

Glossary of Acronyms

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| ACFR | Annual Comprehensive Financial Report |
| ACOE | Army Corps of Engineers |
| ALS | Advanced Life Support |
| ARPA | American Rescue Plan Act |
| CalPERS | California Public Employees Retirement System |
| Cal Trans | California State Department of Transportation |
| CDBG | Community Development Block Grant |
| CEQA | California Environmental Quality Act |
| CFD #1 | Community Facilities District #1 |
| CIP | Capital Improvement Plan |
| CPI | Consumer Price Index |
| CSA-17 | County Service Area composed of Del Mar, Del Mar Heights, Solana Beach, Encinitas, Rancho Santa Fe and portions of Elfin Forest |
| CSD | Cardiff Sanitary Division |
| EHA | Encinitas Housing Authority |
| EMS | Emergency Medical Service |
| ESD | Encinitas Sanitary Division |
| FEMA | Federal Emergency Management Administration |
| FTE | Full-Time Equivalent |
| FY | Fiscal Year |
| GAAP | Generally Accepted Accounting Principles |
| GASB | Governmental Accounting Standards Board |
| GFOA | Government Finance Officers Association |
| HAP | Housing Assistance Payment |
| HCV | Housing Choice Voucher |
| HUD | Housing and Urban Development |
| HUTA | Highway Users Tax Account |
| JPA | Joint Powers Authority |
| L&LD | Landscape and Lighting District |
| MID | Municipal Improvement District |
| NPDES | National Pollutant Discharge Elimination System |
| OPEB | Other Post Employee Benefits |
| PW | Public Works |
| Q | Quarter |
| RMRA | Road Maintenance & Rehabilitation Account |
| RTCIP | Regional Transportation Congestion Improvement Program |
| SANDAG | San Diego Association of Governments |
| SCOUP | Sand Compatibility Opportunistic Use Program |
| SDWD | San Dieguito Water District |

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| SEJPA | San Elijo Joint Powers Authority |
| SLEF | Supplemental Law Enforcement Fund |
| TDA | Transportation Development Act |
| TOT | Transient Occupancy Tax |
| VLF | Vehicle License Fee |

Glossary of Terms

Accounting Standards - See Governmental Accounting Standards Board (GASB)

Acquisition – The process of gaining assets.

ACOE – Army Corps of Engineers who provide quality, responsive engineering services to the nation.

Allocate – To divide a lump-sum appropriation which is designated for expenditure by specific organization units and/or for specific purposes, activities, or objects.

Appropriation – An authorization made by City Council which permits the City to incur obligations and to make expenditures of resources.

Assessed Value – A dollar valuation set upon real estate or other property by the County Assessor as a basis for levying property taxes.

Asset – Anything having commercial or exchange value that is owned by a business, institution or individual.

Asset Forfeiture Fund – To account for funds returned from drug enforcement agencies. These funds are the result of enforcement against illegal activities and must be used in the acquisition of law enforcement supplies or equipment.

Audit – Conducted by an independent Certified Public Accounting (CPA) firm, the primary objective of an audit is to determine if the City's Financial Statements present the City's financial position fairly and if the results of operations are in conformity with generally accepted accounting principles.

Balanced Budget – A budget in which planned expenditures do not exceed projected funds available.

Balance Sheet – A financial statement reporting the organization's assets, liabilities and equity activities.

Base Salary – This is the fixed rate of compensation that an employee receives from an employer for a specified job. Base salary does not include employee benefits, bonuses or any other form of special compensation that may be part of an employee's pensionable wages.

Benefit Assessment – Charges levied on parcels to pay for public improvements or services provided within a pre-determined district or area according to the benefit the parcel receives from the improvement or services.

Bond – A written promise to pay a specified sum of money (called the principal) at a specific date in the future, together with periodic interest at a specific rate. In the Operating Budget, these payments are identified as debt service. Bonds are used to obtain long-term financing for capital improvements.

Budget – A financial plan for a specified period of time that matches planned revenues and expenditures to municipal services.

California Public Employees' Retirement System (CalPERS) - This is a pension system established by the Public Employees Retirement Law 11 in 1932¹² for state employees. It was expanded in 1939 to include classified (non-teaching) school employees and employees in California public agencies that contract with CalPERS for retirement and/or health coverage (including local agencies).

California State Department of Transportation (CalTrans) – State Department responsible for the construction and maintenance of the state freeway and highway system. CalTrans is also involved in state level planning and funding for public transit and bicycle transportation facilities.

Capacity – The maximum that can be contained in a system whether it be a tank or a pipe, etc.

Capital Budget – The annual adoption by the City Council of project appropriations. Project appropriations are for the amount necessary to carry out a capital project's expenditure plan, including multi-year contracts for which a total appropriation covering several years' planned expenditures may be required.

Capital Improvement Program – The annual updated plan or schedule of project expenditures for public facilities and infrastructure (buildings, roads, etc.) with estimated project costs, sources of funding, and timing of work over a six- or multi-year period. For financial planning and general management, the capital program is a plan of work and expenditures, and is the basis for annual appropriations and bond issues.

Capital Outlay – Expenditures which result in the acquisition of or addition to fixed assets. The City policy defines a fixed asset as a purchase which will normally have a useful life greater than two years with a cost threshold of \$5,000.

Capital Project – Any project, or phase of a project, that is to be a permanent physical improvement to a city roadway, park or beach facility, building, sewer or water line, or other like physical facility where the total cost of the project will be greater than \$100,000. Equipment, as a rule, will not be considered as a capital project.

CEQA – The California Environmental Quality Act informs governmental decision makers and the public about the potential significant environmental effects of proposed activities; identifies ways that environmental damage can be avoided or significantly reduced; requires changes in projects through the use of alternatives or mitigation measures when feasible; and discloses to the public the reasons why a project was approved if significant environmental effects are involved.

Circulation Element – General Plan chapter dealing with automobile, bike and alternate transit transportation systems.

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

Contingency – An appropriation of funds to cover unforeseen events that occur during the fiscal year, such as flood emergencies, Federal mandates, shortfalls in revenue, and similar eventualities.

Continuing Appropriation – Funds committed for a previous fiscal year expenditure which were not spent in the year of appropriation but are intended to be used in the current year.

Contractual Services – Services rendered to City activities by private firms, individuals or other governmental agencies. Examples of these services include engineering, law enforcement, and city attorney services.

CSD – Cardiff Sanitary Division.

Debt – All long-term credit obligations of the City and its agencies, whether backed by the City's full faith and credit or by pledged revenues, and all interest-bearing short-term credit obligations.

Department – A major organizational unit of the City which has been assigned overall management responsibility for an operation or a group of related operations within a functional area.

Development Impact Fees – Fees placed on the development of land or conditions required for the approval of a development project such as the donation ("dedication" or "exaction") of certain lands (or money) to specific public uses. The fees are typically justified as an offset to the future impact that development will have on existing infrastructure.

Distribution System – The piping system and appurtenances necessary to deliver adequate quantities of water at sufficient pressures at all times under continually changing conditions while at the same time protecting water quality.

Encumbrance – The legal commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a future expenditure.

Enterprise Fund – Fund that provides goods or services to the public for a fee that makes the entity self-supporting. An example is a government-owned utility.

Expenditure – The outflow of funds paid for goods or services obtained.

ESD – Encinitas Sanitary Division.

Fees for Services – Charges paid to the City by users of a service to help support the costs of providing that service.

Financial Plan – The document created by the staff and approved by the City Council which establishes the broad policy guidance on the projection of revenues and the allocation toward various types of expenditures.

Financial Report – A comprehensive annual document providing a snapshot of the City’s financial position on the final day of the fiscal year. A formal audit performed by an independent CPA firm supports the report’s financial information.

Fines, Forfeitures and Penalties – Revenues received and/or bail monies forfeited upon conviction of a misdemeanor or municipal infraction.

Fiscal Year (FY) – The beginning and ending period for recording financial transactions. The City has specified July 1 to June 30 as its fiscal year.

Fixed Assets – Assets of long-term nature such as land, buildings, machinery, furniture, and other equipment. The City has defined such assets as those with an expected life in excess of two years and an acquisition cost in excess of \$ 5,000.

Franchise Fee – A franchise fee is charged for the privilege of using public right-of-way and property within the City for public or private purposes. The City currently assesses franchise fees on cable television, utilities, and trash collection contractors.

Fund – An accounting entity that records all financial transactions for specific activities or government functions. The generic fund types used by the City are: General, Special Revenue, Capital Project, Enterprise, and Internal Service Funds.

Fund Balance – The excess of current assets over current liabilities, and represents the cumulative effect of revenues and other financing sources over expenditures and other financing uses.

Gann Initiative – See Proposition 4.

Governmental Accounting Standards Board (GASB) - A nonprofit organization that develops accounting standards for various state and local governments (often referred to by the acronym “GASB” and pronounced “gaz-be”). This board establishes generally accepted accounting principles (sometimes referred to by the acronym “GAAP”) for state and local agencies.

Gasoline Tax – Also called Highway Users Tax and Motor Vehicle Fuel License Tax. This is a per gallon tax on fuel used by vehicles that drive on public streets. Use of tax is limited to research, planning, construction, improvement, maintenance and operation of public streets and highways or public mass transit guideways.

General Fund – The primary operating fund of the City, all revenues that are not allocated by law or contractual agreement to a specific fund are accounted for in the General Fund. With the exception of subvention or grant revenues restricted for specific uses, General Fund resources can be utilized for any legitimate governmental purpose.

Goal – A statement of broad direction, purpose, or intent.

Grant – Contributions of cash or other assets from another governmental agency to be used or expended for a specified purpose, activity, or facility.

Highway Users Tax – See gasoline tax.

Housing Element – Chapter of the General Plan dealing with housing issues and related goals.

Impact Fees – Fees required of a developer/builder for purposes of defraying the actual estimated costs on construction planned facilities such as parks, school, flood, fire, traffic mitigation, etc.

Infrastructure – The City’s basic system of its physical plant, i.e., streets, water, sewer, public buildings, parks, and beaches.

Internal Service Fund – A fund which provides services to other City divisions and bills the various other funds for services rendered. The City uses this type of fund for distributing vehicle replacement and maintenance, facility maintenance, risk management, and other general overhead.

Investment Earnings – Earnings received as interest from the investment of funds not immediately required to meet cash disbursement obligations.

Joint Powers Authority (JPA) – A joint venture comprised of two or more governmental entities sharing the cost of providing a public service.

Liability – A claim on the assets of an entity.

Material and Supplies – A general category used for clarifying expenditures for various materials and supplies which are normally used within a fiscal year.

Motor Vehicle Fuel License Tax – See gasoline tax.

Municipal – In its broadest sense, an adjective which denotes the state and all subordinate units of government. In a more restricted sense, an adjective which denotes a city or village as opposed to other local governments.

Municipal Improvement District – A designated area receiving services for common grounds benefiting property owners, i.e. median landscaping.

MUNIS –Financial software used by the City.

OPEB – Refers to “Other Post-Employment Benefits”, meaning other than pension benefits which consist primarily of retiree health care benefits but may also include other benefits such as life insurance and long-term care that employers have promised to employees.

Personnel Services – Costs associated with providing the staff necessary to provide the desired levels of service. Included are both salary and benefit costs.

Phase – A project carried out in planned incremental stages, usually with the highest priority items being addressed first in Phase 1.

Policy – A direction that must be followed to advance toward a goal. The direction can be a course of action or a guiding principle.

Potable Water – Water that does not contain objectionable pollution, contamination, minerals, or ineffective agents and is considered satisfactory for drinking.

Program – A grouping of activities organized to accomplish basic goals and objectives.

Program Budget – A budget that focuses upon the goals and objectives of an agency or jurisdiction rather than upon its organizational budget units or object classes of expenditure.

Property Tax – An ad valorem tax imposed on real property (land and permanently attached improvements) and tangible personal property (movable property).

Proposition 4 – Also called the Gann Initiative, this initiative, now Article XIII B of the state constitution, was drafted to be a companion measure to Proposition 13, Article XIII A of the constitution. Article XIII B limits growth in government spending to changes in population and inflation.

Proposition 13 – Article XIII A of the California Constitution, commonly known as Proposition 13, which limits the maximum annual increase of any ad valorem tax on real property to 1% of the full cash value of such property.

Real Property Transfer Tax – Also called Documentary Transfer Tax, this tax is imposed on the transfer of ownership in real estate at a rate of \$0.55 per \$500.00 of property value.

Reclaimed Water – Non-potable water used primarily for landscaping and floriculture irrigation.

Reclamation – The process of recovering usable, but non-potable water from the tertiary treatment of wastewater.

Reimbursement for State Mandated Costs – Article XIII B, Section 6 of the California Constitution which requires the state to reimburse local agencies for the cost of state-imposed programs. Process is commonly called “SB 90” after its original 1972 legislation.

Rents – Revenues received through the rental of public properties to private parties such as convention space and library facilities.

Reserve – The portion of any fund’s balance that is restricted for a specific purpose and is, therefore, not available for general appropriation.

Revenue – Funds that the government receives as income. It includes such items as tax payments, fees from specific services, receipts from other governments, fines, forfeitures, grants, shared revenues, and interest income.

Revenue Bonds – Bonds issued to acquire, construct or expand public projects for which fees or admissions are charged. Bonds are repaid solely from the income generated by use of that project.

Risk Management – An organized attempt to protect an organization’s assets against accidental loss in the most cost-effective manner.

Sales Tax – The sales tax is imposed on retailers for the privilege of selling tangible personal property in California. Tax base is the total retail price.

San Diego Association Of Governments (SANDAG) – A public agency formed by local governments to assure overall area-wide planning and coordination for the San Diego region.

SDWD – San Dieguito Water District.

SEJPA – San Elijo Joint Powers Authority.

Service Charges – Charges imposed to support services to individuals or to cover the cost of providing such services. The fees charged are limited to the cost of providing the service or regulation required (plus overhead).

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 parties. (Also known as benefit fees.)

Special Revenue Funds – Funds used to account for the proceeds from specific revenue sources (other than trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

Subventions – Subsidy or financial support received from county, state or federal government. The state and county currently levy certain taxes that are “subvened” to cities, including motor vehicle license fees, state mandated costs and motor vehicle fuel tax.

Transient Occupancy Tax – Tax levied by cities on persons staying 30 days or less in a room(s) in a hotel, inn, motel, tourist home, non-membership campground or other lodging facility. Also called Transient Lodging Tax.

TransNet – A half-cent sales tax for local transportation projects that was first approved by voters in 1988 and extended in 2004 for another 40 years.

Unsecured Property – As the property tax is guaranteed by placing a lien on the real property, unsecured property is that real property in which the value of the lien is not sufficient to assure payment of the property tax.

Use Tax – Tax imposed on the user of a product whenever the sale tax does not apply, such as on goods purchased out-of-state and delivered for use in California and on long-term leases. Tax base is the total retail price.

User Fees – The payment of a fee for direct receipt of a service by the party benefiting from the service.

Work Projects Program – A program to provide for the long-term studies or plans that support current or future infrastructure.

Working Capital – Difference between current assets and current liabilities.