

POLICIES & GOALS



Basis of Accounting

Basis of Accounting refers to the specific time at which revenues and expenditures (expenses) are recorded in the accounts and reported in the financial statements.

All funds of the County are accounted for during the year on the modified accrual basis of accounting in accordance with North Carolina General Statutes. Briefly, this means that obligations of the County are budgeted as expenditures in the accounting period, month or year, in which it occurs, but revenues are recognized only when they are measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means the amount is collectible within the current month/year or soon enough thereafter to be used to pay liabilities of that same month/year. Exceptions to this form of accounting are unmatured principal and interest on long term debt that are recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated. The General Fund and Agency Funds are presented in the financial statements on this same basis. (The General Fund is used to account for transactions of the governmental unit and Agency Funds are used to account for agencies, governmental units, outside the County that receive County funding or other types of assistance).

The County considers all revenues available if they are collected within 60 days after year-end. Property taxes not collected within 60 days after June 30 are not recorded as revenue because the amount is not considered to be an available resource to finance the operations of the current year. Sales taxes, collected and held by the State at year-end on behalf of the County, are recognized as revenue. Intangible taxes and other intergovernmental revenues, and sales and services are not susceptible to being recorded when earned because generally they are not measurable until received in cash. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

The Enterprise Funds, i.e. Solid Waste Disposal Fund, and Insurance Internal Service Fund are presented on the accrual basis of accounting. Under this basis, revenues are recognized in the accounting period when earned, regardless of when the cash form these revenues is received; and expenses are recognized in the period when incurred, instead of when they are paid. The Enterprise Funds are funds that account for the acquisition, operation and maintenance of governmental facilities and services which are entirely or predominantly self-supporting by user charges. The Internal Service Fund accounts for goods or services provided to other departments on a cost-reimbursement basis.

Basis of Budgeting

Budgets are adopted as required by State Statute. An annual budget ordinance is adopted for the General, Special Revenue, Internal Service Fund, and Enterprise Funds. The General Fund is where all the transactions of the County that are not required to be accounted for elsewhere are recorded. The Special Revenue Funds account for revenues that must be spent for a specific purpose. All annual appropriations lapse at fiscal year end. Project ordinances spanning more than one year are adopted for the Grant Project and Capital Project Funds, where expenditures for multi-year grants and infrastructure and facilities are accounted for. All of these budgets are prepared using the modified accrual basis of accounting, which is consistent with the accounting system used to record transactions. Under this method, revenues are recognized when they become both “measurable” and “available” to finance expenditures of the current period. Expenditures are recognized when the liability is incurred in most cases.

Expenditures are accounted for at three levels. The functional level represents a group of departments with the same or similar purpose, i.e. public safety. The departmental level represents the budget for each department as a stand alone entity. The object level is each line item within the department’s budget. Expenditures may not legally exceed appropriations at the functional level for the General Fund, at the department level for the Special Revenue and Enterprise Funds, and at the object level for the Capital Projects Funds. The balances in the Capital Reserve Funds, the fund where a budget is “set aside” for a particular capital project, will be appropriated when transferred to their respective Capital Projects Funds.

The County utilizes the encumbrance method of accounting, as required by State Statute. An encumbrance is an amount of money committed and set aside, but not yet expended, for the purchase of a specific good or service. Encumbrances outstanding at year-end represent the estimated amounts of the expenditures ultimately to result if unperformed purchase orders and other contracts in process at year-end are completed. All unexpected annual budget appropriations lapse at year-end. Encumbrances outstanding at year-end are reported as part of fund balances since they do not constitute expenditures or liabilities. The subsequent year’s appropriations provide authority to complete these transactions. Encumbrances at year-end in funds that are budgeted on a multi-year project basis automatically carry forward to the next fiscal year along with their related appropriations and are not subject to annual cancellation and reappropriation.

The Budget Process

Buncombe County operates under an annual balanced budget ordinance as required by North Carolina statutes. This means that the sum of estimated net revenues and appropriated fund balance in each fund will be equal to appropriations in that fund. State statutes also require that the County operate on a fiscal year beginning July 1 and ending on June 30.

BUDGET DEVELOPMENT

Budgets are developed on a departmental basis by expenditure function within a fund. The budgets display all of the County financial operations including funding for various agencies outside of the County's organizational structure.

The Board of Commissioners adopted a Strategic Plan for Buncombe County. To implement the Strategic Plan, each County department and intergovernmental agency receiving county funds was asked to address the strategies in its requested budget documents.

ADOPTION OF BUDGET ORDINANCE

The annual balanced budget is submitted to the Board of Commissioners in June. A public hearing on the budget is held in the middle of June with an expected budget adoption by June 30. In accordance with North Carolina statutes, the governing board shall adopt a budget not earlier than ten days after the budget is presented to the Board and not later than July 1.

AMENDMENTS TO THE BUDGET ORDINANCE

The County Manager is authorized by the budget ordinance to transfer appropriations between functional areas within a fund up to \$50,000 per expenditure; however, any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$50,000 per expenditure must be approved by the governing board. The Budget Officer may approve line item transfers within a functional area upon requests by County departments. No amendment may increase or reduce a property tax levy or in any manner alter a property taxpayer's liability.

Operating Funds

All of the funds described below have been subject to the budget process and all appropriations have been approved by the Board of Commissioners and they are included in the County's budget ordinance.

General Fund

The General Fund is the main operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund. This fund receives the major portion of ad valorem tax revenues, local option sales tax, federal and state shared revenues, licenses, permits and fees. The major operating activities include: public safety, economic and physical development, human services, education, library and recreation, debt services, and general government service functions. The Commissioners annually adopt appropriations for this fund.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes. The Commissioners annually adopt appropriations for these funds. Buncombe County maintains seven Special Revenue Funds:

Air Quality
Workforce Investment Act
Register of Deeds Automation
Occupancy Tax
911
Fire Districts
Transportation

Internal Service Fund

Internal Service Funds are used to account for the financing of goods by one department or agency to other departments or agencies of the County on a cost reimbursement. The Insurance Fund is used to account for the activities of the County's health and dental insurance plans for County employees. Also included in the Insurance Fund is all activity for worker's compensation, property, professional liability, and general liability premiums and claims. The Commissioners annually adopt appropriations for this fund.

Enterprise Funds

The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that costs of providing services to the general public be recovered primarily through user charges. Buncombe County has six Enterprise Funds: The Commissioners annually adopt appropriations for these funds.

Criminal Justice Information System (CJIS)
Solid Waste
Human Services Facilities
Inmate Commissary & Welfare
Parking Decks
Mental Health

Budget Calendar Fiscal Year 2011

Date	Budget Procedure	Action By:
Dec 3	Capital and IT requests due to County Manager	Department Directors
Dec 4	Salary & Wage Report sent to Finance, Personnel, and County Manager	Finance
Dec 23	Mail sales tax and property tax base data to fire districts with instructions for calculating revenues and budget submission deadline.	Finance
Jan 18	Budget submission guidelines sent to departments.	Finance
Jan 19 - Feb 5	Departments submit revenue and expenditure (including capital outlay) budget requests via Budget Web Application.	Finance/Directors
Feb 6 - Feb 26	Review and analyze department budgets; provide summary to County Manager.	Finance
Mar 1	Meet with commissioners to review budget status (FY2010 budget-to-actual through 6 months with full year projection).	County Manager/Finance
Mar 5	Debt Service schedule complete and input into Lawson.	Finance
Mar 8 - 12	Hold 2-by-2 meetings with Commissioners	County Manager/Finance
Mar 26	Property tax base & collection rate estimates due to Finance.	Tax
Mar 31	Department deadline for submitting performance measures.	Directors
Mar 31	FY2011 budget recommendation for all funds submitted to County Manager.	Finance
Mar 31	Mail sales tax and property tax base data to schools with instructions for calculating revenues and budget submission deadline.	Finance/Tax
Apr 30	Fire Districts budgets due.	Fire Districts
Apr 30	Fund balance projections submitted for FY2010.	Finance
May 3	Updated property tax estimates provided.	Tax
May 3	Updated revenue projections provided.	Finance/Directors
May 14	Budgets submitted by school districts.	Sch Distr/ABTCC
May 18	FY2011 Budget Message Presentation	County Manager
Jun 2	Public Hearing	Board of Comm
Jun 15	Adoption of FY2011 Budget	Board of Comm

Fiscal Policies (Adopted by Commissioners June 18, 1996)

Revenue Policy

As directed by Management the County shall project revenues biannually updating the projections annually.

Recreational programs shall be funded by user fees for all programs for which it is practical to charge.

Building Inspections and Permits and Soil Erosion shall be fully funded through user fees in the form of building permits, inspections and plan review fees. These fees shall represent 100% of direct costs.

The direct costs of Environmental Health Programs, except for state mandated inspections, shall be fully funded through user fees for permits.

Direct EMS costs shall be funded to the maximum extent possible.

The average daily cost of housing federal prisoners shall be calculated by the Sheriff's Department, approved by the Finance Director, and reported to the U.S. Marshal to establish an updated reimbursement rate at regular intervals as deemed appropriate by the Sheriff and Finance Director.

All Enterprise Funds shall be totally self-supporting.

State and federal funds available for operating expenses and capital outlay shall be aggressively sought.

The County shall consider market rates and charges levied by other public and private organizations for similar services in establishing tax rates, fees, and charges.

Capital Improvement Policy

The County shall prepare, adopt and amend, as necessary, a ten-year capital projects needs assessment and a five-year capital improvement program detailing each capital project with a cost greater than \$250,000, the estimated total cost, description, and funding source.

The County shall provide for the adequate maintenance and the orderly replacement of the capital plan and equipment from current revenues where possible.

Operating expenditures shall be programmed to include the cost of implementing the capital improvement program and provide all workforce, operating costs, and capital outlay required.

Operating Budget Policy

Current operating revenues, operating transfers into the General Fund, and appropriated fund balance shall be sufficient to support current operating expenditures, including debt service.

Debt or bond financing shall not be used to finance current expenditures.

The County shall focus on holding net County costs of operations steady and aggressively pursue non-tax funding to add or expand programs. The County shall focus on shifting recurring capital costs to routine operating costs and ensuring that departments have current/safe equipment to provide services.

The County will endeavor to purchase facilities and move them from leased space to reduce long-run facility costs.

As directed by Management, the County shall prepare financial forecasts that will include projections of annual growth plus allowances for operating costs of new capital facilities.

The County shall integrate performance measures with the annual budget.

Vehicle Replacement Policy

County departments must justify the need for a county-owned vehicle. The cost-benefit of paying an employee mileage for use of a personal vehicle versus use of a county-owned vehicle must be documented. Evaluation of the on-going need for county-owned vehicles assigned to a department will be made on an annual basis before bidding new county vehicles.

The Board of Commissioners must approve all new vehicle purchases and requests for a vehicle from the surplus list when that vehicle increases the fleet assigned to that department.

Public Safety and special use vehicles required for a specific job will be considered based on need, usage, and cost- benefits over the life of the vehicle.

The County Manager may, at the request of Fleet Management, remove or recall any county -vehicle from a department for one of the following reasons: 1) vehicle does not meet minimum mileage requirements, 2) vehicle abuse, or, 3) termination of position with assigned vehicle.

A department shall turn in the old vehicle before receiving a replacement vehicle. Any exception requires the approval of the Board of Commissioners.

Department Directors must complete a vehicle change form for purchase, sale, disposal or transfer of vehicles.

Accounting Policy

The County shall establish and maintain the accounting system according to the generally accepted principles and standards of the Government Finance Officers Association and the National Committee on Governmental Accounting.

Full disclosure shall be provided in financial statements and bond representations.

Financial systems shall be maintained to monitor expenditures and revenues on a monthly basis with a thorough analysis and adjustment (if required) at mid-year.

The Finance Department shall review and recommend improvements in billing and collections procedures to enhance the collection of delinquent revenues on an annual basis.

Debt Policy

Capital projects, financed through the issuance of bonds, shall be financed for a period not to exceed the expected useful life of the project.

The general obligation debt shall not exceed 2.0 percent of the assessed valuation of the taxable property of the County.

Annual general obligation debt service shall not exceed 15.0 percent of the total, non-enterprise, operating expenditures.

The County shall maintain good communications with bond rating agencies about its financial condition.

Reserve Policy

The County shall maintain an unallocated fund balance of 15.0 percent of the General Budget to be used for unanticipated emergencies. These funds shall be used to avoid cash flow interruptions, generate interest income, reduce the need for short-term borrowing, and assist in maintaining an investment grade bond rating.

The County shall establish a contingency appropriation to provide for unanticipated expenditures of a non-recurring nature, or to meet unexpected increases in service delivery costs. This appropriation shall not exceed 5.0 percent of all other general fund appropriations for the fiscal year.

Adopted 6/18/96

BUNCOMBE COUNTY, NORTH CAROLINA INVESTMENT POLICY

SCOPE

This policy applies to all financial assets of Buncombe County except authorized petty cash accounts and trust funds administered by the Social Services Director. The County pools the cash resources of its various funds into a single pool in order to maximize investment opportunities. These funds are accounted for in the County's Comprehensive Annual Financial Report. Each fund's portion of total cash and investments is summarized by fund type in the combined balance sheet as equity or deficit in pooled cash and investments. This policy applies to all transactions involving the financial assets and related activity of all the various funds accounted for in the County's Comprehensive Annual Financial Report.

OBJECTIVES

1. Safety

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate **credit risk** and **interest rate risk**.

Credit risk is the risk of loss due to the failure of the security issuer or backer. Credit risk may be mitigated by:

- a. Limiting investments to the safest types of securities;
- b. Pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors with which an entity will do business; and
- c. Diversifying the investment portfolio so that potential losses on individual securities will be minimized.

Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in general interest rates. Interest rate risk may be mitigated by:

- a. Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and
- b. By investing operating funds primarily in shorter-term securities.

2. Liquidity

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (**static liquidity**). Furthermore, since all possible cash demands cannot be

anticipated, the portfolio should consist largely of securities with active secondary or resale markets (**dynamic liquidity**).

3. **Yield**

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of least importance compared to the safety and liquidity objectives described above. The core of investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall not be sold prior to maturity with the following exceptions:

- a. A declining credit security could be sold early to minimize loss of principal;
- b. A security swap would improve the quality, yield, or target duration in the portfolio; or
- c. Liquidity needs of the portfolio require that the security be sold.

STANDARDS OF CARE

1. **Prudence**

The standard of prudence to be used by investment officials shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

Investments shall be made with judgement and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

2. **Ethics and Conflicts of Interest**

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of their entity.

3. Delegation of Authority

Authority to manage the investment program is granted to the Finance Director by North Carolina General Statute 159-30(a). Responsibility for the operation of the investment program is delegated by the Finance Director to the Investment Officer or other County employee who shall carry out established written procedures and internal controls for the operation of the investment program consistent with this investment policy. Procedures shall include references to: safekeeping, delivery v. payment, investment accounting, repurchase agreements, wire transfer agreements, collateral/depository agreements, and banking service contracts. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Finance Director. The Finance Director shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

SAFEKEEPING AND CUSTODY

1. Authorized Financial Dealer and Institution

A list will be maintained of financial institutions authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers selected by creditworthiness (minimum capital requirement \$10,000,000 and at least five years of operation). These may include “primary” dealers or regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule).

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the following as appropriate:

- a. Audited financial statements;
- b. Proof of National Association of Securities Dealers (NASD) certification;
- c. Proof of state registration;
- d. Completed broker/dealer questionnaire; and
- e. Certification of having read the entity’s Investment Policy.

An annual review of the financial condition and registration of qualified bidders will be conducted by the Finance Director.

2. Internal Controls

The Finance Director is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits

likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgements by management.

Accordingly, the Finance Director shall establish a process for annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points:

- a. **Control of collusion.** Collusion is a situation where two or more employees are working in conjunction to defraud their employer.
- b. **Separation of transaction authority from accounting and record keeping.** By separating the person who authorizes or performs the transaction from the people who record or otherwise account for the transaction, a separation of duties is achieved.
- c. **Custodial safekeeping.** Securities purchased from any bank or dealer including appropriate collateral (as defined by State Law) shall be placed with an independent third party for custodial safekeeping.
- d. **Avoidance of physical delivery securities.** Book entry securities are much easier to transfer and account for since actual delivery of a document never takes place. Delivered securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with physically delivered securities.
- e. **Clear delegation of authority to subordinate staff members.** Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid improper actions. Clear delegation of authority also preserves the internal control structure that is contingent on the various staff positions and their respective responsibilities.
- f. **Written confirmation of telephone transactions for investments and wire transfers.** Due to the potential for error and improprieties arising from telephone transactions, all telephone transactions should be supported by written communications and approved by the appropriate person. Written communications may be via fax if on letterhead and the safekeeping institution has a list of authorized signatures.
- g. **Development of a wire transfer agreement with the lead bank or third party custodian.** This agreement should outline the various controls, security provisions, and delineate responsibilities of each party making and receiving wire transfers.

From time to time, investors may choose to invest in instruments offered by minority and community financial institutions. These financial institutions may not meet all the criteria under Paragraph 1. All terms and relationships will be fully disclosed prior to purchase and will be reported to the Finance Director on a consistent basis and should be consistent with state or local law.

3. **Delivery vs. Payment**

All trades where applicable will be executed by Delivery vs. Payment (DVP). This ensures that securities are deposited in the eligible financial institution prior to the release of funds. Securities will be held by a third party custodian as evidenced by safekeeping receipts.

SUITABLE AND AUTHORIZED INVESTMENTS

1. **Investment Types**

Only the following investments will be permitted by this policy although others are authorized by North Carolina General Statute 159-30(c):

- a. Obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States.
- b. Obligations of the Federal Financing Bank, the Federal Farm Credit Bank, the Bank for Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, Fannie Mae, the Government National Mortgage Association, the Federal Housing Administration, the Farmers Home Administration, the United States Postal Service.
- c. Obligations of the State of North Carolina.
- d. Bonds and notes of any North Carolina local government or public authority, subject to such restrictions as the Secretary of the Local Government Commission may impose.
- e. Deposits at interest or savings certificates of deposit with any bank, savings and loan association or trust company in North Carolina, provided such deposits or certificates of deposit are fully collateralized.
- f. Prime quality commercial paper bearing the highest rating of at least one nationally recognized rating service and not bearing a rating below the highest (A1, P1, F1) by any nationally recognized rating service which rates the particular obligation.
- g. Banker's Acceptances provided the accepting bank or its holding company is either (1) incorporated in the State of North Carolina or (2) has outstanding publicly held obligations bearing the highest rating of at least one nationally recognized rating service and not bearing a rating below the highest (Aaa or AAA) by any nationally recognized rating service which rates the particular obligations.

- h. Participating shares in a mutual fund for local government investment (such as the N.C. Capital Management Trust) which is certified by the N.C. Local Government Commission.

Consistent with GFOA Recommended Practice on Use of Derivatives by State and Local Governments, extreme caution shall be exercised in the use of derivative instruments.

2. Collateralization

In accordance with North Carolina General Statute 159-31(b) and the GFOA Recommended Practices on the Collateralization of Public Deposits, full collateralization will be required on deposits at interest and savings certificates of deposit. The County shall utilize the pooling method of collateralization and shall use only banking institutions approved by the North Carolina Local Government Commission.

3. Repurchase Agreements

Use of repurchase agreements is prohibited.

INVESTMENT PARAMETERS

1. Diversification

- a. The investments will be diversified by security type and institution.
- b. The combined total investment in commercial paper and bankers' acceptances shall not exceed twenty-five (25%) of the total portfolio and the investment in commercial paper or bankers' acceptances of a single issuer shall not exceed the lesser of five million dollars (\$5,000,000) or five percent (5%) of the total portfolio at the time of investment.

2. Maximum Maturities

The County's general intent is to make investments and hold until maturity. However, early liquidation may be necessary if cash flow demand warrants an earlier date of sale.

The County shall limit the maximum final stated maturities of investments to three years unless specific authority is given to exceed. To the extent possible, the County will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the County will not directly invest in securities maturing more than two (2) years from the date of purchase. The Finance Director shall determine what the appropriate average weighted maturity of the portfolio shall be.

Reserve funds may be invested in securities exceeding two (2) years if the maturity of such investments are made to coincide as nearly as practicable with the expected use of funds. The ability of investing these types of funds should be disclosed to and approved by the Board of County Commissioners including appropriate time restrictions, if any apply.

REPORTING

1. Methods

The Investment Officer shall submit a monthly investment report to the Finance Director. The report shall include a general description of the portfolio in terms of investment securities, maturities, yields and other features. The report will show investment earnings for the month and fiscal year-to-date, including the annualized earned yield percentage for the portfolio. The report will compare actual investment earnings with budgeted earnings.

The Finance Director shall prepare an investment report at least semi-annually, including a succinct management summary that provides a clear picture of the status of the current investment portfolio and transactions made over the last six months. This management summary will be prepared in a manner which will disclose whether investment activities during the reporting period have conformed to the investment policy. The report shall be provided to the County Manager and the Board of County Commissioners. The report will include the following at a minimum:

- a. A listing of individual securities held at the end of the reporting period.
- b. Maturity dates.
- c. The percentage of the total portfolio which each type of investment represents.
- d. Average weighted yield to maturity as compared to applicable benchmarks.

2. Performance Standards

The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio shall obtain a market average rate of return during a market/economic environment of stable interest rates. Portfolio performance shall be compared to appropriate benchmarks on a regular basis.

3. Marking to Market

A statement of the market value of the portfolio shall be issued at least semi-annually. This will ensure that the minimal amount of review has been performed on the investment portfolio in terms of value and subsequent price volatility. Review shall be consistent with the GFOA Recommended Practice on Mark-to-Market Practices for State and Local Government Investment Portfolios and Investment Pools.

POLICY

1. Exemption

Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements of this policy. At maturity of liquidation, such monies shall be reinvested only as provided by this policy.

2. Amendment

This policy shall be reviewed on an annual basis. Any changes must be approved by the County Manager and the Board of County Commissioners as well as the individual(s) charged with maintaining internal controls.

ADOPTED 06/18/96

Strategic Planning & Budgeting Process

The goals and strategies that follow were extracted from the strategic plan for Buncombe County. Each department has developed a mission statement that supports the County's goals and has selected certain goals that they will specifically support. The departments then developed objectives to support these goals and workload indicators to measure their progress toward accomplishing their mission.

The Budget Summaries, in a later section, clearly illustrate each department's mission, the County goals they support, and the performance measures they are using to keep their department on track with the County's overall vision.

While County government *alone* cannot achieve all of the goals in the strategic plan, the Board of Commissioners intends to make significant contributions to every goal.

BUNCOMBE COUNTY VISION

PLANNING



BUDGETING



Buncombe County Strategic Plan 2009-2012

February 17, 2009

Executive Summary

The purpose of this Buncombe County Strategic Plan is to provide priorities, strategic direction, and concrete goals and objectives for the Board of County Commissioners, County Manager and county departments. The plan also will serve as a communication tool between the citizens of Buncombe County and their government. The plan can be edited as needed and should be reviewed annually.

At the retreat on January 9, 2009, The Board of County Commissioners developed eight priorities for Buncombe County Government.

Eight Priorities of Buncombe County Government

- Ensure Affordable Housing
- Preserve the Mountains Including Steep Slopes and Ridges
- Sustain Farming Livelihood
- Encourage Thoughtful Process of Land Subdivision and Development
- Improve Workforce Development Efforts
- Encourage Better Child Care Options
- Work To Increase Access To Health Care
- Maintain and Enhance Core Services

The Buncombe County Strategic Plan 2009-2012 is based on the work of the Board of Commissioners during their January 2009 retreat combined with the analysis and synthesis of the following previous documents: Buncombe County 2020 a Comprehensive Plan for Buncombe County NC, The Hub Project Plan, Community Collaboration Working Group proceedings for Hub project, The Buncombe Strategic Plan, The county budget in brief, and the Buncombe County website.

This plan also serves to provide one document that links the strategic plan to the county's functions: *general government, public safety, human services, economic and physical development, library and recreation, and education.*

County departments, under the supervision of the County Manager, will develop strategies for meeting the objectives in this strategic plan. The ultimate goal is to assist Buncombe County in continuing to strive to reach its vision: *Buncombe County is a caring community in harmony with its environment where citizens succeed, thrive, and realize their potential.*

Vision

Buncombe County is a caring community in harmony with its environment where citizens succeed, thrive, and realize their potential

Buncombe County's vision is congruent with the underlining themes of the Hub Plan. The statement has several specific central visions located within the larger vision. Below are the specific central visions with their connections to the Hub Plan.

Buncombe is a caring community

The Hub Plan discusses how the community can work together to partner on projects and the specific idea for clusters is centered around industries working both in collaboration and competition.

In harmony with its environment

The Hub Plan has an underling premise that the chief economic asset of Buncombe County is its beautiful environment and its history of being a place to renew the mind, body and spirit. In recent times it has also developed leading environmental databases.

Where citizens succeed, thrive, and realize their potential

Succeeding, thriving and realizing the citizen's potential is a concept found throughout the Hub Plan and a value that is reflected in the Hub Plan's strategic goals and in the cluster approach.

Addition information on the Hub Plan is available at:

<http://www.ashevillehub.com/>

Mission

We promote a healthy, safe, well-educated, and thriving community with a sustainable quality of life. We provide effective and efficient government our citizens can trust. We deliver needed service through a responsive work force committed to excellence, integrity, and teamwork.

This mission statement is accomplished through the counties functions.

Buncombe County organizes its expenditures into several different categories, or functions, based on the intended use of funds.

General Government

The General Government function provides administrative support for county government. It includes the Governing Body, County Manager, Human Resources, Finance, Purchasing, Tax, Board of Elections, Register of Deeds, and Information Technology.

Public Safety

The Public Safety function is composed of the Sheriff's Department, Detention Center, Emergency Medical Services, Court Support, Pre-Trial Services, Identification Bureau, Centralized Data Entry, Permits & Inspections, Physical Facilities, and County Garage.

Human Services

The Human Services function is composed of the Health Center, Social Services, Child Care Services, and Aging Services.

Economic & Physical Development

The Economic and Physical Development function includes Planning, Economic Development, Cooperative Extension, and Soil & Water Conservation. Economic Development includes Technology Commercialization and provides Economic Incentives.

Library & Recreation

This Library and Recreation function is comprised of the Library, Parks and Recreation, and contributions to arts organizations.

Education

The Education function is made up of Buncombe County Schools, Asheville City Schools, and Asheville-Buncombe Technical Community College.

Buncombe Counties Priorities, Goals and Objectives

Process

Buncombe County's priorities, goals and objectives are organized first into four sections which are the same sections that can be found in the Buncombe County 2020 a Comprehensive Plan for Buncombe County NC.

- Section I Managing/Guiding Growth and Development
- Section II Providing Workforce Supports
- Section III Enhance County Services

At the January 2009 retreat, the Board of Commissioners developed policy statements for each of the three sections and established eight priorities for the County. These eight priorities are presented within the appropriate section. The Board of Commissioners also developed targeted goals and objectives as needed to address the priorities they set and these are listed directly below the priority title.

Following the targeted goals and objectives determined in the January 2009 retreat, there are goals and objectives from the Buncombe County 2020 a Comprehensive Plan for Buncombe County NC that support the priority listed when warranted. These goals and objectives were also discussed at the January 2009 retreat.

Section I Managing/Guiding Growth and Development

Policy Statement:

Buncombe County should promote growth that is sustainable. The term sustainable is being defined as having positive impacts on future generations especially in the areas of education, the economy, the environment and equality.

Ensure Affordable Housing

Goal 1: Ensure there is an adequate supply of affordable housing in the county.

Objective 1A: The County Manager will collect data and analyze relevant information in preparation for study sessions. Study sessions on affordable housing issues in the county will be held by April 15, 2009.

Objective 1B: The Board of Commissioners will set policy direction and act based on the findings of the study sessions. The manager will carry out these policies.

Goal 2: Promote affordable housing initiatives county wide to accommodate current and future residents. Support affordable housing initiatives in urban areas, in proximity to employment, and in locations with access to existing public transit service.

Objective 2A: Build an inventory of needs/assets. Conduct a substantial analysis of current and projected housing needs by income levels, determine the current rate of supply creation by cost range, inventory those local organizations assisting in creating affordable and workforce housing assess barriers in home acquisition, evaluate the most effective approaches for addressing shortfall in workforce housing needs and initiate programs that address those needs.

Goal 3: Provide a variety of housing types (rental and ownership) countywide that are affordable to a wide range of households and that can be supported by market demand.

Objective 3A: Expand owner occupied repair and rehabilitative options and emergency repair services with federal and state funding.

Preserve the Mountains Including Steep Slopes and Ridges

Goal 4: Preserve the Mountains including steep slopes and ridges setting clear balanced standards.

Objective 4A: Study sessions on preserving the mountains including steep slopes and ridges will be held as needed.

Objective 4B: Buncombe County will set reasonable and balanced standards for the protection of steep slopes and ridges by July 1, 2009.

Sustain Farming Livelihood

Goal 5: To sustain productivity and acreage of farming in Buncombe county. Encourage and educate citizens on farm preservation.

Objective 5A: Work with general assembly delegation to preserve farm productivity and acreage. Coordinate with farm land conservation programs.

Objective 5B: Develop strategies to promote local farm products.

Objective 5C: Encourage the collaboration of agricultural agencies and interested parties to develop effective means to improve agri-business.

Encourage Thoughtful Process of Land Subdivision and Development

Goal 6: Encourage a thoughtful process of land subdivision and development, considering the importance of preserving open space and the relationship between adjacent developments.

Objective 6A: Identify and prioritize unincorporated areas for future growth based on existing population density in an area, availability of utilities, road capacities, housing unit densities, protection of scenic views, environmental impacts, etc. Develop incentives and criteria requiring a prescribed percent of development allocated for affordable housing.

Objective 6B: In cooperation with the municipalities and sewer district, develop a Utility Extension Master Plan for extension of water and sewer to support future development.

Objective 6C: Collaborate with municipalities in development of a Land Use Plan for development through utility extensions to include community hearings to encourage public input and support. Develop a utility extension policy setting forth extension criteria including developer funding responsibilities as appropriate.

Goal 7: Ensure preservation of open space.

Objective 7A: Expand conservation easements to protect critical and valuable lands.

Objective 7B: Support future development in areas where there is adequate infrastructure, thus facilitating preservation of open space.

Objective 7C: Consider providing matching funding to municipalities for land preservation.

Objective 7D: Determine the percentage of “open space” that should be conserved within the county. When determining percentage of “open space” study other counties.

Goal 8: Buncombe County will investigate opportunities for regional planning.

Objective 8A: Collaborate with Land of Sky and Community Foundation to determine how their efforts support the beginning of regional planning.

Objective 8B: Determine how riverfront development should be incorporated into regional plans.

Objective 8C: Bring together agencies currently having discussions about regional planning efforts.

Section II: Providing Workforce Supports

Policy Statement:

Buncombe County will improve its economic development efforts, provide high quality education and ensure a well trained and globally competitive work force as well as attract, retain and expand jobs.

Improve Workforce Development Efforts

Goal 1: Improve Workforce Development focusing on improving these 4 areas:

- Accountability
- Results
- Coordination
- Communication

Goal 2: Identify, target and support new and existing industries that show promise for employment retention and growth.

Objective 2A: Identify a lead workforce development agency and consolidate workforce development efforts to improve accountability and assign responsibility.

Objective 2B: Work with economic development practitioners to identify workforce needs of existing and future businesses.

Objective 2C: Train workforce to meet the needs of future and existing industries.

Objective 2D: Support land purchase through providing subsidies and/or other tax incentives for worthwhile manufacturing/business projects.

Objective 2E: Support economic development activities that attract and generate “place based” quality jobs and businesses within the community that focus on the unique strengths and capabilities of the community.

Objective 2F: Foster our entrepreneurial spirit by increasing incentives for small business job creation.

Objective 2G: Support organizations that create higher paying jobs.

Objective 2H: Identify and prioritize unused commercial sites for clean-up and redevelopment.

Goal 3: Provide leadership and support to provide a well trained and educated workforce for area businesses.

Objective 3A: Work with school districts to provide vocational training and/or exposure to programs at the earliest possible grade level that prepare students for existing and anticipated jobs.

Objective: 3B: Work with colleges and workforce agency to provide vocational training programs that prepare county residents for existing and anticipated jobs.

Objective 3C: Improve and expand the involvement of local public colleges and universities (Asheville Buncombe Technical Community College UNC-Asheville, Western Carolina University) within the county by seeking and requiring continuing education and training for employment opportunities and economic development outreach from these colleges and universities.

Goal 4: Reduce high school dropout rate by 2020.

Objective 4A: Require drop out benchmarking and reporting by city and county school systems.

Objective 4B: Devise a program to utilize education and community resources in a cooperative, focused effort toward drop out reduction.

Objective 4C: Encourage creation of incentives (e.g. scholarships) for training in high demand/low enrollment training programs.

Objective 4D: Build family support system for families to support their children finishing school.

Encourage Better Child Care Options

Goal 5: Promote accessible, high quality and affordable child care to remove barriers to employment.

Objective 5A: Re-align current resources to leverage additional care.

Objective 5B: Examine economies of scale for common services to reduce overall cost of care.

Objective 5C: Study group will make recommendations by March 30, 2009.

Work To Increase Access To Health Care

Goal 6 Work with safety net providers to promote and expand access to healthcare to underinsured and uninsured citizens of Buncombe County.

Objective 6A: Re-align county and community resources to expand capacity.

Objective 6B Explore potential waivers to leverage additional federal dollars into the community to expand healthcare options.

Objective 6C: Work with legislative delegation on health care issues including those that affect small businesses.

Objective 6D: Feasibility study to be completed by March 15, 2009.

Section III: Enhance County Services

Policy Statement:

Buncombe County will seek to maximize effective and efficient provision of governmental programs and services provided to its citizens and will consider location and structural conditions determining support for construction, rehabilitation, or repair of new and existing community facilities.

Maintain and Enhance Core Services

Goal 1: Maintain and improve core services **to ensure basic health, safety and welfare of county citizens.**

Objective 1A: Continue to have open dialogue with staff and citizens and solicit their opinions channeled through the chain of command.

Goal 2: Improve access to and convenience of County Human Services for all residents.

Objective 2A: Install a “safety NET” computer system with shared data between local health care and social service providers.

Objective 2B: Encourage an increase in the number of child care subsidy slots, including drop-in and after hours care.

Objective 2C: Increase human services language capabilities through innovative human resource recruitment strategies for non-English speaking personnel.

Objective 2D: Initiate multi-county discussions for potential of joint efforts/information systems/service delivery in health and human services.

Goal 3: Ensure that county facilities support the functions of the county in an effective and efficient way.

Objective 3A: Promote environmental friendly and energy efficient construction (LEED). Conduct cost benefit analysis as needed.

Objective 3B: Consolidate county administrative offices in efficient facilities to improve organization effectiveness and improve ease of access for residents.

Objective 3C Provide court facilities to both support current and future case loads and better serve the community.

Objective 3D: Create multiple regional full service satellite facilities to include social services, health, child care and other relevant county services and locate in /with school facilities where feasible.

Objective 3E: Conduct needs assessments using multiple indicators (population, poverty statistics, health care statistics, etc.) overlaid by zip code to determine areas with highest levels of need.

Objective 3F: Establish and maintain current inventory of community buildings for possible satellite locations including school facilities.

Objective 3G: Complete an overall assessment of the use of county facilities including schools.

Goal 4: Buncombe County will continue to explore community partnerships for non-core services and those services not traditionally provide by government.

Long-Term Goals by Function

To be more accountable to our citizens, the departments of Buncombe County government are implementing performance measures so that our citizens can monitor and review our progress toward County goals. Each departmental short-term goal is tied to one of the following long-term countywide goals and has a specific identifier next to it that corresponds to one of the goals listed below. For instance, a General Government department listed in the General Government section of this document may have the identifier GG1 listed next to it. This means their departmental goal aligns with the countywide General Government goal number one listed below. Most departments' goals align with the function within which they operate (i.e. Sheriff in Public Safety), but there are some departments whose goals are cross-functional.

General Government (GG)

- 1) Improve communications with citizens through public meetings, media, and integrated technology.
- 2) Provide high quality, cost-effective, fair and equitable service through process improvement, efficient use of resources, contracted services, materials, and equipment.
- 3) Ensure high quality service by attracting and retaining a qualified work force through competitive compensation, employment benefits, employee training, and employee recognition.
- 4) Continuously improve internal and external customer satisfaction through ongoing analysis and response to customer feedback.
- 5) Assure fiscal and programmatic accountability to citizens through internal and external reporting and well-documented, clearly communicated procedures.

Human Services (HS)

- 1) Encourage client independence and self-sufficiency by providing basic care and protection while promoting self-reliance.
- 2) Address the current and changing needs of individuals by making efficient use of available resources.
- 3) Respond effectively to the needs of individuals and families by providing flexibility in service delivery.
- 4) Maximize the effectiveness of county services by establishing collaborative planning, developing, and evaluation of human service programs among county departments.
- 5) Enhance human service programs by encouraging collaboration through community partnerships.
- 6) Meet the changing needs of our diverse community by developing, supporting, and encouraging access to appropriate technological, educational, and recreational programs.

Library and Recreation (CR)

- 1) Improve the cost-effectiveness of recreational services by developing recreation facilities and programs that are self-maintained through user fees, sponsorships, donations, and grants.
- 2) Enhance citizens' quality of life by developing library and recreation facilities with easy access to neighborhoods.
- 3) Respond to the growth and diversity of community-wide programs and facilities through appropriate staffing levels.
- 4) Ensure the quality of recreation and library facilities by establishing and maintaining countywide construction and operation standards.

Environmental (EN)

- 1) Minimize the cost of solid waste disposal by utilizing the most appropriate, environmentally sensitive and economically sound technologies available.
- 2) Improve water quality through pollutant source reduction and public education.
- 3) Reduce the amount of disposed household hazardous wastes through effective public education initiatives.
- 4) Improve customer convenience and service by streamlining the permitting process.
- 5) Improve air quality through public education and cooperation between agencies, departments, and private corporations.

Public Safety (PS)

- 1) Improve service by reducing response time while maintaining or increasing the quality of service.
- 2) Address the current and changing community needs by enhancing facilities and services and by applying available technology effectively.
- 3) Maximize the effectiveness of services through the sharing of information and resources among all public safety agencies.
- 4) Assure high quality service by improving employee retention, education, and training.
- 5) Reduce crime, the fear of crime, substance abuse, and drug trafficking in our neighborhoods through visible, interactive, and effective law enforcement.

Economic and Physical Development (EDP)

- 1) Attract and sustain companies providing above average wages through the recruitment, development, and retention of a highly skilled and competent work force.
- 2) Strengthen economic vitality by attracting and retaining high-wage industries with emphasis on technology-driven companies while maintaining a balanced mix of employment opportunities.
- 3) Balance the need for additional economic and population growth opportunities with environmental stewardship through well-planned infrastructure expansion.
- 4) Promote economic development within the region by fostering cooperative partnerships with local, regional, and state entities.
- 5) Facilitate economic growth by eliminating impediments to small business and entrepreneurial expansions.

Education (ED)

- 1) Improve the likelihood of students' success by assuring that all children enter primary school equipped to learn and gain maximum benefits from their educational opportunities.
- 2) Create an environment which encourages high school graduation including: expectations of both a demonstrated competence in fundamental skills and knowledge at the end of the 8th grade and a commitment to either college prep., tech prep., or occu-prep.
- 3) Enable students to succeed in the technology-oriented global marketplace by graduating them with the necessary skills setting uncompromising standards of high performance, and requiring accountability for the educators, students, and parents.
- 4) Meet the region's complex education needs by establishing programs that make education more accessible, expand graduate programs, and promote high-quality research, technology transfer, and economic development.