,879	7.43%

In addition to being an important indicator of overall local economic health, Buncombe County retail sales activity also directly impacts the City's general fund budget through sales tax receipts. The economic recession and its lingering effects caused retail sales to drop substantially in FY 07-08, FY 08-09, and FY 09-10, with sales falling over 11% during this time period. Sales rebounded in FY 10-11, with year-over-year growth of 7.43%. Note: Due to a change in the way the state calculates retail sales, data since FY 04-05 is not comparable to prior years.

Approximately 75% of the retail sales in Buncombe County occur within the City of Asheville. Among the large cities in North Carolina, Asheville has one of the highest levels of retail sales per resident. This data reflects Asheville's position as the regional economic center for Western North Carolina. Asheville's high level of retail sales per resident is also likely associated with Asheville's status as a tourist destination.

Labor Market Trends (Sources: N.C. Employment Security Commission & the Asheville Area Chamber of Commerce)

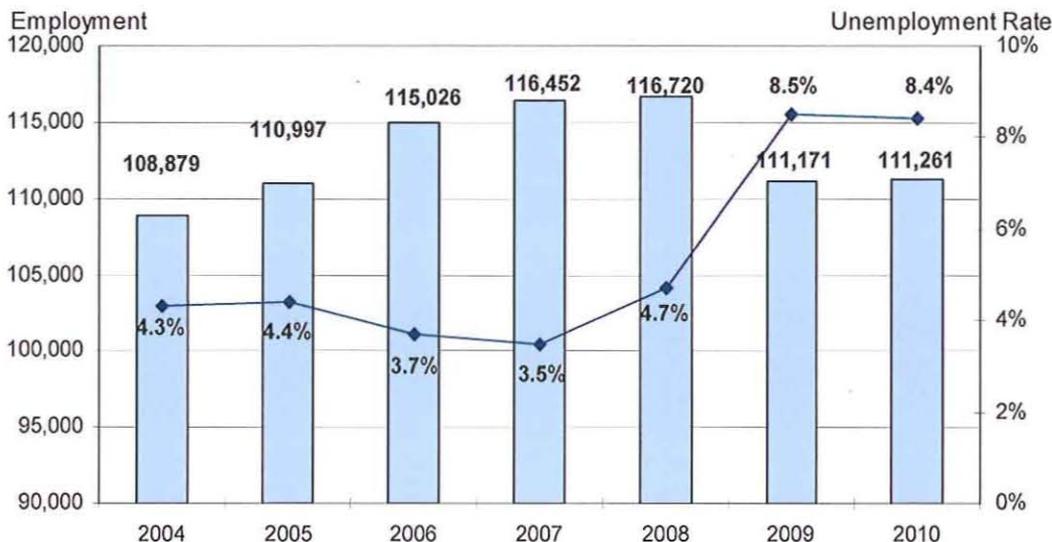
The unemployment rate is a critical indicator of relative strength in the local economy. As the effects of the recession began to be felt in Buncombe County, the average unemployment climbed throughout 2009 and the early part of 2010, peaking at 9.7% in February 2010. The local employment data have improved slightly since then, and as of July 2011, the county's unemployment rate stood at 8.0%. Local unemployment rates are below both the statewide rate (10.3%) and the national rate (9.3%).

Between 2001 and 2008, the total employment in Buncombe County increased by 12,740 jobs or 12.3%. With the onset of the recession, average employment in 2009 dropped by 4.7% and remained essentially flat in 2010. The Asheville metro area's leading industry in terms of employment is health care & private education. Other leading industry sectors include government, leisure & hospitality, and retail trade. Together these four sectors account for approximately 64% of all Asheville metro area jobs.

According to the latest data provided by the U.S. Bureau of Labor Statistics, the average annual wage in the Asheville Metropolitan Statistical Area (MSA) in May 2010 was \$36,840. For the State of North Carolina, it was \$40,500. Asheville's MSA average annual wage was 91% of the State average.

ASHEVILLE COMMUNITY PROFILE

Labor Market Trends (Sources: N.C. Employment Security Commission & the Asheville Area Chamber of Commerce)



Metro Area Workforce

Largest Employment Sectors (NAICS)	% of Employment
Health Services & Private Education	19.2%
Leisure & Hospitality	15.8%
Retail Trade	15.1%
Government (federal, state and local)	14.4%
Manufacturing	11.5%
Professional & Business Services	8.9%
Construction	4.6%
Financial Activities	3.6%
Wholesale	2.9%
Transportation & Utilities	2.8%
Information	1.2%

Buncombe County Employment Growth

Year	Avg. Employment	% Change
2001	103,980	
2002	105,436	1.40%
2003	107,854	2.29%
2004	108,879	0.95%
2005	110,997	1.95%
2006	115,026	3.63%
2007	116,452	1.24%
2008	116,720	0.23%
2009	111,171	-4.75%
2010	111,261	0.08%

Major Buncombe County Employers

Employer	Employment	Employer	Employment
Mission Health & Hospitals	3,000+	VA Medical Center	1,000-2,999
Buncombe County Public Schools	3,000+	The Biltmore Company	1,000-2,999
Ingles Markets, Inc.	1,000-2,999	The Grove Park Inn Resort & Spa	1,000-2,999
Buncombe County	1,000-2,999	BorgWarner Turbo & Emissions Systems	750-999
City of Asheville	1,000-2,999	CarePartners	750-999

ASHEVILLE COMMUNITY PROFILE

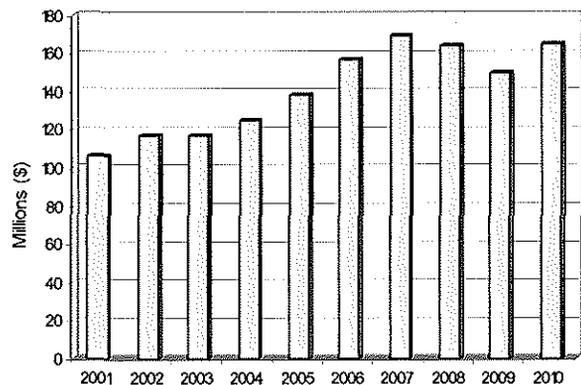
ACCRA Cost of Living Index (2nd Quarter 2011)

Cities	All Items	Food	Housing
Asheville	99.7	102.0	96.7
Raleigh	92.4	102.7	81.4
Charlotte	94.0	98.9	79.9
Winston-Salem	90.3	100.5	72.1

(100 = The Composite National Average)

Buncombe County Hotel/Motel Sales (Sources: N.C. Department of Commerce & the Asheville Area Chamber of Commerce)

	<u>Hotel/Motel Sales</u>	<u>% Change</u>
2001	105,942,408	7.9%
2002	117,411,941	10.8%
2003	117,444,465	0.0%
2004	124,767,177	6.2%
2005	138,271,482	10.8%
2006	156,752,276	13.4%
2007	168,839,645	7.7%
2008	163,836,134	-3.0%
2009	149,598,804	-8.7%
2010	164,471,930	10.1%



Asheville's setting, in the heart of a vast and beautiful recreational area, has made tourism an important part of the local economy. The most recent data from the N.C. Department of Commerce indicate that domestic tourism in Buncombe County generated an economic impact of \$729.02 million in 2010. Buncombe County ranks 5th in travel impact among the state's 100 counties. Over 8,940 jobs in Buncombe County are directly linked to travel and tourism. Hotel/motel sales are a good indicator of the status of the local tourist economy. Hotel/motel sales grew steadily between 2004 and 2007, however the effects of the recession began being felt in 2008 and extended into 2009, with hotel/motel sales falling by a combined 11.7% over those two years. Sales did rebound in 2010, but they still remain below their 2007 peak.

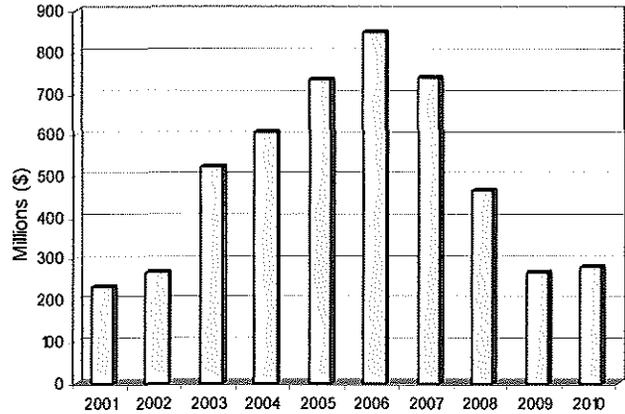
ASHEVILLE COMMUNITY PROFILE

Construction Trends (Source: US Census Bureau)

Residential Permit Valuation (Asheville MSA)

Residential Permit Valuation (in thousands)

		<u>% Change</u>
2001	233,905	
2002	267,234	14.2%
2003	521,762	95.2%
2004	604,992	16.0%
2005	732,966	21.2%
2006	847,083	15.6%
2007	739,846	-12.7%
2008	465,000	-37.1%
2009	267,520	-42.5%
2010	278,780	4.2%



Residential property is the single largest component of the City's tax base comprising 50% of the City's total assessed valuation. Trends in residential construction are therefore an important indicator of overall growth in the City's financial capacity. In addition, residential development generally costs more to service than other types of development. Explosive growth in residential construction can thus lead to more demand for services and higher operating costs for City departments. Residential construction increased during the first part of the last decade, peaking in 2006. Residential construction value and activity has decreased sharply with the recession.

ORDINANCE NO. 3981

AN ORDINANCE ADOPTING THE ANNUAL BUDGET AND FIXING THE TAX RATE FOR THE CITY OF ASHEVILLE FOR THE FISCAL YEAR 2011-12

WHEREAS, Article 3 of Chapter 159 of the N. C. General Statutes requires local governments in North Carolina to adopt ordinances establishing an annual budget, in accordance with procedures specified in said Article 3; and

WHEREAS, the Asheville City Council, following a public hearing as required by law has considered the proposed annual budget for the City of Asheville for the 2011-12 fiscal year;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE THAT:

Section 1. The following anticipated revenues and authorized expenditures by fund, together with a financial plan for internal service funds, are hereby appropriated for operating City government for the fiscal year beginning July 1, 2011 and ending June 30, 2012.

GENERAL FUND

Revenues:

Property Taxes	\$46,602,746	
Intergovernmental	10,963,573	
Sales & Other Taxes	15,439,305	
Charges For Service	5,587,654	
Licenses & Permits	5,070,977	
Investment Earnings	239,700	
Miscellaneous	1,334,680	
Other Financing Sources	<u>2,407,320</u>	
Total Revenues		<u>\$87,645,955</u>

Appropriations:

Departmental Operations		<u>\$87,645,955</u>
-------------------------	--	---------------------

WATER RESOURCES FUND

Revenues:

Charges For Service	\$32,289,928	
Investment Earnings	225,000	
Miscellaneous	16,000	
Other Financing Sources	<u>359,324</u>	
Total Revenues		<u>\$32,890,252</u>

Appropriations:

Water Resources Operations		<u>\$32,890,252</u>
----------------------------	--	---------------------

PARKING SERVICES FUND

Revenues:

Miscellaneous Revenue	\$3,097,747	
Investment Earnings	20,000	
Charges For Service	<u>500</u>	
Total Revenues		<u>\$3,118,247</u>

Appropriations:

Parking Services Operations		<u>\$3,118,247</u>
-----------------------------	--	--------------------

STORMWATER FUND

Revenues:

Charges For Service	\$2,775,218	
Licenses & Permits	180,000	
Investment Earnings	11,000	
Miscellaneous	20,000	
Other Financing Sources	<u>1,130,000</u>	
Total Revenues		<u>\$4,116,218</u>

Appropriations:

Stormwater Operations		<u>\$4,116,218</u>
-----------------------	--	--------------------

TRANSIT SERVICES FUND

Revenues:

Intergovernmental Revenue	\$3,094,611	
Charges For Service	819,000	
Licenses & Permits	320,000	
Other Financing Sources	<u>1,485,295</u>	
Total Revenues		<u>\$5,718,906</u>

Appropriations:

Transit Services Operations		<u>\$5,718,906</u>
-----------------------------	--	--------------------

CIVIC CENTER FUND

Revenues:

Charges For Service	\$1,618,860	
Investment Earnings	20,000	
Miscellaneous	74,400	
Other Financing Sources	<u>392,594</u>	
Total Revenues		<u>\$2,105,854</u>

Appropriations:

Civic Center Operations		<u>\$2,105,854</u>
-------------------------	--	--------------------

GOLF FUND

Revenues:

Charges For Service	\$920,000	
Total Revenues		<u>\$920,000</u>

Appropriations:

Golf Operations		<u>\$920,000</u>
-----------------	--	------------------

STREET CUT UTILITY FUND

Revenues:

Charges For Service	\$671,312	
Other Financing Sources	946,968	
Total Revenues		<u>\$1,618,280</u>

Appropriations:

Street Cut Operations		<u>\$1,618,280</u>
-----------------------	--	--------------------

HOUSING PARTNERSHIP FUND (GENERAL FUND)

Revenues:

Miscellaneous	\$150,000	
Other Financing Sources	300,000	
Total Revenues		<u>\$450,000</u>

Appropriations:

Housing Partnership Fund Ops.		<u>\$450,000</u>
-------------------------------	--	------------------

INTERNAL SERVICE FUNDS

Revenues:

Charges For Service	\$16,698,953	
Other Financing Sources	1,400,000	
Miscellaneous Revenue	1,786,500	
Investment Earnings	10,000	
Total Revenues		<u>\$19,895,453</u>

Appropriations:

Health Insurance	\$14,377,409	
Property & Liability	4,360,270	
Workers Compensation	1,157,774	
Total Revenues		<u>\$19,895,453</u>

Section 2. All appropriations included in the following Capital Project and other multi-year project funds are approved for the financing life of each project, which may extend beyond one fiscal year.

GENERAL CAPITAL PROJECTS FUND

<u>Revenues:</u>		
Transfer from General Fund	\$2,404,341	
Debt Proceeds	13,673,000	
Transfer from Water Resources Fund	660,224	
Licenses & Permits	125,000	
Miscellaneous	50,000	
Capital Reserves	<u>160,000</u>	
Total Revenues		<u>\$17,072,565</u>
<u>Appropriations:</u>		
General Capital Project Fund Expenditures		<u>\$17,072,565</u>

WATER CAPITAL PROJECTS FUND

<u>Revenues:</u>		
Transfer from Water Resources Fund		<u>\$6,249,673</u>
<u>Appropriations:</u>		
Water Capital Fund Expenditures		<u>\$6,249,673</u>

TRANSIT CAPITAL PROJECTS FUND

<u>Revenues:</u>		
Transfer from General Fund	\$75,000	
Intergovernmental	<u>375,000</u>	
Total Revenues		<u>\$450,000</u>
<u>Appropriations:</u>		
Transit Capital Fund Expenditures		<u>\$450,000</u>

PARKING CAPITAL PROJECTS FUND

<u>Revenues:</u>		
Transfer from Parking Services Fund		<u>\$301,260</u>
<u>Appropriations:</u>		
Parking Capital Fund Expenditures		<u>\$301,260</u>

STORMWATER CAPITAL PROJECTS FUND

Revenues:

Transfer from Stormwater Fund	\$700,000	
Debt Proceeds	<u>430,000</u>	
Total Revenues		<u>\$1,130,000</u>

Appropriations:

Stormwater Capital Fund Expenditures		<u>\$1,130,000</u>
--------------------------------------	--	--------------------

CIVIC CENTER CAPITAL PROJECTS FUND

Revenues:

Transfer from General Fund		<u>\$300,000</u>
----------------------------	--	------------------

Appropriations:

Civic Center Capital Fund Expenditures		<u>\$300,000</u>
--	--	------------------

COMMUNITY DEVELOPMENT BLOCK GRANT FUND

Revenues:

Federal Grant	\$1,097,812	
Program Income	<u>118,859</u>	
Total Revenues		<u>\$1,216,671</u>

Appropriations:

Fiscal 2011-12 CDBG Program		<u>\$1,216,671</u>
-----------------------------	--	--------------------

HOME OWNERSHIP GRANT FUND

Revenues:

Federal Grant	\$1,280,903	
Program Income	<u>93,933</u>	
Total Revenues		<u>\$1,374,836</u>

Appropriations:

Fiscal 2011-12 HOME Program		<u>\$1,374,836</u>
-----------------------------	--	--------------------

SECTION 108 REHAB GRANT FUND

Revenues:

Program Income		<u>\$69,194</u>
----------------	--	-----------------

Appropriations:

Section 108 Expenditures		<u>\$69,194</u>
--------------------------	--	-----------------

GRANT FUND

Revenues:

Federal Grant \$100,000

Appropriations:

Fiscal 2011-12 FHAP Program \$100,000

Section 3. It is estimated that revenues in the amounts indicated in the foregoing schedule will be available to support the foregoing appropriations. The fees & charges, as readopted and changed on April 12, 2011 in ordinance number 3960 and amended by City Council thereafter, shall be set forth in a Fees and Charges Manual to be kept on file in the Office of the City Clerk.

Section 4. There is hereby levied for the fiscal year ending June 30, 2012, the following tax on each \$100 assessed valuation of taxable property as listed on January 1, 2011 for purposes of raising the revenues from current year's property tax as set forth in the foregoing estimates of revenues and in order to finance the foregoing appropriations:

Tax Rate per \$100 Assessed Valuation \$0.4200

Such rate of tax is based on an estimated total assessed value of property for the purposes of taxation of \$10,554,059,404 assuming 99.00% collection of the levy. In addition, Ad Valorem Tax revenue from taxes levied on motor vehicles at the same tax rate is estimated at \$2,232,045.

Section 5. The City Manager is authorized to amend the budget by transfer of appropriations within each fund. All amendments affecting revenues or total fund appropriations shall be approved by ordinance by the City Council, to be acted on at any regular or special meeting and approved by a simple majority of those present and voting, a quorum being present. Only one reading will be required and a public hearing or publication of notice is not necessary unless requested by Council.

Section 6. The City Manager is authorized to expend up to \$20,000 in general contingency funds in the event of any need he deems an emergency. Said action shall be reported to the City Council at the next regularly scheduled Council meeting and the budget ordinance amended accordingly.

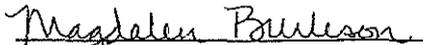
Section 7. The reserve for encumbrances at June 30, 2011 and carry-over appropriations, representing prior commitments as of that date shall be reappropriated pursuant to North Carolina General Statute 159-13, to the departments within various funds, under which expenditures may be made during fiscal year 2011-12 as the previous commitments are satisfied.

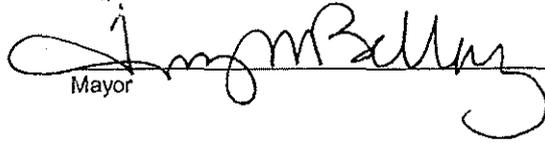
Section 8. Copies of this ordinance shall be furnished to the City Manager and Director of Finance, to be kept on file by them for their direction in the collection of revenues and expenditures of amounts appropriated.

Section 9. Should any section, paragraph, sentence, clause or phrase of this ordinance be declared unconstitutional or invalid for any reason, the remainder of said ordinance shall not be affected thereby.

Section 10. That this ordinance shall be in full force and effect upon date of final passage.

Read, approved and adopted this 24th day of May, 2011.


City Clerk


Mayor

Approved as to form:

City Attorney

GLOSSARY OF TERMS

Accrual Basis - Method of accounting in which transactions are recognized at the time they are incurred as opposed to when cash is received or spent.

Adopted Budget - The budget approved by City Council and enacted via a budget appropriation ordinance, on or before June 30 of each year.

Ad Valorem Taxes - Commonly referred to as property taxes, ad valorem taxes are levied on the value of real, certain personal, and public utility property according to the property's valuation and the tax rate.

Appropriated Fund Balance - The amount of fund balance appropriated as a revenue for a given fiscal year to offset operating expenses that exceed current revenue.

Appropriation - An authorization made by City Council which permits the City administrative staff to incur obligations against and to make expenditures of governmental resources. Appropriations are usually made for fixed amounts and are typically granted for a one-year period.

Assessed Value - The fair market value placed on personal and real property owned by taxpayers by the Buncombe County Tax Supervisor. Real property is reappraised and assessed value established every four years.

Basis of Budgeting - This refers to the form of accounting utilized throughout the budget process.

Bond - A written promise to pay a specified sum of money (principal) at a specific future date, along with periodic interest payments paid at a specified percentage of the principal.

Budget - A plan of financial operation comprised of an estimate of proposed expenditures for a fiscal year and the proposed means of financing those expenditures (revenue estimates).

Budget Amendment - Formal action by City Council to change an appropriation or revenue estimate during the fiscal year.

Budget Calendar - The schedule of key dates or milestones which the City follows in the preparation and adoption of the budget.

Budget Document - The official written statement prepared by the City's administrative staff which presents the proposed budget to the City Council.

Budget Message - A general discussion of the proposed budget presented to the City Council by the City Manager as a part of the budget document. The budget message explains principal budget issues against the background of financial experience in recent years and presents recommendations made by the City Manager.

Budget Ordinance - The official enactment by City Council establishing the legal authority for City administrative staff to obligate and expend funds.

Budget Process - Activities that encompass the development, implementation, and evaluation of a plan for the provision of services and capital needs.

Capital Outlay - Items of significant value (more than \$1,000) and having a useful life of several years, also referred to as fixed assets.

Capital Improvement Program - A plan to identify, prioritize, and approve capital needs (over \$25,000) for a six-year period.

Capital Projects - Projects established to account for the cost of capital improvements. Typically, a capital project encompasses a purchase of land and/or the construction of or improvements to a building or facility.

Certificates of Participation (COPs) - A financing mechanism in which certificates or securities are sold to investors who underwrite a project. The issuance of COPs is secured by lease-purchase agreements to which the City is a party.

GLOSSARY OF TERMS

Community Development Block Grant (CDBG) - A U.S. Department of Housing & Community Development federal assistance grant to support local provision of decent housing and a suitable living environment for persons of low and moderate income.

Contingency Reserve - A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

Cost Transfer - A reallocation of cost from one activity to another. The City uses cost transfers to avoid double counting expenditures associated with internal transactions between City departments. For example, when fleet maintenance repairs a fire engine, that expense is recorded in both the fleet division and the fire department. A negative expense or cost transfer is then entered in the fleet division to eliminate the double counting. The remaining expenses in the fleet division after all cost transfers represent the net cost of that activity to the City.

Debt Service - Payment of interest and principal on borrowed funds, such as bonds or lease-purchase payments.

Department - A management unit of closely associated City divisions and activities.

Departmental Mission - A brief statement explaining the general purpose and goal of the department in relation to the overall City mission.

Depreciation - An accounting charge associated with expiration in the service life of fixed assets. Depreciation is not recorded as an expense for budget purposes.

Division - A term used to describe a City cost center with distinct objectives and activities.

Enterprise Fund - A type of fund that accounts for governmental operations that are financed and operated in a manner similar to private business enterprises. It is financed primarily from charges to users for services provided. Included in this category are the Civic Center, Water Resources, Transit Services, and Parking Services Funds.

Encumbrance - The legal commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a future expenditure.

Expenditures - The measurement focus of governmental fund accounting. Financial resources expended during a period for operations, capital outlay, and long-term principal retirement and interest. Expenditures reflect the cost incurred to acquire goods or services.

Expenses - The measurement focus of propriety fund accounting. Costs expired during a period, including depreciation and other allocations, as in business accounting. Expenses reflect the cost of goods or services used.

Fiscal Year - An accounting period extending from July 1 through the following June 30.

Fixed Assets - Assets, such as land, buildings, machinery, furniture, and other equipment, which are intended to be held or used over a long time period.

Full Time Equivalent Position (FTE) - A unit for measuring staffing levels equal to one position working 37.5 hours per week for an entire year. Temporary/seasonal positions, such as summer Parks & Recreation staff, are not included in the FTE count.

Fund - A fiscal entity with a self-balancing set of accounts used to account for an activity(s) with common objectives.

Fund Balance - The cumulative excess of revenues over expenditures in a fund at the end of a fiscal year. With certain limitations, fund balance may be used to balance the subsequent year's budget.

General Fund - A type of governmental fund used to account for revenues and expenditures for regular day-to-day operations of the City, which are not accounted for in the proprietary funds; i.e., Enterprise and Intergovernmental Service Funds. The primary sources of revenue for this fund are local taxes and state-shared revenues.

GLOSSARY OF TERMS

General Obligation Bonds - Bonds issued by City government, usually requiring voter approval, that are backed by the the City's full faith, credit, and taxing power.

Generally Accepted Accounting Principles (GAAP) - The set of accounting rules and procedures used by governmental agencies to account for the receipt and expenditure of funds.

Goal - The underlying reason(s) for the provision of essential City services.

Interfund Transfer – The movement of monies between funds of the same governmental entity.

Internal Charges - Charges for goods or services provided by one City department to other departments within the City on a cost reimbursement basis.

Internal Service Fund - A type of proprietary fund used to account for the financing of goods or services provided by one City activity to other City activities on a cost-recovery basis.

ITRE: Standard rating system used to assess street pavement condition.

Lease-Purchase - A contractual agreement to purchase a fixed asset over a period of several years. Also known as installment purchasing.

Line-Item Budget - A budget summarizing the detail categories of expenditure for goods and services that the City intends to purchase during the fiscal year.

Local Government Budget and Fiscal Control Act - The legal guidelines of the State of North Carolina which govern budgetary and fiscal affairs of local governments.

Modified Accrual Basis - A method for recording receipts and expenditures in which expenditures are recognized when the goods or services are received, and revenues are recognized when measurable and available to pay expenditures in the accounting period.

NCDOT: North Carolina Department of Transportation.

Operating Budget - The City's financial plan which outlines proposed expenditures for the fiscal year and estimates the revenues which will be used to finance them.

Pay-As-You-Go Financing - A method of paying for capital projects that relies on current revenue rather than on debt.

Payment In Lieu of Taxes (PILOTs) - Money transferred from an enterprise fund or an outside non-profit agency into the General Fund. The principle underlying such transfers is that the City would have received the equivalent amount in taxes had the service been provided by a private firm.

PEG Fee: Fee paid by the local cable television company in support of the public, educational, and governmental access channels.

Performance Measure - Indicators used to determine how effectively and efficiently a department achieved its objectives.

Performance Objective - A statement of expected results or impacts which is specific, measurable, realistic, and consistent with overall departmental and organizational goals.

Proposed Budget - The City Manager's recommended balanced budget, which is submitted to City Council prior to June 1.

Proprietary Fund - A type of fund that accounts for governmental operations that are financed and operated in a manner similar to a private business enterprise. It is financed primarily from charges to users for services provided. Proprietary funds used by the City of Asheville include the Enterprise and Internal Service Funds.

Revenue - A term used to represent actual or expected income to a specific fund.

Target-Based Budgeting - A budget process in which departments are provided with a maximum level for their budget requests based on expected revenues and City Council priorities. The Budget & Research office requires separate justification for proposed spending levels that exceed the target.

GLOSSARY OF TERMS

Tax Collection Rate - The percentage of the tax levy that can reasonably be expected to be collected during the fiscal year.

Tax Rate - The level at which taxes are levied. For example, the tax rate is \$0.42 per \$100 of assessed value.

Tax Levy - The total dollar amount of tax that optimally should be collected based on tax rates and assessed values of personal and real properties.

Transmittal Letter – A letter from the City Manager summarizing the major differences between the proposed budget and the adopted budget.