



# CITY OF HUNTINGTON BEACH

2000 Main Street, Huntington Beach, CA 92648

## CITY ADMINISTRATOR'S OFFICE

August 1, 2008

Honorable Mayor and Members of the City Council:

I am pleased to present the proposed FY 2008/09 budget, representing the spending plan for Huntington Beach's 100<sup>th</sup> year since incorporation. The balanced budget totals \$336,790,060 which is a 2.0 percent increase from last year's adopted budget. The General Fund budget, which provides for the majority of public services to our community, totals \$199,151,684, representing an increase of 5.9 percent over last year's adopted budget. This is a balanced budget that meets the required seven percent financial policy reserve of \$13,628,279, funds a second tier reserve for additional economic security, provides for continued buy-down of unfunded liabilities, funds an equipment reserve and replacement program, and maintains a general liability reserve of \$2,000,000.

Huntington Beach will be faced with several challenges in FY 2008/09 due to the impact of economic changes at the national, regional, and state level. However, because of prudent fiscal management, the proposed budget for FY 2008/09 maintains service and staffing levels. The breadth and diversity of the City's revenue stream will also assist with weathering the economic downturn. Overall, Huntington Beach is on solid financial footing due to sound management and planning practices.

Key to this sound management has been the adoption of a Strategic Plan guiding the City's spending decisions. This City Council adopted plan provides staff five primary goals that guide budget development. These goals are: Financial, Infrastructure, Land Use and Economic Development, Engaging the Community, and City Services. Staff has outlined a program of service that proposes to accomplish the following:

### Financial

- Operationalizes the Long Term Financial Plan (LTFP) that was completed in July, 2008;
- Updates the cost allocation plan and comprehensive user fee study; and,
- Completes a third year of auditing of Transient Occupancy Tax and internal programs.

### Infrastructure

- Creates a Capital Improvement Program of \$38,588,575 with full project documentation (under Capital Improvement tab of the budget) which funds:
  - sewer, drainage and storm water quality projects
  - maintenance and upgrade of city facilities
  - neighborhood improvement projects, including street rehabilitation and residential pavement
  - Edison sports complex expansion, pier building, restroom, and skate park design and construction
  - streets and transportation projects such as bridge rehabilitation and traffic signal upgrades

Land Use and Economic Development

- Continues efforts of the Planning and Building and Safety Departments to meet and exceed customer service benchmarks; and,
- Oversee the completion and opening of The Strand downtown development.

Engaging the Community

- Continue planning numerous centennial celebration events;
- Continue the scanning of city records to provide greater public access to historical documents;
- Converts building permit records to digital format, expanding access for customers; and,
- Increase access to Library holdings by providing expanded internet service.

City Services

- Expand Library Service's children's book collection;
- Establish programs to help improve safety around elementary schools; and
- Continue provision of clean water to residents by increasing cross-connection inspections.

The FY 2008/09 proposed budget continues the efforts of prior years of improving operational and programmatic efficiencies in light of slowing revenue growth. Because of prudent financial management, the right-sizing of department budgets, and a focus on accurate revenue projections, Huntington Beach can continue to fund an equipment replacement program, build reserves, and fund capital improvements while making no cuts to service or staffing levels.

With the City Council's 2020 Vision Statement, staff continues to explore opportunities to address the five strategic goals. There is much to be done, but the vision statement has given us clear direction. I expect that FY 2008/09, while presenting challenges due to the economy, will nonetheless provide the necessary levels of service to create and maintain a sustainable, family and business-friendly community.

The dedicated employees of the City of Huntington Beach remain committed to your vision. We are proud to serve and look forward to another year, working to meet the needs of our citizens, visitors, and businesses.

Sincerely,



Paul Emery  
Interim City Administrator