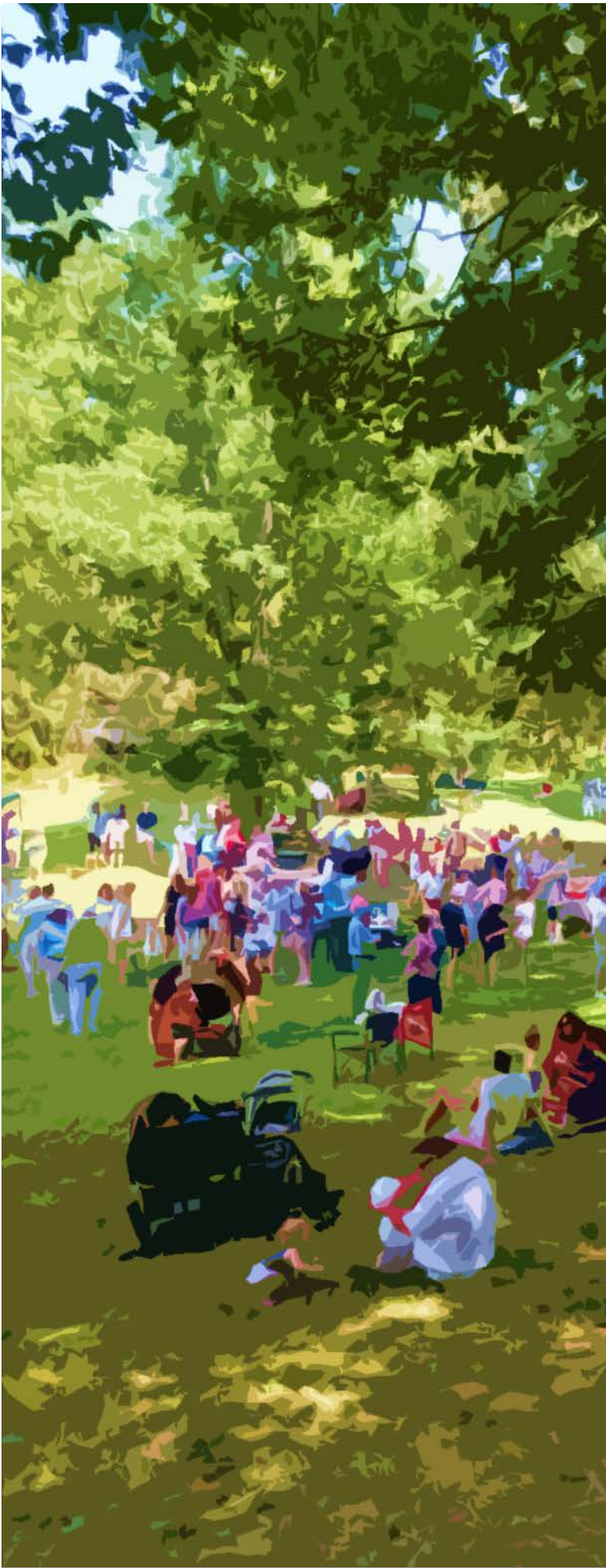


TOWN of
Biltmore
Forest



ANNUAL BUDGET FY 2018-2019



2018-2019 BUDGET

Fiscal Year Ending June 30, 2019

Elected Officials

George F Goosmann, III, Mayor

Fran G Cogburn, Mayor Pro Tem

E Glenn Kelly, Commissioner

Doris P Loomis, Commissioner

Prepared by:

Jonathan B Kanipe,

Town Manager

Helen Stephens,

Assistant Finance Director



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BUDGET MESSAGE

355 Vanderbilt Rd | Asheville, NC 28803
Po Box 5352 | Asheville, NC 28813
P (828) 274-0824 | F (828) 274-8131
www.biltmoreforest.org



George F. Goosmann, III, Mayor
Fran G. Cogburn, Mayor-Pro Tem
E. Glenn Kelly, Commissioner
Doris P. Loomis, Commissioner
Jonathan B. Kanipe,
Town Manager

June 12, 2018

Honorable George F. Goosmann, III, Mayor
Honorable Fran G. Cogburn, Mayor Pro-tem
Honorable E. Glenn Kelly, Commissioner
Honorable Doris P. Loomis, Commissioner

Mayor and Board of Commissioners:

I am pleased to present the proposed Town budget for upcoming fiscal year 2018-2019. The Town's financial condition remains strong. The vision of the Mayor and Board of Commissioners has allowed staff an opportunity to enhance service levels for citizens. Staff anticipates that will continue in the coming fiscal year. A budget, at its most basic, is a necessary financial tool that meets state regulations for financial transparency and prudence. However, it also must be viewed as the ultimate planning document for a town. Each year, the Board and staff analyze current trends and identify pressing needs. Decisions are then made through the budget process where priorities are identified and problems are addressed. Examples from prior years include the Board's technology modernization efforts, the development of home recycling pickup, and extensive storm water planning. The Board has identified each of these priorities, among many others, to further the Town's mission by providing the highest level of service to our citizens.

The following budget message outlines staff recommendations that will continue this mission by improving and enhancing services, and does so in a fiscally prudent and responsible manner. The proposed budget for FY18-19 does not include a recommended tax increase. This budget conservatively estimates revenues while anticipating accurate and conservative costs for expenditures. The overall result is a 2.75 percent reduction in the General Fund from last year's approved budget. The Water Fund, likewise, is a net reduction of 12 percent from last year's approved budget. Even with those slight reductions, the budget proposal before you includes a significant improvement in service provision to the Town's citizens and meets many pressing needs. Staff feels confident these revenue projections will be met and that they will adequately cover the Town's needs for the next fiscal year.

The caveat to the above is that the Public Works Building renovation will take substantial funding from the Town's General Fund balance and debt service obligations related to financing the bulk of the

project. From the Board's previous direction, staff has prepared this budget with a Capital Project Ordinance included which shows funding of approximately \$850,000 coming from debt service and \$700,000 coming from the Town's fund balance reserves.

GENERAL FUND REVENUE PROJECTIONS

Property Tax

The Town derives approximately sixty-five (65) percent of its entire revenue for the General Fund from ad valorem taxes paid on real property, personal property, and public service companies. Last year, the Town's tax assessed valuation grew by 20.8 percent in conjunction with Buncombe County's tax revaluation. Growth for FY18-19 is projected at 1 percent, or \$746,711 greater than last year's total assessed value. The motor vehicle valuation in FY17-18 was \$28,454,373 and increased by 12.5 percent in the coming fiscal year to \$32,010,158. The Town's current tax rate is \$0.33 cents per \$100 valuation, and as noted above, staff does not recommend a change in this year's tax rate.

Pursuant to state law, the Town must budget for its coming year tax revenue based on the current year's collection percentage. The Town's collection percentage remains high, and this year our levy is based on a 99.44 collection percentage as of May 10, 2018. The total revenue generated from real and personal property and public service companies' taxes in FY18-19 is projected at \$2,447,140. The total collection for the motor vehicle levy, based on 100 percent collection percentage, is \$105,634. The total anticipated tax revenue for the Town in FY 18-19 is \$2,552,774.

Sales Tax

Sales tax proceeds are another vital source of funding for the Town, contributing twenty-eight (28) percent to the entire General Fund. Sales tax revenue continues to grow in North Carolina and remains very strong in Buncombe County. The Town has received substantial revenue growth in the past four years from sales tax proceeds, and we believe a conservative estimate for growth in FY18-19 is 4 percent. The North Carolina League of Municipalities (NCLM) publishes guidance each spring for statewide revenue distribution. Statewide sales tax growth is projected at 4.5 percent. Staff anticipates a total of nearly \$1.1 million in sales tax revenue for FY18-19.

Statewide Franchise Taxes

As was the case last year, we anticipate statewide franchise tax revenue to continue its sporadic behavior. This revenue item is largely dependent on weather conditions and consumer demand on piped natural gas and electricity; i.e. when there is a warm winter, the demand for these services decreases thereby reducing the revenue provided to local governments by these utility providers. Staff projected a 10-15 percent reduction last fiscal year and this seems in line with where our projections are for the remainder of the current year. We do not anticipate significantly more reductions in FY18-19, but are not anticipating growth in this line item from current year levels.

Powell Bill Revenue

Powell Bill funding comes to the Town twice a year from the State of North Carolina for street maintenance and other street projects. This revenue is projected to remain constant for the third fiscal year in a row. This is a result of the North Carolina General Assembly's decision in 2015 to approve legislation that locked in transportation funding for municipalities based on a population and street mileage formula.

Zoning Permit Revenue

Zoning permit revenues are projected to finish the current fiscal year slightly below the estimated level of \$25,000. Staff does not anticipate significantly reduced permit issuance or requests in the coming year, and estimates this revenue at \$20,000 for FY18-19.

Interest Revenues

Interest revenues have increased dramatically in the past two fiscal years. The Town realized a 280 percent increase in interest earned from FY15-16 to FY16-17 and a 225 percent increase from FY16-17 to FY17-18. This increase is due to shifting funds in our investment portfolio within the North Carolina Capital Management Trust to their term portfolio, a shift in the market, and an increase in the funds invested. The town expects interest earnings to maintain positive momentum, however due to a likely drawdown on invested funds for capital projects the budgeted amount is based on a 50 percent increase on the 17-18 budgeted amount.

GENERAL FUND EXPENDITURE PROJECTIONS

Introduction

As in previous years, the aim in this budget message is to provide a snapshot of major projects and programs within each departmental budget. This snapshot should provide a glimpse into the priorities important to the Town in the coming year. Some changes, such as salary dependent benefits, are applicable across each department.

Last year, the Board approved a modification to our employee pay program. The Town provided a cost of living adjustments (COLA) for all employees, generally comparable to other local governments and based on the Consumer Price Index (CPI) average for the southeastern United States. The Board also approved a modification to our merit based pay plan, and authorized allocating two percent of each department's overall salary line item to a merit based pool. Merit increases were then provided to employees from that pool. Staff recommends a continuation of this process in FY18-19, and has budgeted a three (3) percent COLA adjustment for all employees this year, with merit increases out of a 1.5 percent departmental salary pool for certain employees.

These merit increases are based on outstanding work from employees, which includes additional training, certifications that benefit the Town, and continuing education. Employees who take on additional work and demonstrate excellent performance are also eligible for merit increases. This method allows for a deliberative, performance based accounting that rewards exemplary effort. The end result of

is a more diversified and skilled staff who handle more complex duties and, ultimately, better serve the citizens of Biltmore Forest.

Administration

The most significant change for FY18-19 is the proposed reorganization of several staff members into the Administration department. Previously, the Administration department has only consisted of the Town Manager. The proposed budget shows the addition of one and a half employees' time into the department. These positions are the Assistant Finance Director/Tax Collector (formerly titled the Assistant to the Town Manager) and the Assistant Town Clerk (formerly titled Financial Assistant). The rationale behind these name changes and inclusion into the Administration department may not seem functionally imperative, but is logical based on each employee's actual role and job function within the organization. The transition from Public Works (where the Assistant to the Town Manager was classified) and the Water Fund (where the Financial Assistant position was entirely funded) to Administration more completely and accurately reflects their role. Note that only half of the Assistant Town Clerk's position was moved to the Administration department – staff recommends leaving half of this salary and benefits in the Water Fund which is reflective of the billing, accounts receivable, and accounting work necessary for this job function. The staff development line item includes funding for Clerk Institute training, Finance and Tax course work, managerial professional development, and Board education and training.

Zoning and Code Enforcement

The Board agreed in November 2017 to approve an agreement with the Land of Sky Regional Council to move forward with zoning and code enforcement services two days per week. This was a collaborative effort with the Town of Montreat and Land of Sky that has worked well for the Town in both the zoning and code enforcement divisions. This budget provides for this contract service in FY18-19 and small needs such as postage, supplies, and some training/professional development that is beneficial to the Town.

Police Department

The Police Department completed several large equipment purchases in the current fiscal year, including the purchase of new service weapons, bullet proof vests, in-car defibrillators, and a new vehicle. Staff recommends the purchase of a new vehicle in FY18-19 to continue our turnover process with older vehicles. The proposed budget also includes the purchase of four (4) new shotguns which would outfit each officer with a shotgun.

A new line item in the Police Department budget for FY18-19 is Building Maintenance. This specific line item will allow the staff and the Board to identify and review needs for the building. Staff requests funds to repaint the building (in conjunction with the Public Works building project) and remove/replace the awnings that are on the front of the building. The front office and dispatch area requires some repair and maintenance, specifically in terms of the cabinetry and desk areas that are heavily trafficked and used constantly.

The Department also requests funding to place a radio repeater at MAHEC to ensure adequate radio coverage throughout each building. The approximate cost for this project is \$10,000, and Police Department staff have already begun discussions with MAHEC regarding financial assistance for this project. The benefit for the Town is that this will ensure adequate radio coverage when our officers are on scene, but this will also be a significant benefit in the protection for MAHEC employees and their clients.

The FY18-19 budget requests funding for two cameras to be installed and located within the Town. The Town has discussed this project for some time, including the installation of a demonstration site at the intersection of Busbee and Vanderbilt Roads for several weeks last fall. Staff recommends one camera installation this summer, and will conduct an extensive evaluation to review its use and effectiveness. The Police Department will provide a review of this assessment by the end of the calendar year and recommend to the Board whether to proceed with a second camera system halfway through the fiscal year.

Public Works Department

The Public Works building renovation will come to fruition in August or early September. The project itself will be funded through a Capital Project Ordinance (CPO) that will be voted on separately from the annual FY18-19 budget. The benefit of a CPO is that it can cover multiple fiscal years without expiring and is focused specifically and minutely on one project. The project is scheduled to finish in 270 days, which would technically conclude by the end of FY18-19, but staff would prefer to err on the side of caution and execute a CPO that covered the project until completion, even if that lasted an additional 30 days. The funding for this CPO, however, will come from the General Fund in two ways. The first is through a Fund Balance Appropriation of approximately \$700,000 and the second is debt financing of approximately \$850,000 that will come through the General fund and deposit into the Capital Project fund.

The remainder of the Public Works Department budget is relatively unchanged from prior years. The Department will continue to focus on adding additional LED lighting to street lights in order to improve the efficiency and reduce costs. The parks line item is increased slightly to \$37,500 to reflect improvements to Greenwood Park based on the small parks master plan being conducted currently. Additional funding is included for enhanced maintenance and improvements within the other parks, and the possibility of a second planning project in Rosebank or Brooklawn Parks based on the experience with the Greenwood Park plan. Additional needs for tree maintenance in these parks are necessary and may require both cutting and replanting.

Streets and Transportation

As we do each year, the Town has allocated funding for road paving and striping. Funding is included for a repaving project along Vanderbilt Road but staff plans to hold this project until spring 2019 to ensure the storm water master plan does not recommend changes to the road or include new drainage in this vicinity.

The Town has worked on storm water drainage for the past three years, and engaged WithersRavenel in April 2018 to perform and complete a master plan. Phase II of this master plan will be completed by mid-FY19 and recommended maintenance, repairs, or construction projects will likely result. Engineering funds are included for the completion of this project. Funding for storm water repairs is included. This work will be prioritized through the engineering review and in consultation with the residents adjacent to these storm water facilities.

Traffic controls are also included in the streets department budget, specifically related to efforts to mitigate speed and vehicles throughout more impacted areas of the Town. A recently conducted traffic study provided some possible solutions for several areas in Biltmore Forest, and resident concerns have led to a greater emphasis by Town staff and the Board on resolving concerns in this area. Public outreach and discussion are necessary before moving forward with any design changes, and this discussion and any subsequent changes are likely to occur early in FY18-19.

Sanitation and Recycling

A prime focus for our sanitation and recycling department in FY2018-2019 will be safety and work place injury prevention. Training funds are allocated during the year to improve policies and procedures, and the Town will work with NCLM's workers compensation program to provide free, on-line training for our employees. As a part of this effort, staff recommends the purchase of two additional lifts for each garbage truck to assist our employees in lifting cans and bags into the back of the vehicle. Many work place injuries occur as a result of lifting these heavy bags out of the can, and lifts on each vehicle will allow the employees to avoid lifting overweight cans or bags when possible. The overall department budget remains relatively flat and tipping fees and recycling fees are not anticipated to increase dramatically in FY18-19.

General Government

General Government funds are utilized for projects that move across departmental functions, such as insurance, utility bills, or professional services. The technology line item continues to remain lower than prior years since the Town caught up so well through the Board's modernization efforts during FY16 and FY17. The Community Events line item continues to fund the 4th of July festivities, Christmas tree lighting, potlucks in the park, and other community events. Chief Beddingfield has discussed several community outreach events and we will likely fund several of these from that line item as well.

Debt Service

The projected debt service schedule includes payments for the Police Department renovations and street improvements. The Town will be entering year 3 of 3 for debt service on the 2016 sanitation truck and begin the first year (of three) on the sanitation truck purchased last year. The only additional debt funding recommended for the coming year is in relation to the Public Works Building project, but this will not be realized as debt service due until FY20.

WATER FUND*Revenue Projections*

Staff does not recommend any increase in water rates for the coming fiscal year. The City of Asheville's anticipated rate increase for wholesale water is 2 percent for the coming year, and the Town's water fund revenues remain in good shape without a rate increase. The Metropolitan Sewerage District anticipates a 2.5 percent increase but previous annual increases should be sufficient to maintain a balanced budget for this fund.

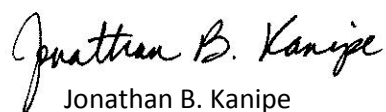
Expenditure Projections

The AMI cellular technology will be fully implemented in FY18-19, which will result in less water loss for the Town and our customers and result in less staff time being devoted to reading water meters. The professional services line item is increased in anticipation of temporary staffing needs in the fall. Staff requests funding for additional meter change out and for meter setters (when installing new taps) that will allow water meters to be kept in good operation and repair. Staff also recommends a small project to remove and replace some of the last remaining PVC pipe in the Town's distribution system. The area in question serves a section of homes along Cedarcliff and Vanderbilt Roads.

CONCLUSION

It is a pleasure to serve the Mayor, Board of Commissioners, and Citizens of Biltmore Forest. Town staff works diligently to ensure that we provide the highest possible level of service, and realize there are always areas for improvement. This budget proposal attempts to define and prioritize these areas for improvement, and it is our hope the budget proposal addresses those challenges. As always, staff welcomes questions or concerns regarding this proposal and any of the projects proposed.

Sincerely,



Jonathan B. Kanipe
Town Manager

BUDGET ORDINANCE**BUDGET ORDINANCE FOR THE TOWN OF BILTMORE FOREST
NORTH CAROLINA FOR THE FISCAL YEAR 2018-2019**

BE IT ORDAINED by the Board of Commissioners of the Town of Biltmore Forest, North Carolina, that in accordance with NCGS 159-13(b)(16) of the 2018-2019 Budget be approved as follows:

SECTION 1. GENERAL FUND REVENUES

It is estimated that the following revenues will be available in the General Fund for the fiscal year beginning July 1, 2018 and ending June 30, 2019:

Ad Valorem Taxes (Property)	2,447,140
Ad Valorem Taxes (DMV)	105,634
Tax Interest & Penalties	2,500
Franchise & Utilities Tax	168,794
Alcohol Beverage Tax	5,996
Sales Tax (Article 39)	568,397
Sales Tax (Article 40)	228,879
Sales Tax (Article 42)	298,053
Gasoline Tax Refund	3,500
Solid Waste Disposal Tax	970
Powell Bill	63,500
Building Permits	25,000
Dog License Fees	1,600
Interest Earned	15,000
American Tower Lease	27,664
Miscellaneous (Other)	15,000
Sale of Property	10,000
Total General Fund Revenues	3,987,627

SECTION 2. GENERAL FUND APPROPRIATIONS

The following amounts are appropriated in the General Fund for the operation of the Town government and its activities for the fiscal year beginning July 1, 2018 and ending June 30, 2019 in accordance with the chart of accounts heretofore established for this Town on June 12, 2018:

Administration	417,331
Planning	37,228
Police	1,413,634
Fire Contract	425,000
Public Works	589,092

Streets & Transportation	359,310
Sanitation & Recycling	310,220
General Government	330,083
Debt Service	105,729
Total General Fund Appropriations	3,987,627

SECTION 3. WATER FUND REVENUES

It is estimated that the following revenues will be available in the Water Fund for the fiscal year beginning July 1, 2018 and ending June 30, 2019:

Sales & Services	726,000
Interest Earned	1,000
Total Water Fund Revenues	727,000

SECTION 4. WATER FUND APPROPRIATIONS

The following amounts are appropriated in the General Fund for the operation of the Town government and its activities for the fiscal year beginning July 1, 2018 and ending June 30, 2019:

Personnel Cost	58,763
Operating Cost	571,156
Capital Cost	97,081
Total Water Fund Appropriations	727,000

SECTION 5. LEVY OF TAXES

There is hereby levied a tax at the rate of \$0.33 per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2018, as listed as "Ad Valorem Taxes" in the General Fund section 1 of this ordinance. The rate is based on an estimated valuation of \$745,733,682 and an estimated rate of collection of 99.44%.

SECTION 6. FEES & CHARGES

There is hereby established, for fiscal year 2018-2019, various fees and charges as contained in the Schedule of Fees attachment to this document.

SECTION 7. SPECIAL AUTHORIZATION OF THE BUDGET OFFICER

The Budget Officer is authorized to transfer appropriations of up to \$5,000 between line items within the same department. Reallocations of appropriations transferred shall be reported to the Town Board monthly.

SECTION 8. CLASSIFICATION & PAY PLAN

The Cost of Living Adjustment (COLA) for all Town employees shall be 3.0% and shall begin the first payroll in the new fiscal year.

The Town Manager is hereby authorized to grant merit increases to Town employees, when earned, based upon the approved performance plan.

SECTION 9. RE-APPROPRIATION OF ENCUMBERED FUNDS

Operating funds encumbered on the financial records as of June 30, 2018 are hereby re-appropriated to fiscal year 2018-2019.

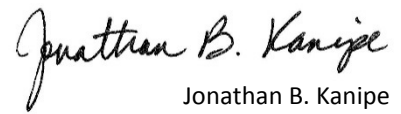
SECTION 10. COPIES OF THIS BUDGET ORDINANCE

Copies of this Budget Ordinance shall be furnished to the Finance Director of the Town of Biltmore Forest to be kept on file for the disbursement of funds.

Adopted this 12th day of June, 2018.


Mayor George F. Goosmann, III

ATTEST:


Jonathan B. Kanipe
Town Manager

SCHEDULE OF FEES

ADMINISTRATIVE

Ad Valorem Tax	\$0.33 per \$100 assessed valuation
Dog License Fee	\$5 sterile; \$10 fertile
Rental of Social Room	\$300 rental fee; additional \$250 deposit
Return Check/Draft Charge	\$25.00

PLANNING & ZONING

Zoning Permit	\$25 first \$2,000 construction value; plus \$2 for each \$1,000 of construction value
Conditional Use Permit	\$100 due with application
Variance	\$300 due with application
Demolition Permit	\$100 due with application
Non-Permitted Construction	Double the Zoning Permit Fee

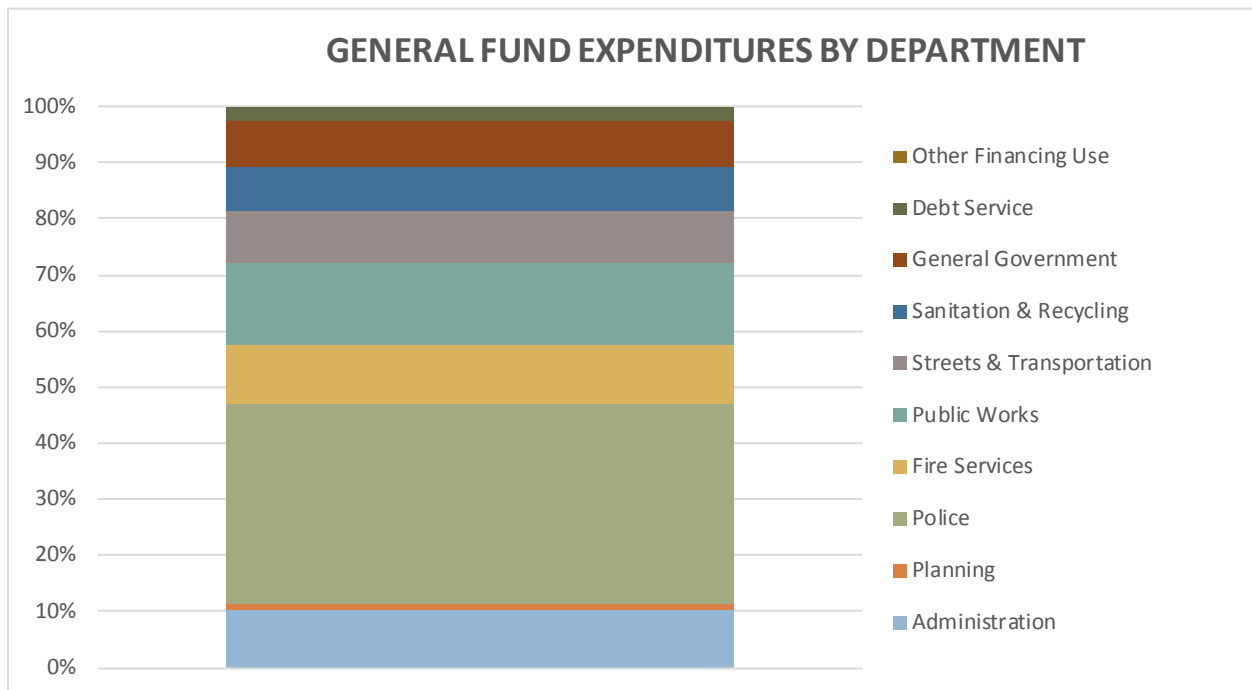
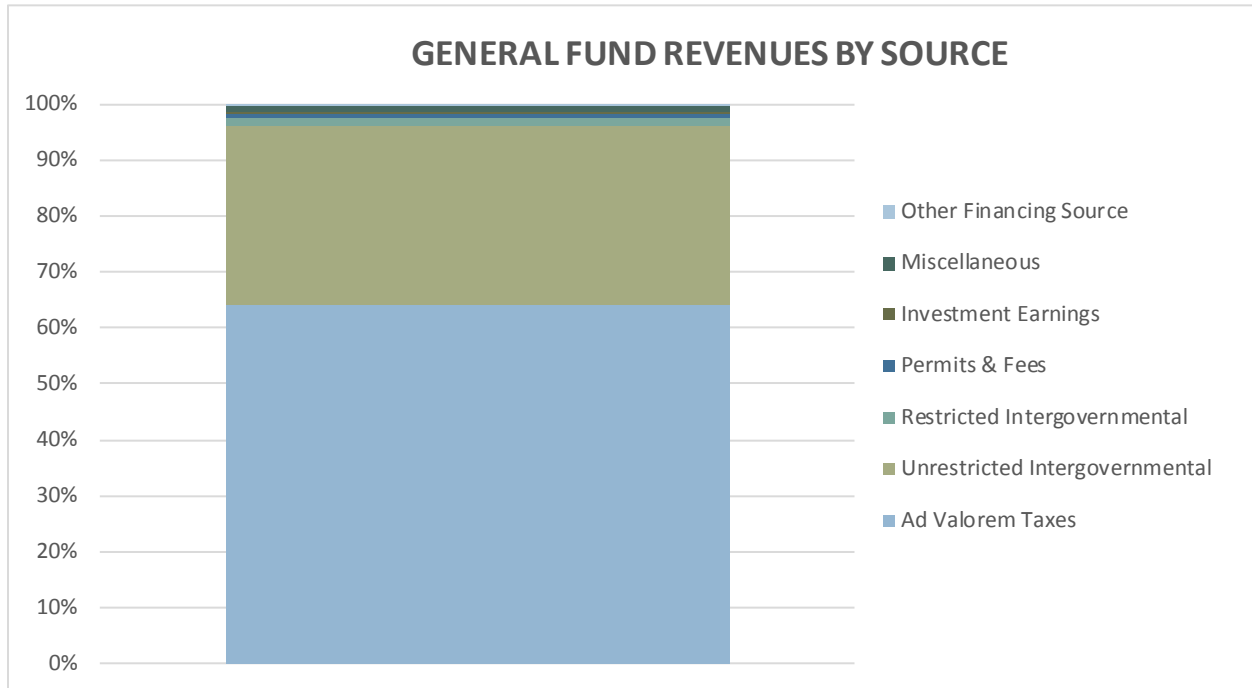
WATER & SEWER CHARGES

New/Transfer Account		\$ 30.00
AMI Transmitter Fee	<i>per bill</i>	\$ 1.78
Meter Rental Fee		
5/8" meter	<i>per bill</i>	\$ 0.10
1" meter	<i>per bill</i>	\$ 0.18
1 1/2" meter	<i>per bill</i>	\$ 0.50
2" meter	<i>per bill</i>	\$ 0.65
Water Charges		
Base Rate (No Consumption)		\$ 27.46
1-2,250 gallons	<i>per 1,000 gallons</i>	\$ 9.03
2,251-60,000 gallons	<i>per 1,000 gallons</i>	\$ 5.68
60,001-100,000 gallons	<i>per 1,000 gallons</i>	\$ 5.27
100,001+ gallons	<i>per 1,000 gallons</i>	\$ 3.27
Sewer Charges (as set by Metropolitan Sewerage District of Buncombe County)		
Base Rate	<i>Amended: Approved by Board of Commissioners July 17, 2018</i>	
5/8" meter	<i>per bill</i>	\$ 16.62
1" meter	<i>per bill</i>	\$ 39.14
1 1/2" meter	<i>per bill</i>	\$ 86.48
2" meter	<i>per bill</i>	\$ 151.08
Treatment Fee	<i>per 1,000 gallons</i>	\$ 6.16

BUDGET SUMMARY

	2015-16	2016-17	2017-18	2018-19
GENERAL FUND	ACTUAL	ACTUAL	ADOPTED	ADOPTED
Revenues				
Ad Valorem Taxes	2,483,187	2,569,457	2,567,673	2,555,274
Unrestricted Intergovernmental	1,221,920	1,241,491	1,258,104	1,273,619
Restricted Intergovernmental	65,154	64,655	64,700	64,470
Permits & Fees	16,415	28,527	26,000	26,600
Investment Earnings	3,803	10,647	10,000	15,000
Miscellaneous	84,163	160,556	42,600	42,664
Other Financing Source	101,239	-	110,930	10,000
TOTAL	3,975,881	4,075,333	4,080,007	3,987,627
Expenditures				
Administration	261,043	212,553	255,530	417,331
Planning	-	-	-	37,228
Police	1,285,591	1,356,353	1,418,032	1,413,634
Fire Services	425,000	425,000	425,000	425,000
Public Works	876,615	644,665	659,699	589,091
Streets & Transportation	259,316	183,591	276,556	359,309
Sanitation & Recycling	-	344,082	396,958	310,222
General Government	218,880	346,504	536,005	330,083
Debt Service	39,859	71,354	112,227	105,729
Other Financing Use	-	110,217	-	-
TOTAL	3,366,304	3,694,319	4,080,007	3,987,627
WATER FUND				
Revenues	459,582	960,389	848,668	727,000
Expenditures	374,469	864,494	848,668	727,000
TOTAL ALL FUNDS				
Revenues	4,536,702	5,035,722	5,039,605	4,714,627
Expenditures	3,740,773	4,669,030	4,928,675	4,714,627

BUDGET AT A GLANCE



STRATEGIC PLAN

A Strategic Plan is a planning document that establishes the direction of an organization by outlining goals, objectives, and strategies. The Strategic Plan directs major initiatives and demonstrates the connection of those initiatives to the overall mission.

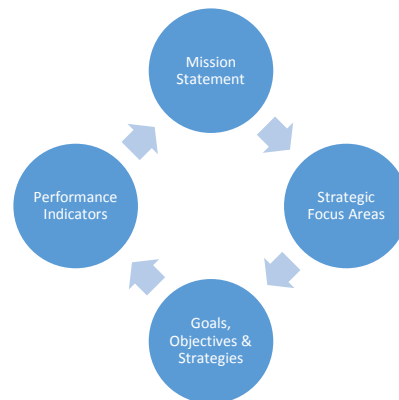
The Town does not currently have a formal strategic plan in place. In the departmental expenditure pages of this document, departmental accomplishments and objectives for the budget year are noted, but currently lack the cohesiveness to illustrate the relationships between departmental activities and Council's objectives.

GETTING STARTED

The Town will engage in the development of a formal Strategic Plan during this budget year. Once Town Council adopts a mission statement and strategic focus areas, department heads will be charged with establishing departmental mission statements.

As Town staff and the Town Council work towards the budget for FY 2019-20 and strategic focus areas are established, staff will develop goals, objectives, and strategies. When the goals, objectives, and strategies are finalized, performance indicators will be established by department.

The Strategic Plan, including long term financial planning, will be presented to the Town Council for approval. Once approved, the staff will provide updates periodically to illustrate the relationship of departmental activities to the overall Town plan.



STRATEGIC PLAN DEVELOPMENT

Step 1: Develop an organization-wide mission statement and strategic focus areas.

Step 2: Develop departmental mission statements.

Step 3: Develop departmental goals, objectives, and strategies

- Goals: A statement of desired result that guides much of the work of the town during the strategic period; wide in scope and related to a specific aspect of the department's mission statement;
- Objectives: Specific directions, actions, or projects the department will pursue to achieve the relevant goal;
- Strategies: Specific actions/tasks to be completed to accomplish the objective; often assigned to individuals or groups.

Step 4: Develop departmental performance indicators

- Outputs/workloads: the total amount of something done (#);
- Outcomes: gauges a department's progress towards an objective/goal (%);
- Efficiencies: combines inputs & outputs to determine the ratio of cost/time to provide service with outputs of that service (\$/#);

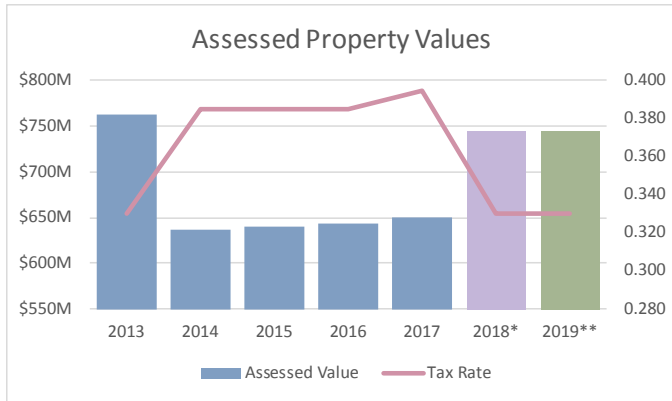
REVENUES

REVENUES		2015-16	2016-17	2017-18	2018-19
		ACTUAL	ACTUAL	ADOPTED	ADOPTED
10-3010-0000	Ad Valorem Taxes (Property)	2,377,675	2,460,600	2,471,274	2,447,140
10-3010-0100	Ad Valorem Taxes (DMV)	102,569	105,929	93,899	105,634
10-3010-0200	Tax Interest & Penalties	2,943	3,101	2,500	2,500
10-3010-0300	Tax Collection Prior Years	-	(173)	-	-
Total Ad Valorem		2,483,187	2,569,457	2,567,673	2,555,274
10-3020-0000	Franchise & Utilities Tax	222,041	210,654	168,794	168,794
10-3020-0100	Alcohol Beverage Tax	6,080	6,311	6,300	5,996
10-3020-0200	Sales Tax-Article 39	514,089	525,963	546,536	568,397
10-3020-0300	Sales Tax-Article 40	208,763	219,056	220,076	228,879
10-3020-0400	Sales Tax-Article 42	267,573	276,153	286,589	298,053
10-3020-0600	Sales Tax Refund	37	(881)	26,309	-
10-3020-0700	Gasoline Tax Refund	3,337	4,234	3,500	3,500
Total Unrestricted Intergovernmental		1,221,920	1,241,491	1,258,104	1,273,619
10-3030-0000	Solid Waste Disposal Tax	882	948	1,200	970
10-3030-0100	Powell Bill	64,253	63,699	63,500	63,500
10-3030-0200	Illicit Substance Tax	19	7	-	-
Total Restricted Intergovernmental		65,154	64,655	64,700	64,470
10-3040-0000	Building Permits	14,690	27,309	25,000	25,000
10-3040-0100	Dog License Fee	1,725	1,218	1,000	1,600
Total Permits & Fees		16,415	28,527	26,000	26,600
10-3050-0000	Interest Earned	3,803	10,647	10,000	15,000
Total Investment Earnings		3,803	10,647	10,000	15,000
10-3060-0000	Rental - Community Hall	900	1,200	1,000	-
10-3060-0100	American Tower Agreement	25,857	27,100	26,600	27,664
10-3060-0200	Miscellaneous-Other	57,406	132,256	15,000	15,000
Total Miscellaneous		84,163	160,556	42,600	42,664
10-3500-0000	Sale of Property	7,500	-	-	10,000
10-3500-0200	Installment Agreement	93,739	-	103,000	-
10-3500-0400	Grant (Non-Governmental) Funds	-	-	7,930	-
Total Other Financing Source		101,239	-	110,930	10,000
TOTAL General Fund		3,975,882	4,075,333	4,080,007	3,987,627

REVENUE ANALYSIS

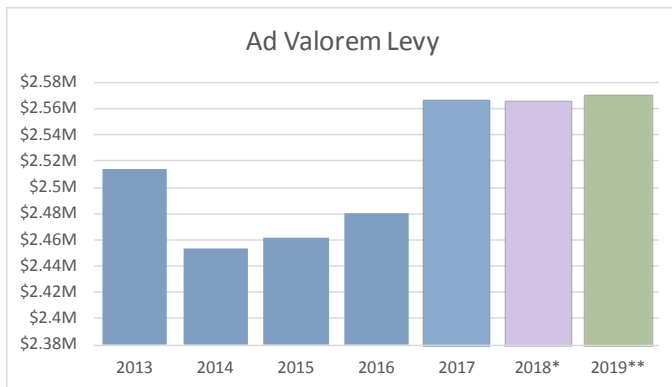
AD VALOREM TAXES

Ad valorem taxes are taxes paid on real and personal property located within the Town of Biltmore Forest. Taxes for real and personal properties are levied based upon the preceding January 1 valuations of the property and the tax rate established by the Town Commissioners. Buncombe County revalues real and personal property no less than every eight years. The most recent revaluation occurred in 2017.



Ad valorem taxes on motor vehicles are collected by the North Carolina Department of Motor Vehicles at the time of registration. The motor vehicle taxes collected are distributed to the counties once a month. The amount collected on behalf of the Town is remitted to the Town by Buncombe County once a month.

Ad valorem taxes are the Town’s main revenue source, representing 64% of General Fund revenues.



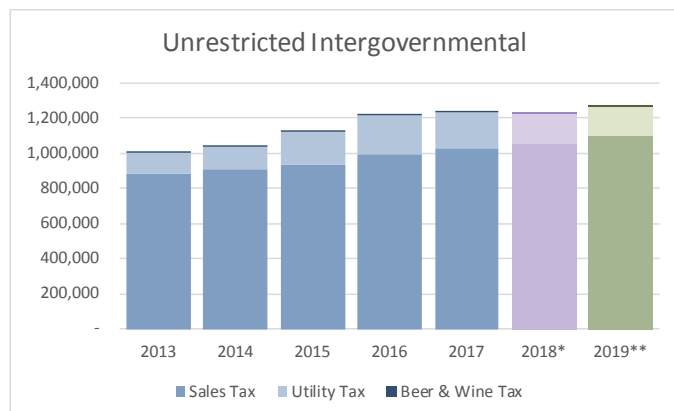
The Buncombe County Tax Assessor’s office has provided estimated assessed value of property of \$741,126,021. An estimated value of 4,607,661 is added for assessed value of Public Service Companies. The Town may budget a tax levy at the collection rate of the year before for the estimated assessed value. The prior year tax collection rate was 99.44%. The Town has adopted the tax rate of 0.33 per \$100 of assessed value for a budgeted levy of \$2,447,140.

UNRESTRICTED INTERGOVERNMENTAL

Unrestricted intergovernmental revenue is comprised of Utility Franchise Tax, Beer and Wine Tax, Sales Tax, sales tax refund, and gas tax refund. The Town has experienced growth averaging 4.6% in this revenue group in the preceding five-year period. An increase of 1.44% is budgeted for this revenue source. Individual factors considered are listed in the subsections that follow.

UTILITY FRANCHISE TAX

The utility franchise tax is a portion of state collected taxes from utility companies. Tax on electricity, piped natural gas and telecommunications is a percentage (varying by type of utility) of gross receipts attributed to the municipality and distributed by the state quarterly.



Revenue Projections from the NCLM estimate an increase of 1.0% for electricity sales tax and piped natural gas sales tax, a decrease of 1.0 percent in local video programming tax and a decrease of 4.0 percent in telecommunications sales tax. This revenue source is budgeted with zero change from prior year.

BEER AND WINE TAXES

Beer and Wine Taxes are distributed by the state on a per capita basis if beer and/or wine are legally sold within the jurisdiction.

The NCLM revenue projection for the beer and wine taxes anticipate no change in this revenue source, however prior year distributions were less than budgeted. This revenue source is budgeted with a decrease of five percent from prior year.

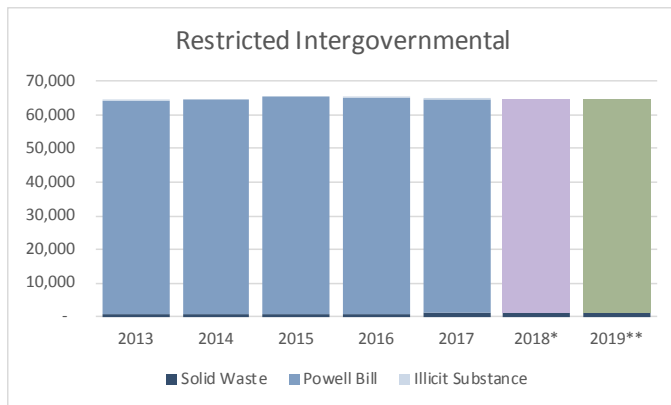
LOCAL OPTION SALES & USE TAX

The State levies two half cent local sales taxes (Article 40 and 42) and a one cent local sales tax (Article 39) in addition to the state sales tax of 4.25%. The article 39 and 42 taxes are returned to the county in which the goods were delivered, while article 40 is distributed on a per capita basis.

Buncombe County uses the ad valorem method which bases the Town share using the proportion of the tax levy across all local governments within the County. The local sales tax collected by the State is distributed to the counties. The county is responsible for distributing the local sales tax proceeds to the localities, based on either a per capita or ad valorem basis. The County may change the distribution method each year, at its discretion, during the month of April.

The NCLM projection for sales tax is an increase of 4.5%. This revenue, while recognizing some growth, fell short of the growth projection for the prior year. This revenue source is budgeted with a projected increase of 4.0%

RESTRICTED INTERGOVERNMENTAL



Restricted intergovernmental revenue is comprised of the Solid Waste Disposal Tax, Powell Bill funds, and Illicit Substance Tax. The Town has experienced little growth in restricted intergovernmental revenues in the preceding five year period.

The total restricted intergovernmental revenue has been budgeted on a cumulative basis of no growth. Individual factors considered are listed in the subsections that follow.

SOLID WASTE DISPOSAL TAX

A portion of the state levied Solid Waste Disposal Tax is distributed to municipalities on a per capita basis for solid waste management programs and services. Solid waste revenue is received quarterly. Revenues received by municipalities from this tax are encouraged to be used towards recycling and waste reduction programs.

Revenues from the solid waste disposal tax have remained steady over the past five years, the projection for this revenue source are budgeted with zero change from the historical average.

POWELL BILL

The Powell Bill revenue is the annual appropriation from the State Highway Fund for the proceeds from a one and three quarter (1 ¾) cent sales tax per gallon of motor fuel sold in the state. The annual Powell Bill distribution is calculated by the state and is based on population and the number of road miles maintained by the Town.

This revenue source is budgeted with zero change from the prior year since there are no significant changes to the Town population or road miles maintained by the Town.

UNAUTHORIZED SUBSTANCE TAX

The Unauthorized Substance Tax is an excise tax on controlled substances. A portion of the tax (75%) is returned to the law enforcement agency whose investigation led to the assessment.

Since this revenue is based on law enforcement activity, and the revenue is unpredictable and irregular, the projection for this budget year will be zero.

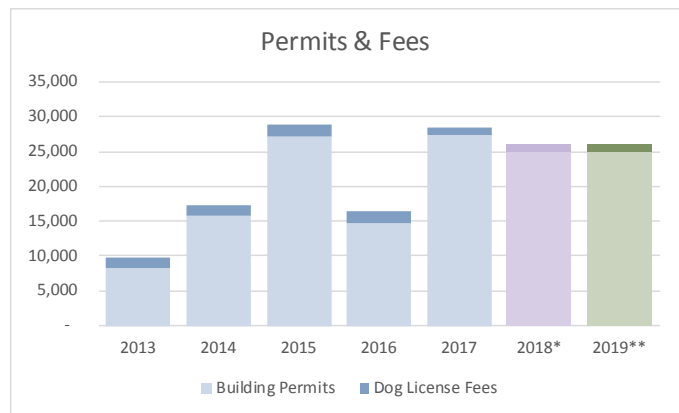
PERMITS AND FEES

BUILDING PERMITS

Building permit fees are established by the Town Commissioners. Application fees are set for different zoning requests and granted permits are variable and based on estimated value of construction. These fees are charged for new construction and additions or changes to the property.

The Housing and Interest Rate Forecast (05/10/18) from the National Association of Home Builders (NAHB) indicates modest growth in both Single Family Housing Starts and Single Family Home Sales for new and existing homes. The Remodeling Market Index for the region, also reported by the NAHB, shows favorable conditions for the remodeling market.

Revenues from building permits are conservatively budgeted at the same level as the prior year.



DOG LICENSE FEES

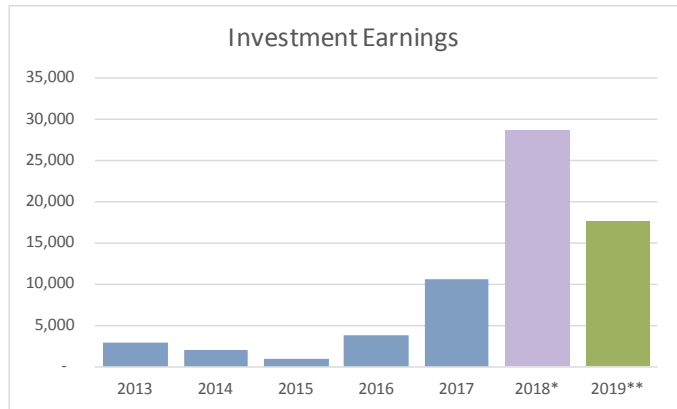
Dog license fees are also established by the Town Commissioners and are collected at the time of dog registration. Annual renewal of the dog license fee is billed in December.

INVESTMENT EARNINGS

Investment earnings include the return earned on cash and investment balances. Interest is earned on cash balances invested with the North Carolina Capital Management Trust (NCCMT) and money market checking. This revenue is varies widely based on current market conditions and the amount available for investment.

Investment earnings have increased noticeably in the preceding 16 months due to diversification with the NCCMT Term Portfolio, market conditions and more substantial investment balances.

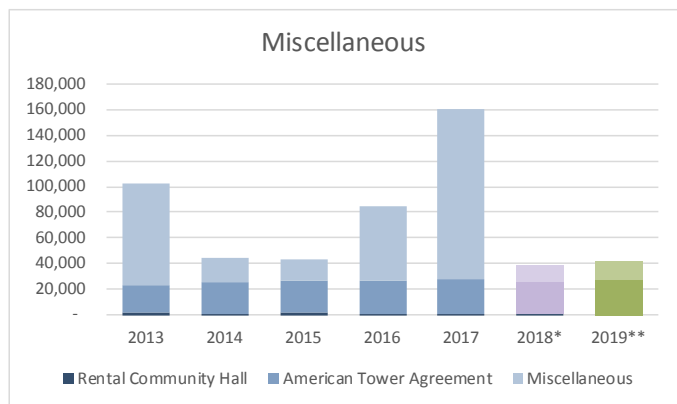
The Town anticipates continued growth in investment earnings for this budget, but also recognizes an anticipated draw against invested funds. Investment earnings are budgeted conservatively to reflect growth from FYE 2017 but not at levels expected from FYE 2018.



MISCELLANEOUS

Miscellaneous revenues include proceeds from the rental of the social room and lease of the communications tower. Other revenues that are irregular or not otherwise accounted for are also included in this classification.

The social room will not be available for rent this budget year so revenue will not be recognized. The communications tower lease includes a four (4) percent annual increase in rent and is budgeted to reflect this agreement. All other miscellaneous revenues are budgeted conservatively at prior year levels.



OTHER FINANCING SOURCE

Sales of capital assets, transfers to/from other fund, fund balance appropriations and installment agreements are considered other financing sources. The Town anticipates the sale of some surplus property and the revenue estimate is based on market value for age and condition of the item(s).

FUND BALANCE

CHANGE IN FUND BALANCE-GOVERNMENTAL FUNDS

Fund balance is a necessary tool to avoid cash flow interruptions, generate investment income, eliminate the need for short-term borrowing, and act as a reserve for emergencies. A positive change in fund balance increases the funds available; a negative change in fund balance reduces the funds available.

	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 ADOPTED	2018-19 ADOPTED
Beginning Fund Balance	2,490,467	3,100,044	3,481,056	3,481,056
Revenues	3,874,642	4,075,331	3,969,077	3,977,627
Expenditures	(3,366,304)	(3,584,102)	(4,080,007)	(3,987,627)
Other Financing Source (Use)	101,239	(110,217)	110,930	10,000
Change	609,577	381,012	-	-
Ending Fund Balance	3,100,044	3,481,056	3,481,056	3,481,056

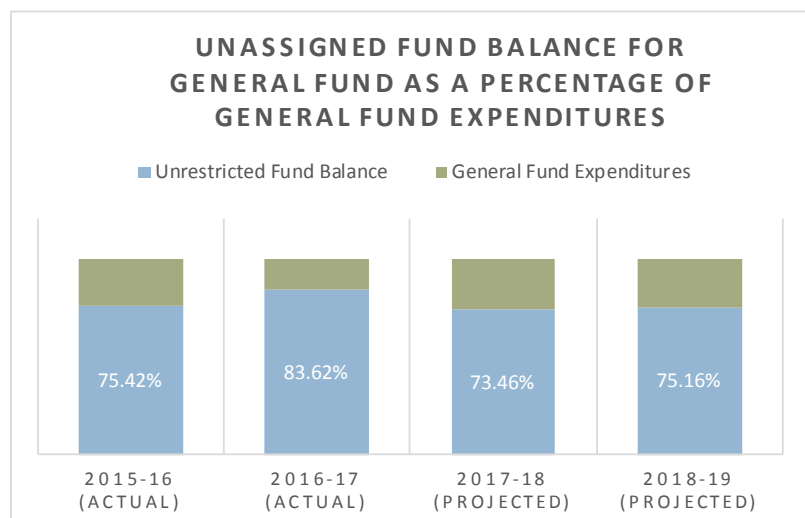
UNRESTRICTED FUND BALANCE-GENERAL FUND

The Town Board of Commissioners has an internal fiscal policy of maintaining an unrestricted fund balance of 20% of General Fund expenditures. The North Carolina Local Government Commission (LGC) monitors the available fund balance of local government units and will advise governing boards when the available fund balance as a percentage of General Fund expenditures falls below the average range of similar municipalities in the state.

According to the North Carolina State Treasurer's office, for fiscal year ending 2017 and a municipal population between 1,000 and 2,499 that does not operate an electric system, the average fund balance available as a percentage of average expenditures was 80.60%; the median fund balance available as a percentage of average expenditures was 82.05%.

Projected FYE 18 and Projected FYE 19 unassigned fund balance for general fund is based on the lack of appropriation or transfer to fund balance having been budgeted.

Projected figures for unassigned fund balance as a percentage of general fund expenditures are based on the adopted expenditures for the fiscal year.



ADMINISTRATION

The Administration Department is responsible for executing the mission of the Board to promote, enhance, and sustain the quality of life for residents. Functions of this department include day-to-day supervision of Town operations, financial management, human resources, billing and collections, and public records management.

		2015-16 ACTUAL	2016-17 ACTUAL	2017-18 ADOPTED	2018-19 ADOPTED
10-4200-0200	Salaries	104,500	114,086	100,900	228,184
10-4200-0300	Legal & Engineering	35,785	-	-	-
10-4200-0500	FICA	6,700	6,977	7,719	17,265
10-4200-0550	Unemployment Insurance	41	15	0	-
10-4200-0600	Health Insurance	9,692	10,016	10,601	24,621
10-4200-0650	Dental, Vision, Life Insurance	1,400	1,408	1,500	4,153
10-4200-0675	Health Reimbursement Acct	1,000	1,000	1,500	3,750
10-4200-0700	LGERS Retirement	8,624	13,486	13,642	32,074
10-4200-0800	401k Supplemental Retirement	4,482	4,708	5,045	11,284
10-4200-1000	Accounting & Taxes	42,857	18,583	40,000	35,000
10-4200-1200	Postage, Printing & Stationary	5,536	6,183	8,000	8,000
10-4200-1400	Board Mileage	21,600	21,600	22,000	22,000
10-4200-3300	Supplies & Equipment	3,625	4,570	5,000	5,000
10-4200-5300	Dues & Fees	3,429	3,505	4,000	5,000
10-4200-5700	Miscellaneous	1,317	1,501	5,000	5,000
10-4200-6500	Staff Development	8,118	6,254	15,623	16,000
10-4200-6600	Capital Improvements	-	-	15,000	-
	TOTAL	258,706	213,891	255,530	417,331

BUDGET HIGHLIGHTS

An increase in salaries and benefits is a result of reorganization of staff, and includes 1.5 positions previously recorded in other departments. There are no significant nonrecurring capital expenditures in this department for this budget year.

2017-18 ACCOMPLISHMENTS

- Prepared agendas and related materials for 14 Board of Commissioners meetings;
- Began studies for a storm water master plan, a parks plan, and traffic;
- Received an unmodified "clean" audit opinion from external auditors;
- Received GFOA Certificate of Achievement in Financial Reporting for third consecutive year;
- Received GFOA Award for Outstanding Achievement in Popular Annual Financial Reporting for first year;
- Implemented ACH Payment method for accounts payable;
- Prepared the first 2018-19 Annual Budget to the GFOA for the Distinguished Budget Presentation Award;
- Staff attended 120 hours of training/education related to management, governmental finance, and municipal clerk duties;

2018-19 OBJECTIVES

- Obtain an unmodified audit opinion from external auditors;

- Prepare 2017-18 Comprehensive Annual Financial Report and Popular Annual Financial Report and submit to respective GFOA award programs;
- Prepare 2019-20 Annual Budget and submit to respective GFOA award program;
- Increase the number of vendors paid by ACH, reducing the number of checks written;
- Maintain staff development through training/education;
- Work with the Town Council to establish an overall mission statement and strategic goals;
- Develop departmental mission statement, goals, objectives and strategies;
- Develop a long-range financial plan for the Town and correlate to the Town’s strategic goals;
- Identify performance indicators for the strategic goals, objectives and strategies.

PLANNING

The Planning Department is responsible for ensuring zoning compliance with Town Ordinances, assisting residents with navigating the zoning process and issuing permits for approved projects.

		2015-16 ACTUAL	2016-17 ACTUAL	2017-18 ADOPTED	2018-19 REQUEST
10-4300-1000	Contract			34,128	34,128
10-4300-1200	Postage, Printing & Stationary			100	500
10-4300-3300	Supplies & Equipment			250	500
10-4300-5300	Subscriptions			100	100
10-4300-6500	Staff Development			1,000	2,000
	TOTAL	-	-	35,578	37,228

BUDGET HIGHLIGHTS

This department was added midyear FYE 2018 for a part time contracted planner and correlating expenses. FYE 2019 is the first full year of the contracted position. The 4.6% increase to this department budget for FYE 2019 reflects an increase in supplies and mailing expense as well as additional staff development. There are no significant nonrecurring capital expenditures in this department for this budget year.

2017-18 ACCOMPLISHMENTS

- Issued notice of property violations with a voluntary compliance rate of 92.7%;
- Worked with property owners and/or contractors to review zoning, conditional use and/or variance applications, and plans;

2018-19 OBJECTIVES

- Develop departmental mission statement, goals, objectives and strategies;
- Identify long-term needs to assist with determination of the Town’s long-range plans;
- Identify performance indicators for the strategic goals, objectives and strategies.

POLICE

The Police Department is responsible for promoting and maintaining a peaceful, safe and secure environment by providing high-quality, community oriented police services.

	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 ADOPTED	2018-19 ADOPTED
10-5100-0200 Salaries	793,269	826,103	803,564	806,975
10-5100-0300 Overtime	-	-	15,000	15,000
10-5100-0400 Separation Allowance	7,086	27,027	32,175	30,617
10-5100-0500 FICA	59,095	62,089	61,473	60,433
10-5100-0550 Unemployment Insurance	314	194	500	500
10-5100-0600 Medical Insurance	105,422	111,252	113,963	126,684
10-5100-0650 Dental, Vision, Life Insurance	13,280	13,614	14,000	18,333
10-5100-0675 Health Reimbursement Account	12,833	12,999	21,000	21,000
10-5100-0700 LGERS Retirement	77,763	123,368	114,669	114,593
10-5100-0800 401K Supplemental Retirement	37,951	39,933	40,178	39,499
10-5100-0900 Short Term Disability	-	-	5,000	5,000
10-5100-1500 Maint/Repair -Building & Grounds	-	-	-	10,000
10-5100-1600 Maint/Repair - Equipment	185	931	2,000	12,000
10-5100-1700 Maint/Repair - Vehicles	17,916	14,128	15,000	15,000
10-5100-3100 Motor Fuels	16,598	13,555	16,000	16,000
10-5100-3300 Supplies	15,132	11,419	17,933	15,000
10-5100-3600 Uniforms	5,432	5,578	16,100	9,500
10-5100-3700 Technology & Software	11,178	14,180	17,347	15,000
10-5100-5700 Miscellaneous	8,188	8,914	20,030	10,000
10-5100-5800 Physical Exams	290	585	2,000	2,500
10-5100-6500 Staff Development	3,485	11,651	15,100	15,000
10-5100-7400 Equipment Purchases	79,216	82,668	75,000	55,000
TOTAL	1,264,630	1,380,188	1,418,032	1,413,634

BUDGET HIGHLIGHTS

The FYE 2019 police expenditures are budgeted three (3%) percent less than the prior year, most attributable to a reduction in the equipment purchases line item. There are no changes to staffing levels in this department. The FYE 2019 budget includes capital expenditures for the purchase of a new patrol vehicle and equipment (\$50,000), a new repeater to be installed at a new location (\$10,000) to increase range of communications between officers, and two additional Tsunami surveillance cameras (\$12,000). Capital purchases are expected to have little impact outside of the budgeted expenditures in FYE 2019. The impact to future operating budgets should be minimal with routine maintenance and a scheduled replacement plan.

2017-18 ACCOMPLISHMENTS

- Staff attended 1,050 hours of training to include mandatory in-service training, and other specialized training;
- Department became a member of the Missing Kids Readiness Project (MKRP) developed by the National Center for Missing and Exploited Children (NCMEC) and the first law enforcement agency in North Carolina to train all staff in MKRP;

- Two officers obtained Intermediate Law Enforcement Certifications;
- Two officers obtained Advanced Law Enforcement Certifications;
- Performed traffic control for special events at Halloween, 4th of July, and the Tree Lighting Ceremony;
- Worked with the NC State Bureau of Investigation to implement a collection system for unused or expired medication via secure kiosk in the police department lobby;
- Replaced all in car AED defibrillators.

2018-19 OBJECTIVES

- Establish a more transparent method of reporting departmental activities;
- Develop departmental mission statement, goals, objectives and strategies;
- Identify long-term needs to assist with determination of the Town’s long-range plans;
- Identify performance indicators for the strategic goals, objectives and strategies.

FIRE CONTRACT

This department reflects the appropriation(s) required by contract for fire suppression and emergency medical services.

	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 ADOPTED	2018-19 ADOPTED
10-5200-0000 Fire Contract	425,000	425,000	425,000	425,000
TOTAL	425,000	425,000	425,000	425,000

BUDGET HIGHLIGHTS

On September 1, 2013 the Town entered into a fifteen (15) year contract with Skyland Fire & Rescue Corporation. The terms of the agreement are that the Town shall make quarterly payments in the sum of \$425,000 per year, providing that the Town maintains the Insurance Service Office (ISO) fire protection rating of 6 or lower as determined by the North Carolina Department of Insurance.

As a contract service, there are no significant nonrecurring capital expenditures in this department for this budget year.



PUBLIC WORKS

The Public Works Department is responsible for grounds and park maintenance, general building maintenance, and fleet maintenance.

		2015-16	2016-17	2017-18	2018-19
		ACTUAL	ACTUAL	ADOPTED	ADOPTED
10-5600-0200	Salaries	396,802	354,683	356,659	319,598
10-5600-0300	Overtime	-	-	-	-
10-5600-0500	FICA	29,735	26,700	27,284	24,449
10-5600-0500	Unemployment Insurance	146	84	250	-
10-5600-0600	Medical Insurance	53,107	39,419	42,941	37,741
10-5600-0650	Dental, Vision, Life Insurance	7,677	6,013	7,350	5,218
10-5600-0675	Health Reimbursement Account	6,000	5,166	9,000	7,500
10-5600-0700	LGERS Retirement	38,435	51,812	48,220	44,105
10-5600-0800	401K Supplemental Retirement	20,617	17,808	17,833	15,980
10-5600-1000	Outside Services	1,950	2,301	27,000	10,000
10-5600-1300	Streetlights Electric	11,054	6,565	6,662	7,000
10-5600-1500	Maint/Repair-Building & Grounds	3,885	1,040	5,000	5,000
10-5600-1600	Maint/Repair - Streetlights	3,431	2,117	10,000	10,000
10-5600-1700	Maint/Repair-Vehicles	42,889	25,072	30,000	15,000
10-5600-3100	Motor Fuels	9,447	10,364	15,000	15,000
10-5600-3300	Supplies	7,368	7,610	8,000	8,000
10-5600-3400	Street Signs & Numbers	70	522	5,000	2,000
10-5600-3600	Uniforms	6,687	6,290	7,000	7,000
10-5600-5200	Parks	2,685	15,150	30,000	45,000
10-5600-5800	Physical Exams	441	120	500	500
10-5600-5900	Miscellaneous	3,861	4,415	5,000	5,000
10-5600-6000	Capital Outlay	124,992	65,646	-	-
10-5600-6500	Staff Development	267	911	1,000	5,000
	TOTAL	771,547	649,807	659,699	589,091

BUDGET HIGHLIGHTS

The FYE 2019 budget for Public Works is 10.7% less than the prior year. The majority of this reduction is as a result of a transfer of a (1.0 FTE) position to Administration reducing salaries and benefits and the lack of capital outlay needs in the budget year. An increase in the Parks line item accounts for capital expenditures for improvements to Greenwood Park (\$27,000) and planning for Brookside and Rosebank Parks (\$18,000). Capital purchases are expected to have little impact outside of the budgeted expenditures in FYE 2019. The impact to future operating budgets should be minimal with routine maintenance and a scheduled replacement plan.

2017-18 ACCOMPLISHMENTS

- Spent 507 hours in maintenance of Town ponds and parks;
- Performed annual clearing of fire hydrants;
- Completed monthly fleet maintenance for Town vehicles;
- Installed dog waste containers in Vanderbilt Park and Greenwood Park;
- Repaired footbridge at Brookside Park.

2018-19 OBJECTIVES

- Replace playground equipment and improve accessibility at Greenwood Park;
- Complete studies and make recommendations for improvements at Brookside and Rosebank Parks;
- Develop departmental mission statement, goals, objectives and strategies;
- Identify long-term needs to assist with determination of the Town’s long-range plans;
- Identify performance indicators for the strategic goals, objectives and strategies.



STREETS & TRANSPORTATION

The Streets & Transportation Department is responsible for maintenance and repair of public streets, clearing of roads and right-of-ways, storm drainage, and street signs.

	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 ADOPTED	2018-19 ADOPTED
10-5700-0200 Salaries	41,368	39,542	37,110	47,516
10-5700-0500 FICA	3,165	3,025	2,839	3,635
10-5700-0550 Unemployment Insurance	20	15	50	-
10-5700-0600 Medical Insurance	6,650	5,834	6,231	6,749
10-5700-0650 Dental, Vision, Life Insurance	499	454	454	632
10-5700-0675 Health Reimbursement Account	1,167	833	1,500	1,500
10-5700-0700 LGERS Retirement	3,979	5,727	5,017	6,557
10-5700-0800 401K Supplemental Retirement	2,060	2,020	1,855	2,376
10-5700-1700 Maint/Repair - Vehicles	648	305	5,000	5,000
10-5700-2200 Contracts-Paving & Striping	78,364	79,788	80,000	89,844
10-5700-2300 Supplies	27,777	11,217	20,000	22,500
10-5700-2400 Traffic Signs	543	67	1,500	500
10-5700-2500 Storm Water Drainage	90,584	22,854	40,000	75,000
10-5700-6500 Staff Development	-	-	5,000	2,500
10-5700-7400 Equipment Purchases	-	1,902	5,000	20,000
10-5700-7500 Engineering	1,412	10,576	65,000	75,000
TOTAL	258,235	184,159	276,556	359,309

BUDGET HIGHLIGHTS

There are no changes to staffing levels in this department. The 30% increase in this department budget FYE 2019 reflects the need for capital expenditures to complete the stormwater master plan and implement the required stormwater infrastructure (\$75,000), scheduled paving and striping (\$89,844), as well as the purchase of two flail mowers (\$20,000) for right-of-way maintenance. Capital purchases are expected to have little impact outside of the budgeted expenditures in FYE 2019. The impact to future operating budgets should be minimal with routine maintenance and a scheduled replacement plan.

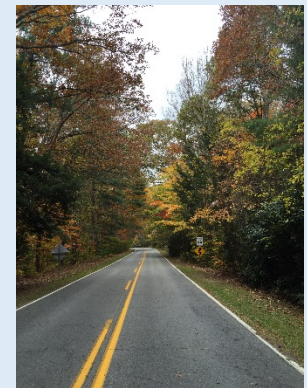
2017-18 ACCOMPLISHMENTS

- Contracted with engineers to create a stormwater master plan.
- Cleared the roadways of 66 fallen or hazardous trees;
- Spent 5,798 hours clearing and maintaining roads and road right-of-ways;
- Made 34 repairs to streetlights;
- Contracted annual striping of roads;
- Cleared blockages in existing storm drains;
- Cleared and treated the roadways during four inclement weather events.

2018-19 OBJECTIVES

- Complete the stormwater master plan;
- Begin recommended stormwater infrastructure improvements;

- Resurface and stripe scheduled roadways according to schedule;
- Complete required bridge inspections;
- Develop departmental mission statement, goals, objectives and strategies;
- Identify long-term needs to assist with determination of the Town's long-range plans;
- Identify performance indicators for the strategic goals, objectives and strategies.



SANITATION & RECYCLING

The Sanitation and Recycling department is responsible for the weekly pickup of household garbage, the bi-weekly pickup of household recycling, and a drop off service for household garbage and cardboard recycling.

		2015-16	2016-17	2017-18	2018-19
		ACTUAL	ACTUAL	ADOPTED	ADOPTED
10-5800-0200	Salaries		113,789	106,863	121,891
10-5800-0500	FICA		8,491	9,323	9,325
10-5800-0550	Unemployment Insurance		44	100	-
10-5800-0600	Medical Insurance		21,720	24,248	29,716
10-5800-0650	Dental, Vision, Life Insurance		2,786	3,000	3,874
10-5800-0675	Health Reimbursement Account		3,000	4,500	4,500
10-5800-0700	LGERS Retirement		16,461	16,475	16,821
10-5800-0800	401K Supplemental Retirement		6,891	6,093	6,095
10-5800-1700	Maint/Repair - Vehicles		11,195	18,764	10,000
10-5800-3100	Motor Fuels		14,581	17,092	10,000
10-5800-3300	Supplies		250	1,000	2,000
10-5800-5800	Physical Exams		-	500	-
10-5800-5900	Miscellaneous		715	1,000	1,000
10-5800-6000	Capital Outlay		101,976	123,000	25,000
10-5800-8000	Tipping Fees & Brush Removal	39,347	37,074	50,000	55,000
10-5800-8100	Recycling	55,287	6,748	15,000	15,000
TOTAL		94,634	345,721	396,958	310,222

BUDGET HIGHLIGHTS

The FYE 2019 budget for Sanitation & Recycling is 21.9% less than the prior year. The reduction is reflective of prior year investments in capital purchases and can be seen in maintenance and capital outlay line items. Capital expenditures for budget FYE 2019 include two hydraulic lifts (\$25,000) for the garbage/recycling vehicles. There are no changes to staffing levels in this department. Capital purchases are expected to have little impact outside of the budgeted expenditures in FYE 2019. The impact to future operating budgets should be minimal with routine maintenance and a scheduled replacement plan. The hydraulic lifts are expected to increase efficiency with sanitation collection as well as reduce workplace accident and/or injury.

2017-18 ACCOMPLISHMENTS

- Collected and transported 405.72 tons of solid waste to landfill;
- Collected and transported 251.03 tons of recyclable materials to recycling facility;
- Collected 22 items during annual white goods pick-up;

2018-19 OBJECTIVES

- Evaluate the impact of the new hydraulic lifts installed on the sanitation trucks on the sanitation collection;
- Develop departmental mission statement, goals, objectives and strategies;
- Identify long-term needs to assist with determination of the Town's long-range plans;
- Identify performance indicators for the strategic goals, objectives and strategies.

GENERAL GOVERNMENT

The General Government department covers appropriations not associated with a specific department. These costs include insurance, utilities, and maintenance of various aspects of the municipal complex, community events, and elections.

		2015-16	2016-17	2017-18	2018-19
		ACTUAL	ACTUAL	ADOPTED	ADOPTED
10-6600-0400	Outside Professional Services	-	108,294	147,000	100,000
10-6600-1100	Technology	53,737	90,491	70,000	72,061
10-6600-1300	Municipal Utilities	18,471	15,239	15,950	16,000
10-6600-1500	General Maintenance	21,565	55,466	50,000	20,000
10-6600-2800	Elections	5,851	93	6,000	6,000
10-6600-3300	Supplies & Equipment	495	-	2,000	2,000
10-6600-5400	Insurance	83,578	55,812	75,000	75,000
10-6600-6000	Contingency	15,232	2,779	140,005	9,022
10-6600-6100	Miscellaneous	7,007	3,484	5,000	5,000
10-6600-6300	Community Events	12,150	13,099	20,050	20,000
10-6600-6400	Wildlife Management	794	1,747	5,000	5,000
	TOTAL	218,879	346,503	536,005	330,083

BUDGET HIGHLIGHTS

The General Government budget FYE 2019 decreased by 38.4% from the prior year. The prior year line items for outside professional services and contingency included one-time architectural services for a capital project. Additional need for outside professional services will remain for FYE 2019 in continuation of this capital project but reflect the services already rendered. Contingency for prior year was for the review of the part-time contract planning position and evaluation of the need to make the position a full time employee. FYE 2019 reflects no change to the part-time contract position. There are no significant nonrecurring capital expenditures in this department for this budget year.

2017-18 ACCOMPLISHMENTS

- Completed annual wildlife management program;
- Hosted 4th of July parade and picnic, tree lighting ceremony, annual employee and board recognition luncheon.

2018-19 OBJECTIVES

- Host community activities to include 4th of July parade and picnic, tree lighting ceremony, annual employee and board recognition luncheon;
- Assist resident sponsored community events to include potluck picnics;
- Complete annual wildlife management program;
- Identify long-term needs to assist with determination of the Town's long-range plans.

CAPITAL EXPENDITURES SUMMARY

General fund capital expenditures must be for the purchase of an asset that exceeds \$5,000 and has a useful life of five (5) years or more. The capital expenditures in the summary below are included in general fund expenditures budget by department.

Department	Capital Expenditure Description	Projected Cost
Administration	None	-
Planning	None	-
Police	New Repeater at MAHEC	10,000
Police	2 Additional Tsunami Surveillance Cameras	12,000
Police	2019 Ford Explorer w/equipment	50,000
Fire Contract	N/A	-
Public Works	Park improvements-Greenwood Park	27,000
Streets & Transportation	Stormwater infrastructure	75,000
Streets & Transportation	2 flail mowers	20,000
Sanitation & Recycling	2 hydraulic lifts	-
General Government	None	-
Total Budgeted Capital Expenditures		194,000

Pictures below illustrate the need for capital investment stormwater infrastructure.



Fig 1

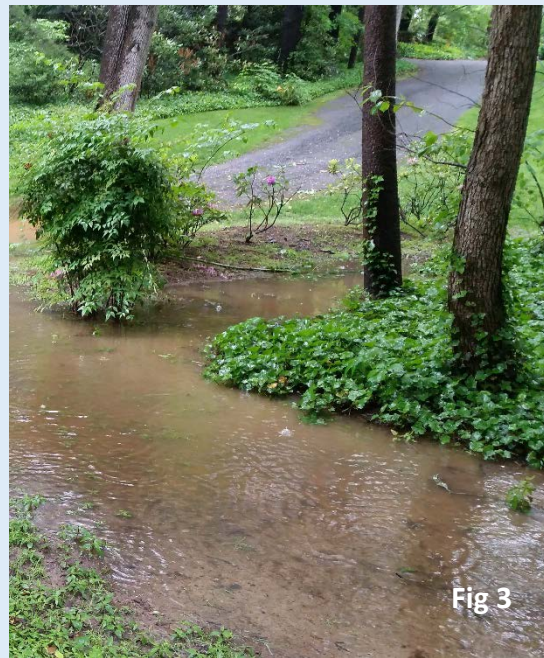


Fig 3



Fig 2

Fig 1: Vanderbilt, Stuyvesant, Lone Pine Rd Intersection

Fig 3: Stuyvesant Rd near Vanderbilt Rd

Fig 2: Stuyvesant Rd near Vanderbilt Rd facing north

DEBT SERVICE

The Town utilizes installment agreements to finance long-term capital purchases or projects.

		2015-16	2016-17	2017-18	2018-19
		ACTUAL	ACTUAL	ADOPTED	ADOPTED
10-6700-0100	Principal Police Dept Renovations	2,333	2,333	23,334	23,334
10-6700-0200	Principal Street Improvements	6,667	6,667	6,667	6,667
10-6700-0300	Principal 2016 Garbage Truck	7,668	30,566	31,241	32,638
10-6700-0400	Principal 2017 Garbage Truck	-	-	39,016	33,543
10-6700-0500	Principal Public Works Bldg	-	-	-	-
10-6700-1100	Interest Police Dept Renovations	2,191	6,779	5,890	5,001
10-6700-1200	Interest Street Improvements	-	1,937	1,683	1,429
10-6700-1300	Interest 2016 Garbage Truck	-	2,072	1,396	706
10-6700-1400	Interest 2017 Garbage Truck	-	-	3,000	2,411
10-6700-1500	Interest Public Works Bldg	-	-	-	-
TOTAL		18,858	50,353	112,227	105,729

Outstanding debt for the Town is illustrated in the charts below to show principal and interest due for each project until the financing agreements reach maturity.

Project	FY 18-19		FY 19-20		FY 20-21	
	Principal	Interest	Principal	Interest	Principal	Interest
Street Improvements	6,667	1,429	6,667	1,175	6,667	921
Police Dept Renovations	23,333	5,001	23,333	4,112	23,333	3,223
Garbage Truck (2016)	31,932	706	-	-	-	-
Garbage Truck (2018)	33,542	2,410	34,327	1,625	35,130	822
	95,474	9,545	64,327	6,912	65,130	4,965

Project	FY 21-22		FY 22-23		FY 23-24	
	Principal	Interest	Principal	Interest	Principal	Interest
Street Improvements	6,667	667	6,667	413	6,667	159
Police Dept Renovations	23,333	2,334	23,333	1,445	23,334	555
Garbage Truck (2016)	-	-	-	-	-	-
Garbage Truck (2018)	-	-	-	-	-	-
	30,000	3,000	30,000	1,857	30,000	714

OUTSTANDING DEBT BY PROJECT				OUTSTANDING DEBT BY FISCAL YEAR			
Project	Principal	Interest	Total	Fiscal Year	Principal	Interest	Total
Street Improv	40,000	4,763	44,763	FY 2018-19	95,474	9,545	105,019
Police Dept Renov	140,000	16,669	156,669	FY 2019-20	64,327	6,912	71,239
Garbage Truck (2016)	31,932	706	32,637	FY 2020-21	65,130	4,965	70,096
Garbage Truck (2018)	103,000	4,858	107,858	FY 2021-22	30,000	3,000	33,000
	314,932	26,994	341,926	FY 2022-23	30,000	1,857	31,857
				FY 2023-24	30,000	714	30,715
					314,932	26,994	341,926

NET DEBT LIMIT

NCGS 159-55 limits outstanding debt to eight (8%) percent of the appraised value of property subject to taxation. The legal debt margin is the difference between the debt limit and the Town's net debt outstanding, applicable to the limit, and represents the Town's legal borrowing authority.

Assessed Value of Taxable Property (2018)	745,733,682
Debt Limit (8%)	59,658,695
Bonded Debt	-
Installment Purchase Agreements	105,729
Gross Debt	105,729
Net Debt	105,729
Legal Debt Margin	59,552,966
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.18%

DEBT SERVICE RATIO

The debt service ratio is the amount of debt payments as a percentage of total annual expenditures. The lower the ratio, the more spending flexibility the Town has. The Town's debt service ratio for the General fund is budgeted to be 2.65%.

WATER FUND

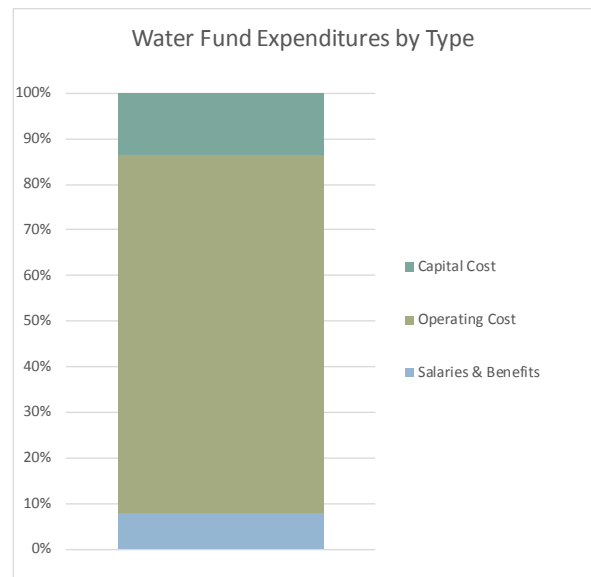
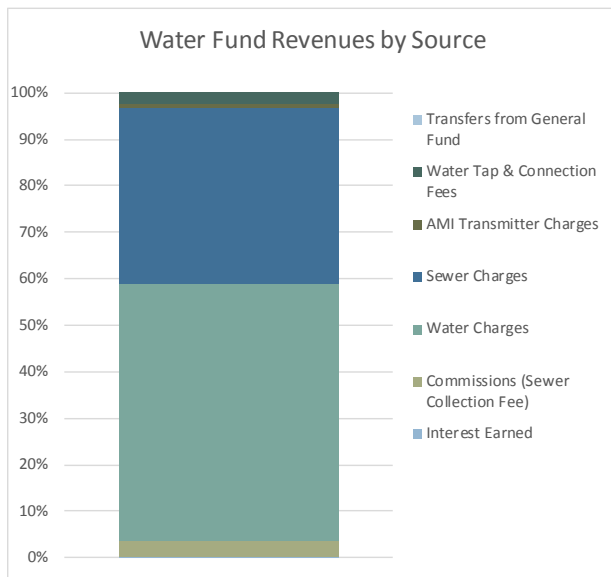
The Water Fund is an enterprise fund used to operate and maintain the Town water system.

REVENUES		2015-16	2016-17	2017-18	2018-19
		ACTUAL	ACTUAL	ADOPTED	ADOPTED
30-3290-0000	Interest Earned	-	191	200	1,000
30-3350-0000	Commissions (Sewer Collection Fee)	9,379	9,166	6,000	6,000
30-3710-0000	Water Charges	442,183	467,436	468,813	415,000
30-3710-0100	Sewer Charges	-	354,889	344,755	280,000
30-3710-0200	AMI Transmitter Charges	-	-	7,000	7,000
30-3730-0000	Water Tap & Connection Fees	8,020	18,490	21,900	18,000
30-3710-0000	Transfers from General Fund	-	110,217	-	-
TOTAL		459,583	960,388	848,668	727,000

BUDGET HIGHLIGHTS (REVENUE)

Water and sewer charges are expected to be less than prior years, since the region has been slowly emerging from drought conditions and the prediction of a near- or above-normal hurricane season by forecasters with National Oceanic & Atmospheric Administration (NOAA).

With the final installation of the remote meter transmitters, water loss is expected to be reduced. Since the transmitters can provide daily information and trends to the water customer, the Town anticipates the customer will work more quickly to repair any issues. The Town anticipates that the sewer charges will be impacted proportionally to the water charges for those customers who do not have a separate irrigation meter.



EXPENDITURES		2015-16	2016-17	2017-18	2018-19
		ACTUAL	ACTUAL	ADOPTED	ADOPTED
30-8100-0200	Salaries	91,034	49,701	50,586	29,371
30-8100-0400	Professional Services	3,356	4,834	5,000	2,247
30-8100-0500	FICA	6,458	3,610	3,870	-
30-8100-0550	Unemployment Insurance	42	15	30	5,435
30-8100-0600	Medical Insurance	15,099	9,977	10,601	838
30-8100-0650	Dental, Vision, Life Insurance	1,323	856	1,050	750
30-8100-0675	Health Reimbursement Account	2,000	1,000	1,500	4,053
30-8100-0700	LGERS Retirement	8,986	7,424	6,839	1,469
30-8100-0800	401K Supplemental Retirement	4,490	2,586	2,529	14,600
30-8100-1200	Postage, Printing & Stationary	2,751	4,024	5,000	5,000
30-8100-1500	General Repairs	295	400	25,000	20,000
30-8100-3300	Supplies & Equipment	21,894	15,223	14,000	20,000
30-8100-4800	Water Purchases	207,324	227,631	225,880	232,656
30-8100-4900	Sewer Purchases	-	349,340	344,755	280,000
30-8100-5000	AMI Transmitter Fees	-	-	7,000	7,000
30-8100-5700	Miscellaneous	349	1,163	1,500	1,500
30-8100-6500	Staff Development	2,050	1,197	4,500	5,000
30-8100-7400	Capital Improvement	7,019	185,513	139,028	97,081
TOTAL		374,469	864,494	848,668	727,000

BUDGET HIGHLIGHTS (EXPENDITURE)

The Water Fund expenditures are 12.07% less than the prior year. A decrease in salaries and benefits is a result of a transfer of half (0.5 FTE) position to Administration. Water and sewer purchases are expected to be reduced relative to the water and sewer revenue items Capital outlay has also been reduced reflecting the meter transmitter project completion. Capital expenditures for the budget FYE 2019 includes replacement of pipe along Cedarcliff Road (97,081); the cost of installation by third party is included in the budgeted expenditure and should have no impact to personnel costs. This capital expenditure is part of a scheduled replacement plan and is designed to reduce maintenance costs and water loss.

2017-18 ACCOMPLISHMENTS

- Installed 773 AMI transmitters on existing water meters;
- Replaced 67 existing meters according to the meter replacement plan;
- Installed 4 new water taps, meter boxes and meters;
- Completed 492 utility locate requests;
- Submitted 24 water samples for testing, ensuring compliance with state standards;
- Completed annual backflow device inspections for 148 meters;
- Published and distributed annual water quality report in compliance with state standards.

2018-19 OBJECTIVES

- Promote the web based accessibility of data available with installation of AMI transmitters on water usage to customers;
- Replace water meters in accordance with annual plan;
- Complete the interface between AMI transmitter software and accounting software;
- Develop departmental mission statement, goals, objectives and strategies;
- Identify long-term needs to assist with determination of the Town’s long-range plans;
- Identify performance indicators for the strategic goals, objectives and strategies.



BASIS OF BUDGETING

BASIS OF ACCOUNTING

The budget is prepared using the modified accrual basis of accounting for all funds; this method recognizes revenues when they become measurable and available and expenditures at the time the liability is incurred. All revenues and expenditures must be included in the annual budget ordinance. Any operational appropriations that are not expended or encumbered shall lapse. The basis of budgeting for the General Fund is the same basis of accounting used for the audited financial statements; the basis of budgeting for the Water Fund differs from the accrual method used for reporting in the audited financial statements. A reconciliation from budgetary basis (modified accrual) to full accrual is included in the audited financial statements.

BUDGET CALENDAR

The North Carolina Budget and Fiscal Control Act (NCBFCA) specifies dates by which certain stages of the budget process are to be completed.

DEPARTMENTAL REQUESTS

Departmental & revenue requests must be submitted to the Budget Officer **by April 30** (NCGS 159-10); The Budget Officer (Town Manager) gives department heads the departmental operating budget materials and instructions in February. Department heads estimate departmental expenditures and revenues.

RECOMMENDED BUDGET

The recommended budget must be submitted to the Governing Board **by June 1** (NCGS 159-11(b));

The Town Manager reviews operational needs and priorities and presents a balanced proposed budget and a budget message to the Town Board. The budget message specifies governmental goals fixed by the budget for the budget year, explains the important features of the activities anticipated in the budget, the reasons for any changes from prior year program goals, programs and appropriation levels, as well as any major changes in fiscal policy as required by the NCBFCA (NCGS 159-11).

BUDGET ADOPTION

The Governing Board must adopt the annual budget ordinance **by July 1** (NCGS 159-13(a));

The Board reviews the recommended budget with the Town Manager. A copy of the proposed budget is filed with the Town Clerk and is also available on the Town's website. Before adopting the budget ordinance, the Board shall hold a public hearing (NCGS 159-12(b)). Not earlier than ten (10) days after the day the budget is presented to the Board and not later than July 1, the Board shall adopt the budget ordinance (NCGS 159-13(a)).

BUDGET AMENDMENTS

After the budget ordinance has been adopted, the Town Manager is authorized to transfer appropriations of up to \$5,000 between line items within the same department. Reallocations of appropriations transferred shall be reported to the Town Board monthly. All other budget amendments shall be made by the Town Board by appropriate resolution or ordinance (NCGS 159-15).

FINANCIAL POLICIES

BUDGETARY POLICY

The Town shall adhere to the Local Government Budget and Fiscal Control Act (LGBFCA), NCGS §159-7:17, to prepare a balanced budget. A balanced budget, defined by statute, is when the sum of estimated net revenues and appropriated fund balance is equal to appropriations. The Town's Annual Budget Ordinance shall be adopted by each July 1, for the period July 1 to June 30, making appropriations and levying taxes for the budget year.

The Board of Commissioners will be provided monthly financial reports to demonstrate actual revenues and expenditures in relation to the budgeted amounts.

INVESTMENT POLICY

The Town will monitor cash flow of all funds on a regular basis to ensure maximum investment of idle cash. Investments will be selected based on safety, liquidity, and yield. Investment of idle funds shall be made in accordance with the LGBFCA NCGS § 159-30.

The Board of Commissioners will be provided monthly financial report to demonstrate actual investments and yields.

FUND BALANCE POLICY

Unassigned fund balance refers to the funds that remain available for appropriation after all state statutes, previous designation, and expenditure commitments have been calculated. The Town has determined that an available fund balance of 20% of general fund expenditures should be maintained to meet the Town's cash flow needs, and for unforeseen needs or opportunities.

The Board of Commissioners will be presented annually the audited financial statements that specify the fund balance and the portion thereof that is unassigned.

DEBT POLICY

The Town will utilize a balanced approach to capital funding utilizing debt financing, fund balance, and pay-as-you-go appropriations. No appropriations of the proceeds of a debt instrument will be made except for the purpose for which the debt instrument was intended and will not be used to finance current operating expenditures. Capital projects will be financed for a period not to exceed the expected useful life of the project. The sum of general obligation debt and installment purchase debt will not exceed the statutory limit (NCGS 159-55) of eight (8) percent of the appraised value of property subject to taxation.

The Board of Commissioners will be presented annually the Comprehensive Annual Financial Report that exhibits the legal debt margin calculation.

HISTORY

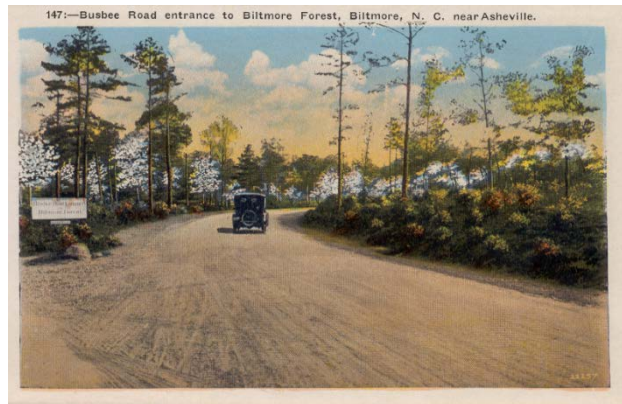
In 1916, following the unprecedented flood and resulting damage to Biltmore Village and the Biltmore Estate, the trustees of the George Vanderbilt Estate requested Junius Adams to make a survey and study the property and recommend plans to reduce the cost of maintenance. His report included recommendations that Biltmore Village be sold and that some 1,500 acres of Biltmore Estate bordering on Hendersonville Road, which was unproductive and bearing a heavy burden of taxation, be declared a restricted residential section and sold off as lots.

The trustees approved the recommendations of Mr. Adams which included postponing the project due to the threat of United States involvement in the First World War. The trustees agreed the project would proceed when the conditions were regarded as favorable. The project began in August of 1920.

Junius Green Adams, Thomas Wadley Raoul, Burnham S. Cogburn and William A. Knight with the cooperation of Mrs. Edith Vanderbilt, her daughter Cornelia, and the trustees of the estate of George Vanderbilt formed the Biltmore Estate Company. Their intent was to develop on almost 1,500 acres one of the finest residential parks in the country. The Town was officially chartered in 1923.

In 1925, Hiden Ramsey described the prevailing vision for the Town of Biltmore Forest:

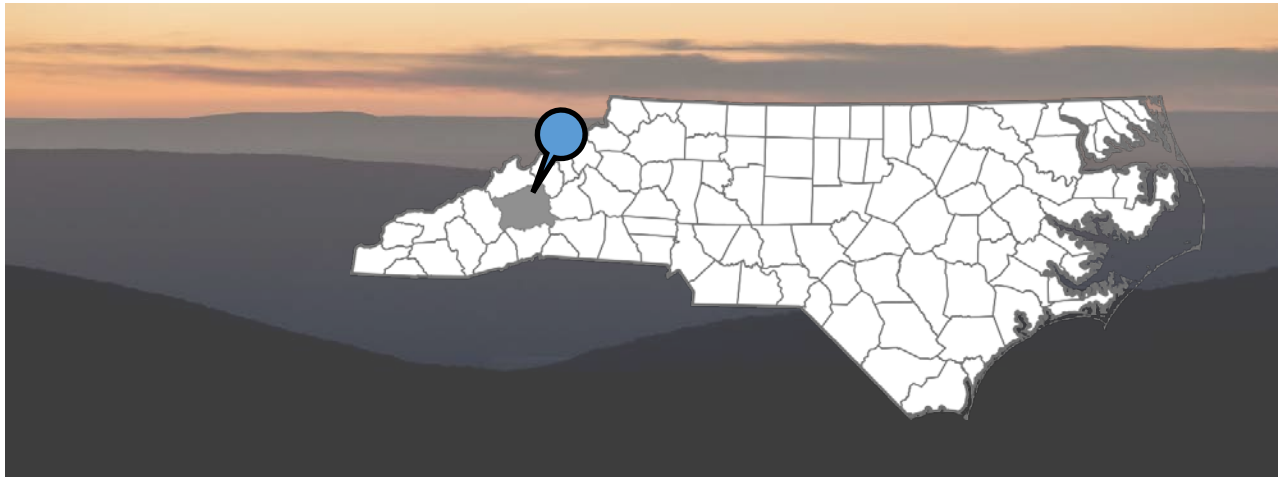
“They wished to create and abide in a community where persons of moderate means could build homes that would embody on a smaller scale the same ideals which actuate Vanderbilt in the creation of the Biltmore Estate.... Not a tree was felled nor a bush disturbed until the atmosphere of the community had been determined and the whole plan of development had been worked out in the minutest detail.”



In 1990 the Biltmore Forest Historic District was determined eligible for the National Register of Historic Places. Eligibility included the pioneering method of suburban real estate development; the association with William Waldo Dodge Jr, a silversmith and architect, known for Colonial revival, craftsman, rustic and Tudor revival styles that permeate the area; and because of the coordination of plan, landscaping and architecture to create identity and character.

The attention to detail and environment that were so prominent during the development of the Town have been preserved by virtue of residential zoning designations and conscientious zoning restrictions. Conservation of the naturalistic landscaping, designed with the same influences as the Biltmore Estate, has been possible through adoption of a tree protection ordinance and community forestry programs.

DEMOGRAPHICS



POPULATION

Biltmore Forest, NC	1,516
Buncombe County, NC	250,112
State of North Carolina	9,940,828

MEDIAN HOUSEHOLD INCOME

Biltmore Forest, NC	141,458
Buncombe County, NC	46,902
State of North Carolina	48,256

RACE

White	98.90%
Black or African-American	0.60%
American Indian or Alaska Native	1.80%
Asian	3.30%

AVERAGE TEMPERATURE

January	High 47° F Low 28° F
July	High 85° F Low 65° F

MEDIAN AGE

Biltmore Forest, NC	52.9
Buncombe County, NC	41.7
State of North Carolina	38.3

MEDIAN HOME VALUE

Biltmore Forest, NC	821,700
Buncombe County, NC	198,100
State of North Carolina	157,100

EDUCATIONAL ATTAINMENT

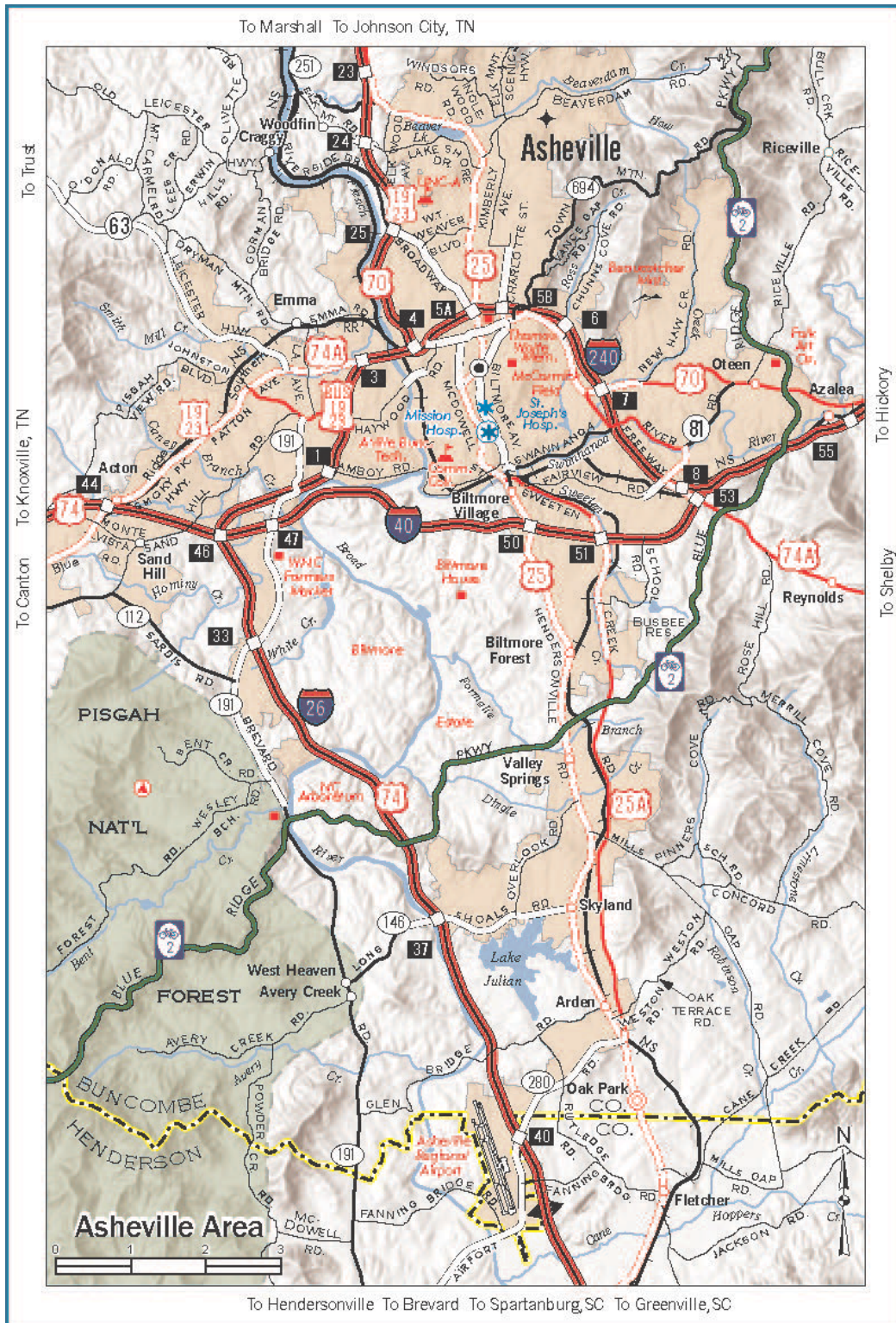
High School Graduate or Equivalency	98.90%
Bachelor' Degree of Higher	82.80%

AVERAGE PRECIPITATION

Rainfall	36.95 inches
Snowfall	13 inches

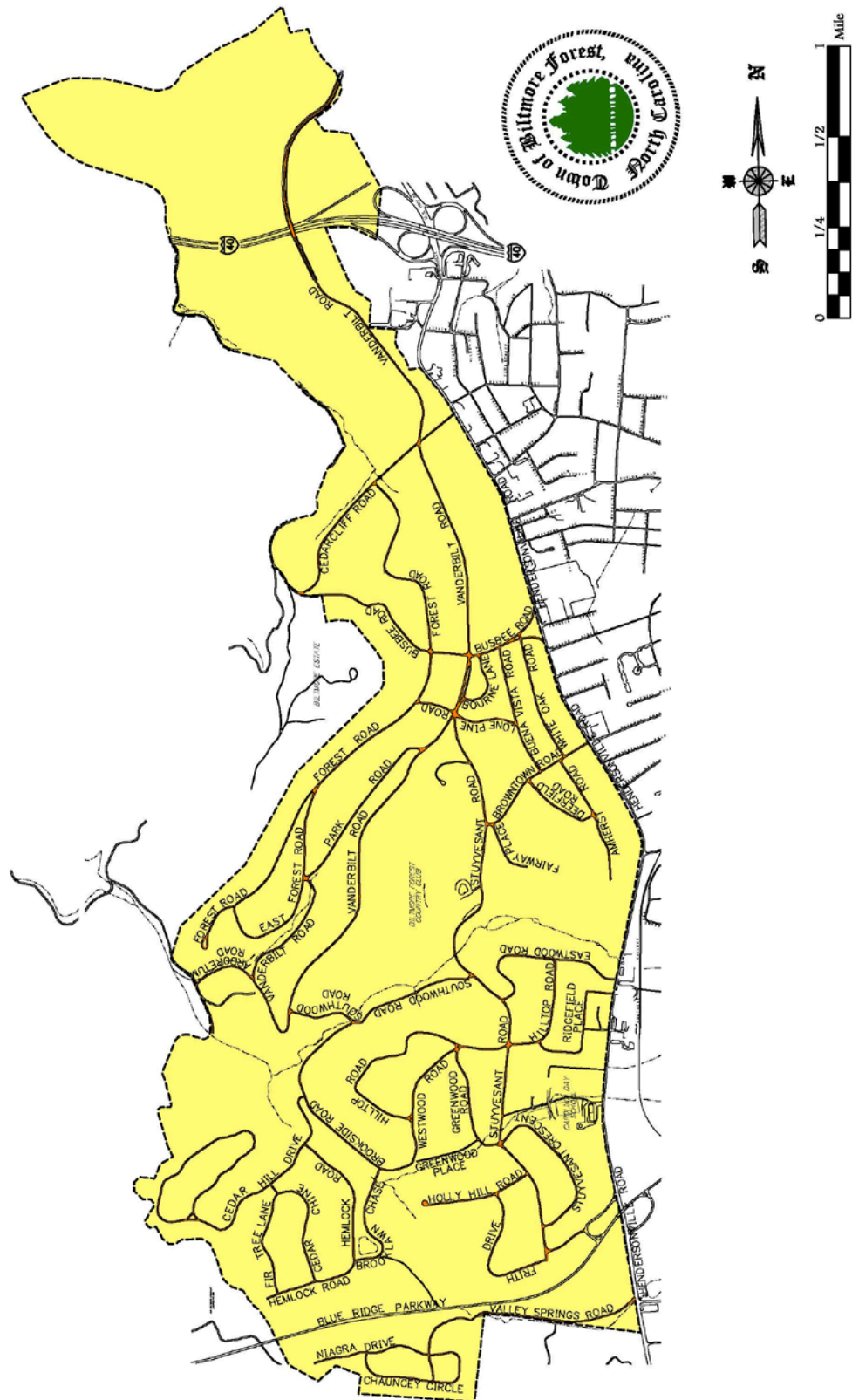
Information gathered from the American Fact Finder Community Survey 2012-2016 and US Climate Data.

LOCATION MAP

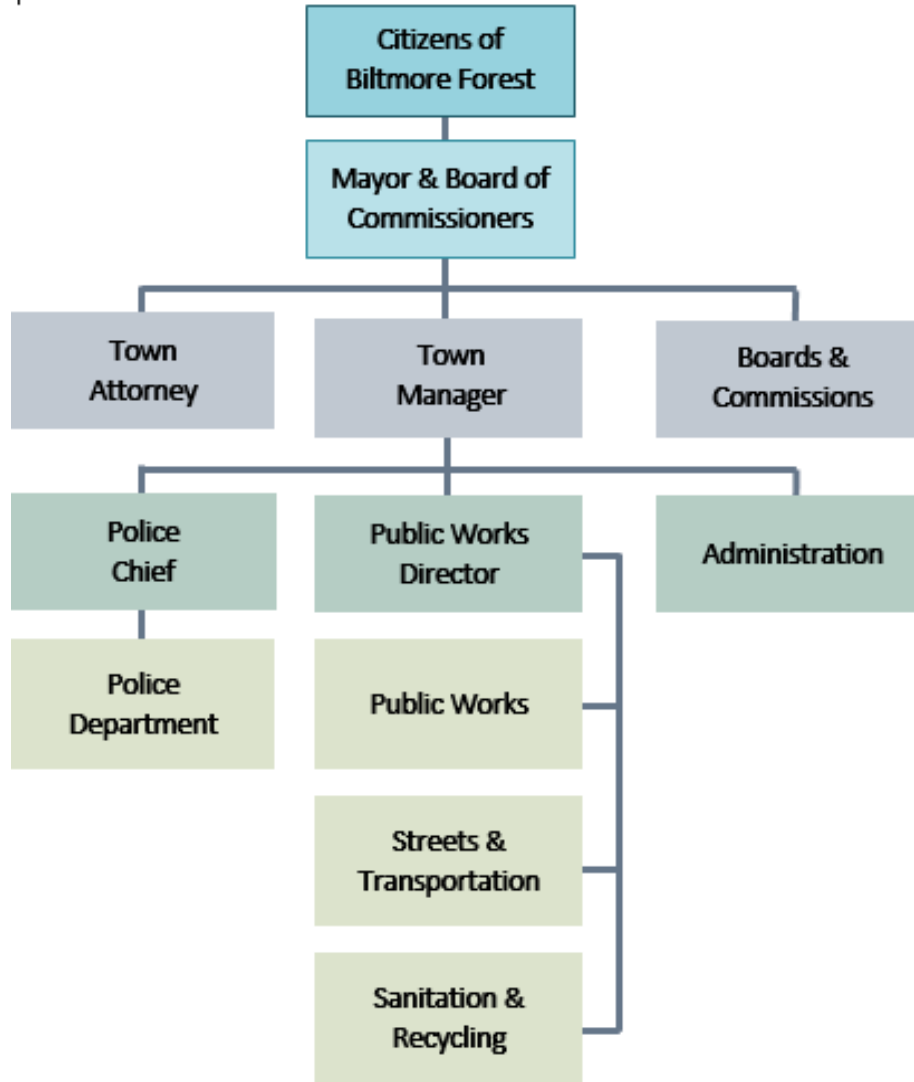


Urban Inset Map for Asheville area from North Carolina Department of Transportation (www.ncdot.gov)

TOWN MAP



ORGANIZATIONAL CHART



POSITION SUMMARY SCHEDULE

	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 ADOPTED	2018-19 ADOPTED
ADMINISTRATION				
Town Manager	1.0	1.0	1.0	1.0
Assistant Finance Officer	1.0	1.0	1.0	1.0
Assistant Town Clerk	0.0	0.0	0.0	0.5
	2.0	2.0	2.0	2.5
PLANNING				
Planner	0.0	0.0	0.5	0.5
POLICE				
Chief of Police	1.0	1.0	1.0	1.0
Police Lieutenant	1.0	1.0	1.0	1.0
Police Sergeant	4.0	4.0	4.0	4.0
Police Officer	4.0	4.0	4.0	4.0
Desk Officer	4.0	4.0	4.0	4.0
	14.0	14.0	14.0	14.0
PUBLIC WORKS				
Public Works Director	1.0	1.0	1.0	1.0
Public Works Supervisor	1.0	1.0	1.0	1.0
Public Services Technician	1.0	1.0	1.0	1.0
Public Services Maint. Worker	1.0	1.0	1.0	1.0
Public Services Maint. Worker	1.0	1.0	1.0	1.0
Skilled Laborer	1.0	0.0	0.0	0.0
	6.0	5.0	5.0	5.0
STREETS & TRANSPORTATION				
Maintenance Worker	1.0	1.0	1.0	1.0
SANITATION & RECYCLING				
Sanitation Worker	2.0	3.0	3.0	3.0
WATER				
Billing Clerk	1.0	1.0	1.0	0.5
TOTAL EMPLOYEES	26.0	26.0	26.5	26.5
General Fund Employees	25.0	25.0	25.0	25.5
Water Fund Employees	1.0	1.0	1.0	0.5

GLOSSARY

Ad Valorem tax: A tax levied in proportion to the value of a property.

Appropriation: The legal authority to incur obligations and to make expenditures for specific purposes.

Appropriated Fund Balance: The amount of fund balance appropriated as a revenue source for the current fiscal year.

Assessed valuation: The value established by the County tax assessor for real or personal property for use as a basis to levy property taxes.

Balanced budget: As defined by the North Carolina Local Government Budget and Fiscal Control Act, is when the sum of estimated net revenues and appropriated fund balance is equal to appropriations for each fund.

Budget: A plan of financial activity for a specified period of time (fiscal year beginning July 1 and ending June 30) designating planned revenues and expenses for the budget period.

Budget amendment: The legal mechanism used to revise a budget appropriation.

Budget Message: The opening section of the budget that provides the Town Board and the public with a general summary of the most important aspects of the budget, changes from current and previous fiscal years, and the views and recommendations of the Town Manager.

Budget Ordinance: The official enactment by the Town Board to establish legal authority for the Town officials to obligate and expend resources.

Capital Expenditure: An expenditure for an asset that exceeds a predetermined dollar amount and a predetermined number of years of useful life; the Town of Biltmore Forest established a threshold for the cost to equal or exceed \$5,000 and a useful life of 5 years or more.

Capital Outlay: Expenditures for the acquisition of capital assets, including land, buildings, permanent improvements, machinery, large tools, rolling and stationary equipment.

Cash Management: The activity of forecasting cash flows, improving cash availability for investment, and establishing/maintaining banking relationships.

Comprehensive Annual Financial Report (CAFR): A report containing the Town's annual financial statements, auditor's report of the financial statement, various tables and graphs as supplemental data and a transmittal letter describing the year's activity.

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

Debt Service: the cost of paying principal and interest on borrowed money according to a predetermined payment schedule.

Department: An organizational unit responsible for carrying out a major governmental function.

Encumbrance: The commitment of appropriated funds to purchase an item or services.

Enterprise Fund: a fund used to account for operations in which the cost of providing services are financed or recovered primarily through user charges.

Estimated Revenue: The amount of projected revenue to be collected during the fiscal year.

Expenditure: The amount of net financial resources expended during the reporting period for current operations, capital outlay, long-term debt principal retirement and interest.

Fiscal Year: The twelve-month period to which the annual operating budget applies. The fiscal year for the Town of Biltmore Forest begins July 1st and ends June 30th.

Fund: An accounting entity that possesses a set of self-balancing accounts segregated to carry out specific activities.

Fund Balance: The amount of assets in excess of the liabilities or appropriated for expenditures; surplus funds.

Fund Balance Appropriated: The amount representing the fund's equity to be used to offset expenditures; Fund balance available for appropriation equals cash and investments less the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts.

General Fund: The principal operating fund for Town government; The General Fund is used to account for all Town government activities, except those activities with a legal, contractual, or managerial requirement to be accounted for in a separate fund. The General Fund provides resources for the functional areas of general government, development, public protection, general services, parks, and for non-departmental expenditures.

GFOA: Government Finance Officers Association.

Grant: A contribution by a government or other organization to support a particular function.

Installment Purchase Agreement: A method of financing the acquisition of assets where the purchase price is paid in a series of partial payments over a specified period.

Interfund Transfers: The movement of money between funds of the same government entity.

Intergovernmental Revenue: Funds received from federal, state, and other local government sources for a specified purpose.

Investment Earnings: Revenue earned on investments with a third party.

Levy: To impose taxes for the support of governmental activities. The levy amount represents the total dollar amount of property taxes to be collected through real and personal property tax billings.

Local Government Budget & Fiscal Control Act (LGBFCA): North Carolina General Statute that governs all financial activities of local governments within the state.

Long-term debt: Debt with a maturity of more than one year after the date of issuance.

Modified Accrual Accounting: The accounting method of recording revenues when measurable and available and recording expenditures when liability is incurred and unmatured principal and interest on general long term debt is recognized when due.

North Carolina League of Municipalities (NCLM): A service and advocacy organization representing municipalities in North Carolina.

Objectives: Something to be accomplished in specific, well-defined, and measurable terms that can be achieved within a specific time frame.

Operating Expenses: The portion of the budget pertaining to the daily operations that provide basic governmental services; includes appropriates for such expenditures as supplies, utilities, materials, and travel.

Outstanding Debt: Existing debt service obligations due in future years.

Personal Property: Visible and movable property not permanently affixed to real property; includes but not limited to automobiles, boats, trailers and equipment.

Property Tax: A tax levied on the assessed value of real and personal property. The property tax rate is expressed as a dollar value per \$100 of assessed valuation.

Reclassification: A change in position title and/or the associated pay range based on changed in the job skills required for a given position.

Real Property: Land, buildings, and items permanently affixed to land or buildings.

Reserve: An account used to set aside budgeted revenues that are not required for expenditure in the current budget year or to earmark revenues for a specific future purpose.

Resolution: A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an ordinance or statute.

Resources: Total amounts available for appropriation including estimated revenues, fund transfers, and beginning balances.

Revaluation: The process used by the assessor to place a new value on real property and improvements for determining the assessed value for property tax purposes. A revaluation would be performed on all taxable properties in the same year by the County Tax Assessor.

Revenue: Sources of income including tax payments, fees from specific services, receipts from other governments, fines, grants, shared revenues, and interest income.

Source of Revenue: Classification of revenues according to their source or point of origin.

Tax Base: The assessed valuation of all taxable real and personal property within the Town limits.



4TH of July Parade & Picnic



TOWN of 
*Biltmore
Forest*



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