City of Huntington Beach Community Profile Proposed Budget - FY 2012/13

Lifestyle

Huntington Beach is a picturesque community offering ideal weather, a diversified and productive economy and employment base, a wide range of high quality housing, excellent educational system, scenic boat marinas, and 752 acres of lush parkland, all in a friendly place.

Huntington Beach is the ideal Orange County destination to live, work, and play. Residents and visitors of this scenic City treasure the 8.5 miles of wide, sandy beaches hugging the coastline and the casual yet sophisticated lifestyle of coastal living.

Huntington Beach has a reputation for being "number one" as noted in the numerous recognitions received:

- The "Best City to Live in Orange County" according to the Orange County Register Consumer's Choice Survey
- The number one place to raise children in Southern California
- Named "Dog Town USA" by Dog Fancy magazine – One mile of golden sand for dogs where they can frolic in the water and taste a sense of freedom

The City has a world-class Library located within the 356-acre Central Park as well as four additional branch Libraries. The Central Library & Cultural Center hosts the largest Children's Library in the state and a delightful community theater group.

Popular places for cultural and sports in Huntington Beach include the Art Center, five recreation centers (including a senior citizens center,) the International Surfing Museum, Pier Plaza, Equestrian Center, and a Sports Complex. The major religious affiliations are represented in Huntington Beach in over 50 houses of worship.

Fine to casual dining with a variety of savory cuisine to suit everyone's palate can be found at hundreds of restaurants throughout the City.

Location

Huntington Beach is located on the shore of the Pacific Ocean in northwestern Orange County. Huntington Beach is bordered by Westminster to the northwest, Fountain Valley to the northeast, Costa Mesa to the east, Newport Beach to the southeast, and Seal Beach to the west. The City is positioned for the global market at 18 miles southeast of the Port of Long Beach and Los Angeles Harbor, 35 miles southeast of Los Angeles, and 95 miles northwest of San Diego.

Land Use

The City has a mix of land uses serving residents, regional populations, and recreational visitors. The land use designations are 65% residential, 8% commercial, 9% industrial, 1% mixed use, 10% open space, and 7% of other types. How a city balances its land uses assists in the local economy by allowing for enough space for industry and other businesses to provide products and jobs. One of the primary goals of the City's land use policy is to "Achieve development that maintains or improves the City's fiscal viability and reflects economic demands while maintaining and improving the quality of life for the current and future residents of Huntington Beach."

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Commercial

Huntington Beach has approximately 1,300 acres zoned for commercial use. The major concentrations of commercial uses in Huntington Beach are located along Beach Boulevard, Brookhurst Street, Edinger and Warner Avenues, and at many major intersections.

Industrial

With a strong commitment to industrial activities, the City has 1,762 acres of land zoned for industrial use. There are three general industrial areas: the Northwest Industrial Area, the Gothard Industrial Corridor, and the Southeast Industrial Area. Major industrial development continues in the Northwest Area of 28 acres of McDonnell Center Business Park Phase II. The Gothard Industrial Corridor represents unique opportunities for "incubator" industries, or first generation businesses.

Business & Economy

Huntington Beach is the fourth largest city in Orange County and the 16th largest city in California. The City of Huntington Beach is a leading commercial, industrial, and recreational center of Orange County, with a diverse economic base and educated workforce.

Technology and tourism are the leading industries in Huntington Beach. Other major business types include aerospace, automobile sales, home remodeling and goods, public utilities, petroleum, data and computer research, precision instruments, and various types of manufacturing. With a diversified employment base and a highly educated work force, Huntington Beach has a healthy local economy. Annual taxable sales of about $2.5 billion place Huntington Beach as one of the top retail sales communities in the County.

Huntington Beach is home to 650 industrial businesses, including Boeing, Quiksilver corporate headquarters, Dynamic Cooking Systems, Cleveland Golf corporate headquarters, and C & D Aerospace. Boeing is not only the largest employer in Huntington Beach; it is one of the largest employers in the state.

There are many unique shopping opportunities in Huntington Beach. The city has more than 30 neighborhood and regional shopping centers, with nearly 8 million square feet of retail shopping space to satisfy every dining and shopping need. The City, Chamber of Commerce, and the Marketing and Visitors Bureau, market the community to encourage visitors and residents to shop in town to support the local economy. Huntington Beach demographics bring impressive buying power to a wide variety of retail and service businesses. The City also established the Surf City Savings program to promote local shopping by encouraging local merchants to offer discounts to those choosing to shop in Huntington Beach.

Beach Boulevard of Cars

The Beach Boulevard of Cars has 10 new-car dealerships and serves a regional market from its central Beach Boulevard location. The Beach Boulevard of Cars was voted "Best Auto Boulevard" five years in a row in the Best of Orange County Register's Consumer Choice Survey. Auto sales are the City's largest retail category contributing to the sales tax base each year.

Facts and Figures

Population	192,524 (2012 Estimate)
Average Family Household Income	$99,411 (2011 Estimate)
Median Family Household Income	$77,819 (2011 Estimate)
28 square miles	Fourth largest city in Orange County – 16th Largest in California

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Accounting Method – The City of Huntington Beach accounts for its financial position and operations according to generally accepted accounting principles (GAAP) for governmental units prescribed by the Government Accounting Standards Board (GASB). A fund or account group is an accounting entity with a self-balancing set of accounts recording the financial position and results of operations of a specific governmental activity. The City prepares financial statements on the modified accrual basis for all governmental fund types except for the financial statements of the proprietary fund types, which are prepared on the accrual basis.

Accrual Basis – The basis of accounting under which transactions are recognized when they occur regardless of the timing of related cash flows.

ADA – (see Americans with Disabilities Act.)

Adopted Budget – The City Council approved annual budget establishing the legal authority for the expenditure of funds set forth in the adopting City Council budget resolution.

AHA – (see Affordable Housing Agreement.)

Affordable Housing Agreement – An agreement to ensure that all have access to affordable, safe, and sustainable housing that contributes to social and economic participation.

Americans with Disabilities Act (ADA) – This Federal law requires that public facilities be accessible to individual with physical limitations.

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

Appropriation Account – A budgetary account set up to record specific authorizations to spend. The account is credited with original and any supplemental appropriations and is charged with expenditures and encumbrances.

Appropriation Limit – As a governmental entity in the State of California, the City is subject to the Gann Spending Limit Initiative, which limits the amount of annual appropriations of tax proceeds.

Assessed Valuation – A dollar value placed on real estate or other property by the County of Orange as a basis for levying property taxes.

Audit – Prepared by an independent certified public accountant (CPA) to form an opinion regarding the legitimacy of transactions and internal controls. An audit is an examination and evaluation of the City's records and procedures to ensure compliance with specified rules, regulations, and best practices.

BID – (see Business Improvement District.)

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Bond – A written promise issued by the City to pay a specific sum of principal amount, at a specified date(s) in the future, together with periodic interest at a special rate to raise capital, usually to pay for the construction of long-term infrastructure projects. Two major types of bonds include General Obligation Bonds and Revenue Bonds.

Bond Proceeds – Funds received from the sale or issuance of bonds.

Budget – A plan of financial operation embodying a summary and detail of authorized expenditures for a given period and the proposed means of financing them.

Business Improvement District (BID) – Is a financing mechanism that is used to provide revenue for a variety of local improvements and services that enhance, not replace, existing municipal services. In California, there are several types of BIDs, including property based, business based, and tourism based.

Business Unit – An eight digit accounting reference comprised of the fund, department, and program. Expenditures and revenues are budgeted within business units.

CAFR – (see Comprehensive Annual Financial Report.)

California Public Employees' Retirement System (CalPERS) – Statewide retirement system that covers most City of Huntington Beach employees.

CalPERS – (see California Public Employees' Retirement System.)

Capital Assets – Assets of long-term character that are intended to continue to be held or used for a period of more than one year, such as land, buildings, machinery, furniture, and other equipment.

Capital Improvement Program (CIP) – A long-range plan for the development and replacement of long-term assets such as streets, buildings, water and sewer systems.

Capital Outlay – Expenditures, which result in the acquisition of assets with an initial cost of at least $10,000 and an expected life of at least two years.

Capital Project Funds – Used to account for financial resources used for the acquisition or construction of major capital facilities (other than those financed by proprietary fund types).

CDGB – (see Community Development Block Grant.)

Certified Public Accountant (CPA) – An accountant who has passed certain examinations and met all other statutory and licensing requirements of a United States state to be certified by that state.

CFD – (see Community Facilities District.)

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Charges for Services – Reimbursement for services rendered to the public or to some other program/fund in the City.

CIP – (see Capital Improvement Program.)

City Charter – The legal authority granted by the State of California establishing the entity known as the City of Huntington Beach and giving it the ability to provide services and collect revenue to support those services.

Combined Transportation Funding Program (CTFP) – The Orange County Transportation Authority (OCTA) created the CTFP to provide local agencies with a common set of guidelines and project selection criteria for a variety of funding programs.

Community Development Block Grant (CDBG) – The Housing and Community Development Act of 1974 provides funds to cities and counties to develop urban communities, decent housing, a suitable living environments, and expanded economic opportunities principally for low and moderate-income persons. This federal program gives priority to activities, which benefit low and moderate-income individuals.

Community Facilities District (CFD) – A special district that can issue tax-exempt bonds as a mechanism by which public entities finance construction and/or acquisition of facilities and provide public services to the district.

Comprehensive Annual Financial Report (CAFR) – The official annual report of the City's financial condition, which encompasses all funds, at the conclusion of the fiscal year.

Consumer Price Index (CPI) – A statistical description of price levels provided by the United States Department of Labor. The change in this index from year to year is used to measure the cost of living and economic inflation.

Cost Allocation – A method used to charge General Fund overhead costs to other funds.

CPI – (see Consumer Price Index.)

CTFP – (see Combined Transportation Funding Program.)

Debt Service – The repayment of principal and/or interest on borrowed funds.

Debt Service Funds – Governmental fund type used to account for the accumulation of resources for, and the payment of general long-term debt principal and interest.

Debt Service Requirement – The amount required to pay interest on outstanding debt, serial maturities of principal for serial bonds, and required contributions to accumulate monies for future retirement of term bonds.

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Deficit – The excess of liabilities of a fund over its assets.

Department – The basic organizational entity of government that is functionally unique in its delivery of services.

Depreciation – Expiration the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy, or obsolescence.

Developer Fees – Adopted fees requiring new development or redevelopment to pay its proportional share of the costs associated with providing the necessary public infrastructure.

Encumbrances – Commitments related to unperformed contracts for goods and services.

Enterprise Funds – A fund established to account for operations that are financed and operated in a manner similar to private enterprise. Examples of enterprise funds are water and sewer services.

Equipment Replacement – Appropriations budgeted for the purchase of rolling stock and movable assets.

Expenditure – The actual spending of funds set aside by appropriation for identified goods and services.

Expense – The payment of cash on the transfer of property or services for the purpose of acquiring an asset, service, or settling a loss.

Fair Share Traffic Impact Fee Program (TIF) – A program intended to implement the goals and objectives of the General Plan by providing revenue to ensure that the adopted Level of Service standards for arterial roadways and signalized intersections are maintained when new development is constructed within the City limits.

Fee – A general term used for any charge levied by government for providing as service or permitting an activity.

Fiscal Year (FY) – The twelve-month period to which the annual operating budget applies and at the end of which a government determines its financial position. The City of Huntington Beach's fiscal year is October 1 to September 30.

Fixed Assets – Purchases of physical inventory items that are intended to be held or used for long term, such as equipment or infrastructure.

FTE – (see Full-Time Equivalent Position.)

Full-Time Equivalent Position (FTE) – Staffing collectively based on a 2,080-hour year.

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Fund – A fiscal and accounting entity with a self-balancing set of accounts, recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein which are segregated for the purpose of carrying on specific activities of government functions.

Fund Balance – The excess of the assets of a fund over its liabilities, reserves, and carryovers.

FY – (see Fiscal Year.)

GAAP – (see Generally Accepted Accounting Principles.)

GASB – (see Governmental Accounting Standards Board.)

General Fund – The fund used to account for all financial resources except those identified for special purposes. The operating fund of the City that receives unrestricted revenue such as property and sales taxes. The fund used to provide a wide range of public services.

Generally Accepted Accounting Principles (GAAP) – Uniform minimum standards for financial accounting and recording.

Governmental Accounting Standards Board (GASB) – Develops standardized reporting for government entities.

Grants – Contributions, gifts, or assets from another government entity to be used or expended for a specified purpose, activity, or facility.

HUD – U. S. Department of Housing and Urban Development. HUD's mission is to create strong, sustainable, inclusive communities and quality affordable homes for all. HUD is working to strengthen the housing market to bolster the economy and protect consumers; meet the need for quality affordable rental homes: utilize housing as a platform for improving quality of life; build inclusive and sustainable communities free from discrimination; and transform the way HUD does business.

Indirect Costs – A cost necessary for the functioning of the organization as a whole, but which cannot be directly assigned to one service.

Infrastructure – Facilities that support the daily life and growth of the City, for example roads, water lines, sewers, public buildings, and parks.

Interfund Transfers – Monies transferred from one fund to another. Such money is transferred to finance the operations of another fund or to reimburse the fund for certain expenditures/expenses.

Internal Service Fund – A fund used for the financing of goods or services provided by one department or agency to other departments or agencies on a cost-reimbursement basis.

Joint Powers Authority (JPA) – A JPA is formed when it is to the advantage of two or more public entities with common powers to consolidate their forces to acquire or construct a joint-use facility.

JPA – (see Joint Powers Authority.)

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

Long Term Financial Plan – A combination of financial forecasting and strategizing to identify future challenges and opportunities, causes of fiscal imbalances and strategies to secure financial sustainability.

Mandate – Legislation passed by the state or federal government requiring action or provision of services or programs.

Measure M – An initiative passed by Orange County voters to fund transportation improvements using revenue generated by a countywide sales tax.

Memoranda of Understanding (MOU) – As used in this budget document refers to agreements, for a specified period of time, between the City and various employee associations, outlining wage increases, provision of and contribution levels for benefits, and employment-related matters.

Motor Vehicle In-Lieu Tax – (see Vehicle License Fee.)

MOU – (see Memoranda of Understanding.)

Municipal Bond – A bond issued by a state or local government.

Municipal Code – A compilation of enforceable ordinances adopted by the City Council.

National Pollution Discharge Elimination System (NPDES) – This Federal regulation sets standards for the quality of storm water discharged into rivers, lakes, and oceans.

Non-Departmental – Program costs that do not relate to any one particular department, but represent costs that are general and citywide in nature.

NPDES – (see National Pollution Discharge Elimination System).

Object Code – A five digit accounting reference to a specific revenue or expense item. Combines with the business unit to create a revenue or expenditure account number.

OCTA – (see Orange County Transportation Authority.)

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OPA – (see Owners Participation Agreement.)

Operating Budget – Plan of current non-capital expenditures and the proposed means of financing them.

Operating Expenses – The cost for materials and equipment that are required for a department to perform its functions.

Operating Revenue – Funds received as income to pay for ongoing operations.

Operating Transfers – Legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended, such as transfers from the General Fund to a Special Revenue or Capital Projects Fund.

Orange County Transportation Authority (OCTA) – A public sector transportation planning body and transit service provider for Orange County, California.

Ordinance – A formal legislative enactment by the City Council. If it is not in conflict with any higher form of law, such as state statute or constitutional provision, it has the full force and effect of the law within the boundaries of the City.

Organization Chart – A pictorial representation of the administrative and functional structure of a City unit.

Other Funds – Within this budget document, those funds that are not included as part of the General Fund.

Owners Participation Agreement – Usually refers to a contract between a redevelopment agency or other public authority and a landowner, under which the landowner makes specific commitments about project development, and the government entity specifies the type of public involvement in the project, such as a subsidy.

Pension Tax Rate – City Charter amendment allowing the City Council to set a tax rate and levy an override tax on the assessed value of property up to a maximum amount as determined by an annual actuarial study to recover a portion of the City's costs related to a supplemental retirement program.

Performance Measures – A set of measurable objectives, linked to the City's various strategic plan goals, which are determined by a department and used to gauge a program, business unit, or division's effectiveness and efficiency. Used as a management tool during the budget development process to set priorities and shift resources as necessary.

Personal Services **–** Expenditures for salaries and benefits for employees of the City.

Program Budget – A budget wherein expenditures are based primarily on program of work and the performance of certain functions.

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RDA – (see Redevelopment Agency.)

Redevelopment Agency (RDA) - An Entity formed to renovate older areas of the City to increase economic vitality.

Reserve – The City uses and designates reserves according to adopted financial policies. In addition to the required seven percent reserve, there is the: Equipment Reserve, used to replace obsolete vehicles and equipment while setting aside funds for future equipment and vehicle needs; Capital Improvement Reserve (CIR), a designated reserve for various capital projects; and the General Liability Reserve which is designated for workers compensation and liability claims.

Resolution – A special order of the City Council, which has a lower legal standing than an ordinance.

Revenue – Sources of income financing the operation of government.

SCAQMD – (see Southern California Air Quality Management District.)

Southern California Air Quality Management District (SCAQMD) – The air pollution control agency for all of Orange County and the urban portions of Los Angeles, Riverside, and San Bernardino counties in California.

Special Revenue Funds – Funds that are separately administered because the City Council, the State of California, or the Federal government has placed restrictions on how revenues may be spent.

Strategic Plan – The process of defining a strategy, or direction, and making decisions on allocating resources to pursue this strategy, including capital and employees. The City adopted its strategic plan in January 2009, setting five broad goal areas, each with its own set of related projects: Maintain and enhance our financial reserves, Maintain, improve and obtain funding for public improvements, Maintain and enhance public safety, Enhance economic development, and Improve internal and external communication.

TAB – (see Tax Allocation Bond.)

Tax Allocation Bond (TAB) – Bonds issued in conjunction with a redevelopment project. The taxes pledged to their repayment come from the increase of assessed value over and above a pre-established base. The redevelopment creates this added value, known as the tax increment.

Tax Increment – Property tax that is collected as a result of increased valuation within the Redevelopment Area (RDA.)

Tax Rate – The amount of assessment stated in terms of a unit of the tax base.

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Taxes – Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments.

TIF – (see Fair Share Traffic Impact Fee Program.)

TOT – (see Transient Occupancy Tax.)

Transfers – Amounts moved from one fund to another to assist in financing the services for the recipient fund.

Transient Occupancy Tax (TOT) – A tax imposed on individuals with hotel/ motel stays less than thirty days. The rate in the City of Huntington Beach is ten percent.

Unencumbered Balance – The portion of an appropriation that is neither expended nor encumbered. The amount of budget still available for future purposes.

Unfunded Liabilities – The unfunded liability, the present value of the expected future benefits vested to date, is the amount by which the plan's liabilities exceed the assets on a given date.

U. S. Department of Housing and Urban Development – (see HUD.)

User Fees and Charges – A cost paid for a public service or the use of a public facility by the entity benefiting from the service.

Utility Users Tax (UUT) – A tax imposed on users for various utilities in the City including water, telephone, gas, electric, and cable television services.

UUT – (see Utility Users Tax.)

Vehicle License Fee (VLF) – Is a tax on the ownership of a registered vehicle in place of taxing vehicles as personal property, also called the motor vehicle in-lieu tax. The VLF is paid annually upon vehicle registration in addition to other fees, such as the vehicle registration fee, air quality fees, and commercial vehicle weight fees all of which fund specific state programs. The VLF funds city and county services.

VLF – (see Vehicle License Fee.)

Water Master Plan (WMP) –The WMP was adopted by the City in 1990, and updated in 2000 and 2005. This plan recommends new facilities to provide the City with adequate water production and storage capabilities.

WMP – (see Water Master Plan.)

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