

Appendix E

Glossary

APPENDIX E - GLOSSARY

- A -

Abbreviations/Acronyms - List of abbreviations and acronyms follow Glossary.

Accrual Basis of Accounting - a method of bookkeeping in which income and expenses are allocated to periods to which they apply, regardless of when they are actually received or paid. For example, when an invoice is rendered, its value is added to income immediately, even though it has not been paid.

Actuarial – An adjective that describes statistical elements, assumptions, and techniques used by actuaries. An "actuary" is an expert who computes insurance or pension risks and plan costs based upon plan membership, experience, and other factors. Actuaries determine the level of funding required to provide the benefits.

Ad Valorem Taxes - Property taxes computed by applying the approved millage rate to the taxable assessed value of real or personal property.

Amortization - The reduction of debt by regular payments of principal and interest sufficient to pay off a loan by maturity.

Annual Budget - Budget applicable to a single fiscal year.

Appropriation - A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes.

Arbitrage Rebate - Difference between interest earned and interest paid on a tax exempt bond that must be paid to the federal government.

Assessed Valuation - The County Property Appraiser's estimation of the Fair Market Value of real estate or other property. This valuation is used to determine taxes levied upon the property.

Asset - Resources owned or held by a government which has monetary value.

- B -

Balance Budget – A budget in which estimated revenues and other receipts are equal to

appropriations. Florida Statutes require that budgets be balanced including balances brought forward from prior fiscal years.

Base Budget - The amount programmed in the budget year for conducting the same program and performing the same services as are planned for the current year. Normally, the only differences between the current-year budget and the base budget are costs that cannot be avoided such as salary increases for existing personnel. All other costs are budgeted as Service Level Adjustments.

Basin - A geographical area with a common low point.

Bond - A written promise to pay a sum of money on a specific date at a specified interest rate. The most common types of bonds are general obligation and revenue bonds. These are most frequently used for construction of large capital projects, such as buildings, streets, and water and sewer systems.

Brevard County School Board - The Board is a body corporate for providing a system of public education within the Brevard County area. The system was created by, and is governed by, State statutes. Members of a Board are, therefore, State officers chosen by citizens to represent them and the State in the legislative management of the local schools.

Budget - A statement of the financial position of an administration for a definite period of time based on estimates of expenditures during the period and proposals for financing them

Budget Amendment - The process by which unanticipated changes in revenue or expenditures are made a part of the budget, thereby amending it. These changes may be between funds or departments and require City Council approval.

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

Budget Document – Is the official written statement prepared in order to present a comprehensive financial program of an

organization. A budget document serves as 1) a policy document; 2) an operations guide; 3) a financial plan; and 4) as a communications device.

Budget Message - The opening section of the budget that provides the City Council and the public with a general summary of the most important aspects of the budget, changes from the current and previous fiscal years, and recommendations regarding the financial policy for the upcoming period.

Budget Transfer - The process, by which approved budgeted dollars may be reallocated between line item expenditures within the same fund and department to cover unforeseen expenses, requires City Manager or designee approval. Transfers between departments or funds require City Council approval.

- C -

Capital Outlay - Expenditures resulting in the acquisition of or addition to fixed assets. The City's threshold for capital purchases is \$1,000.

Cash Basis - Method that recognizes revenues when cash is received and recognizes expenses when cash is paid out. In contrast, the Accrual method recognizes revenues when goods or services are sold and recognizes expenses when obligations are incurred.

Chargebacks - A mechanism by which services performed by one City Department for another is charged and paid across funds.

Community Investment Program (Formally called Capital Improvement Program) - A five-year plan for capital expenditures to be incurred each year to meet capital needs arising from the long-term work program or other capital needs. These expenditures are related to the acquisition, expansion or rehabilitation of an element of the City's physical plant. A capital project must have a life of at least seven years and a cost of at least \$25,000.

Connection Fees - Fees charged to join or to extend an existing utility system.

Contingency - A budgetary reserve set aside for emergencies, unforeseen expenditures, or as directed by City Council.

- D -

Debt Millage - The portion of the millage required to pay principal and interest on voter approved bonds. This millage fluctuates annually based on the property values and debt payable.

Debt Service - The amount of interest and principal that a City must pay each year on long-term and short-term debt.

Dedicated Millage - Voter approved designated millage rates to provide tax revenues to be spent for specific purposes.

Department - A major unit of organization in the City which indicates overall an operation or group of related operations within a functional area.

Depreciation - The periodic expiration of an asset's useful life. Depreciation of assets is a requirement in proprietary-type funds.

Distinguished Budget Presentation Awards Program - A voluntary awards program administered by the Government Finance Officers Association to encourage governments to prepare effective budget documents.

Division - A unit of organization that is comprised of a specific operation within a functional area. City departments may contain one or more divisions.

- E -

Efficiency (Performance Measure) - Is a ratio of output measures to resources (typically either budgeted funds or personnel).

Encumbrance - The commitment of budgeted funds to purchase an item or service. To encumber funds means to set aside or commit funds for future expenditures.

Enterprise Funds - The funds established 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 the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Expenditure Ceiling - The maximum dollar amount a department may request for operations

during budget preparation to ensure that expenses stay within available funding levels.

Expenditures/Expenses - The cost of goods delivered or services rendered including operating expenses, capital outlays, and debt service.

- F -

Fiduciary Funds – Accounts for money received by the City, which is held on behalf, and for the benefit of others.

Financial Bridge - A set-aside of funds to ensure financial stability through the years preceding the expected upswing in local economic conditions.

Fiscal Year - A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and the results of its operations. Per Florida Statute, a fiscal year runs from October 1 to September 30.

Fixed Assets - Assets of a long-term character that are intended to continue to be held or used, such as land, buildings, machinery, equipment and improvements.

Franchise Fee - Fees levied on a corporation in return for granting a privilege, sanctioning a monopoly, or permitting the use of public property, usually subject to regulation.

Full-Time Equivalent (FTE) - The total scheduled work hours of City employees divided by the total work hours available annually provides number of FTE employees. A full-time employee working 40 hours/week equals one FTE, where a part-time employee working 20 hours/week equals .5 FTE.

Fund - A fiscal entity with revenues and expenses which are segregated for the purpose of carrying out a specific purpose/activity. Examples are the General, Transportation, and Building Funds.

Fund Balance - Fund equity for governmental funds which reflects the accumulated excess of revenues and other financial sources over expenditures. These funds may be designated for a particular purpose.

Fund Type - Any one of seven categories into which all funds are classified in governmental accounting. The seven fund types are: general, special revenue, debt service, capital projects, enterprise, internal service, and trust and agency.

- G -

GAAP – Generally Accepted Accounting Principles. The conventions, rules, and procedures that serve as the norm for the fair presentation of financial statements.

GASB 34 - Refers to the changes in the Governmental Accounting Standards Board regulations whereby the City of Palm Bay has taken measures to simplify accounting as the first step towards compliance.

General Fund - The fund used to account for all financial resources, except those required to be accounted for in another fund, and is the general operating fund of the City.

General Obligation Bonds - Upon voter approval at a general referendum, a project will be financed through a millage increase in ad valorem taxes for a specified period of time. This source is especially appropriate when the project or improvement is city-wide in nature or benefit.

Goal - A long, or short-term, attainable target for an organization. A vision of the future.

Governmental Funds – Are used to account for the general operations and activities not requiring the use of other funds.

Grants - A contribution by the Federal, County, or State government to subsidize specific projects, either partially or entirely

- H -

Homestead Exemption - A tax deferral granted by the Florida State Constitution for homeowners whose permanent residence is in Florida. The first \$25,000 of value of an owner-occupied residence is exempt. Every property that received a homestead exemption is also entitled to an additional exemption of up to \$25,000. The additional exemption is applied to the assessed value greater than \$50,000. The exemptions must be requested by the taxpayer.

- I -

Impact Fee - A fee to fund the anticipated cost of a new development's impact on various city services as a result of growth. This fee, such as for water and sewer or fire services, is charged to those responsible for the new development.

Improvements other than Buildings - Attachments or annexations to land that are intended to remain so attached or annexed, such as sidewalks, trees, drives, tunnels, drains and sewers.

Infrastructure - The basic installations and facilities on which the continuance and growth of the City depends, such as roads, schools, and water and sewer systems.

Intergovernmental Revenue - Funds received from federal, state and other local government sources in the form of grants, shared revenues, and payments in lieu of taxes.

Interlocal Agreement - A written agreement between the City and other units of government to share in similar services, projects, emergency assistance, support, funding, etc., to the mutual benefit of all parties.

Internal Service Funds - The funds established for the financing of goods or services provided by one department to other departments within the City on a cost reimbursement basis. Examples are the Employee Benefits Fund and the Risk Management Fund.

Investments - Most commonly, securities and real estate held for the production of revenues in the form of interest, dividends, rentals or lease payments. The term does not include fixed assets used in government operations.

- L -

Levy - To impose taxes, special assessments, or service charges for the support of city activities.

Lift Station - Part of the sanitary sewer collection system that pumps wasteflow from the gravity sewer system to the wastewater treatment plant. It can be installed above or below ground and is an integral part of the sanitary sewer system.

Limited Ad Valorem Tax Bond - Same as General Obligation Bond except the maximum millage is limited, i.e., Palm Bay voters approved a Limited Ad Valorem Tax Bond to finance road

reconstruction. Ad valorem millage was increased up to a maximum of 1 mil for a ten-year period for bond repayment.

Line Item Budget - A budget that lists each expenditure category separately, such as salaries, office supplies, uniforms, etc., along with the dollar amount budgeted for each specific category.

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

- M -

Mil - A tax rate of one dollar (\$1) per one thousand dollars (\$1,000) of taxable property value.

Millage Rate - The amount of tax stated in terms of a unit of the tax base. It determines how much revenue the government will receive and how much an individual property owner pays in taxes.

Modified Accrual Basis of Accounting - A basis of accounting in which expenditures are recognized when the related fund liability is incurred, but revenues are accounted for on a cash basis. This accounting technique is a combination of cash and accrual accounting, since expenditures are immediately incurred as a liability while revenues are not recorded until they are actually received or available and measurable. This type of accounting basis is a conservative financial approach and is recommended as the standard for most governmental funds.

- N -

Non-Recurring Revenues - One time or intermittent revenues received, often from short-term grants, insurance recoveries, donations, etc.

- O -

Objective - A specific measurable and observable result of an organization's activity that advances the organization toward its goal.

One-time-cost - Non-recurring costs budgeted for one year and then removed.

Operating Budget - The portion of the budget that pertains to daily operations which provide basic governmental services.

Operating Millage - The portion of the millage that supports the City's daily operations which provide basic governmental services.

Ordinance - A formal legislative enactment by the governing body of a municipality. If it is not in conflict with any higher form of law, such as a state statute or constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies. The statutes or charter will specify or imply those legislative actions that must be by ordinance and those that may be by resolution. Revenue raising measures, such as the imposition of taxes, special assessments and service charges, usually require ordinances.

Output (Performance Measure) – Is the direct products and services delivered by a program.

- P -

Payment in Lieu of Taxes - Means payments treated as tax dollars that are converted or imputed back to a true aggregate valuation by the effective or true value of the constituents' municipality.

Performance Measure - Performance measurement is the ongoing monitoring and reporting of program accomplishments, particularly progress towards pre-established goals. Performance Measures The data collected measures outcome, service quality, efficiency and output.

Personnel Services (Formally referred to as Personal Services) - Expenditures related solely to staffing, i.e., wages, salaries, overtime, taxes, and employee benefits.

Pledged Reserves - That portion of a fund's assets that are set aside for guaranteeing payment of bonded debt.

Program Budget - A budget that focuses upon broad functions or activities of an agency or jurisdiction rather than upon its organizational budget units or object classes of expenditure.

Property Tax - A levy upon the assessed valuation of the property within the City of Palm Bay per \$1,000 of valuation.

Proprietary Fund Types - A group of funds in which the services provided are financed and

operated similar to those of a private business. (See Enterprise Funds)

- R -

Recurring Costs - Costs incurred on a recurring and generally regular basis throughout a facility's economic life, typically for operation, normal maintenance, and anticipated repair or replacement of components or subsystems.

Recurring Revenues - Revenues that can be expected to be received each year unless specific action is taken to eliminate the source.

Referendum - A vote by the people. The voters approved a non-expiring 1.0000 mil for Police, 1.0000 mil for Fire and .2500 mil for Parks and Recreation.

Refunding Bond - A bond issued to pay off another bond to obtain better interest rates and/or bond conditions. This is allowed one time only per bond issue.

Reserves - That portion of a fund's assets that are 1) set aside for a specific purpose and, therefore, not available for general appropriation, or 2) anticipated to be available for future re-appropriation by action of City Council.

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

Retained Earnings - An equity account reflecting the accumulated earnings of an Enterprise or Internal Service Fund.

Reuse - Reclaimed treated wastewater effluent that is suitable and usable for direct beneficial use by the public.

Revenue Bonds - Bonds whose principal and interest are payable from a pledged revenue stream other than ad valorem taxes.

Revenues - Funds that the government receives as income.

Reverse Osmosis - A method of water treatment to produce potable water.

Roll-Back Millage Rate - The millage necessary to raise the same amount of property tax dollars as received during the previous budget year. New

construction is excluded from the roll-back calculation. A special act of the legislature stipulates that in Brevard County a government agency can increase property taxes only ten percent (10%) above the roll-back millage rate without prior voter approval.

- S -

Service Level Adjustment (SLA) – Any new budgeted expenditure above the Base Budget geared toward a defined service level. A SLA can be an increase, maintenance or decrease.

Service Quality (Performance Measure) - the manner in which service is provided as it influences the degree of satisfaction with a good or service.

Shared Revenues - Revenues levied by one government but shared on a predetermined basis, often in proportion to the amount collected at the local level, with another government or class of governments.

Source – Monies received by an organization that is not revenue, such as grants.

Special Assessment - A compulsory levy made against certain properties to defray part or all of the cost of a specific improvement or service deemed to primarily benefit those properties.

Special Revenue Fund - A fund used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

- T -

Tax Abatement - A percentage of taxes to be waived on new or expanded businesses based on number of new jobs and wages paid provided by the City as an economic development incentive for a set period of time.

Tax Base - Taxable property value from which the City receives tax dollars.

Taxes - Compulsory charges levied by a government to finance services performed for the common benefit.

Telemetry - Transmission of electronic data from one place to another by wire or by antenna.

Transfers In/Out - Amounts transferred from one fund to another to assist in financing the services for the recipient fund.

TRIM Bill - Florida's Truth In Millage law requires cities to calculate next year's budget on the same tax dollars they received during the current fiscal year. (Section 100.065 F.S.)

- U -

User Fees - Charges for specific services rendered only to those using such services, i.e., sewer service charge.

Use – The transfer of budgeted funds that is not an expenditure.

Utility Taxes - Charges levied by the City on purchase of a public service within the corporate limits of the City. Public service includes electricity, gas, fuel, oil, and water service.

- V -

Valuation - The dollar value of property assigned by the County Property Appraiser.

- W -

Working Capital - Reserves kept on hand ensuring a positive cash flow.

Abbreviations/Acronyms

(A) = Addition (to City assets)

ADA = Americans with Disabilities Act

ALS = Advanced life support

AS/400 = Refers to the City's in-house main computer

BCC = Brevard Community College

BCRA = Bayfront Community Redevelopment Agency

BLS = Basic Life Support

BPF = Bicycle Pedestrian Facility

CAD = Computer Aided Dispatch (Police only);
Computer Aided Drafting

CDBG = Community Development Block Grant

CIB = Community Investment Bond

CIP = Capital Improvements Program/
Project/Plan

CONN = Utilities Connection Fee Fund

CONTR = Contributions

CP&ED = Community Planning and Economic
Development

CPI = Consumer Price Index

CPR = Cardio Pulmonary Resuscitation

CRA = Community Redevelopment Agency

D&C = Distribution and Collection

DEP = Department of Environmental Protection

DR 420/422 = Department of Revenue forms
certifying taxable assessed value

DUI = Driving Under the Influence

EEOC = Equal Employment Opportunity
Commission

EMS = Emergency Medical Services

EMT = Emergency Medical Technician

EOC = Emergency Operations Center

FOALA = Florida Association of Occupational
License Officials

FASB = Financial Accounting Standards Board

FCIC = Federal Crime Information Center

FCT = Florida Community Trust Fund

FDEP = Florida Department of Environmental
protection

FDOT = Florida Department of Transportation

FICA = Federal Insurance Contributions Act
(Medicare and Social Security taxes)

FIND = Florida Inland Navigational District

FLEET = Fleet Services Operating Fund

FLMP = Florida Land Management Program

FMLA = Family Medical Leave Act

FRDAP = Florida Recreational Development
Assistance Program

GAAP = Generally Accepted Accounting
Principles

GASB = Government Accounting Standards
Board

GDC = General Development Corporation

GENF = General Fund

GFOA = Government Finance Officers
Association

GIS = Geographical Information System

GPS = Global Positioning System

GRANT = Grant, as yet unnamed

HMO = Health Maintenance Organization

HTE = Company name of City's financial system

HUD = Housing and Urban Development

IT = Information Technology Department

IAFF = International Association of Firefighters

IMPF-F = Fire Impact Fees

IMPF-P = Parks Impact Fees

IMPF-PD = Police Impact Fees

IMPF-T = Transportation Impact Fees

K-9 = Canine Unit

LAN = Local Area Network

LETF = Law Enforcement Trust Fund

MDT = Mobile Data Terminal

MGD = Million gallons per day

MHz = Megahertz

MTWCD = Melbourne-Tillman Water Control
District

NCIC = National Crime Information Center

P&I = Purchasing and Inventory

P-T = Part-time

P&Z = Planning and Zoning

PAL = Police Athletic League

PBX = Refers to Telephone Switchboards

PC = Personal computer

PEDL = Palm Bay Economic Development Loan

PILOT = Payment in Lieu of Taxes

PPO = Preferred Provider Organization

(R) = Replacement (of City assets)

R&R = Renewal and Replacement
RFP = Request for Proposal
RFQ = Request for Quote
RMS = Records Management System
ROI = Return on Investment

SCFP = State Cultural Facilities Program
SHIP = State Housing Initiatives Partnership
SLA = Service Level Adjustment
SRO = School Resource Officer

TIO = Truancy Interdiction Officer
TRIM = Truth in Millage

UTO = Utilities Operating Fund
UTTR = Utilities Renewal and Replacement Fund

V-COP = Volunteer Citizen Observer Program
VOCA = Victims of Crime Act

W/S = Water/Sewer
WAN = Wide Area Network
WTP = Water Treatment Plant
WW = Wastewater
WWTP = Wastewater Treatment Plant