GLOSSARY OF TERMS

AB1X26: The Dissolution Act signed by Governor Brown to dissolve all redevelopment agencies by February 1st, 2012.

AB1234: The assembly bill that requires cities, counties and special districts in California to provide ethics training to their local officials. Public officials are required to complete the training within one year of taking office and repeat the training every two years.

Accounting System: The methods and records established to identify, assemble, analyze, classify, record and report a government’s transactions and to maintain accountability for the related assets and liabilities.

Accrual Basis: A basis of accounting in which revenues are recognized when earned regardless of when they are received, and expenses are recorded at the time the liability is incurred, regardless of when it is paid.

Adopted Budget: The official budget as approved by the City Council at the start of each fiscal year.

Affordable Housing Impact Fee: Pursuant to City Municipal Code Section 3.34, affordable housing fees fund the construction, acquisition or financing of new or existing multi or single family affordable housing projects within the city for low of very low income residents.

Agency Fund: A fund normally used to account for assets held by a government as an agent for individuals, private organizations or other governments and/or other funds.

Amended Budget: Also known as “Revised Budget” This is the official budget as adopted and as amended by the City Council through the course of a fiscal year.

Annual Budget: A budget applicable to a single fiscal year.


Appropriated Budget: The expenditure authority created by the appropriation bills or ordinances, which are signed into law, and the related estimated revenues. The appropriated budget would include all reserves, transfers, allocations, supplemental appropriations and other legally authorized legislative and executive changes.

Appropriation: A legal authorization granted by a legislative body for a given period to make expenditures and to incur obligations for specific purposes. An appropriation usually is limited in amount and time it may be expended.

Assessed Valuation: The estimated value placed upon real and personal property by the County Assessor as the basis for levying property taxes.

Assigned Reserves: As per GASB 54 for Fund Balances, assigned fund balances include amounts that are constrained by the government’s intent that they be used for specific purposes.

Audit: Prepared by an independent Certified Public Accountant (CPA), the primary objective of an audit is to determine if the City’s financial statements present fairly the City’s financial position and results of operations in conformity with generally accepted accounting principles.

Authority: A government or public agency created to perform a single function or restricted group of related activities.
Beginning/Ending Fund Balance: Appropriated resources available in a fund from the prior/current years after payment of the prior/current fiscal year’s expenses. This is not necessarily cash on hand.

Bond: A written promise to pay a specific sum of money, called the face value or principal amount, at a specified date or dates in the future, together with periodic interest at a special rate.

Bond Covenant: A legally enforceable promise made by an issuer of bonds to the bondholders, normally contained in the bond resolution or indenture.

Budget: A plan of financial operation embodying an estimate of the proposed expenditures for a given period and the proposed means of financing them.

Budget Message: Included in the opening section of the Budget, the Budget Message provides the City Council and the public with a general summary of the most important aspects of the budget, changes from previous fiscal years, and the views and recommendations of the City Manager.

California Public Employees’ Pension Reform Act of 2013 (PEPRA): The law that changes the way CalPERS retirement and health benefits are applied, and places compensation limits on members.

Capital Budget: A plan or proposed capital outlays and the means of financing them.

Capital Improvement Program (CIP): A financial plan for capital improvements with single and multiple-year expenditures to meet capital needs arising from the assessment of long-term needs. It sets forth each project in which the government is to have a part and specifies the full resources estimated to be available to finance the projected expenditures.

Capitalized Expenditures: Expenditures resulting in the acquisition and/or construction of fixed assets.

Capital Investment Program: A plan for capital expenditures to be incurred each year over a fixed period of years to meet capital needs arising from the long-term work program or other capital needs. It sets forth each project or other contemplated expenditure in which the government is to have a part and specifies the resources estimated to be available to finance the projected expenditures.

Commercial Linkage Fee: Pursuant to Municipal Code Section 8.51, this fee applies to certain commercial development to help pay for construction, acquisition or financing of new or existing multi-family affordable housing projects.

Committed Fund Balance: Funds that have been committed by Council via resolution for a specific purpose. A resolution is required to amend or rescind committed balances.

Contracted Services: Services rendered in support of City operations and activities by external parties. These may be based upon either formal contracts or ad hoc charges.

Contingency: A budgetary reserve set-aside for emergencies or unforeseen expenditures not otherwise budgeted.

Cost Accounting: The method of accounting that provides for assembling and recording of all the elements of cost incurred to accomplish a purpose, to carry on an activity or operation, or to complete a unit of work or a specific job.

Cost of Services Fees: Charges for services levied by the City to recover costs associated with providing a service or permitting an activity. They include such fees as recreational fees, plan checking fees, building permit fees, etc. Components of the full cost of service include direct labor costs, indirect labor costs, specific direct non-labor costs where applicable, allocated non-labor costs, and allocated City-wide overhead.
Debt Service Fund: A fund established for the payment of interest and principal on all debt other than payable exclusively from special assessments.

Department: A major organizational group of the City with overall management responsibility for an operation or a group of related operations within a functional area.

Depreciation: (1) Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence; (2) That portion of the cost of a capital asset that is charged as an expense during a particular period.

Division: An organizational subgroup of a department.

Employee Services: Salaries plus fringe benefits earned by employees of the organization for work performed.

Encumbrance: The commitment of appropriated funds to purchase goods that have not yet been received, or services that have yet to be rendered.

Enterprise Fund: A fund established to account for operations financed and operated in a manner similar to private business enterprises. In this case, the governing body intends that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Entitlement: The amount of payment to which a state or local government is entitled pursuant to an allocation formula contained in applicable statutes.

ERAF: Educational Revenue Augmentation Fund. A shift of property tax revenue from local agencies to the State.

Expenditure: Decreases in net financial resources. Expenditures include current operating expenses, which require the current or future use of net current assets, debt service and capital outlays.

Fiscal Year (FY): A 12-month period (for the City July 1st through June 30th) 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.

Fixed Assets: Equipment costing $5,000 or more, including tax, and not qualifying as a capital improvement project.

Full-Time Equivalent (FTE): The conversion of full-time and part-time employee hours to an equivalent of a full-time position. For example: one person working half-time would count as 0.5 FTE. One full-time equivalent equals 2,080 hours of work per year.

Fund: A fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources, all related liabilities and residual equities, or balances, and changes therein, are recorded and segregated to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions, or limitations.

Fund Balance: The amount of financial resources available for use. Also known as financial position, fund balance is the excess of assets over liabilities, and represents the cumulative effect of revenues and other financing sources over expenditure and other financing issues.

Gann Limit: An absolute dollar limit on the amount of funds derived from taxes that the City can legally appropriate and expend each fiscal year, as specified by Article 13-B of the State Constitution. Any tax revenues in excess of the Gann Limit must be returned to taxpayers.
**GASB 34:** The Government Accounting Standards Board (GASB), which defines the criteria that auditors use to judge the adequacy of local and state government financial statements, has changed long-standing practices by requiring that government entities include reporting of their capital assets in their annual balance sheet and income statement. GASB Statement No. 34, adopted in June 1999, for the first time highlights the costs of acquiring, owning, operating and maintaining public works infrastructure for government-bond holders and the public at large.

**GASB 45:** GASB Statement No. 45, new accounting standards for Other Post-Employment Benefits (OPEB) addresses how state and local governments account for and report post-employment healthcare and other non-pension benefits. The statement generally requires that the state and local governments account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions.

**GASB 68:** GASB Statement No. 68, Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27, improves accounting and financial reporting by state and local governments for pensions. This Statement establishes standards for measuring and recognizing liabilities and expenditures and identifies the methods and assumptions that should be used to calculate those liabilities and expenditures.

**General Fund:** The primary operating fund used to account for most day-to-day activities.

**Generally Accepted Accounting Principles (GAAP):** Uniform minimum standards of guidelines for financial accounting and reporting. They govern the form and content of the basic financial statements of an entity. GAAP encompasses the conventions, rules and procedures necessary to define accepted accounting practices at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. GAAP provides a standard by which to measure financial presentations.

**Grants:** Contributions of cash or other assets from another governmental agency (usually) to be expended or used for a specified purpose, activity or facility.

**Housing Authority:** Responsible for handling Housing assets and operations of the former RDA.

**Infrastructure:** All City-owned facilities supporting the operation of the governmental unit. It includes: streets, roads, bridges, curbs and gutters, parks, water and sewer lines, storm drains, water pump stations and reservoirs, water wells, sewer lift stations, all government buildings and related facilities.

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

**Investment:** Securities and real estate purchased and held for the production of income in the form of interest, dividends, rentals or base payments.

**Lease Purchase:** Contractual agreements which are termed leases, but whose lease amount is applied to the purchase (as with a COP debt).

**Line Item:** The description of an object of expenditure, i.e. salaries, benefits, professional services, etc.

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

**Materials & Services:** Expenses that are charged directly as a part of the cost of a service.

**Maturities:** The dates on which the principal or state values of investments or debt obligations mature and may be reclaimed.
**Modified Accrual Basis:** The accrual basis of accounting where revenues are recognized when they become both “measurable” and “available” to finance expenditures of the current period. All governmental funds and agency funds are accounted for using the modified accrual basis of accounting.

**Net Income (Loss):** Proprietary fund excess (deficit) of operating revenues and operating transfers-in over operating expenses, non-operating expenses and operating transfers-out.

**Non-Operating Expenses:** Proprietary fund expenses not directly related to the fund’s primary activities (e.g. interest).

**Non-Operating Revenues:** Proprietary fund revenues incidental to, or by-products of, the fund’s primary activities.

**Operating Expenses:** Proprietary fund expenses related directly to the fund’s primary activities.

**Operating Income:** The excess of proprietary fund operating revenues over operating expenses.

**Operating Revenues:** Proprietary funds revenues directly related to the fund’s primary activities. They consist primarily of user charges for goods and services.

**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.

**Ordinance:** A formal legislative enactment by the City Council. If it is not in conflict with any higher form of law, it has the full force and effect of law within the boundaries of the City.

**Other Public Employment Benefits:** Benefits that an employee will begin to receive at the start of retirement that does not include pension benefits paid to the retired employees. These benefits vary depending on bargaining groups and employee’s date of hire.

**Oversight Board:** Composed of seven members to direct the staff of the successor agency to perform work in furtherance of the oversight board’s duties and responsibilities. The board shall have fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distribution of property tax and other revenues.

**Park Facility Development Fee:** Pursuant to Municipal code Section 3.34, the Park Facility Development Fee is imposed on all new development since new development in the City generates a need for added facilities and an increased demand on existing facilities.

**Park in Lieu Fee:** Pursuant to Municipal Code 17.32.030, the Park in Lieu fee funds the acquisition, construction and major improvement of City parks.

**Performance Measures:** A series of indicators that measures levels of services and results.

**Preliminary Budget:** A budget in its preliminary preparation stage prior to review and formulation by the City Council. In the preliminary stage, a budget forecasts current costs into the future and new or modified spending proposals for the future.

**Program:** Group activities, operations, or organization units directed to attaining specific purposes or objectives.

**Program Purpose:** A general statement explaining the reason a particular program or division exists.

**Property Tax:** An ad valorem tax imposed on real property, based upon the value of the property.
**Proprietary Fund:** The classification used to account for a government’s ongoing organizations and activities that are similar to those often found in the private sector (i.e., enterprise and internal service funds). All assets, liabilities, equities, revenues, expenses and transfers relating to the government’s business and quasi-business activities are accounted for through proprietary funds.

**Reserved Fund Balance:** Those portions of fund balance that have not been appropriated for expenditure or that are legally segregated for a specific future use.

**Resolution:** A special or temporary order of the City Council requiring less formality than an ordinance.

**Restricted Fund Balance:** Non-spendable or restricted fund balances are amounts restricted by external parties or contracts.

**Revenues:** (1) Increases in net current assets of a governmental fund type from other than expenditure refunds and residual equity transfer. (2) Increases in the net total assets of a proprietary fund type from other than expense refunds, capital contributions and residual equity transfers.

**Revised Budget:** Also known as “Amended Budget' this is the official budget as adopted and as amended by the City Council through the course of a fiscal year.

**Risk Management:** All the ways and means used to avoid accidental loss or to reduce its consequences if it does occur.

**Sales Tax:** A tax on sales or on the receipts from sales.

**Self-Insurance:** A term often used to describe the retention by an entity of a risk of loss arising out of the ownership of property or from some other cause, instead of transferring that risk to an independent third party through the purchase of an insurance policy. It is sometimes accompanied by the setting aside of assets to fund any related losses. Because no insurance is involved, the term self-insurance is a misnomer.

**Service Reimbursements:** Transactions that constitute reimbursements to a department/division for expenditures or expenses initially made from it but that properly apply to another department/division.

**Service Level Measure:** A statement describing an activity conducted or performed by the program/division. A program will usually have many Service Level Measures. Service Level Measures provide quantifiable and qualifiable information as to the level of service to be provided in relation to the level of fund indicated in the budget.

**Sewer Capacity Charges:** Pursuant to Municipal Code 13.04.025, the sewer capacity charge is imposed on all new development. The charge is to recover costs for the City’s sewer system infrastructure and assets that provide benefit to a) new connections to the sanitary sewer system and b) existing sanitary sewer connections that increase wastewater discharge.

**Special Revenue Fund:** A fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

**Specific Program Objectives:** An “action” statement indicating the new or special activities proposed for a program.

**Successor Agency:** Agency established to comply with State law AB1X26 regarding the dissolution of the former RDA and liquidation of assets in a manner that maximizes value for local taxing entities.

**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. Neither does the term include charges for services rendered only to those paying such charges as, for example, user charges.

**Traffic Impact Fee**: Per Municipal Code Section 8.50, the Traffic Impact Fee is assessed based upon evidence that a new development generates additional residents, employees and structures, which in turn place an additional cumulative burden upon the local transportation system.

**Transfers**: Payments from one fund to another ideally for work or services provided, or to cover operating expense shortfalls.

**Transient Occupancy Tax (TOT)**: Tax levied by cities on persons staying 30 days or less in room(s) in a hotel, inn, tourist home or house, motel, studio hotel, bachelor hotel, lodginghouse, roominghouse, apartment house, dormitory, public or private club, mobile home or house trailer at a fixed location, or other similar structure.

**Way-finding**: Refers to information systems that guide people through a physical environment and enhance their understanding and experience of the space.

**Unassigned Fund Balance**: The portion of fund balance that is immediately available for use.

**Trust Fund**: Funds used to account for assets held by a government in a trustee capacity for individuals, private organizations, other governments and/or funds.

**Yield**: The rate earned on an investment based on the price paid.
Commonly Used Acronyms in the City of San Carlos

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<tr>
<th>Acronym</th>
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<tr>
<td>ABAG</td>
<td>Association of Bay Area Governments</td>
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<tr>
<td>ACC</td>
<td>Adult Community Center</td>
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<td>ADA</td>
<td>Americans with Disabilities Act</td>
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<tr>
<td>ADU</td>
<td>Accessory Dwelling Unit</td>
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<tr>
<td>AED</td>
<td>Automatic External Defibrillator</td>
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<td>AFSCME</td>
<td>American Federation of State, County and Municipal Employees</td>
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<td>ALUC</td>
<td>Airport Land Use Commission</td>
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<td>ARC</td>
<td>Annual Required Contribution</td>
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<td>ASAC</td>
<td>Athletic Sites Advisory Committee</td>
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<td>AV</td>
<td>Audio Visual</td>
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<td>AYSO</td>
<td>American Youth Soccer Organization</td>
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<tr>
<td>BAAQMD</td>
<td>Bay Area Air Quality Management District</td>
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<tr>
<td>BMPs</td>
<td>Best Management Practices</td>
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<td>BMR</td>
<td>Below Market Rate</td>
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<tr>
<td>BSCFD</td>
<td>Belmont San Carlos Fire Department</td>
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<tr>
<td>C/CAG</td>
<td>City/County Association of Governments</td>
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<tr>
<td>CAD</td>
<td>Computer-Aided Dispatch system (Police)</td>
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<tr>
<td>CAFR</td>
<td>Comprehensive Annual Financial Report</td>
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<td>CAP</td>
<td>Climate Action Plan</td>
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<tr>
<td>CCTV</td>
<td>Closed Circuit Television</td>
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<tr>
<td>CDF</td>
<td>California Department of Forestry</td>
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<tr>
<td>CEQA</td>
<td>California Environmental Quality Act</td>
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<tr>
<td>CAP</td>
<td>Climate Action Plan</td>
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<tr>
<td>CERBT</td>
<td>California Employers’ Retiree Benefit Trust</td>
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<tr>
<td>CERT</td>
<td>Community Emergency Response Team</td>
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<td>CIP</td>
<td>Capital Improvement Program</td>
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<tr>
<td>CMAQ</td>
<td>Congestion Management &amp; Air Quality (subcommittee of C/CAG)</td>
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<tr>
<td>CMTA</td>
<td>California Municipal Treasurers Association</td>
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<td>CPI</td>
<td>Consumer Price Index</td>
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<td>CPS</td>
<td>Countdown Pedestrian Signal</td>
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<td>CPUC</td>
<td>California Public Utilities Commission</td>
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<td>CPR</td>
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<td>CSC</td>
<td>City of San Carlos</td>
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<td>CSMFO</td>
<td>California Society of Municipal Finance Officers</td>
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<tr>
<td>CSO</td>
<td>Community Services Officer</td>
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<tr>
<td>CYSA</td>
<td>California Youth Soccer Association</td>
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</tbody>
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DARE Drug & Alcohol Resistance Education
DBE Disadvantaged Business Enterprise Program or Goal
DEIR Draft Environmental Impact Statement
EAP Employee Assistance Program
ECMS Electronic Content Management System
EDAC Economic Development Advisory Commission
EDP Economic Development Partnership
EIR Environmental Impact Statement
EOC Emergency Operations Center
ERAF Education Revenue Augmentation Fund
ERP Enterprise Resource Planning
FEMA Federal Emergency Management Agency
FLSA Fair Labor Standards Act
FMLA Family Medical Leave Act
FPPC Fair Political Practices Commission
FSA Flexible Spending Account
FTE Full Time Equivalent
GAAP Generally Accepted Accounting Principles
GASB Governmental Accounting Standards Board
GESC Greater East San Carlos
GFOA Government Finance Officers Association
GIS Geographical Information System
HEART Housing Endowment and Regional Trust of San Mateo County JPA
HIA Harbor Industrial Association
HIP (or HIP Housing) – Human Investment Project
HLC Housing Leadership Council
HVAC Heating Ventilation and Air Conditioning
ICSC International Council of Shopping Centers
IEDA Industrial Employers Distributors Association
IPM Integrated Pest Management
JPA Joint Powers Authority
LTD Long-Term Disability
MOU Memorandum of Understanding
MRP Municipal Regional Stormwater Permit
MTC Metropolitan Transportation Commission
NPDES National Pollutant Discharge Elimination System
NWS National Weather Service
OES Office of Emergency Services
OPEB Other Post-Employment Benefits
TI  Tax Increment
UBC  Uniform Building Code
ULI  Urban Land Institute
YAC  Youth Advisory Commission
YC   Youth Center
VSP  Vision Service Plan