



CITY OF HUNTINGTON BEACH

Fred A. Wilson
City Manager

June 28, 2016

Mr. Peter Hersh, Foreperson
2015-2016 Orange County Grand Jury
700 Civic Center Drive West
Santa Ana, California 92701

RE: 2014-2015 OCGJ "Mello-Roos: Perpetual Debt Accumulation and Tax Assessment Obligation"

Dear Mr. Hersh:

This letter constitutes, in accordance with Section 933 and 933.05 (a) and (b) of the California Penal Code, a response to your letter dated May 25, 2016.

Recommendations - Update

R.1 Each local agency that established the CFD should create an oversight committee and an audit committee to provide for an independent, transparent view of the manner in which CFD funds are being expended. (F.1, F.2)

Response: Completed. *The City re-instated its Finance Commission in May 2015. The Board consists of seven appointed members that act in an advisory capacity to the City Council in matters pertaining to financial planning. On August 11, 2015, the City's Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2013-2014 was submitted to the Orange County Auditor Controller. Subsequently, on March 31, 2016, the City of Huntington Beach submitted the CAFR for Fiscal Year 2014-15 to the Orange County Auditor Controller.*

R.2 Audit report information, as delineated in California Government Code, 1982 Section 53343.1, should be made available to the CFD taxpayers on a website after each fiscal year for each CFD number.

Response: Completed. The City's audited information is published on EMMA and can be accessed through the City of Huntington Beach Transparency in HB – HB Open web page. Also included on the EMMA website is the City's audited Comprehensive Annual Financial Report for each CFD number.

On behalf of the City of Huntington Beach, I want to thank you for the opportunity to provide this response to the Orange County Grand Jury.

Sincerely,

Fred A. Wilson
City Manager

C: Chief Financial Officer