

## **GENERAL GLOSSARY**

**Budget:** A financial plan which includes an estimate of revenues and expenditures for a defined period of time.

**Budget Amendment:** A change to the original (or previously approved) budget.

**Capital Equipment:** Any single asset which has a purchase cost of \$5,000 or more and a useful life of more than one year.

**Capital Facilities Plan (CFP):** A six or more-year plan of capital projects with estimated costs and proposed methods of financing that is updated annually. Required in the comprehensive plan under Growth Management Act.

**Capital Improvement Plan (CIP)** (also 20-year Capital Improvement Program): The City of Ferndale's 20-year plan for the City's capital and planned maintenance improvements, including water, sewer, stormwater, streets, city facilities, parks, trails, and more.

**Capital Project:** A project that purchases or constructs facilities owned by the City. Such projects are distinct from maintenance projects, which do not involve an expansion of City facilities.

**Capital Project Funds:** Funds used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or constructions of capital facilities and other capital assets (funds 300-399).

**Committed Funds:** Includes amounts that can be used only for the specific purpose determined by a formal action of the government's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that originally imposed the constraint.

**Comprehensive Plan (or Comp Plan):** The Comprehensive Plan is the overall long-range planning document of the City and consists of a number of required chapters (elements), including Land Use, Transportation, Utilities, Capital Facilities, and Housing, which together describe the growth anticipated within the next twenty years as well as the City's approach to managing and paying for that growth. Additional elements or sub-elements (such as economic development, parks, shoreline plans, annexation plans, and more) may also be included. All City documents, including the Ferndale Municipal Code, the budget, 6-year plans, and most decisions must be consistent with the Comprehensive Plan.

**Connection Fees (FMC 13.08 and 13.20):** The City of Ferndale charges connection fees for water and sewer. A connection fee is a payment of money imposed upon development for providing access to the City's water or sewer utilities, where the connection fee represents an equitable share of the cost to develop and maintain the utility.

**Debt Service:** The cash required to pay back the principal and interest on a loan.

**Debt Service Funds:** Funds used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest on long-term debt.

**Encroachment permits:** Required permit to encroach upon any portion of City public space, right-of-way or easement are with permanent structures or improvements.

**Enterprise Funds:** Funds used to report any activity for which a fee is charged to external users for goods and services (funds 400-499).

**Funds/Fund Types:** A fund is a fiscal and accounting entity recording cash and other financial resources. It includes a beginning cash balance, revenues, expenditures and an ending cash balance and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

**Grants:** A government grant is a financial award given by a federal, state, or local government authority for a beneficial project. A grant does not include technical assistance or other financial assistance like a loan. The grantee is not expected to repay the money.

**Growth Management Act:** A series of state statutes that required fast-growing cities and counties to develop a comprehensive plan to manage their population growth. The GMA establishes the primacy of the comprehensive plan.

**Impact Fee (RCW 82.02.090):** A payment of money imposed upon development as a condition of development approval to pay for public facilities needed to serve new growth and development, and that is reasonably related to the new development that creates additional demand and need for public facilities, that is a proportionate share of the cost of the public facilities, and that is used for facilities that reasonably benefit the new development. "Impact fee" does not include a reasonable permit or application fee. The City of Ferndale charges impact fees for traffic (Traffic Impact Fee, or TIF), parks (Park Impact Fee), and Stormwater (Stormwater Impact Fee). The Ferndale Municipal Code also requires the payment of School Impact Fees to the Ferndale School District, for residential development. The Ferndale School District is responsible for collecting School Impact Fees.

**Internal Service Fund:** Funds used to report any activity that provides goods and services to other funds, departments, or other governments on a cost-reimbursement basis.

**Legislative body:** The part of the municipal government that exercises legislative powers under a statute.

**LID- Local Improvement District:** the means of assisting benefiting properties in financing needed capital improvements through the formation of special assessment districts. Special assessment districts permit improvements to be financed and paid for over a period of time through assessments.

**Ordinance:** A piece of legislation enacted by the City Council of the City of Ferndale.

**Restricted Funds:** Includes amounts that can be spent only for the specific purposes stipulated by external resource providers (grants, etc.).

**Special Revenue Funds:** Funds used for the proceeds of specific revenue sources that are restricted or committed to the expenditure for specified purposes other than debt service or capital projects (funds 100-199).

**Transfer:** The movement of money from one fund to another.

**Unrestricted Funds:** Current funds with no restrictions imposed on them.