



CITY OF NEWPORT BEACH FINANCE COMMITTEE AGENDA - Final

100 Civic Center Drive - Crystal Cove Conference Room, Bay 2D

Thursday, May 16, 2019 - 3:00 PM

Finance Committee Members:

Will O'Neill, Chair / Mayor Pro Tem
Diane Dixon, Mayor
Joy Brenner, Council Member
William Collopy, Committee Member
John Reed, Committee Member
Joe Stapleton, Committee Member
Larry Tucker, Committee Member

Staff Members:

Grace K. Leung, City Manager
Dan Matusiewicz, Finance Director / Treasurer
Steve Montano, Deputy Director, Finance
Marlene Burns, Administrative Specialist to the Finance Director

The Finance Committee meeting is subject to the Ralph M. Brown Act. Among other things, the Brown Act requires that the Finance Committee agenda be posted at least seventy-two (72) hours in advance of each regular meeting and that the public be allowed to comment on agenda items before the Committee and items not on the agenda but are within the subject matter jurisdiction of the Finance Committee. The Chair may limit public comments to a reasonable amount of time, generally three (3) minutes per person.

The City of Newport Beach's goal is to comply with the Americans with Disabilities Act (ADA) in all respects. If, as an attendee or a participant at this meeting, you will need special assistance beyond what is normally provided, we will attempt to accommodate you in every reasonable manner. Please contact Dan Matusiewicz, Finance Director, at least forty-eight (48) hours prior to the meeting to inform us of your particular needs and to determine if accommodation is feasible at (949) 644-3123 or dmatusiewicz@newportbeachca.gov.

NOTICE REGARDING PRESENTATIONS REQUIRING USE OF CITY EQUIPMENT

Any presentation requiring the use of the City of Newport Beach's equipment must be submitted to the Finance Department 24 hours prior to the scheduled meeting.

I. CALL MEETING TO ORDER

II. ROLL CALL

III. PUBLIC COMMENTS

Public comments are invited on agenda and non-agenda items generally considered to be within the subject matter jurisdiction of the Finance Committee. Speakers must limit comments to three (3) minutes. Before speaking, we invite, but do not require, you to state your name for the record. The Finance Committee has the discretion to extend or shorten the speakers' time limit on agenda or non-agenda items, provided the time limit adjustment is applied equally to all speakers. As a courtesy, please turn cell phones off or set them in the silent mode.

IV. CONSENT CALENDAR

A. MINUTES OF APRIL 25, 2019

Recommended Action:

Approve and file.

[DRAFT MINUTES 042519](#)

V. CURRENT BUSINESS

A. FY 2017-18 AUDIT REVIEW (WITH AUDITOR)

Summary:

The City's external audit firm, White Nelson Diehl Evans LLP will meet with the Finance Committee to discuss the audit findings for the fiscal year ending 6/30/2018. The committee will have an opportunity to discuss any potential areas of concern and the auditors can discuss any changes in accounting standards or disclosures that were relevant for the audit year.

Recommended Action:

Receive and file.

[STAFF REPORT](#)

[ATTACHMENT A](#)

[ATTACHMENT B](#)

B. WATER RATE DISCUSSION

Summary:

Staff and or consultant will provide a broad overview of the water rate study process and solicit Finance Committee input as necessary.

Recommended Action:

Receive and file.

C. PROPOSED FY 2019-20 FOLLOW-UP MEETING

Summary:

Staff will be available to answer follow-up questions on the Fiscal Year 2019-20 budget. Finance Committee may discuss their impending recommendation(s) to Council.

Recommended Action:

Discuss and ask questions pertaining to the Fiscal Year 2019-20 Proposed Budget as necessary. If appropriate, make written recommendation(s) to the Council concerning the City Manager's Fiscal Year 2019-20 Proposed Budget.

D. FINANCE SUBCOMMITTEE ON BEACON BAY MARKET STUDIES

Summary:

Clarification of scope and other questions.

Recommended Action:

Discuss.

E. WORK PLAN REVIEW

Summary:

Staff will review with the Committee the agenda topics scheduled for the remainder of the calendar year.

Recommended Action:

Receive and file.

[ATTACHMENT A](#)

**VI. FINANCE COMMITTEE ANNOUNCEMENTS ON MATTERS WHICH MEMBERS
WOULD LIKE PLACED ON A FUTURE AGENDA FOR DISCUSSION, ACTION OR
REPORT (NON-DISCUSSION ITEM)**

VII. ADJOURNMENT

**CITY OF NEWPORT BEACH
FINANCE COMMITTEE
APRIL 25, 2019 MEETING MINUTES**

I. CALL MEETING TO ORDER

The meeting was called to order at 3:00 p.m. in the Crystal Cove Conference Room, Bay 2D, 100 Civic Center Drive, Newport Beach, California 92660.

II. ROLL CALL

PRESENT: Mayor Pro Tem/Chair Will O'Neill, Mayor Diane Dixon, Council Member Joy Brenner (arrived at 3:03 p.m.) Committee Member William Collopy, Committee Member Joe Stapleton, and Committee Member Larry Tucker

ABSENT: Committee Member John Reed (excused absence)

STAFF PRESENT: City Manager Grace K. Leung, Finance Director/Treasurer Dan Matusiewicz, Deputy Director/Finance Steve Montano, Administrative Manager/PW Finance Jamie Copeland, Budget Manager/Finance Susan Giangrande, Management Assistant/Public Works Raymund Reyes, Budget and Payroll Supervisor/Finance Shannon Espinoza, Budget Analyst/Finance Amy Mayfield, Administrative Manager/Fire Angela Crespi, and Administrative Specialist to the Finance Director Marlene Burns

OTHER ENTITIES: None

MEMBERS OF THE PUBLIC: Jim Mosher and Jennifer MacDonald

III. PUBLIC COMMENTS

Chair O'Neill opened public comments.

Noting there were no members of the public who elected to speak on this item, Chair O'Neill closed public comments.

IV. CONSENT CALENDAR

A. MINUTES OF MARCH 14, 2019

Recommended Action:
Approve and file.

MOTION: Committee Member Tucker moved, and Committee Member Collopy seconded, to approve the minutes. The motion carried 5 ayes – 0 noes, 2 absences (Reed, Brenner).

V. CURRENT BUSINESS

A. PROPOSED FY2019-20 BUDGET OVERVIEW

Summary:

Staff will provide an overview of the Proposed FY 2019-20 Operating Budget.

Recommended Action:

Receive and File

Council Member Brenner arrived at the meeting at this juncture (3:03 p.m.).

Finance Director/Treasurer Dan Matusiewicz presented the proposed FY 2019-20 Operating Budget. He noted the budget is built around four pillars including Providing High Quality, Municipal Services that Residents Expect; Providing a Safe and Secure, Neighborhood; Keeping Newport Beach Looking Great; and Maintaining a Prosperous, Fiscally Sustainable, and Economically Viable City.

Finance Director/Treasurer Matusiewicz reported the budget is balanced and assumes a strong property tax growth rate, while most other revenue is slowing. He advised that proposed expenditures remain relatively flat. He reported staff adhered to City Council guidance regarding the use of the FY 2017-18 budget surplus.

Finance Director/Treasurer Matusiewicz advised the budget continues the aggressive payment schedule of the unfunded pension liability, focuses on enhancing the community's quality of life and safety, and funding of infrastructure master plans and neighborhood enhancement projects.

Finance Director/Treasurer Matusiewicz advised the General Plan Update is funded and efforts are being ramped up for Airport Growth Control. He advised there is now a robust internal and external audit program that has increased the Finance Contractual Services budget by \$110,000. He presented the budget timeline that focused on items, which detailed the various expenditures.

In response to Mayor Dixon's inquiry regarding expenditure instructions, Budget Manager/Finance Susan Giangrande advised that program enhancement requests could be initiated by the various departments but each request would require an explanation of the benefit for the City.

City Manager Grace Leung advised she would like to understand the budget process as it stands today. Her preference would be to retain a "flat" budget, assuming the Departments can provide expected service delivery given their current appropriations.

Committee Member William Collopy urged the Finance team examine work volume indicators for functions that are easily achievable. City Manager Leung advised that although the City may not be in a position to focus on unit costs during this budget process, she is supportive that the budget evaluation process will evolve in that direction over time.

Finance Director/Treasurer Matusiewicz continued the presentation and noted the Goal Setting Workshop and Long-Range Financial Forecast (LRFF) were completed with City Council in February. He reported City Manager budget meetings were held with the departments and adjustments were made accordingly. He reported staff took an early look at the Capital Improvement Project (CIP) budget and finalized proposed budget decisions in March. Last, he reported the City Council will conduct public hearings, related to the proposed operating budget and CIP, beginning in June.

Committee Member Larry Tucker noted the May 28 City Council/Finance Committee Joint Study Session is a review of proposed CIP projects, which does not typically involve the Finance Committee. He stated it would be more appropriate to conduct the Joint Study Session during the Operating Budget Review. It was agreed to move the Joint Study Session from May 28, 2019, to May 14, 2019. Finance Director/Treasurer Matusiewicz advised the budget adoption is slated for June 11, 2019.

Finance Director/Treasurer Matusiewicz presented a summary of the overall Operating Budget and advised the overall budget had increased by 1.6%. He advised new CIP appropriations are down \$7.8 million and the overall CIP budget appropriation is \$96 million. The actual CIP throughput ranges between \$30 and \$50 million. Finance/Administrative Manager Jamie Copeland advised the actual expenditures in the FY 2018-19 Revised Expenditures are in the \$30 - \$50 million dollar range, which is why \$50 million is projected to move forward.

Chair O'Neill clarified the \$399 million for the FY 2019-20 Total Operating Budget is comprised of years of savings being used as well as funds from sources such as Enterprise Funds and Internal Services Funds. He also clarified that a re-budget is a CIP project that being carried forward because it was not extended in the previous year, although it does not mean the funding would be spent in the following year.

In response to Mayor Dixon's inquiries, Finance Director/Treasurer Matusiewicz clarified that \$5 million of the New Appropriations in the CIP Projects would come from General Fund and other sources such as gas tax and the Orange County Transportation Authority (OCTA). He also clarified that the amount from the General Fund naturally fluctuates from year to year.

Committee Member Collopy inquired if the largest appropriation difference between FY 2018-19 and FY 2019-20 Operating Budget was the Corona del Mar Library. Chair O'Neill clarified it is probably from a number of projects and some of the projects are still just "Carry Forwards." Finance/Administrative Manager Copeland clarified there were a couple of large Facilities Financial Plan (FFP) Projects, such as Grant Howald Park, and large dredging projects, which comprised large portions of the difference. Committee Member Collopy inquired if "Carry Forwards" from FY 2019-20 were extended and Chair O'Neill stated his understanding was they were adopted in the CIP. Chair O'Neill used the Corona del Mar Library Project as an example and noted it was a "Carry Forward" for several years in the CIP. In theory, the City Council could adopt the CIP without the Corona del Mar Library Project and Fire Station. It can be removed from the CIP by the City Council if it is no longer a priority.

Finance Director/Treasurer Matusiewicz shared the General Fund Revenue projection and advised Property Taxes comprise 49% of General Fund Revenues, with 80% of the Property Taxes coming from residential property. He added that Sales Tax and Transient Occupancy Tax (TOT) are a smaller component of the General Fund, but much more volatile with the economy.

Finance Director/Treasurer Matusiewicz advised he expects strong growth in Property Taxes and the City has a long-term running average in the 5% range. He reported that Sales Tax shows a decrease due to delayed remittances from 2017-18 expected to be received in 2018-19 due to software issues at the State Board of Equalization.

Finance Director/Treasurer Matusiewicz reported TOT is expected to increase due to new inventory is coming back online for 2020. This includes remodels that are fully available for rent. Mayor Dixon noted that TOT is growing because the City is collecting the revenue more efficiently. Finance Director/Treasurer Matusiewicz reported home sharing has increased, and code enforcement efforts are helping to equal out the playing field for those renting legitimately. City Manager Leung noted more people are using AirBnB-type services and a proposed ordinance will be presented to City Council to assist with code enforcement.

In response to Committee Member Collopy's inquiry, Finance Director/Treasurer Matusiewicz advised Sales Tax Revenue has been underestimated in the past, more so than overestimated. He noted that Mr. Mosher suggested several years ago it would be beneficial to see the original projection and the final projection so it can be fine-tuned, but did note Sales Tax Revenue is budgeted conservatively.

Committee Member Collopy inquired why Sales Tax Revenue increased greatly in 2016 and came back in 2017. Deputy Director/Finance Steve Montano advised this was a result of the Triple Flip. Finance Director/Treasurer Matusiewicz clarified that the State of California ended an archaic budgeting program which created a windfall in the numbers for 2016.

In response to Committee Member Collopy's inquiry, Finance Director/Treasurer Matusiewicz noted 2019 Sales Tax Revenues were overstated based from collections from the State Board of Equalization which then reflects as a decrease in the 2020 Sales Tax Revenue projections.

Finance Director/Treasurer Matusiewicz presented General Fund Sources and Uses and noted the FY 2016-17 Surplus was appropriated in FY 2018-19. The FY 2017-18 Surplus is proposed for appropriation in the FY 2019-20 Proposed Budget. He noted \$1.4 million of the FY 2017-18 Surplus was used to purchase credits for utility undergrounding from the City of Lynwood. He reported that unallocated Unrestricted Funds are \$1.9 million; however, there have been adjustments since the budget was printed. Chair O'Neill advised that City Council can choose to roll those funds forward. Finance Director/Treasurer Matusiewicz estimates those numbers will be larger than projected.

In response to Chair O'Neill's inquiry, Budget Manager/Finance Giangrande reported in FY 2018-19, employment was funded at 100%, but budget credit was not given to the Fire or Police Departments. Other department savings will cover that overage. She also advised that in FY 2019-20 there are no vacancies and very few Bargaining Unit Memorandum of Understanding (MOUs) that remain open. City Manager Leung reported that the Police Department is fully staffed. Finance Director/Treasurer Matusiewicz reported that the gap has been significantly closed in vacancies at the Police Department; however, there will be fewer dollars from salary savings in the next fiscal year.

Finance Director/Treasurer Matusiewicz presented the Proposed General Fund Surplus Allocation. Chair O'Neill reported City Council Policy F-5, General Fund Surplus Utilization, can be reviewed by City Council after the budget is adopted.

In response to Chair O'Neill's inquiry, Finance Director/Treasurer Matusiewicz clarified that Neighborhood Enhancement Projects was \$6.5 million, less the \$1.4 million used in FY 2018-19.

In response to Mayor Dixon's inquiry, Finance Director/Treasurer Matusiewicz confirmed approximately \$2.5 million, in addition to the scheduled payment per the Master Plan of \$3.5 million, was spent on seawalls.

In response to Committee Member Collopy's inquiry, Finance Director/Treasurer Matusiewicz advised that 50% of the \$13 million is not being applied to Pensions because there is a program now to pay Unfunded Liabilities. Mayor Dixon advised that paying down Unfunded Liabilities is a line item in the budget. Chair O'Neill clarified the policy does not require the item to be Pensions but applies to Long-Term Liabilities. Mayor Dixon noted she prefers the policy as the item can be waived and helps frame the discussion of where Surplus Funds should be allocated.

Committee Member Collopy advised he understands the policy but depending on what happens with the portfolio and CalPERS, he would like to see the \$9 million become \$13 million for a year if necessary. Mayor Dixon advised the amount can be increased.

Finance Director/Treasurer Matusiewicz advised the Finance Committee can redirect the item to City Council per a suggestion from City Manager Leung.

Chair O'Neill clarified the process, noting City Manager Leung will present the Proposed Budget to City Council per the Charter, and advised the Finance Committee does not modify the Proposed Budget.

Finance Director/Treasurer Matusiewicz advised the Finance Committee that there is an Interactive Budget Portal where the budget can be viewed in different ways and, by consensus the Finance Committee declined a demonstration, as they had previously viewed it. He illustrated the viewer in the presentation.

Finance Director/Treasurer Matusiewicz reported on General Fund Expenditures and noted that roughly 53% of the expenditures are locked up by Salaries and Benefits. Transfers is where the most flexibility can be seen. City Manager Leung noted that 53% is a low number in comparison to other cities.

Committee Member Collopy reported other cities, such as Santa Ana, Mission Viejo, Laguna Niguel, all pay over 50% of their General Fund into the Police services so it may not be wise to compare Newport Beach with other cities. City Manager Leung noted it would be difficult to compare Newport Beach to other cities given the high level of tourism in Newport Beach.

It was discovered during the discussion that Slide No. 19. of the presentation is representing the entire Operating Budget and not just the General Fund. Chair O'Neill requested a new slide showing the General Fund Expenditures be created and added to the record; also, to be included in the presentation for City Council.

Finance Director/Treasurer Matusiewicz presented General Fund Expenditures by Department and noted, such events as, re-alignment of the election cycle and City Council shifting some Airport Expenditures to the City Manager's Office, resulting in a change in the numbers.

In response to Mayor Dixon's inquiry, City Manager Leung advised the slide represented Salaries, Benefits and Worker's Compensation Claims.

In response to Mayor Dixon's inquiry, Finance Director/Treasurer Matusiewicz advised he did not have a specific slide for the Harbor Department. Chair O'Neill advised that the Harbor Department can be discussed at City Council.

In response to Mayor Dixon's inquiry, Budget Manager/Finance Giangrande advised the increase in Harbor Expenditures from \$1.1 million to \$1.3 million was for funding of the full-year contract for the management of the Balboa Yacht Basin when the Harbor Department was developed. Mayor Dixon suggested there be a footnote available for City Council review in the presentation as a question on the item is likely.

In response to Mayor Dixon's inquiry, City Manager Leung confirmed the City Manager's Office increase is due to the Airport Contract Expenditures.

Finance Director/Treasurer Matusiewicz presented General Fund Transfers ,which showed a mix of regular transfers as well as one-time transfers. He noted the Harbor & Beaches Capital Plan assumes a planned transfer per the Master Plan of \$3.5 million but an additional transfer of \$2 million of prior year surplus is also proposed to be transferred to this fund.

In response to Chair O'Neill's inquiry, Finance Director/Treasurer Matusiewicz reported that funding was set aside for the 800 MHz radio fund replacement and Budget Manager/Finance Giangrande confirmed it is part of the Equipment Fund.

Finance Director/Treasurer Matusiewicz clarified most of the Workers' Compensation Funding is statutory. City Manager Leung feels the City is being aggressive with the Workers'

Compensation Program and noted she works closely with Human Resources to manage the claims.

Committee Member Collopy believes the City has an aggressive Workers' Compensation safety program as he discussed the issue with the Risk Management representative. Finance Director/Treasurer Matusiewicz advised that there is proposed legislation, which would extend the coverage to miscellaneous employees who support Police and Fire Safety services.

Finance Director/Treasurer Matusiewicz presented the Internal Service Fund Charges, a history of what is charged to the various Departments. In response to Committee Member Collopy's inquiry, Finance Director/Treasurer Matusiewicz advised the Worker's Compensation charge would be spread across departments in a manner that considers department payroll and risks associated with those functions.

In response to Mayor Dixon's inquiry, Finance Director/Treasurer Matusiewicz advised that proposed vehicle purchases were larger than usual as a result of the ebb and flow of heavy equipment purchases and the life cycle of vehicles. Budget Manager/Finance Giangrande advised that the City completed a "True-Up" this year as the IT charge was not accurately capturing the full cost of some of the strategic purchases of the ERP and other large software platforms, which drove up the rate. Finance Director/Treasurer Matusiewicz advised this is reflected in the \$1.1 million increase in IT Operations & Equipment.

Mayor Dixon stated the policy was reviewed to increase mileage and usage requirement and Budget Manager/Finance Giangrande clarified it was not a typical expenditure.

Finance Director/Treasurer Matusiewicz presented the Accelerated PERS Payment History (All Funds) and noted with the change in the Discount Rate reflected in an increase of 6.7% of normal cost. He also noted the Total Annual PERS Cost is only increasing by 3.6% where other cities are facing much larger increases. Chair O'Neill recommends adding a slide to show the City's increase compared to other cities when presenting to City Council.

Mayor Dixon noted that in FY 2017 the City paid \$21 million in UAL compared to \$34.5 million in FY 2019, which is helping the City in the long-run.

Finance Director/Treasurer Matusiewicz presented the Funded Status and reported the numbers to reflect CalPERS Projection assuming a 7.0% annual return and no further Additional Discretionary Payments (ADPs).

In response to Committee Member Collopy's inquiry, Finance Director/Treasurer Matusiewicz advised that CalPERS rate of return is currently trending at 3% and does not believe they will hit 7% based on a conversation he had with CalPERS representatives.

Finance Director/Treasurer Matusiewicz presented the 15-year-pay-down of Unfunded Pension Liability. He reported the balance going down is predicated on a 7% return. He cautioned in the event the return rate average near 6%, the City will need to ramp-up contributions. This would result in a \$10 million loss per year based on his example.

Committee Member Tucker noted the change in the discount rate from 7.5% to 7% cost the City \$65 million. Finance Director/Treasurer Matusiewicz noted that the better funded the City is, the more volatility to expect.

Finance Director/Treasurer Matusiewicz presented the CalPERS benefit Tier Summary that shows a trend from classic employees, which are the most expensive, to California Public Employees' Pension Reform Act (PEPRA) employees, representing a turnover of approximately 5% per year.

Finance Director/Treasurer Matusiewicz presented the three-year comparison of full-time and FTE positions and noted there would be one additional full-time position and 5.52 full-time equivalent part-time employees. City Manager Leung noted the additional position will be added to Streetlights thus reducing the high contract costs.

Finance Director/Treasurer Matusiewicz presented the Changes in Full-Time Staffing from 2009-2020, Bargaining Unit Dates and Program Enhancements. He noted approximately \$400,000 of the \$1.3 million in General increases are one-time increases.

In response to Committee Member Tucker's inquiry, Finance Director/Treasurer Matusiewicz clarified Program Enhancement are adjustments in service levels.

Finance Director/Treasurer Matusiewicz presented General Fund Sources and Uses and noted there will be over \$1 million in Unrestricted Resources even if all the budget adjustments are adopted.

City Manager Leung feels the City's Revenues and Reserves are strong with proposed expenditures increasing modestly. She also reported agreements have been reached with almost all bargaining units. She supports the continuation of an aggressive pension payment plan. She noted there is a full list of CIPs funded, and last, advised there was funding for City priorities including homelessness, \$400,000 for the Airport, and the General Plan Update.

In response to Mayor Dixon's inquiry, City Manager Leung advised the \$100,000 reduction entry to professional & technical services budget was to make a correction.

In response to Committee Member Collopy's inquiry, Finance Director/Treasurer Matusiewicz advised there was not a one-time buy out of pension contributions for those positions that were eliminated. Finance Director/Treasurer Matusiewicz advised the City cannot change pension contributions.

In response to Mayor Dixon's inquiry, City Manager Leung advised employees who transfer to other agencies or from other agencies start out pro-rata, however CalPERS reserves the right to charge other agencies.

City Manager Leung advised the City needs to continue to watch Sales Tax and TOT trends closely. She also expressed concern regarding aging infrastructure, which will continue to require additional investment.

Mayor Dixon noted the wear and tear on City streets due to construction is not being accounted for in the permitting process and believed an analysis needs to be completed for infrastructure.

Committee Member Tucker suggested a fee for using the roads during a construction project. Finance Director/Treasurer Matusiewicz advised a fee study would need to be completed to assess its viability.

Chair O'Neill inquired about the difference between today's presentation and what will be presented on May 16 Finance Committee meeting. Finance Director/Treasurer Matusiewicz advised that he is looking to the Finance Committee to provide feedback to determine what to present at the next meeting. Chair O'Neill does not recommend a deep-dive at the next meeting, however suggests the Harbor Department budget be considered. Committee Member Tucker suggested they dive into some of the details.

In response to Committee Member Collopy's inquiries, City Manager Leung advised the Human Resources Program Enhancements are for Workers' Compensation payments premiums. She also believes the Workers' Compensation management is adequate.

In response to Committee Member Collopy's inquiries regarding the \$500,000 reduction in funding for the Helicopter budget, City Manager Leung advised the budget was over-funded when the City contracted with Huntington Beach. She also reported the City does deploy drones for GIS mapping.

Chair O'Neill will work with Finance Director/Treasurer Matusiewicz to ensure the larger expenditures are highlighted at the May 16 Finance Committee meeting. He also requested that a Fund Balances discussion take place. Chair O'Neill also requested water and utility rate increases be discussed.

Chair O'Neill opened public comments.

Jim Mosher suggested improvements for the presentation on May 16 and believes the current presentation is too long. He inquired about employees' salaries and questioned if the budget accommodates room for salary increases that may not occur on July 1 of each year, but happen during different dates. Finance Director/Treasurer Matusiewicz advised the salary is blended to accommodate for the total amount to be paid for the year.

Mr. Mosher inquired about Council Compensation and feels it should be capped at 5%, not 6.1%. Additionally, he noted Item D2 (City Council Budget) lists no employees. Chair O'Neill asked Finance Director/Treasurer Matusiewicz to investigate.

Chair O'Neill closed public comments.

There was no further action taken on this item.

B. BUDGET AMENDMENTS FOR QUARTER ENDING MARCH 31, 2019

Summary:

Staff will report on the budget amendments for the prior quarter.

Recommended Action:

Receive and file.

Chair O'Neill opened public comments. Noting there were no other members of the public who elected to speak on this item, Chair O'Neill closed public comments.

There was no further action taken on this item.

C. WORK PLAN REVIEW

Summary:

Staff will review with the Committee the agenda topics scheduled for the remainder of the calendar year.

Recommended Action:

Receive and file.

Chair O'Neill requested a subcommittee update on the Beacon Bay revenue model, with the opportunity to discuss process and scope, and a City budget overview, for the purpose of formulating recommendations, be placed on the agenda for May 16, 2019. If a final budget recommendation can be made, the meeting of May 30, 2019, may be canceled.

Chair O'Neill requested the City Council/Finance Committee Joint Study Session take place on May 14, 2019.

Chair O'Neill opened public comments.

Noting there were no members of the public who elected to speak on this item, Chair O'Neill closed public comments.

There was no further action taken on this item.

VI. FINANCE COMMITTEE ANNOUNCEMENTS ON MATTERS WHICH MEMBERS WOULD LIKE PLACED ON A FUTURE AGENDA FOR DISCUSSION, ACTION OR REPORT (NON-DISCUSSION ITEM)

None

VII. AJOURNMENT

The Finance Committee adjourned at 4:45 p.m. to the next regular meeting of the Finance Committee.

Filed with these minutes are copies of all materials distributed at the meeting.

The agenda for the Regular Meeting was posted on April 18, 2019, at 5:42 p.m., in the binder and on the City Hall Electronic Board located in the entrance of the Council Chambers at 100 Civic Center Drive.

Attest:

Will O'Neill, Chair
Finance Committee

Date



**CITY OF NEWPORT BEACH
FINANCE COMMITTEE
STAFF REPORT**

Agenda Item No. 5A
May 16, 2019

TO: HONORABLE CHAIRMAN AND MEMBERS OF THE COMMITTEE

FROM: Finance Department
Dan Matusiewicz, Finance Director
949-644-3123, danm@newportbeachca.gov

SUBJECT: FISCAL YEAR 2017-2018 AUDIT REVIEW (WITH AUDITOR)

SUMMARY:

In connection with the City's financial statement audit, the auditors have expressed an "unmodified" opinion of the City's Fiscal Year 2017-2018 financial statements, meaning they are presented fairly without reservation, in all material respects. In connection with the Single Audit, a compliance audit of federally assisted grant programs, the auditors did not note any findings of non-compliance or questioned costs. The attached letters from the City's auditors, White Nelson Diehl Evans, fulfill those obligations for the required communication.

RECOMMENDED ACTION:

Receive and file.

DISCUSSION:

The first audit letter, included as Attachment A, is intended to communicate matters of particular significance that City Council should be aware of including:

- Qualitative Aspects of Accounting Practices
- Difficulties Encountered in Performing the Audit
- Corrected and Uncorrected Adjustments
- Disagreements with Management
- Management Representations
- Management Consultations with Other Independent Accountants
- Other Audit Findings or Issues

We are pleased to report that the auditors reported no significant difficulties encountered in connection with the performance of the audit, corrected or uncorrected adjustments, disagreements with management, or other audit findings or issues.

The second letter, included as Attachment B, entitled “Independent Auditors’ Report on Internal Control Over Financial Reporting and on Compliance and Other Matters” is intended to communicate deficiencies, significant deficiencies or material weaknesses in internal control and instances of non-compliance or other matters. We are pleased to report that the auditors did not identify any deficiencies in internal control considered to be a material weakness that would result in more than a remote likelihood of a material misstatement of the financial statements or would not otherwise be prevented by the City’s internal controls. They also did not identify any instances of noncompliance or other matters that require specific communication to the governing body as promulgated by Government Auditing Standards.

You will have the opportunity to speak to the auditors, without staff present, to answer any questions that you might have concerning the Fiscal Year 2017-2018 Audit.

Prepared by:

/s/ Rukshana Virany

Rukshana Virany
Accounting Manager

Submitted by:

/s/ Dan Matusiewicz

Dan Matusiewicz
Finance Director

Attachments:

- A. Auditor’s “Audit Committee Letter”
- B. Auditor’s “Report on Internal Control Over Financial Reporting and on Compliance and Other Matters”

ATTACHMENT A

AUDITOR'S LETTER "AUDIT COMMITTEE LETTER"

To the Honorable Mayor and
Members of the City Council
of the City of Newport Beach
Newport Beach, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Newport Beach, California (the City), as of and for the year ended June 30, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter on planning matters dated June 21, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. In fiscal year 2017-2018, the City implemented Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses for postemployment benefits other than pension. Accounting changes adopted to conform to the provisions of this statement were applied retroactively. The result of the implementation of this statement decreased net position in the governmental activities, business-type activities, proprietary funds, and internal service funds, respectively. No other accounting policies were adopted, and the application of other existing policies was not changed during the year ended June 30, 2018. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the City's financial statements are as follows:

- a. Management's estimate of the fair value, the price that would be received to sell an asset in an orderly transaction between market participants, of investments is based on market values provided by outside sources.

Significant Audit Findings (Continued)

Qualitative Aspects of Accounting Practices (Continued)

- b. Management's estimate of the value of capital assets (infrastructure assets) is based on industry standards.
- c. The estimated useful lives of capital assets for depreciation purposes are based on industry standards.
- d. The annual required contributions, pension expense, net pension liability and corresponding deferred outflows of resources and deferred inflows of resources for the City's public defined benefit plans are based on actuarial valuations provided by CalPERS.
- e. The actuarially determined contribution, OPEB expense, net OPEB liability, and corresponding deferred outflows of resources and deferred inflows of resources for the City's OPEB plan are based on actuarial valuations provided by a third party.
- f. Management's estimate of the claims payable liabilities related to general liability and worker's compensation claims are based on actuarial valuations, provided by a third party.

We evaluated the key factors and assumptions used to develop these estimates in determining that they were reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were reported in Note 8 regarding claims payable, Note 10 regarding the CalPERS defined benefit plans, Note 11 regarding the City's Other Post-Employment Benefit Plan, and Note 17 regarding restatement of net position. The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. As a result of our audit-related test work, we proposed no corrections to the financial statements.

Significant Audit Findings (Continued)

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 19, 2018.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis, and the schedules of changes in net pension liability and related ratios, and the schedules of contributions related to the City's defined benefit plans, the schedule of changes in net OPEB liability and related ratios, and the schedule of contributions - OPEB which are required supplementary information (RSI) that supplements the financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual non-major fund financial statements and schedules (supplementary information), which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves.

Other Matters (Continued)

We were not engaged to report on the introductory and statistical sections, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on them.

Upcoming Changes in Accounting Standards and Regulatory Updates

Procurement Rules under Uniform Guidance

The Uniform Guidance has different procurement rules than those previously required by the Circular A-133. Due to the work required by nonfederal entities to implement these new rules, a two-year grace period was given. In May 2017, an additional one-year grace period was given. Beginning July 1, 2018, nonfederal entities will be required to comply with all of the Uniform Guidance procurement rules. Included in these new rules is the requirement for written policies and procedures.

Commencing with the fiscal year 2018-2019 audits, auditors will request the written policies of the nonfederal entity for all single audits and review the procurement policies and procedures for compliance with the Uniform Guidance procurement rules.

Restriction on Use

This information is intended solely for the use of the City Council and management of the City of Newport Beach and is not intended to be, and should not be, used by anyone other than these specified parties.

White Nelson Diehl Evans LLP

Irvine, California
December 19, 2018

ATTACHMENT B

AUDITOR'S LETTER "INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS"

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Mayor and
Members of City Council
City of Newport Beach
Newport Beach, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Newport Beach, California (the City), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 19, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

White Nelson Diehl Evans LLP

Irvine, California
December 19, 2018

Water Rate Study – May 16, 2019

Presentation by: Raftelis,
Utilities Department
Finance Department

Agenda

- Policy Objectives
- Rate Setting and Legal Requirements
- Rate Structure Framework Discussion
- Next Steps

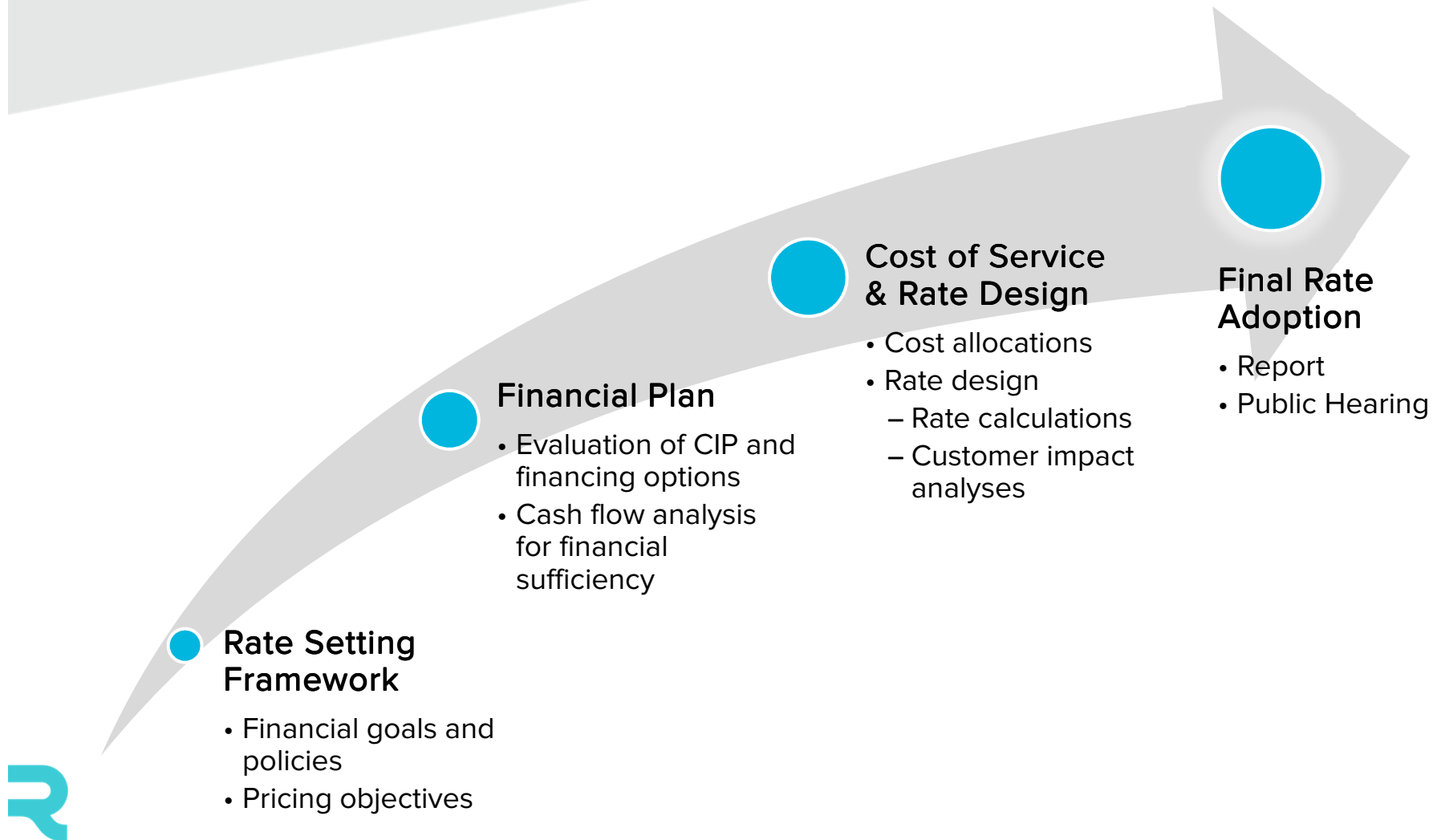


Policy Objectives

- How do we allocate water during drought conditions?
- How do we address revenue loss during drought condition?
- How do we address affordability concerns?
- How do we minimize customer impacts?
- Which approach is easiest to administer?



Rate Study at a Glance



Legal Environment of Rate Making

- Cost of Service Requirements
 - › Proposition 218 and Proposition 26 (Article XIIC and XIID of California Constitution)
- Pass-through Provision
 - › AB 3030 – Section 53756 of the Government Code
- Water Conservation
 - › Article X of California Constitution – prohibits water waste
 - › EO B-37-16 – Each water agency will have a target based on an indoor and outdoor water budget



BALANCING COMPETING PRICING OBJECTIVES

Revenue Stability

Affordability

Financial Stability

Conservation

Administrative Ease

Equity

Defensibility

Customer
Understanding



Common Pricing Objectives

Conservation	Funding Mechanism	Affordability	Equity and Allocation Methodologies	Administration
<ul style="list-style-type: none">• Reducing total annual demand• Reducing water waste• Reducing peak demand• Reducing outdoor water usage	<ul style="list-style-type: none">• Enhancing revenue stability• Ensuring financial sufficiency• Providing funding mechanisms for alternative water supply, conservation program	<ul style="list-style-type: none">• Minimizing customer impacts• Maintaining low average customer bills• Crafting rates that provide affordable water for essential uses	<ul style="list-style-type: none">• Allocating water supply equitably• Providing a drought management tool• Allocating capital costs equitably• Complying with government regulations and guidelines	<ul style="list-style-type: none">• Allowing cost-effective administration• Allowing easy implementation• Enhancing customer understanding



From Water and Wastewater Finance and Pricing: The Changing Landscape, 4th Edition

Water System Cost Structure

FIXED

- Does not vary with production
- Salaries, debt service, etc.

VARIABLE

- Varies with water production
- Power, chemicals, etc.



Water System Cost and Revenue Structure

Fixed Costs



~55%*
of total annual costs

Fixed Revenue



~30%*
of total annual costs



** Estimated using FY 2019 budgeted water costs as variable costs compared to Water System Service Fund total cost*

How to Minimize the Impact of Drought

- Increase the fixed charge to cover all the fixed costs of the utility
 - › Revenue stability during drought conditions
 - › Does not assist with conservation signaling
 - › Concerns with affordability for low water users
 - City could use General Funds for low-income program
- Develop a rate stabilization fund that can be utilized during drought conditions
 - › Additional rate increase now to minimize future impact
 - › Greater amount of reserves in the water fund
- Develop drought rates (by drought stage) for drought conditions
 - › Customer will be required to cut back during droughts and pay more for water



Drought Rates and Penalties Have a Role

Drought Rates

- Recovering the financial cost of having a drought
- Revenue generating mechanism
- There is a nexus between the cost of providing service and the associated rates

Drought Penalties

- Utilizes price to enforce water rationing
- Non-revenue generating, strictly punitive
- A violation not based on cost of service
- Example: City of Santa Cruz excessive water use penalties applied to residential accounts
 - 25 dollars per ccf above 10 units
 - 50 dollars per ccf above 11 units



Policy Overview of Drought Rates

Objectives	Monthly Fixed Charge	Uniform Commodity Charge	Inclining Commodity Charge
Easy to understand and administer	★ ★ ★	★ ★	★
Stability and guaranteed recovery of revenue	★ ★ ★	★ ★	★
Ability to change the bill	★	★ ★	★ ★ ★
Targeted use / conservation	★	★ ★	★ ★ ★
Promotes affordability	★	★ ★	★ ★ ★



Next Steps

Task #	Task Descriptions	# of Meetings	Due Date
1	Kick-off Workshop, Data Collection & Project Management	1	3/12/2019
2	Policy Framework Workshops with City Council	1	3/2019
3	Long Range Financial Plan Development		Completed by end of 4/30/2019 – assuming data is provided by 3/22
4	Cost of Service for Water Services		
5	Water Rates Development		
6	Water Rate Workshops	3-4	5-6/2019
7	Preparation of COS / Preliminary Rate Analysis Report		06/2019
8	Administrative Report Development for Proposed Water Rates		06/2019
9	Public Meetings to Present the Final Recommendations	2	6/27/2019 8/13/2019
10	Proposition 218 Notice Preparation and Public Hearing	2	10/8/2019 11/19/2019
11	Simplified Financial Master Model with Adopted Rates for Future Rate Updates Evaluation		12/2019



**Water Operating Fund
Income Statement**

	<u>Actual 2014-2015</u>	<u>Actual 2015-2016</u>	<u>Actual 2016-2017</u>	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>\$ Variance</u>	<u>% Variance</u>
Beginning NWC	\$ 24,046,453	\$ 28,366,249	\$ 28,709,735	\$ 29,546,656	\$ 29,381,333	\$ (165,323)	(0.56%)
Revenues:							
Water sales	27,651,540	24,368,646	25,223,228	26,665,731	26,755,000	89,269	0.33%
Other	53,589	131,306	148,078	426,827	155,580	(271,247)	(63.55%)
Total	<u>27,705,129</u>	<u>24,499,952</u>	<u>25,371,306</u>	<u>27,092,558</u>	<u>26,910,580</u>	<u>(181,978)</u>	<u>(0.67%)</u>
Expenditures:							
Purchase of water	9,134,740	8,061,091	9,275,641	11,092,163	11,921,300	829,137	7.47%
Salaries and benefits	3,861,542	4,578,857	4,378,697	4,977,536	5,489,729	512,193	10.29%
Professional services/M&O	5,758,953	6,611,689	5,981,889	5,430,891	7,393,047	1,962,156	36.13%
Capital outlay	473,196	602,435	445,181	1,148,459	3,650,785	2,502,326	217.89%
Total	<u>19,228,431</u>	<u>19,854,072</u>	<u>20,081,408</u>	<u>22,649,049</u>	<u>28,454,861</u>	<u>5,805,812</u>	<u>25.63%</u>
Transfers out							
Water Capital Fund	<u>4,156,902</u>	<u>4,302,394</u>	<u>4,452,977</u>	<u>4,608,832</u>	<u>4,770,141</u>	<u>161,309</u>	<u>3.50%</u>
Total Transfers out	<u>4,156,902</u>	<u>4,302,394</u>	<u>4,452,977</u>	<u>4,608,832</u>	<u>4,770,141</u>	<u>161,309</u>	<u>3.50%</u>
Income/(Loss)	4,319,796	343,486	836,921	(165,323)	(6,314,422)	(6,149,099)	3,719.45%
Ending NWC	<u>\$ 28,366,249</u>	<u>\$ 28,709,735</u>	<u>\$ 29,546,656</u>	<u>\$ 29,381,333</u>	<u>\$ 23,066,911</u>	<u>\$ (6,314,422)</u>	<u>(21.49%)</u>

**WATER ENTERPRISE FUND
SUMMARY OF NET WORKING CAPITAL**

Fund / Account							Estimated
	Actual NWC 2013-14	Actual NWC 2014-15	Actual NWC 2015-16	Actual NWC 2016-17	Actual NWC 2017-18	Actual NWC 2018-19	
Water Operations							
Residual Working Capital	\$ 5,715,016	\$ 10,518,294	\$ 11,860,770	\$ 12,707,161	\$ 13,656,600	\$ 7,108,743	
Stabilization Reserve	9,640,549	10,326,042	11,426,314	10,902,221	11,303,275	12,380,801	
CIP Re-appropriations (Re-budget)	1,170,950	807,900	1,144,586	1,492,361	182,691	-	
Fair Value Adj. Reserve	15,904	29,654	118,947	-	-	-	
Reserve for Encumbrances	191,115	58,704	415,248	506,520	249,484	-	
Net Working Capital	\$ 16,733,534	\$ 21,740,594	\$ 24,965,865	\$ 25,608,263	\$ 25,392,050	\$ 19,489,544	
Water Capital							
Reserve for Future Infrastructure	1,277,950	357,081	2,877,867	3,744,121	5,612,212	5,592,830	
CIP Re-appropriations (Re-budget)	-	4,877,000	700,702	1,489,876	1,160,693	-	
Fair Value Adj. Reserve	39	1,947	17,237	-	-	-	
Reserve for Encumbrances	748,768	341,562	425,943	2,656,812	1,759,601	-	
Net Working Capital	\$ 2,026,757	\$ 5,577,590	\$ 4,021,749	\$ 7,890,809	\$ 8,532,506	\$ 5,592,830	

FYI - The City of Newport Beach does not have a separate Recycled Water Fund.

RESERVE POLICY

Purpose

To establish City Council policy for the administration of Reserves defined as fund balances in governmental funds and net working capital in proprietary funds.

Background

Prudent financial management dictates that some portion of the funds available to the City be reserved for future use.

As a general budget principle concerning the use of reserves, the City Council decides whether to appropriate funds from Reserve accounts. Even though a project or other expenditure qualifies as a proper use of Reserves, the Council may decide that it is more beneficial to use current year operating revenues or bond proceeds instead, thereby retaining the Reserve funds for future use. Reserve funds will not be spent for any function other than the specific purpose of the Reserve account from which they are drawn without specific direction in the annual budget; or by a separate City Council action. Information regarding Annual Budget Adoption and Administration is contained in City Council Policy F-3.

Governmental Funds and Fund Balance Defined

Governmental Funds including the General Fund, Special Revenue Funds, Capital Projects Funds, Debt Service Funds and Permanent Funds have a short-term or current flow of financial resources, measurement focus and basis of accounting and therefore, exclude long-term assets and long-term liabilities. The term Fund Balance, used to describe the resources that accumulate in these funds, is the difference between the fund assets and fund liabilities of these funds. Fund Balance is similar to the measure of net working capital that is used in private sector accounting. By definition, both Fund Balance and Net Working Capital exclude long-term assets and long-term liabilities.

Proprietary Funds and Net Working Capital Defined

Proprietary Funds including Enterprise Funds and Internal Service Funds have a long-term or economic resources measurement focus and basis of accounting

and therefore, include long-term assets and liabilities. This basis of accounting is very similar to that used in private sector. However, instead of Retained Earnings, the term Net Assets is used to describe the difference between fund assets and fund liabilities. Since Net Assets include both long-term assets and liabilities, the most comparable measure of proprietary fund financial resources to governmental Fund Balance is Net Working Capital, which is the difference between current assets and current liabilities. Net Working Capital, like Fund Balance, excludes long-term assets and long-term liabilities.

Governmental Fund Reserves (Fund Balance)

For Governmental Funds, the Governmental Accounting Standards Board ("GASB") Statement No. 54 defines five specific classifications of fund balance. The five classifications are intended to identify whether the specific components of fund balance are available for appropriation and are therefore "Spendable." The classifications also are intended to identify the extent to which fund balance is constrained by special restrictions, if any. Applicable only to governmental funds, the five classifications of fund balance are as follows:

<u>CLASSIFICATIONS</u>	<u>NATURE OF RESTRICTION</u>
Non-spendable	Cannot be readily converted to cash
Restricted	Externally imposed restrictions
Committed	City Council imposed commitment
Assigned	City Manager assigned purpose/intent
Unassigned	Residual balance not otherwise restricted

- A. Non-spendable fund balance: That portion of fund balance that includes amounts that are either (a) not in a spendable form, or (b) legally or contractually required to be maintained intact. Examples of Non-spendable fund balance include:
1. Reserve for Inventories: The value of inventories purchased by the City but not yet issued to the operating Departments is reflected in this account.

2. Reserve for Long Term Receivables and Advances: This Reserve is used to identify and segregate that portion of the City's financial assets which are not due to be received for an extended period, so are not available for appropriation during the budget year.
3. Reserve for Prepaid Assets: This reserve represents resources that have been paid to another entity in advance of the accounting period in which the resource is deducted from fund balance. A common example is an insurance premium, which is typically payable in advance of the coverage period.

Although prepaid assets have yet to be deducted from fund balance, they are no longer available for appropriation.

4. Reserve for Permanent Endowment - Bay Dredging: The endowment specifies that the principal amount will not be depleted and represents the asset amounts to be held in the Bay Dredging Fund.
5. Reserve for Permanent Endowment - Ackerman Fund: The ~~endowment~~ specifies that the principal amount will not be depleted and represents the asset amount to be held in the Ackerman Fund.

B. Restricted fund balance: The portion of fund balance that reflects constraints placed on the use of resources (other than non-spendable items) that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Examples of restricted fund balance are:

1. Reserve for Debt Service: Funds are placed in this Reserve at the time debt is issued. The provisions governing the Reserve, if established, are in the Bond Indenture and the Reserve itself is typically controlled by the Trustee.
2. Affordable Housing: A principal provision of the Newport Beach Housing Element requires developers to provide housing units for lower income households, the number of which is to be negotiated for each development project. In lieu of constructing affordable housing, developers have paid into this reserve which is used at the City Council's discretion to provide alternate methods for the delivery of affordable housing for lower income households.

3. Park In Lieu: Per NBMC 19.52 and California Government Code Section 664777 (The 1975 "Quimby Act"), a dedication of land or payment of fees for park or recreational purposes in conjunction with residential development is required. The fees collected can only be used for specific park or recreation purposes as outlined in NBMC 19.52.030 and 19.52.070.
 4. Upper Newport Bay Restoration Reserve: This reserve is the repository for funds mandated by SB573, as well as special fees charged to permit holders as an alternative to meeting certain specified mitigation criteria. In addition to the mitigation fees, ten percent (10%) of Beacon Bay lease revenue is placed in this Reserve. Funds in the Reserve are restricted for Upper Newport Bay restoration projects.
 5. Permanent Endowment for Bay Dredging: The endowment also specifies that the interest earnings on the principal amount can only be used for dredging projects in the Newport Bay.
 6. Permanent Endowment for Ackerman Fund: The endowment also specifies that the interest earnings on the principal amount can only be used for scholarships provided by the City and high-tech library equipment.
 7. Oceanfront Encroachment Reserve: In the early 1990's, it was discovered by survey that improvements to several ocean front parcels were encroaching onto the public beach. The encroachment was relatively minor. The negotiated solution was for the property owners to pay a permit fee each year to the City. Revenue thus generated may only be used for ocean front restoration projects and incidental costs of improvements and maintenance to enhance public access and use of ocean beaches as approved by the City Council. This Reserve is the repository for those funds. City Council Policy L- 12 contains additional background and details about the encroachment issue. The external restriction on this balance is imposed by the Local Coastal Plan (LCP).
- C. Committed fund balance: That portion of a fund balance that includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action by the government's highest level of decision

making authority, and remain binding unless removed in the same manner. The City considers a resolution to constitute a formal action for the purposes of establishing committed fund balance. The action to constrain resources must occur within the fiscal reporting period; however the amount can be determined subsequently. City Council imposed Commitments are as follows:

1. Facilities Financial Planning (FFP) Fund: In conjunction with the City's Facilities Financial Plan, a sinking fund has been established to amortize the cost of critical City facilities such as, but not limited to, the Civic Center, Police Department buildings, Fire Stations, Library Branches and other Facility Improvement Projects.

The Facilities Financial Planning Program establishes a level charge to the General Fund that will perpetually replenish the cash flows necessary to finance the construction of critical City facilities. This plan will be updated annually as part of the budget process, or as conditions change. The City shall strive to maintain fund balance in the Facilities Financial Planning Reserve at a level equal to or greater than the maximum annual debt service on existing obligations.

The eligible uses of this reserve include the cash funding of public facility improvements or the servicing of related debt.

2. Off Street Parking: Per NBMC 12.44.025 the City Council may direct revenues into the off-street parking facilities fund for purposes of the acquisition, development and improvement of off street parking facilities, and for any expenditures necessary or convenient to accomplish such purposes.
3. In Lieu Parking: Per NBMC 12.44.125 the City requires commercial businesses to provide adequate off-street parking or where this is not possible, businesses are afforded the opportunity to pay an annual fee and use parking spaces in a municipal lot, providing such a lot is located within specified proximity to the business. These funds can only be used to provide additional parking.
4. Neighborhood Enhancement - A: Funds previously accumulated to Neighborhood Enhancement Area "A" pursuant to a prior version of NBMC 12.44.027 shall continue to be used only for the purpose of

enhancing and supplementing services to the West Newport area. Both the nature of the supplemental services and the definition of the area served are set forth in NBMC 12.44.027.

5. Neighborhood Enhancement - B: Funds previously accumulated to Neighborhood Enhancement Area "B" pursuant to a prior version of NBMC 12.44.027 shall continue to be used only for the purpose of enhancing and supplementing services in the Balboa Peninsula. Both the nature of the supplemental services and the definition of the area served are set forth in NBMC 12.44.027.
 6. Cable Franchise: Pursuant to the provisions of the Newport Beach Municipal Code, Title 5, Business Licenses & Regulations, Chapter 5.44, in return for the use of the City's streets and public ways for the purpose of installing, operating, maintaining, or reconstructing a cable system to provide cable service, fees are collected by the City from cable providers. Those fees are to be used by the City for support of Public, Education, and Government access programming only.
 7. Oil and Gas Reserve: The annual \$40,000 which is being set aside from the oil and gas field production revenues is to be used to fund abandoned wells and facilities as they go out of service.
 8. Capital Reappropriation: This reserve represents an administrative procedure that recognizes a portion of fund balance is not readily available to fund new endeavors because it has been reappropriated through the budget adoption process or amendment process.
- D. Assigned fund balance: That portion of a fund balance that includes amounts that are constrained by the City's intent to be used for specific purposes but that are not restricted or committed. This policy hereby delegates the authority to the City Manager or designee to modify or create new assignments of fund balance. Constraints imposed on the use of assigned amounts may be changed by the City Manager or his designee. Appropriations of balances are subject to Council Policy F-3 concerning budget adoption and administration.
- E. Unassigned fund balance:
1. Contingency Reserve: The Contingency Reserve shall have a target balance of twenty five percent (25%) of General Fund "Operating

Budget" as originally adopted. Operating Budget for this purpose shall include current expenditure appropriations and shall exclude Capital Improvement Projects, Transfers Out, and additional discretionary payments to the City's unfunded pension liability. Appropriation and/ or access to these funds are generally reserved for emergency or unforeseen situations but may be accessed by Council by simple budget appropriation. Examples may include but are not limited to the following:

- a. A catastrophic loss of critical infrastructure.
- b. A State or Federally declared state of emergency.
- c. Any settlement arising from a claim or judgment.
- d. Deviation from budgeted revenue projections.
- e. Any action by another government that eliminates or shifts revenues from the City.
- f. Inability of the City to meet its debt service obligations in any given year.
- g. Other circumstances deemed necessary by City Council to meet the claims and obligations of the City.

Should the Contingency Reserve be used, the City Manager shall present a plan to City Council to replenish the reserve within five years.

2. Residual Fund Balance: The residual portion of available fund balance that is not otherwise restricted, committed or assigned and is above and beyond the Contingency Reserve target reserve balance.

Proprietary Fund Reserves (Net Working Capital)

In the case of Proprietary Funds (Enterprise and Internal Service Funds), Generally Accepted Accounting Principles ("GAAP") does not permit the reporting of reserves on the face of City financial statements. However, this does not preclude the City from setting policies to accumulate financial resources for prudent financial management of its proprietary fund operations. Since

proprietary funds may include both long-term capital assets and long-term liabilities, the most comparable measure of liquid financial resources that is similar to fund balance in proprietary funds is net working capital which is the difference between current assets and current liabilities. For all further references to reserves in Proprietary Funds, Net Working Capital is the intended meaning.

A. Water Enterprise Fund

1. Stabilization and Contingency Reserve: This Reserve is used to provide sufficient funds to support seasonal variations in cash flows and in more extreme conditions, to maintain operations for a reasonable period of time so the City may reorganize in an orderly manner or effectuate a rate increase to offset sustained cost increases. The intent of the Reserve is to provide funds to offset cost increases that are projected to be short-lived, thereby partially eliminating the volatility in annual rate adjustments. It is not intended to offset ongoing, long-term pricing structure changes. The target level of this reserve is fifty percent (50%) of the annual operating budget. This reserve level is intended to provide a reorganization period of 6 months with zero income or 24 months at a twenty-five percent (25%) loss rate. The City Council must approve the use of these funds, based on City Manager recommendation. Funds collected in excess of the Stabilization reserve target would be available to offset future rate adjustments, while extended reserve shortfalls would be recovered from future rate increases. Should catastrophic losses to the infrastructure system occur, the Stabilization and Contingency Reserve may be called upon to avoid disruption to water distribution.
2. Infrastructure Replacement Funding Policy: This funding policy is intended to be a temporary repository for cash flows associated with the funding of infrastructure replacement projects provided by the Water Master Plan. The contribution rate is intended to level-amortize the cost of infrastructure replacement projects over a long period. The annual funding rate of the Water Master Plan is targeted at an amount that, when combined with prior or future year contributions, is sufficient to provide for the eventual replacement of assets as scheduled in the plan. This contribution policy is based on the funding requirements of the most current Water Master Plan. There are no minimum or maximum balances contemplated by this funding policy. However, the contributions

level should be reviewed periodically or as major updates to the Water Master Plan occur. Annual funding is contingent on many factors and may ultimately involve a combined strategy of cash funding and debt issuance with the intent to normalize the burden on Water customer rates.

B. Wastewater Enterprise Fund

1. Stabilization and Contingency Reserve: This Reserve is used to provide sufficient funds to support seasonal variations in cash flows and in more extreme conditions, to maintain operations for a reasonable period of time so the City may reorganize in an orderly manner or effectuate a rate increase to offset sustained cost increases. The intent of the Reserve is to provide funds to offset cost increases that are projected to be short-lived, thereby partially eliminating the volatility in annual rate adjustments. It is not intended to offset ongoing, long-term pricing structure changes. The target level of this reserve is fifty percent (50%) of the annual operating budget. This reserve level is intended to provide a reorganization period of 6 months with zero income or 24 months at a twenty-five percent (25%) loss rate. The City Council must approve use of these funds, based on City Manager recommendation. Funds collected in excess of the Stabilization reserve target would be available to offset future rate adjustments, while extended reserve shortfalls would be recovered from future rate increases. Should catastrophic losses to the infrastructure system occur, the Stabilization and Contingency Reserve may be called upon to avoid disruption to wastewater service.
2. Infrastructure Replacement Funding Policy: This funding policy is intended to be a temporary repository for cash flows associated with the funding of infrastructure replacement projects provided by the Wastewater Master Plan. The contribution rate is intended to level-amortize the cost of infrastructure replacement projects over a long period of time. The annual funding rate of the Wastewater Master Plan is targeted at an amount that, when combined with prior or future year contributions, is sufficient to provide for the eventual replacement of assets as scheduled in the plan. This contribution policy should be updated periodically based on the most current Wastewater Master Plan. There are no minimum

or maximum balances contemplated by this funding policy. However, the contributions level should be reviewed periodically or as major updates to the Wastewater Master Plan occur. Annual funding is contingent on many factors and may ultimately involve a combined strategy of cash funding and debt issuance with the intent to normalize the burden on Wastewater customer rates.

C. Internal Service Funds Background.

Internal Service Funds are used to centrally manage and account for specific program activity in a centralized cost center. Their revenue generally comes from internal charges to departmental operating budgets rather than external revenue sources. They have several functions.

--They work well in normalizing departmental budgeting for programs that have life-cycles greater than one year; thereby facilitating level budgeting for expenditures that will, by their nature, be erratic from year to year. This also facilitates easier identification of long term trends.

--They act as a strategic savings plan for long-term assets and liabilities.

--From an analytical standpoint, they enable appropriate distribution of city-wide costs to individual departments, thereby more readily establishing true costs of various operations.

Since departmental charges to the internal service fund duplicate the ultimate expenditure from the internal service fund, they are eliminated when consolidating entity-wide totals.

The measurement criteria, cash flow patterns, funding horizon and acceptable funding levels are unique to each program being funded. Policy regarding target balance and/ or contribution policy, gain/loss amortization assumption, source data, and governance for each of the City's Internal Service Funds is set forth as follows:

1. For all Internal Service Funds: The Finance Director may transfer part or all of any unencumbered fund balance between the Internal Service Funds provided that the withdrawal of funds from the transferred fund would not cause insufficient reserve levels or insufficient resources to carry out its intended purpose. This action is appropriate when the decline in cash balance in any fund is precipitated by an off-

trend non-recurring event. The Finance Director will make such recommendations as part of the annual budget adoption or through separate Council action.

2. Equipment Maintenance Fund and Equipment Replacement Fund: The Equipment Maintenance and Replacement Funds receive operating money from the Departments to provide equipment maintenance and to fund the regular replacement of major pieces of equipment (mostly vehicles) at their economic obsolescence.

- a. Equipment Maintenance Fund: The Equipment Maintenance Fund acts solely as a cost allocation center (vs. a pre-funding center) and is funded on a pay- as-you-go basis by departmental maintenance charges by vehicle type and usage requirement. Because of this limited function, the target year-end balance is zero.

Contribution rates (departmental charges) are set to include the direct costs associated with maintaining the City vehicle fleet, including fleet maintenance employee salary and benefits, operating expenses and maintenance related capital outlay. Administrative overhead and maintenance facility improvements and replacement costs are to be provided outside of this cost unit. Governance is achieved through annual management adjustment of contribution rates on the basis of maintenance cost by vehicle and distribution of costs based on fleet use by department.

- b. Equipment Replacement Fund: Operating Departments are charged annual amounts sufficient to accumulate funds for the replacement of vehicles, communications equipment, parking equipment and other equipment replacement determined appropriate by the Finance Director. The City Manager recommends annual rate adjustments as part of the budget preparation process. These adjustments are based on pricing, future replacement schedules and other variables.

The age and needs of the equipment inventory vary from year to year. Therefore the year-end fund balance will fluctuate in direct correlation to accumulated depreciation. In general, it will increase in the years preceding the scheduled replacement of relatively large percentage of the equipment, on a dollar

value basis. However, rising equipment costs, dissimilar future needs, replacing equipment faster than their expected life or maintaining equipment longer than their expected life all contribute to variation from the projected schedule.

Target funding levels shall be determined by the Finance Director after considering the age, expected life and cash flow anticipated by the replacement equipment being funded. If departmental replacement charges for equipment prove to be excessive or insufficient with regard to this target funding level, new rates established during the next budget cycle will be adjusted with a view toward bringing the balance back to the target level over a three-year period.

3. Insurance Reserve Funds: The Insurance Reserve funds account for the activities of general liability and workers' compensation claims.

Background.

The City employs an actuary to estimate the liabilities associated with the general liability and workers compensation activities. The costs typically associated with these programs include: claims administration, legal defense, insurance premiums, self insured retention and the establishment of appropriate loss reserves including "incurred-but-not reported" (**IBNR**) claims. In a prescribed measurement methodology, the Actuary estimates the liabilities in conformity with Generally Accepted Accounting Principles (GAAP).

The Actuary refers to this measurement level in his report as the "Expected Level." However, because actuarial estimates are subject to significant uncertainties, actuaries typically recommend that a target funding level be set at an amount in excess of expected liability as a margin to cover contingencies. A typical target funding level would be set to obtain a specified confidence level (the percent chance that resources set-aside will be sufficient to cover existing claims).

Full funding of the Actuary's "Target Funding Level" establishes a seventy-five percent (75%) confidence there will be sufficient resources (including projected interest) to pay the full amount of existing claims without future contributions. Funding at the

"Expected Level" produces a confidence level of only fifty percent to sixty-five percent (50%-65%). Therefore, the target funding of insurance reserves should exceed the "Expected Level" to account for adverse estimate deviation.

Policy & Practice.

The City should target funding of its risk management obligations at not less than the Expected Level, described above; and not more than an amount sufficient to establish a seventy-five percent (75%) Confidence Level. Actuarial losses should be recovered over a rolling 3-year basis while actuarial gains should be amortized over a rolling 5-year basis. As part of the operating budget, each department will be charged a rate equal to its proportionate share of the total "revenue" required to fund the Insurance Reserve Fund at this level.

To lessen the impact of short-term annual rate change fluctuation, City management may implement one-time fund transfers (rather than department rate increases) when funding shortfalls appear to be due to unusually sharp and non-recurring factors. Excess reserves in other areas may be transferred to the internal service fund in these instances but such transfers should not exceed the funding necessary to reach a seventy-five (75%) confidence level interval.

4. Compensated

Absences Fund:

Background.

The primary purpose of flex leave, vacation leave and sick leave is to provide compensated time off as appropriate and approved. However, under certain circumstances, typically at separation from service, some employees have the option of receiving cash-out payments for some accumulated leave balances. The Compensated Absences Fund is utilized primarily as a budget smoothing technique for any such leave bank liquidations. The primary purpose of the Compensated Absences Fund is to maintain a balance sufficient to facilitate this smoothing.

Policy and Practice.

The contribution rate will be set to cover estimated annual cash flows based on a three-year trailing average.

The minimum cash reserve should not fall below that three-year average. The maximum cash reserve should not exceed fifty percent (50%) of the long term liability. The target cash reserve shall be the median difference between the minimum and maximum figures.

Each department will make contributions to the Compensated Absences Fund through its operating budget as a specified percentage of salary. The Finance Director will review and recommend adjustments to the percentage of salary required during the annual budget development process. This percentage will be set so as to maintain the reserve within the parameters established above.

5. Post Retirement Funding Policies:

a. Pension Funding:

- (i) California Public Employees Retirement System (CalPERS): The City's principal Defined Benefit Pension program is provided through contract with CalPERS. The City's contributions to the plan include an actuarially determined employer contribution that fluctuates each year based on an annual actuarial plan valuation. This variable rate employer contribution includes the normal cost of providing the contracted benefits plus or minus an amortization of plan changes and net actuarial gains and losses since the last valuation period.

It is the City's policy to make contributions to the plan equaling at least one hundred percent (100%) of the actuarially required contribution (annual pension cost). Because the City pays the entire actuarially required contribution each year, by definition, its net pension obligation at the end of each year is \$0. Any unfunded actuarial liability (UAL) is amortized and paid in accordance with the actuary's funding recommendations. The City will strive to maintain its

UAL within a range that is considered acceptable to actuarial standards. The City Council shall consider increasing the annual CalPERS contribution should the UAL status fall below acceptable actuarial standards.

- (ii) Laborer's International Union of North America (LIUNA): The City provides funds to support a supplemental pension plan for some employee associations through contract with LIUNA. This is funded at a fixed percentage of total compensation on a pay-as-you-go basis. The City is not contractually required to guarantee the level of the ultimate LIUNA benefit to retirees, nor does it do so. Therefore the City's liability for this program is full funded each year.

b. Other Post Employment Benefits

(OPEB Funding): Background.

The City's OPEB funding obligations consists of two retiree medical plans.

New Plan. Effective January 2006, the City and its employee associations agreed to major changes to the Post Employment Healthcare Plan. New employees and all current employees participate in a program that requires certain defined employee and employer contributions while the employee is in active service. However, once the contributions have been made to the employee's account, the City has transferred a substantial portion of the funding risk to the employee.

Old Plan. Eligible employees who retired prior to the "New Plan" and certain active employees were eligible to continue to receive post-retirement medical benefits (a defined benefit plan). The cost was divided among the City, current employees and retirees. In the past, this program was largely funded on a pay-as-you-go basis, so there was a significant unfunded liability. Recognizing this problem, the City began contributing to this obligation in 2001. In 2008, these assets were placed in a pre-funding trust. The City's intention is to amortize the remaining unfunded liability within 20 years.

Policy & Practice.

New Plan. Consistent with agreements between the City and Employee Associations, the new defined contribution plan will be one hundred percent (100%) funded, on an ongoing basis, as part of the annual budget process. Funds to cover this expenditure will be contained within the salary section of each department's annual operating budget.

Old Plan. The City's policy is to pre fund the explicit (cash subsidy) portion of the Actuarial Accrued Liability (AAL) of the remnants of the old plan over a 20-year amortization period, or less. This amount will be based on the Annual Required Contribution (ARC) determined by a biennial actuarial review; subject to review and analysis by the City. The City will strive to maintain a funded status that will be within a range that is considered acceptable to actuarial standards. The City Council shall consider increasing the annual OPEB contribution should the funded status fall below acceptable actuarial standards.

History

Adopted F-3 – 10-01-1963 (Sewer System Funding)
 Adopted F-8 – 10-01-1963 (Capital Improvement Fund and Property Sale Revenues)
 Amended F-8 – 08-15-1966
 Amended F-8 – 05-21-1968
 Amended F-8 – 11-12-1968
 Amended F-8 03-09-1970
 Amended F-3 – 05-25-1970
 Reaffirmed F-8 - 02-14-1972
 Amended F-8 - 12-10-1973
 Amended F-8 – 11-11-1974
 Amended F-3 – 07-11-1978
 Adopted F-5 06-25-1979 (Stabilization Fund)
 Amended F-8 10-22-1984
 Amended F-3 - 10-22-1990
 Adopted F-2 – 01-24-1994 (Reserve Policy) - combining F-3, F-5, and F-8 (part of F-4)
 Amended F-2 – 04-10-1995
 Amended F-2 – 02-26-1996
 Amended F-2 – 04-27-1998
 Amended F-2 – 03-14-2000

Amended F-2 - 05-08-2001
Amended F-2 - 04-23-2002
Amended F-2 - 06-10-2003
Amended F-2 - 04-13-2004
Amended F-2 - 09-13-2005
Amended F-2 - 09-15-2008
Amended F-2- 11-12-2008
Amended F-2 - 05-24-2011
Amended F-2 - 09-27-2011
Amended F-2 - 05-14- 2013
Amended F-2 - 06-10-2014
Amended F-2 - 05-12-2015
Amended F-2 - 09-25-2018

FullAccount Hierarchy	010 - GENERAL FUND			***DO NOT RE-SORT***		
Projection	20205 - FY 20 REVENUE PROJECTION - ANNUAL					
				Variance 2020		
Row Labels	FY 18 Actuals	FY 19 Revised	FY 20 Proposed	v 2019 Revised	% Change	Notes
42 - LICENSES PERMITS	4,888,630	5,021,451	4,918,412	(103,039)	-2.1%	
421000 - BICYCLE LICENSES	87	150	90	(60)	-40.0%	
421010 - DOG LICENSES	111,134	118,000	112,270	(5,730)	-4.9%	
421011 - DOG LICENSES - CITY NAT BANK	3,458	100	7,210	7,110	7110.0%	
421015 - OUTDOOR DINING PERMIT	2,340	2,700	2,500	(200)	-7.4%	
421020 - GREASE DISPOSAL IN LIEU	1,368	-	-	-	-	
421025 - STREET CLOSURE PERMITS	50,041	50,000	60,000	10,000	20.0%	
421030 - MISC LICNS FEES & PERMITS	22	-	-	-	-	
421035 - RECORDS MANAGEMENT FEE	73,207	70,000	70,000	-	0.0%	
422000 - BUILDING PERMITS	2,935,731	3,279,045	3,069,161	(209,884)	-6.4%	Increased costs of construction, land, and Fed raising rates has led to slight decreases in residential development and overall revenue.
422005 - ELECTRICAL PERMITS	369,998	369,018	385,026	16,008	4.3%	
422010 - GRADING PERMITS	261,162	259,792	290,926	31,134	12.0%	
422015 - DEMOLITION PERMITS	294,660	60,000	100,000	40,000	66.7%	Increased costs of construction, land, and Fed raising rates has led to slight decreases in residential development and overall revenue.
422020 - PLUMBING PERMITS	292,116	305,248	301,390	(3,858)	-1.3%	
422025 - HEATING PERMITS	257,719	260,876	272,645	11,769	4.5%	
422030 - NB DIVIDEND PROGRAM	-	-	-	-	-	
422035 - POOL/SPA PERMITS	72,369	81,106	75,874	(5,232)	-6.5%	
422045 - AFFORDABLE HOUSING	-	-	-	-	-	
422050 - PHOTO VOLTAIC PLAN CHECK	30,908	30,826	41,437	10,611	34.4%	
422055 - PHOTO VOLTAIC PERMIT	36,810	40,668	50,019	9,351	23.0%	
423000 - HARBOR PLAN CHECK (BLDG)	20,737	23,399	15,069	(8,330)	-35.6%	
423005 - HARBOR PERMIT	24,858	23,923	13,635	(10,288)	-43.0%	
424000 - POLICE TOW FRANCHISE FEE	48,338	45,000	50,000	5,000	11.1%	
424005 - SOLICITATION PERMIT FEE	450	500	500	-	0.0%	
424006 - PAWN/2ND HAND DEALER PRMIT FEE	1,117	1,100	660	(440)	-40.0%	
43 - INTERGOVTAL REVENUES	3,680,743	2,376,468	1,842,767	(533,701)	-22.5%	
431000 - MOTOR VEHICLE LICENSE FEE	44,841	35,000	35,000	-	0.0%	
431015 - ST HIGHWAY MAINT FEES	34,910	32,225	32,500	275	0.9%	
431025 - POLICE OFF STANDARD/TRAINING	30,030	50,000	50,000	-	0.0%	
431030 - OC PUB SAFETY AUGMENTATION	1,031,407	1,025,000	1,065,591	40,591	4.0%	
431035 - STATE MANDATED COST REIMB	25,592	-	-	-	-	
431040 - COUNTY RNSP OT	37,296	50,000	38,000	(12,000)	-24.0%	
431045 - CORRECTION TRAINING REIMB	3,993	4,730	4,730	-	0.0%	
431055 - PROP 69 FROM COUNTY OF ORANGE	-	-	-	-	-	
431065 - DISPATCH TRAINING REIMB	-	3,000	3,000	-	0.0%	
431070 - CALIF LITERACY CAMPAIGN	41,459	41,666	-	(41,666)	-	
431080 - SLS GRANT FUND OC LIBRARY	-	4,465	-	(4,465)	-	
431105 - BULLET PROOF VEST PROGRAM	9,801	15,000	15,000	-	0.0%	
431135 - REFNDS&REBATES FROM GOVT	322,130	76,000	76,000	-	0.0%	
431145 - MEASURE M2 FAIR SHARE	134,353	130,000	140,946	10,946	8.4%	
431190 - UASI 2011 TRAINING GRANT	-	-	-	-	-	
431191 - UASI CY 10 TRAINING GRANT	-	-	-	-	-	
431192 - UASI CY 12 TRAINING GRANT	-	-	-	-	-	
431193 - OCRCFL REIMBURSEMENT	-	-	-	-	-	
431245 - CAL OES	993,892	-	-	-	-	
431246 - MEDI-CAL IGT	674,368	574,282	-	(574,282)	-	Budgeted when new grant is taken to Council

FullAccount Hierarchy	010 - GENERAL FUND			***DO NOT RE-SORT***		
Projection	20205 - FY 20 REVENUE PROJECTION - ANNUAL					
				Variance 2020		
Row Labels	FY 18 Actuals	FY 19 Revised	FY 20 Proposed	v 2019 Revised	% Change	Notes
431250 - EMERGENCY MGMT ASST GRNT	13,084	13,100	-	(13,100)	-	Budgeted when new grant is taken to Council
431260 - DEPT OF CONSERVATION GRNT	21,241	22,000	22,000	-	0.0%	
431270 - OC REAL ESTATE FRAUD TRST	-	-	-	-	-	
431275 - CAL EMA HAZ MAT GRANT	-	-	-	-	-	
431285 - SANTA ANA COLLEGE	86,543	75,000	85,000	10,000	13.3%	
431295 - AB109 FUNDING REIMB	2,745	-	-	-	-	
431310 - OCTA GO LOCAL GRANT	-	-	-	-	-	
431315 - COUNTY OF ORANGE CONTRB	-	200,000	250,000	50,000	25.0%	
431320 - FIREMANS FND HERITGE GRNT	-	-	-	-	-	
431325 - BBSC MAINT	25,318	25,000	25,000	-	0.0%	
431365 - ICE/HSILA PREDATOR GRANT	209	-	-	-	-	
431370 - 2011 HOMELAND SECURITY GRANT	-	-	-	-	-	
431375 - CA COASTAL COMMISSION	-	-	-	-	-	
431390 - FEMA	131,537	-	-	-	-	
431395 - CUSTOMS BORDER PATROL	-	-	-	-	-	
431455 - OTHER GOVT GRANTS	-	-	-	-	-	
431465 - BSCC LOCAL LAW ENFORCEMENT	-	-	-	-	-	
431470 - UASI CY 14 TRAINING GRANT	-	-	-	-	-	
431471 - UASI GRANT	-	-	-	-	-	
431472 - ABC GRANT	15,994	-	-	-	-	
431475 - DMV(OCTA) ABANDONED VEHICLE	-	-	-	-	-	
431480 - CHP"EVERY 15 MIN" GRANT	-	-	-	-	-	
431485 - UASI 08 TRANSFER AGREEMENT	-	-	-	-	-	
44 - PROPERTY TAXES	101,593,290	106,723,629	113,601,474	6,877,845	6.4%	See addt'l handout.
411000 - PROPERTY TAX CURRENT SECURED	84,182,905	89,468,821	94,844,670	5,375,849	6.0%	
411005 - PROP TAX IN LIEU OF VLF	9,244,013	9,917,809	10,413,699	495,890	5.0%	
411010 - PROPERTY TAX CUR UNSECURED	2,762,889	2,429,032	3,112,809	683,777	28.2%	
411015 - PRIOR YEAR PENLTY/INTREST	220,480	224,201	224,201	-	0.0%	
411020 - SUPPLEMENTAL TAXES	2,730,699	2,216,339	2,440,168	223,829	10.1%	
411025 - PROP TAX HOMEOWNERS EXEMPT	495,547	497,443	497,443	-	0.0%	
411026 - PROPERTY TAX TRANSFER	-	-	-	-	-	
411030 - RDA RESIDUAL	1,942,364	1,948,220	2,045,631	97,411	5.0%	
411035 - ONE-TIME UNENCUMBERED RDA	-	-	-	-	-	
411040 - RDA PASS THROUGH	14,393	21,764	22,853	1,089	5.0%	
414045 - COIN OP MACHINE FEES	-	-	-	-	-	
45 - SALES TAX	35,038,846	36,997,648	35,697,090	(1,300,558)	-3.5%	See addt'l handout.
412000 - PROP TAX IN LIEU OF SALES TAX	-	-	-	-	-	
412005 - SALES AND USE TAX	35,711,580	37,671,618	36,447,090	(1,224,528)	-3.3%	
412010 - SALES TAX RECOVERY HDL	(104,692)	(125,000)	(150,000)	(25,000)	-	
412015 - SALE TAX SHARING AGRMENT	(568,042)	(548,970)	(600,000)	(51,030)	-	
412020 - SALES TAX SHARING NEM	-	-	-	-	-	
46 - TRANSIENT OCCUPANCY	22,857,737	23,396,103	24,483,131	1,087,028	4.6%	See addt'l handout.
413000 - UTOT RESIDENTIAL CVB PAYMENTS	(718,554)	(740,374)	(792,200)	(51,826)	-	
413005 - UTOT RESIDENTIAL TAX	3,998,120	4,113,190	4,426,113	312,923	7.6%	
413010 - UTOT HOTEL TAX	23,837,646	24,418,643	25,395,388	976,745	4.0%	
413015 - UTOT ADMIN FEE	-	-	-	-	-	
413020 - UTOT HOTEL CVB PAYMENTS	(4,283,597)	(4,395,356)	(4,571,170)	(175,814)	-	
413021 - TOT AUDIT RECOVERY	-	-	-	-	-	

FullAccount Hierarchy	010 - GENERAL FUND			***DO NOT RE-SORT***		
Projection	20205 - FY 20 REVENUE PROJECTION - ANNUAL					
				Variance 2020		
Row Labels	FY 18 Actuals	FY 19 Revised	FY 20 Proposed	v 2019 Revised	% Change	Notes
414000 - AUDIT RECOVERY	24,123	-	25,000	25,000	0.0%	
47 - OTHER TAXES	11,841,045	11,285,764	11,572,886	287,122	2.5%	
411045 - COIN OP MACHINE FEE	-	-	-	-	-	
414005 - UTILITY FRANCHISE TAX	1,062,083	1,015,000	1,062,000	47,000	4.6%	
414015 - CABLE FRANCHISE	1,935,911	1,850,000	2,033,917	183,917	9.9%	
414020 - SOLID WASTE AUDIT RECOVERY	-	-	-	-	-	
414025 - SOLID WASTE FRANCHISE TAX	1,230,475	1,210,000	1,271,969	61,969	5.1%	
414030 - BUSINESS LICENSE TAX	4,282,935	4,420,000	4,400,000	(20,000)	-0.5%	
414035 - MARINE CHARTER TAX	313,888	335,000	305,000	(30,000)	-9.0%	
414040 - PROPERTY TAX TRANSFERS	3,015,753	2,455,764	2,500,000	44,236	1.8%	
51 - MISC REVENUES	1,896,022	825,117	363,654	(461,463)	-55.9%	
511015 - ADA EDU. & ENFORCE	43,154	10,082	20,000	9,918	98.4%	
511020 - START VIDEO SALES	-	7,478	-	(7,478)	-	
511025 - SALE OF RPTS/CROSSROADS	-	-	-	-	-	
511032 - SALE OF BOOKS	-	-	1,200	1,200	0.0%	
511035 - SALE OF MAPS & PUB	26,531	28,550	24,566	(3,984)	-14.0%	
511040 - DAMAGE TO CITY PROPERTY	197,212	157,500	130,500	(27,000)	-17.1%	
511045 - HOAG SR TRANSPORT GRANT	150,000	100,000	-	(100,000)	-	Taken to Council with BA when received
511050 - PRIVATE REFUNDS & REBATES	102,838	77,000	97,000	20,000	26.0%	
511055 - REVENUE N.O.C.	83,227	17,400	-	(17,400)	-	
511060 - PROGRAM REVENUES NOC	127	250	250	-	0.0%	
511065 - CABLE FRANCHISE PEG FEES	388,135	300,000	407,784	107,784	35.9%	
511075 - BAD DEBT	(372,542)	(467,646)	(467,646)	-	-	
511080 - FRIENDS OF THE LIBRARY	250,000	291,378	-	(291,378)	-	Grants taken to Council with BA when received in new FY
511085 - NB LIBRARY FOUNDATION	163,907	153,125	-	(153,125)	-	Grants taken to Council with BA when received in new FY
511100 - INSURANCE PREM FROM EE	-	-	-	-	-	
511101 - DENTAL PREM FROM EE	-	-	-	-	-	
511102 - VISION PREM FROM EE	-	-	-	-	-	
511110 - VNB PUBLIC BENEFIT FEE	150,000	150,000	150,000	-	0.0%	
511115 - SCE REBATES/REFUNDS	713,433	-	-	-	-	
511125 - GRANT HOLDING ACCOUNT	-	-	-	-	-	
52 - SERVICE FEES & CHARG	20,623,773	20,373,417	21,506,631	1,133,214	5.6%	
521000 - REGULATORY PERMIT FEES	17,346	18,000	18,500	500	2.8%	
521005 - INVESTIGATIVE FEE FILM	-	-	-	-	-	
521010 - TBID ADMIN FEE	9,909	5,000	10,000	5,000	100.0%	
521015 - ZONING & SUBDIVISION FEES	252,311	236,575	310,000	73,425	31.0%	
521020 - WITNESS FEES/SUBPOENA	36,417	36,738	33,497	(3,241)	-8.8%	
521025 - PLAN CHECKING FEES	2,860,729	2,827,547	2,951,052	123,505	4.4%	
521026 - PLAN CHECK FEES VCA	2,307	10,250	-	(10,250)	-	Contract term
521027 - PLAN CHECK FEES JAS	41	10,250	-	(10,250)	-	Contract term
521030 - ZONING & PLAN REVIEW FEES	300,999	256,250	300,000	43,750	17.1%	
521035 - PLAN CHECK FEES GRADING	129,153	123,311	165,414	42,103	34.1%	
521036 - GRADING BOND FEE	-	-	-	-	-	
521040 - RESIDENTL BUILDNG RECRDS	259,870	269,332	192,306	(77,026)	-28.6%	Increased costs of construction, land, and Fed raising rates has led to slight decreases in residential development and overall revenue.
521044 - REAL PROPERTY FEE	3,735	-	-	-	-	
521045 - ASSESSMENT DISTRICT ADMIN	10,000	20,000	30,000	10,000	50.0%	
521050 - SPEC INSPECTION SVC FEES	50,086	68,240	36,258	(31,982)	-46.9%	

FullAccount Hierarchy	010 - GENERAL FUND			***DO NOT RE-SORT***		
Projection	20205 - FY 20 REVENUE PROJECTION - ANNUAL					
				Variance 2020		
Row Labels	FY 18 Actuals	FY 19 Revised	FY 20 Proposed	v 2019 Revised	% Change	Notes
521060 - WASHINGTON ST REFUSE BIN	1,543	3,600	3,500	(100)	-2.8%	Increased costs of construction, land, and Fed raising rates has led to slight decreases in residential development and overall revenue.
521065 - ENGINEERING SVC FEES	472,662	385,000	500,000	115,000	29.9%	
521070 - DEVELOPMENT SERVICES	-	-	-	-	-	
521075 - CURB CUT FEES	123,416	125,000	125,000	-	0.0%	
521080 - ENERGY COMPLIANCE REVIEW	135,629	144,259	139,308	(4,951)	-3.4%	
521085 - DISABLED ACCESS REVIEW	65,563	67,097	64,901	(2,196)	-3.3%	
521090 - COPIES/PLANS/SPECS/MISC	32,917	35,079	21,856	(13,223)	-37.7%	
521100 - HAZ MAT DISCLOSURE	-	-	-	-	-	
521105 - PLAN CHECK OVERTIME	100,666	67,849	99,950	32,101	47.3%	
521106 - PLAN CHECK OVERTIME	57	-	-	-	-	
521110 - MARINE PROTECTION EDUCATION	3,831	7,000	5,520	(1,480)	-21.1%	
521115 - FINAL TRACT MAP	2,488	4,000	4,000	-	0.0%	
521120 - FINAL PARCEL MAP CHCKING	55,166	25,000	60,000	35,000	140.0%	
521125 - LOT LINE ADJUSTMENT	10,790	12,000	12,000	-	0.0%	
521130 - STREET EASEMENT/VACATION	-	1,000	1,200	200	20.0%	
521135 - ENCROACHMENT/ENG AGREEMNT	35,785	31,000	35,000	4,000	12.9%	
521140 - FIRE SAFETY SVCS MARINE OPS	4,108	2,500	2,500	-	0.0%	
521145 - JR LIFEGUARD SERVICE FEES	991,524	1,020,000	1,020,000	-	0.0%	
521150 - JUNIOR FIREFIGHTER CAMP	-	-	-	-	-	
521155 - CERT FEES	3,035	2,000	3,000	1,000	50.0%	
521160 - POLICE EMERGENCY RESPONSE	185,191	120,000	120,000	-	0.0%	
521165 - DISTURBANCE ADVISEMENT CARD	105	6,000	6,000	-	0.0%	
521166 - DAC COLLECTION SVC FEES	-	(1,000)	(1,000)	-	-	
521170 - POLICE FINGERPRINT SVC	10,940	9,000	10,000	1,000	11.1%	
521175 - POLICE MISCELLANEOUS SVC	208,712	200,000	210,000	10,000	5.0%	
521180 - IMPOUND RELEASE FEES	73,200	65,000	75,000	10,000	15.4%	
521185 - POLICE JAIL BOOKING FEES	243,170	300,000	300,000	-	0.0%	
521190 - POLICE MASSAGE PERMIT FEE	426	200	500	300	150.0%	
521195 - PLAN CHECK FEES GRADING/OUT B	397,894	125,000	182,447	57,447	46.0%	
521196 - PLAN CHECK FEES GRADING/OUT P	12,504	25,000	15,939	(9,061)	-36.2%	
521200 - FIRE PREV SVC REIM	-	-	-	-	-	
521210 - FIRE ANNUAL & SPC PMTS	213,962	247,565	200,000	(47,565)	-19.2%	
521215 - FIRE PLAN CHECK	152,256	156,301	160,000	3,699	2.4%	
521220 - FIRE CONST INSPECTION	94,972	99,092	100,000	908	0.9%	
521225 - HAZARDOUS MATERIALS DISCL	-	-	-	-	-	
521230 - LOUD UNRULY GATHERING ORD	161	6,000	-	(6,000)	-	
521231 - LUGO COLLECTION SVC FEES	-	(1,000)	-	1,000	-	
521235 - EMERGENCY RESPONSE FIRE	-	-	-	-	-	
521240 - PARAMEDIC SUBSCRIPTION FEE	287,938	318,750	283,875	(34,875)	-10.9%	
521245 - PARAMEDIC SERVICE FEE	3,960,015	3,835,747	3,840,257	4,510	0.1%	
521256 - WEED ABATEMENT FEES	-	-	-	-	-	
521260 - ALARM APPLICATION FEES	8,465	9,000	9,000	-	0.0%	
521265 - ALARM PERMIT RENEWAL FEES	121,110	130,000	130,000	-	0.0%	
521270 - ALARM MONITORING FEES	53,439	60,000	50,000	(10,000)	-16.7%	
521310 - RECYCLING FEES	969,222	970,000	970,000	-	0.0%	
521315 - REFUSE FRANCHISE APP FEE	26,320	2,400	-	(2,400)	-	
521350 - ADMINISTRATIVE SERVICE WATER	1,487,341	1,464,671	2,433,707	969,036	66.2%	Increase in water admin rate (Revenue dept)

FullAccount Hierarchy	010 - GENERAL FUND			***DO NOT RE-SORT***		
Projection	20205 - FY 20 REVENUE PROJECTION - ANNUAL					
	Variance 2020					
Row Labels	FY 18 Actuals	FY 19 Revised	FY 20 Proposed	v 2019 Revised	% Change	Notes
521355 - ADMINISTRATIVE SERVICE SEWER	371,748	412,202	459,062	46,860	11.4%	Increase in sewer admin rate (Revenue dept)
521360 - WATER ESTABLISHMENT FEE	182,250	158,500	167,670	9,170	5.8%	
521365 - PASSPORT EXECUTION FEE	27,241	25,000	28,000	3,000	12.0%	
521370 - PASSPORT PHOTOS	8,520	8,000	8,000	-	0.0%	
521375 - PLANNING STAFF FEES	148,011	138,375	130,000	(8,375)	-6.1%	
521380 - CITY STAFF SERVICE FEE	33,857	30,220	32,500	2,280	7.5%	
521385 - SLESF CITY STAFF SERVICES	181,075	165,000	165,000	-	0.0%	
521390 - JAG CITY STAFF SERVICES	-	-	-	-	-	
521395 - OCATT CITY STAFF SERVICES	44,387	-	-	-	-	
521400 - OTS CITY STAFF SERVICES	241,956	294,619	-	(294,619)	-	Budgeted when new grant is taken to Council
521405 - AQUATICS PROGRAMS	124,524	120,000	120,000	-	0.0%	
521410 - YOUTH DAY CAMPS	196,454	165,000	188,400	23,400	14.2%	
521415 - PRESCHOOL CAMPS	19,980	30,500	22,500	(8,000)	-26.2%	
521420 - FIELD LIGHT FEES	36,548	34,000	40,000	6,000	17.6%	
521425 - FEE BASED CLASSES	1,345,988	1,312,000	1,324,386	12,386	0.9%	
521426 - TIDELANDS FEE BASED CLASSES	187,235	327,000	327,000	-	0.0%	
521427 - TIDELANDS BOATING PROGRM CLASS	174,852	295,651	200,000	(95,651)	-32.4%	
521430 - CYC CLASSES	-	-	-	-	-	
521435 - TENNIS CLASSES	44,035	60,000	96,000	36,000	60.0%	
521440 - RECREATIONAL RUN	-	-	-	-	-	
521445 - SPECIAL EVENT PERMIT FEES	134,853	115,000	120,000	5,000	4.3%	
521450 - SPECIAL EVENTS	25,131	22,000	22,000	-	0.0%	
521455 - SURFING CLASSES	673,777	600,000	700,000	100,000	16.7%	Rec estimate based on enrollment/membership
521460 - DROP IN MEMBERSHIPS	6,934	5,500	5,500	-	0.0%	
521465 - SAILING CLASSES	-	-	-	-	-	
521470 - FITNESS MEMBER FEES	214,546	230,000	230,000	-	0.0%	
521475 - ADULT SPORTS	331,040	352,980	310,320	(42,660)	-12.1%	
521480 - TINY TOT PROGRAM	58,049	62,000	44,117	(17,883)	-28.8%	
521485 - YOUTH SPORTS	103,457	91,250	45,000	(46,250)	-50.7%	
521490 - YOUTH AFTER SCHOOL PROG	227,748	220,810	226,800	5,990	2.7%	
521495 - ARTS COMMISSION REV	4,598	-	-	-	-	
521500 - PERSONAL TRAINER FEES	176,576	275,000	260,000	(15,000)	-5.5%	
521555 - WATER QUALITY INSPECTION	10,064	20,000	20,000	-	0.0%	
521600 - VIDEOPLAN RENTAL	9,875	11,000	7,000	(4,000)	-36.4%	
521605 - RENTAL BOOK REVENUE	2,971	-	-	-	-	
521610 - RUN SUPPLIES	2,899	9,000	8,500	(500)	-5.6%	
521620 - HELICOPTER PROG REIMB MISC	1,251	3,000	1,000	(2,000)	-66.7%	
521625 - SCHOOL RESOURCE OFFICER	183,935	220,000	325,000	105,000	47.7%	Addt'l SRO Officer
521630 - CITATION SIGNOFF FEE	204	2,000	1,000	(1,000)	-50.0%	
521635 - PD RANGE USAGE FEE	4,800	6,500	6,000	(500)	-7.7%	
521640 - OASIS CLASS FEES	552,351	550,000	550,000	-	0.0%	
521645 - ELECTION FEES	(0)	-	-	-	-	
521650 - LSS - AFTER HOURS INSPECTIONS	1,775	3,007	3,000	(7)	-0.2%	
521655 - PARAMEDICINE DATA PROJECT	-	-	-	-	-	
521660 - LITERACY EVENTS	(1,285)	-	-	-	-	
521665 - OTHER SERVICES FEES	11,499	4,500	600	(3,900)	-86.7%	
521666 - ELECTRIC VEHICLE CHARGE	-	-	28,990	28,990	0.0%	New revenue for FY 20
521670 - AC ANIMAL IMPOUND FEE	3,784	5,000	5,000	-	0.0%	

FullAccount Hierarchy	010 - GENERAL FUND			***DO NOT RE-SORT***		
Projection	20205 - FY 20 REVENUE PROJECTION - ANNUAL					
				Variance 2020		
Row Labels	FY 18 Actuals	FY 19 Revised	FY 20 Proposed	v 2019 Revised	% Change	Notes
521671 - AC BOARDING FEE	1,076	3,000	2,000	(1,000)	-33.3%	
521672 - AC MEDICAL FEE	-	400	-	(400)	-	
521673 - AC OWNER RELINQUISHMENT FEE	575	1,000	500	(500)	-50.0%	
521674 - AC NON ALTER FEE	849	1,500	1,000	(500)	-33.3%	
521675 - AC ADOPTION FEE	29,718	20,000	30,000	10,000	50.0%	
521680 - OC RECORDING FEE	1,125	300	300	-	0.0%	
521685 - EXAM PROCTOR FEES	1,513	1,000	4,000	3,000	300.0%	
53 - FINES & PENALTIES	3,325,931	3,942,617	3,475,428	(467,189)	-11.8%	
531000 - COLLECTION MISC RECEIVABLE	-	-	-	-	-	
531005 - COLLECTIONS WATER	-	-	-	-	-	
531010 - COLLECTIONS REC MANAGER	77	-	-	-	-	
531020 - FALSE ALARMS FINES	73,336	30,000	30,000	-	0.0%	
531025 - COLLECTIONS ALARMS	-	-	-	-	-	
531030 - FALSE ALARMS PENALTIES	87,592	85,000	85,000	-	0.0%	
531035 - LIBRARY FINES	147,725	140,000	140,000	-	0.0%	
531040 - AIMS HOLDING ACCOUNT	-	-	-	-	-	
531041 - TURBO HOLDING ACCOUNT	-	-	-	-	-	
531045 - REGULAR PARKING FINES	2,458,924	3,164,708	2,800,000	(364,708)	-11.5%	Current PD and new parking contractor AmeriPark projection for increase in citation revenues
531046 - PARKING CITE COLLECTION SVC	-	(115,900)	(78,600)	37,300	-	
531050 - GENERAL FINES	30,527	10,000	20,000	10,000	100.0%	
531055 - MOTOR VEHICLE FINES	293,548	425,000	300,000	(125,000)	-29.4%	FY 20 budget reduced to be more aligned with actuals trend
531060 - DELINQUENCY PENALTY	11,444	8,100	6,100	(2,000)	-24.7%	
531065 - RETURNED CHECKS FEES	1,534	1,500	1,500	-	0.0%	
531070 - ADMINISTRATIVE CITATION FINES	205,178	194,209	168,928	(25,281)	-13.0%	
531071 - ADMIN CITE COLLECTION SVC FEE	-	(20,000)	(17,500)	2,500	-	
531075 - COLLECTIONS ADMIN FINES	-	-	-	-	-	
531110 - DISPOSED CASES	16,046	20,000	20,000	-	0.0%	
54 - INVESTMENT EARNINGS	612,053	1,000,000	1,505,673	505,673	50.6%	
541000 - INVESTMENT INCOME	612,053	1,000,000	1,505,673	505,673	50.6%	As securities mature, money being invested in securities earning higher interest rates
541005 - FAIR VALUE OF INVESTMENTS	-	-	-	-	-	
55 - PROPERTY INCOME	9,915,712	9,571,118	10,187,797	616,679	6.4%	
551000 - OCEANFRONT ENCROACHMENT	224,556	222,000	235,000	13,000	5.9%	
551005 - LIDO FARMERS MARKET	3,730	3,700	3,800	100	2.7%	
551010 - NEWPORT DUNES LEASE	1,800	1,800	1,800	-	0.0%	
551020 - BEACON BAY (SPLIT)	1,364,770	1,351,500	1,396,500	45,000	3.3%	
551025 - TELECOM SITE LICENSE FEE	102,079	102,000	107,000	5,000	4.9%	
551030 - TELESCOPE FRANCH (SPLIT)	1,393	1,325	1,325	-	0.0%	
551050 - BYB SLIPS (SPLIT)	1,216,183	1,135,790	1,208,400	72,610	6.4%	
551051 - BYB DINGHY RACKS	-	1,060	-	(1,060)	-	
551055 - BYB TEMP SLIP RENTALS (SPLIT)	-	530	-	(530)	-	
551060 - BASIN MARINE SHIP (SPLIT)	100,100	74,200	92,750	18,550	25.0%	
551065 - BYB GARAGES (SPLIT)	69,817	69,960	72,610	2,650	3.8%	
551070 - BYB ELECTRICITY (SPLIT)	-	9,540	9,540	-	0.0%	
551075 - HERITAGE YACHT (SPLIT)	11,858	11,660	12,190	530	4.5%	
551080 - GALLEY CAFE (SPLIT)	29,224	29,150	29,945	795	2.7%	
551085 - BYB APARTMENTS (SPLIT)	49,817	49,290	34,980	(14,310)	-29.0%	
551086 - BYB OFFICES (SPLIT)	21,390	21,200	22,260	1,060	5.0%	
551090 - HARBOR ISLAND	-	-	-	-	-	

FullAccount Hierarchy	010 - GENERAL FUND			***DO NOT RE-SORT***		
Projection	20205 - FY 20 REVENUE PROJECTION - ANNUAL					
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551105 - BALBOA YACHT CLUB	7,041	7,040	7,040	-	0.0%	No long term lease revenue; FY19 revenue was for a 90-day license (it was extended and PW now receives revenue)
551115 - RENTAL OF PROPERTY	2,426	37,800	-	(37,800)	-	
551120 - WNCC PACIFICA	1,020	1,020	1,020	-	0.0%	
551121 - NEWPORT OUTRIGGER CANOE CLUB	2,400	2,400	2,400	-	0.0%	
551122 - CAL REC EASEMENT	35,851	36,000	37,500	1,500	4.2%	
551123 - MCFADDEN SQUARE ATM KIOSK	3,802	1,920	6,500	4,580	238.5%	
551125 - OC DOCK LEASE (SPLIT)	90,903	-	-	-	-	
551130 - LIDO HOUSE HOTEL	43,750	75,000	200,000	125,000	166.7%	Lease year runs with calendar year; base rent only that jumps from \$75k to \$150k to \$250k per year
551135 - BUS SHELTERS	63,654	31,500	63,000	31,500	100.0%	Contract expired in Jan 2019, but tenant agreed to extend lease and pay rent and avoid vacancy while new contract is negotiated.
551140 - CIVIC CENTER FOOD SERVICE	31,336	27,500	30,500	3,000	10.9%	
551141 - CIVIC CTR CREDIT UNION RENT	27,635	21,000	-	(21,000)	-	Credit Union no longer occupying Library space
551145 - CIVIC CENTER CATERING	-	-	-	-	-	
551150 - MARINA PARK CONCESSION	8,503	4,500	4,500	-	0.0%	
551151 - MARINA PARK CATERING	6,666	5,000	6,500	1,500	30.0%	
551152 - WELLS FARGO LEASE	24,758	25,000	25,500	500	2.0%	
551155 - BCR HARBOR DAY	12,028	12,100	12,500	400	3.3%	
551165 - FACILITY RENTAL FEES	848,366	717,000	779,000	62,000	8.6%	Steady increase in facility rentals, particularly for Marina Park (more weddings and birthdays) which tie to increased expenditures in 811008 (cleaning, security, etc).
551167 - TIDELANDS FACILITY RENTALS	24,578	20,000	20,000	-	0.0%	
551170 - YSC FIELD FEES	110,929	90,000	110,000	20,000	22.2%	
551175 - OASIS FACILITY FEES	63,657	42,000	50,000	8,000	19.0%	
551180 - OASIS TRANSPORTATION FEES	29,000	30,000	29,000	(1,000)	-3.3%	
551200 - BALBOA PIER CONCESSION	3,895	4,250	1,200	(3,050)	-71.8%	
551210 - CORONA DEL MAR CONCESSION	26,303	23,000	27,000	4,000	17.4%	
551215 - CIVIC CNTR COMM ROOM FEES	96,767	65,000	70,000	5,000	7.7%	
551230 - LIBRARY FACILITIES FEE	274	-	-	-	-	
551310 - NEWPORT BLVD	236,468	254,870	255,385	515	0.2%	
551315 - NEWPORT BUSINESS	422,287	456,541	427,773	(28,768)	-6.3%	
551320 - BALBOA BUSINESS	-	-	-	-	-	
551325 - COAST HIGHWAY	20,342	25,744	33,406	7,662	29.8%	
551330 - LIDO SHOPPING	154,470	163,608	195,224	31,616	19.3%	
551335 - NEWPORT/BALBOA BLVD	151,775	159,872	159,983	111	0.1%	
551340 - BALBOA STRIP 1 MCFADDN TO 15	122,464	122,615	165,252	42,637	34.8%	
551345 - 15TH STREET	136,663	140,196	158,898	18,702	13.3%	
551350 - BALBOA STRIP 2 10TH TO 15TH	112,595	113,480	129,287	15,807	13.9%	
551365 - CENTRAL LOT	41,053	37,266	50,000	12,734	34.2%	
551371 - MARCUS/32ND STREET LOT	46,475	45,988	52,066	6,078	13.2%	
551375 - WASHINGTON STREET LOT	-	-	-	-	-	
551380 - 18TH STREET	-	-	-	-	-	
551385 - CITY HALL	13,992	29,618	23,294	(6,324)	-21.4%	
551390 - MCFADDEN	464,244	526,867	450,236	(76,631)	-14.5%	
551395 - SEASHORE LOT	199,034	210,994	224,234	13,240	6.3%	
551410 - CANNERY VILLAGE LOT	22,476	15,672	30,000	14,328	91.4%	
551415 - CANNERY VILLAGE A	85,823	100,467	85,000	(15,467)	-15.4%	
551420 - CANNERY VILLAGE B	202,148	203,710	205,000	1,290	0.6%	
551425 - CANNERY VILLAGE C	171,169	169,618	200,000	30,382	17.9%	

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551430 - BALBOA STRIP 3 10TH TO ALVARDO	134,930	114,413	145,000	30,587	26.7%	
551435 - WEST NEWPORT 49TH TO LUGONIA	78,869	81,252	74,166	(7,086)	-8.7%	
551440 - WEST NEWPORT	54,419	63,461	55,451	(8,010)	-12.6%	
551445 - OVER/UNDER VARIANCES	2,119	-	-	-	-	
551446 - MARINA PARK-MAIN LOT	124,870	125,128	141,518	16,390	13.1%	
551447 - MARINA PARK- EAST LOT	30,385	16,852	38,252	21,400	127.0%	
551448 - MARINA PARK-WEST LOT	57,174	45,547	68,124	22,577	49.6%	
551449 - MARINA PARK - BALBOA BLVD	-	-	-	-	-	
551450 - IN LIEU PARKING	32,465	25,050	30,450	5,400	21.6%	
551455 - 26TH STREET PARKING	114,515	125,078	114,822	(10,256)	-8.2%	
551460 - MARINERS LOT	16,480	17,106	40,000	22,894	133.8%	
551465 - NEWPORT BLVD LOT	46,506	43,900	56,839	12,939	29.5%	
551466 - FIRE STATION LOT	-	-	30,258	30,258	0.0%	Will reduce budget in FY 20; parking lot will be utilized by City for internal purposes vs. a public lot
551470 - BAYSIDE CDM PARKING LOT	16,382	15,269	17,073	1,804	11.8%	
551475 - DAHLIA CDM PARKING LOT	21,756	27,113	22,300	(4,813)	-17.8%	
551480 - COAST HIGHWAY PARKING	11,679	10,608	20,233	9,625	90.7%	
551485 - SUPERIOR LOT	41,590	47,562	46,343	(1,219)	-2.6%	
551490 - 32ND STREET PARKING	66,116	54,811	95,000	40,189	73.3%	Zone is showing a 123% increase YoY through PD-4; malfunctioning paystations fixed & increased revenue expected in FY 20
551495 - PALM STREET LOT	-	-	-	-	-	
551505 - REGULAR PARKING PERMITS	538,650	600,000	540,000	(60,000)	-10.0%	Actuals appear to be trending down, most sales occur Dec/Jan/Feb
551510 - ZONE #1 NPT ISLAND PARKING	288	350	340	(10)	-2.9%	
551515 - ZONE #1 NPT ISLAND GUEST	5,536	7,000	5,950	(1,050)	-15.0%	
551520 - ZONE #2 NEWPORT HEIGHTS	3,856	1,500	4,165	2,665	177.7%	
551525 - ZONE #3 ARALIA STREET	2,560	1,400	2,805	1,405	100.4%	
551530 - CORONA DEL MAR PARKNG LOT	1,367,410	1,405,634	1,507,534	101,900	7.2%	10% rate increase so 7% is conservative YOY growth
551535 - PARKING METER FEES	(189,424)	(321,804)	(345,413)	(23,609)	-	
551536 - PAY BY CELL TRANSACTION FEE	(29,152)	(76,973)	(79,711)	(2,738)	-	
551537 - PARKING RESERV SYSTEM TN FEE	-	-	-	-	-	
551555 - SPACE RENTALS	-	-	-	-	-	
56 - DONATIONS & CONTRIBU	129,881	181,937	116,500	(65,437)	-36.0%	
561000 - MCFADDEN SQ (CENTNIAL)	6,250	-	-	-	-	
561005 - PRVT DONATION/CONTRIBUTNS	19,474	80,437	15,000	(65,437)	-81.4%	
561006 - DONATIONS - HOMELESS ASSIS	-	-	-	-	-	
561010 - FRIENDS OF OASIS DONATNS	61,500	61,500	61,500	-	0.0%	
561015 - CDM BID CONTRIBUTIONS	-	-	-	-	-	
561025 - DONATNS/PENINSULA FESTVL	4,500	5,000	5,000	-	0.0%	
561035 - BAYVIEW LANDING AGMT	38,157	35,000	35,000	-	0.0%	
561045 - OASIS BLDG DONATION CURCI	-	-	-	-	-	
561065 - BIKE SAFETY DONATIONS	-	-	-	-	-	
61 - OTR FINANCNG SOURCES	114,170	70,000	120,717	50,717	72.5%	
611000 - PROCEEDS SALE OF EQUIP	-	-	-	-	-	
611005 - SALE OF PROPERTY	10,801	10,000	8,000	(2,000)	-20.0%	
611010 - SPECIAL LIGHTING DISTRICT	87,725	60,000	96,717	36,717	61.2%	
611020 - SALE OF EQUIPMENT	-	-	-	-	-	
611025 - SALE OF SCRAP MATERIALS	15,644	-	16,000	16,000	0.0%	
611030 - SALE OF PAPER	-	-	-	-	-	
611035 - SALE OF INVENTORY (MARKUP)	-	-	-	-	-	

FullAccount Hierarchy	010 - GENERAL FUND			***DO NOT RE-SORT***		
Projection	20205 - FY 20 REVENUE PROJECTION - ANNUAL					
Variance 2020						
Row Labels	FY 18 Actuals	FY 19 Revised	FY 20 Proposed	v 2019 Revised	% Change	Notes
612005 - PROCEEDS FROM LT DEBT	-	-	-	-	-	
69 - TRANSFERS	561,000	-	-	-	-	
691001 - TRANSFERS IN	-	-	-	-	-	
691012 - TRANSFER IN FUND 012	561,000	-	-	-	-	
691100 - TRANSFER IN TIDELAND FUND	-	-	-	-	-	
691123 - TRANSFER IN MEASURE M COMP	-	-	-	-	-	
691135 - TRANSFER IN CONTRIBUTION FUND	-	-	-	-	-	
691161 - TRANSFER IN NPT CST ANNEX RCPT	-	-	-	-	-	
691765 - TRANSFER IN IT REPLACEMENT	-	-	-	-	-	
Grand Total	217,078,834	221,765,268	229,392,160	7,626,892	3.4%	

FullAccount Hierarchy	010 - GENERAL FUND		***DO NOT RE-SORT***			
Projection	20201 - FY 20 EXPENDITURE - ANNUAL FUNDS					
Row Labels	FY 18 Actuals	FY 19 Revised	FY 20 Proposed	Variance 2020 v 2019 Revised	% Change	Program Enhancements \$ Notes
70 - REGULAR SALARIES	67,761,053	73,385,453	75,607,399	2,221,946	3.0%	168,277 Personnel program Enhancements
711001 - SALARIES MISCELLANEOUS	33,395,550	35,619,825	36,554,076	934,251	2.6%	COLA's/merits
711002 - SALARIES SAFETY	29,071,257	31,231,230	32,457,727	1,226,497	3.9%	COLA's/merits
711003 - SALARIES PART TIME	5,294,245	6,534,398	6,595,596	61,198	0.9%	COLA's/merits
71 - SPECIAL PAYS	3,722,488	4,447,553	4,484,412	36,859	0.8%	
712001 - SPECIAL ASSIGNMENT PAY	57,039	58,575	51,354	(7,221)	-12.3%	
712002 - TILLER PAY	22,488	20,200	20,600	400	2.0%	
712003 - NIGHT DIFFERENTIAL MISC	74,550	61,497	61,498	1	0.0%	
712004 - CERTIFICATION PAY	379,009	387,872	394,278	6,406	1.7%	
712005 - EMT PAY	17,377	10,000	10,000	-	0.0%	
712006 - BILINGUAL PAY	101,353	105,000	105,600	600	0.6%	
712007 - LONGEVITY PAY	171,640	183,254	317,162	133,908	73.1%	New MOU benefit for PA non-sworn longevity
712008 - MATRON PAY	4,486	6,500	6,500	-	0.0%	
712009 - SCHOLASTIC ACHIEVEMENT	1,320,448	1,367,483	1,414,159	46,676	3.4%	
712010 - EDUCATION RETENTION	141,204	151,484	84,071	(67,413)	-44.5%	PA MOU change. Non-sworn EE's used to receive flat 5% which included longevity. Longevity removed & percentage changed to .5%-2.5% based on education level & date of hire.
712011 - HOLIDAY PAY MISCELLANEOUS	211,783	292,798	226,558	(66,239)	-22.6%	Hours based (# of hours by MOU x base rate of pay)
712012 - HOLIDAY PAY SAFETY	978,707	1,440,393	1,086,651	(353,742)	-24.6%	Hours based (# of hours by MOU x base rate of pay)
712013 - PMA LEADERSHIP COMPENSATION	30,012	30,853	34,820	3,967	12.9%	
712016 - MOTOR OFFICER PAY	42,291	131,040	89,555	(41,485)	-31.7%	Based on current Officers receiving (per MOU)
712018 - CANINE PAY	11,745	35,854	32,794	(3,060)	-8.5%	
712019 - SAFETY CERTIFICATION PAY	13,419	21,857	408,854	386,997	1770.6%	New 5.25% Cert Pay for Advanced Post for PA Sworn (new MOU - replaced MORP was which formally part of salary structure)
713007 - DUTY PAY	26,523	20,000	15,240	(4,760)	-23.8%	
715006 - COUNCIL ALLOWANCES	118,414	122,891	124,717	1,826	1.5%	
72 - BENEFITS	57,881,050	62,095,293	64,947,032	2,851,739	4.6%	
713008 - CALL BACK PAY	13,794	16,500	16,650	150	0.9%	
713009 - STAND BY PAY	67,488	92,312	94,262	1,950	2.1%	
721001 - CAFETERIA ALLOWANCE FULLTIME	12,233,988	14,069,213	14,159,501	90,288	0.6%	
721002 - CAFETERIA ALLOWANCE PART TIME	247,915	180,962	15,795	(165,167)	-91.3%	We budgeted for F/T Caf only in 721001; 721002 is budgeted caf for LMA PT Officers only
722001 - PENSION MEMBER CONTRIB MISC	3,264,793	3,556,776	3,511,450	(45,326)	-1.3%	Based on PERSable salaries (10.42% for T1, 7% for T2, 5.5% for T3)
722002 - PENSION MEMBER CONTRIB SAFETY	2,920,036	3,206,108	3,373,585	167,477	5.2%	Based on PERSable salaries (9% for T1 & T2, 10.5% for T3)
723002 - PENSION NORMAL COST MISC	2,279,787	2,610,329	3,074,086	463,757	17.8%	Increase of .854% for FY 20
723003 - PENSION NORMAL COST SAFETY	5,865,611	6,446,647	6,839,818	393,171	6.1%	Increase of .634% for FY 20
723004 - RETIREMENT PART TIME/TEMP	134,553	149,678	156,336	6,658	4.4%	
724001 - EE CONTRIBUTION MISC	(4,588,508)	(5,022,633)	(4,896,644)	125,989	-	13% total for all units except PA Misc 12.35%; HR Proposed Budget Revision of addt'l \$135k not reflected in total
724002 - EE CONTRIBUTION SAFETY	(4,227,683)	(4,578,597)	(4,728,448)	(149,851)	-	13.6% for PA & LMA/ANBOL, 14.6% for PMA, 12.75% for FA/FMA
725001 - PENSION UAL COST MISC	7,928,071	8,097,622	8,433,328	335,706	4.1%	GF UAL Amount: \$33,182,378 (All fund UAL amount: \$35M)
725002 - PENSION UAL COST SAFETY	15,669,385	16,158,179	16,661,108	502,929	3.1%	
725003 - DISCRETIONARY UAL MISC	3,263,207	2,821,750	2,713,763	(107,987)	-3.8%	
725004 - DISCRETIONARY UAL SAFETY	5,091,663	5,618,513	5,374,179	(244,334)	-4.3%	
727001 - CAR ALLOWANCE	69,336	73,200	68,400	(4,800)	-6.6%	
727002 - WELNESS ALLOWANCE	752	750	750	-	0.0%	
727003 - CELL PHONE STIPEND	188,327	225,133	221,640	(3,493)	-1.6%	
727004 - RHS \$2.50 CONTRIBUTION	862,786	815,425	1,010,727	195,302	24.0%	Based on actual EE's receiving increase for FY 20 (based on formula)
727005 - HYBRID CONTRIB DEPT DIRECTOR	1,203	1,200	1,200	0	0.0%	
727009 - ANBOL EQUIP ALLOWANCE	33,400	34,900	34,900	-	0.0%	
727010 - ANBOL CANCER SCREENING	2,868	10,000	10,000	-	0.0%	
727011 - LMA SUNBLOCK & SUNGLASS	5,400	5,700	5,700	-	0.0%	
727012 - LIFE INSURANCE	65,728	64,865	69,326	4,462	6.9%	

FullAccount Hierarchy	010 - GENERAL FUND			***DO NOT RE-SORT***			
Projection	20201 - FY 20 EXPENDITURE - ANNUAL FUNDS						
Row Labels	FY 18 Actuals	FY 19 Revised	FY 20 Proposed	Variance 2020 v 2019 Revised	% Change	Program Enhancements \$	Notes
727013 - EMP ASSISTANCE PROGRAM	13,098	13,636	13,702	66	0.5%		
727014 - OTHER BENEFITS	27,678	7,657	-	(7,657)	-		
727015 - UNEMPLOYMENT EXPENSE	49,565	-	-	-	-		
727016 - MEDICARE FRINGES	1,204,762	1,360,934	1,378,615	17,682	1.3%		
727017 - PARS DC 401A	21,121	21,728	23,463	1,734	8.0%		
727018 - PORAC RET MED TRUST	216,583	232,831	231,631	(1,200)	-0.5%		
727019 - SURVIVOR BENEFIT	83,146	-	-	-	-		
727020 - DEFERRED COMP CITY CONTRIB	-	11,858	366,035	354,177	2986.8%		New PA/PMA full year benefits
728001 - WORKERS' COMP ISF MISC	1,028,766	1,541,080	1,773,862	232,782	15.1%		Increase per val
728002 - WORKERS' COMP ISF SAFETY	1,552,596	1,915,424	2,535,178	619,754	32.4%		Increase per val
728003 - COMPENSATED ABSENCES	2,289,833	2,335,615	2,403,134	67,519	2.9%		Based on 3.5% of F/T salary budget
73 - LUMP SUM PAYS	-	552,247	-	(552,247)	-		
714001 - LUMP SUM PAYMENT	-	552,247	-	(552,247)	-		No lump sum pays (bonuses) budgeted for FY 20
714006 - PAID COMP/SPILLOVER PAY	-	-	-	-	-		
74 - OTHER PAYS	9,907,301	7,026,389	6,993,030	(33,359)	-0.5%		
713001 - OVERTIME MISC & 1/2 TIME	1,444,401	976,572	943,544	(33,028)	-3.4%	20,000	Reduction for FY 19 grants. Increase for CDD of \$20k met with corresponding decrease to Bldg Prof Svcs.
713002 - OVERTIME SAFTY & 1/2 TIME	2,902,110	1,730,973	1,549,593	(181,380)	-10.5%		Reduction for FY 19 grants.
713003 - OVERTIME PLANNED	183,556	1,071,321	1,270,935	199,614	18.6%	200,279	Paramedic School: (2) current FF's to attend PM School based on NBFA MOU (max 2 per year). Funds cover OT hours required to backfill the EE's position.
713004 - OVERTIME VACATION RELIEF	2,587,047	2,028,880	1,988,809	(40,071)	-2.0%		Reduction for grant OT
713005 - OVERTIME UNCONTROLLED	2,516,339	970,893	1,004,066	33,173	3.4%		
713006 - FIRE FLSA OT	273,849	277,750	286,083	8,333	3.0%		
715001 - RIDESHARE INCENTIVE	-	-	-	-	-		
715005 - SALARY SAVINGS	-	(30,000)	(50,000)	(20,000)	-		
81 - CONTRACT SERVICES	19,968,230	24,316,703	24,527,286	210,583	0.9%		
811001 - PROPERTY MANAGEMENT	97	1,000	1,000	-	0.0%		
811002 - LEASING EXPENSES	914	3,000	3,000	-	0.0%		
811003 - TITLE SEARCH FEES	-	2,500	2,500	-	0.0%		
811004 - EQUIPMENT RENTAL	89,320	137,050	134,789	(2,261)	-1.6%		
811005 - SERVICES ADMINISTRATIVE	244,346	262,992	329,266	66,274	25.2%		
811006 - SERVICES ACCOUNTING	36,561	45,000	45,000	-	0.0%		
811007 - SERVICES AUDIT	44,815	50,000	50,000	-	0.0%		
811008 - SERVICES PROFESSIONAL	6,108,237	7,656,432	5,770,144	(1,886,288)	-24.6%	600,000	Increases: \$400k - Consultants for Airport issues; \$200k for CityNet homeless outreach. Decreases: \$500k reduction for CDD contract svcs (now hiring more PT staff); Transfers out to other contract line items.
811009 - SERVICES FUEL MODIFICATION	256,516	225,810	225,810	-	0.0%		
811010 - NPDES ADMINISTRATION	-	-	189,000	189,000	0.0%		Re-allocation from Tidelands to GF per PW
811011 - TMDL ADMINISTRATION	-	-	220,200	220,200	0.0%	10,200	Re-allocation from Tidelands to GF per PW. Newport Bay Watershed & Sediment Control Monitoring
811012 - SERVICES JANITORIAL	857,991	891,169	980,229	89,060	10.0%		Increase per contract
811014 - SERVICES NPT COAST REFUSE	696,929	719,140	740,694	21,554	3.0%		
811015 - SERVICES OTHER PRINT VENDOR	14,257	15,500	17,500	2,000	12.9%		
811016 - SERVICES PHYSICALS	115,670	116,725	144,725	28,000	24.0%		
811017 - SERVICES CONTRACT	662,126	842,502	2,752,194	1,909,692	226.7%		All professional svcs contracts related to Trees division transferred to one consolidated object due to absorption of MOD division into the PW dept
811018 - CONTRACT SERVICES MEDIANS	1,636,174	1,792,699	1,772,840	(19,859)	-1.1%		
811020 - CONTRACT SERVICES PARK/FACILTY	1,972,915	2,437,124	2,443,224	6,100	0.3%		
811021 - CONTRACT SERVICES STRT SWPING	453,517	501,785	501,785	-	0.0%		
811022 - CONTRACT SERVICES ALLEY SWEEP	85,195	79,002	80,231	1,229	1.6%		
811023 - CONTRACT SERVICES BEACH REFUSE	130,387	175,712	-	(175,712)	-		Transferred to 811031 per dept. to move all appropriate contracts to Refuse division/appropriate line item

FullAccount Hierarchy	010 - GENERAL FUND			***DO NOT RE-SORT***			
Projection	20201 - FY 20 EXPENDITURE - ANNUAL FUNDS						
Row Labels	FY 18 Actuals	FY 19 Revised	FY 20 Proposed	Variance 2020 v 2019 Revised	% Change	Program Enhancements \$	Notes
811024 - CONTRACT SERVICES STORM DRAINS	197,641	207,844	207,844	-	0.0%		
811025 - CONTRACT SERVICES HELICOPTER	480,764	605,500	550,000	(55,500)	-9.2%		Permanent on-going reduction per PD of \$200K from prior yr original budget
811026 - CONTRACT SERVICES CIVIC CENTER	190,357	225,662	245,600	19,938	8.8%		
811027 - SERVICES CITY PRINT CONTRACT	57,767	80,417	75,697	(4,720)	-5.9%		
811030 - PARKING METER CONTRACT	1,208,549	2,166,872	1,491,044	(675,828)	-31.2%		FY 19 included carry-forwards including SP+ liability; FY 20 correct amount of current contract to be paid
811031 - BEACH TRASHCAN COLLECTION	251,720	342,812	799,595	456,783	133.2%		\$168k transfer per dept. from 811023 to move all appropriate contracts to Refuse division/appropriate line item; \$288k CPI increase from CR&R
811032 - STEAM CLEANING	227,225	282,836	282,800	(36)	0.0%		
811034 - CONTRACT STRIPING	133,748	136,088	159,071	22,983	16.9%		
811035 - COMPUTER CONSULTANTS	200	22,016	6,108	(15,908)	-72.3%		
811036 - CONTRACT RSS INSTRUCTORS	1,618,153	1,679,060	1,603,589	(75,471)	-4.5%	(22,234)	Reduction in Rec classes & corresponding revenues
811042 - PLAN CHECK VCA	-	10,000	-	(10,000)	-		
811043 - PLAN CHECK JAS	-	10,000	-	(10,000)	-		
811046 - TIDELANDS INSTRUCT PYMTS	229,271	435,855	364,117	(71,738)	-16.5%		Class decrease (and corresponding revenue decrease)
811047 - ANIMAL SHELTER CONTRACTS	122,868	146,330	149,630	3,300	2.3%		
811048 - RECORDS MANAGEMENT CONTRACTS	53,290	66,000	66,000	-	0.0%		
811050 - TENNIS CONTRACT INSTRUCTORS	29,968	44,000	71,000	27,000	61.4%		
811051 - SURF CONTRACT INSTRUCTORS	515,562	566,335	566,335	-	0.0%		
811053 - RENTAL PROPERTY	87,750	81,510	81,510	-	0.0%		
811054 - CONTRACT SERVICES ARTS	100,432	180,211	115,000	(65,211)	-36.2%		
811055 - AFFORDABLE HOUSING ACTIVITIES	-	6,000	6,000	-	0.0%		
841060 - OTHER AGENCY FEES	785,064	809,554	997,215	187,661	23.2%	174,136	Fire MetroNet JPA Membership Incr. Fire & PW 800 MHz Countywide Coordinator Comm. System
851030 - TURF RENOVATION	103,811	101,660	130,000	28,340	27.9%		
891038 - AMBULANCE BILLING	168,124	155,000	155,000	-	0.0%		
82 - GRANT OPERATING	573,427	490,913	120,000	(370,913)	-75.6%		
821004 - GRANT EXPENSES	9,399	101,625	-	(101,625)	-		This grant roll takes place automatically at the beg. Of new FY per Council policy F-3 (Fire, Library)
821005 - EMPG GRANT EXPENSES	14,907	12,271	-	(12,271)	-		
821006 - CITY GRANTS	89,500	104,000	120,000	16,000	15.4%		
821008 - MEDI-CAL IGT	459,621	273,017	-	(273,017)	-		FY20 grant to be brought before Council via BA
83 - UTILITIES	2,881,972	3,032,303	3,116,630	84,327	2.8%		
831001 - TELECOMM DATALINES	265,171	248,884	253,598	4,714	1.9%		
831002 - UTILITIES TELEPHONE	107,556	120,941	118,941	(2,000)	-1.7%		
831003 - UTILITIES NATURAL GAS	41,167	42,370	43,870	1,500	3.5%		
831004 - UTILITIES ELECTRICITY	1,452,856	1,529,631	1,522,131	(7,500)	-0.5%		
831005 - UTILITIES WATER	1,015,222	1,089,477	1,177,090	87,613	8.0%		Incremental service charge bringing the City accounts up to the same. Each year for four years we are including 25%. 2020 gets us up to 50% of the total increase. Other increase related to increased charges for Imported Water (MWDOC) and Groundwater & Reclaimed Water (OCWD).
831008 - UTILITIES SAILING CTR TIDELAND	-	1,000	1,000	-	0.0%		
84 - SUPPLIES & MATERIALS	4,308,900	5,112,247	4,350,799	(761,448)	-14.9%		
841001 - STEP UP PRGM (PD)	-	-	-	-	-		
841002 - VOLUNTEER PROGRAMS	141	1,500	800	(700)	-46.7%		
841003 - FIRE EXPLORER PROGRAM	4,261	5,000	5,000	-	0.0%		
841004 - PROGRAMMING	166,382	226,245	66,000	(160,245)	-70.8%		Library grants budgeted at time of receipt via BA
841005 - EMPLOYEE RECOGNITION	11,479	16,458	16,458	-	0.0%		
841006 - OFFICE SUPPLY CITY PRINTING	145,353	174,860	174,860	-	0.0%		
841007 - SUPPLIES OFFICE NOC	165,521	265,205	251,575	(13,630)	-5.1%		
841008 - SUPPLIES COMP SOFTWARE	3,001	5,500	8,000	2,500	45.5%		
841009 - OFFICE SUPPLIES CHILD PROGRAM	1,289	2,350	2,350	-	0.0%		
841010 - SUPPLIES COPY MACHINE	19,870	27,334	27,070	(264)	-1.0%		
841011 - SUPPLIES AUTO PARTS EXPENSE	52,177	59,995	59,995	-	0.0%		

FullAccount Hierarchy	010 - GENERAL FUND			***DO NOT RE-SORT***			
Projection	20201 - FY 20 EXPENDITURE - ANNUAL FUNDS						
Row Labels	FY 18 Actuals	FY 19 Revised	FY 20 Proposed	Variance 2020 v 2019 Revised	% Change	Program Enhancements \$	Notes
841012 - SUPPLIES CHECKS/INVOICES/FORMS	1,674	16,850	12,490	(4,360)	-25.9%		
841015 - SPECIAL DEPT SUPPLIES NOC	638,756	852,395	782,365	(70,029)	-8.2%	26,951	PD Cellebrite UFED System (permanent reduction to Helicopter budget)
841016 - CERT PROGRAM SUPPLIES	20,947	20,000	20,000	-	0.0%		
841020 - PRISIONER CUSTODY EXPENSE	28,295	42,500	42,500	-	0.0%		
841022 - PHOTO EXPENSE	-	3,500	3,500	-	0.0%		
841023 - SHOOTING RANGE SUPPLIES	69,099	107,800	107,800	-	0.0%		
841024 - S.W.A.T. SUPPLIES	57,357	51,623	51,623	-	0.0%		
841025 - CANINE SUPPLIES	11,722	12,590	12,590	-	0.0%		
841026 - STREET CLEANING EXPENSE	2,936	5,000	5,000	-	0.0%		
841028 - PIER/FLOAT SUPPLIES	14,658	20,000	-	(20,000)	-		
841029 - SAFETY EQUIPMENT	2,117	2,500	2,500	-	0.0%		
841032 - TRAFFIC SUPPLIES	6,230	12,000	19,700	7,700	64.2%		
841033 - ROADWAY PAINTS & BARS	2,676	7,000	-	(7,000)	-		
841034 - DEVICE PAINTS	723	700	-	(700)	-		
841035 - SIGNS	42,036	50,006	47,000	(3,006)	-6.0%		
841038 - INSCTCDES/HRBCDES/FNGCDES	2,980	3,000	-	(3,000)	-		
841039 - PLANT MATERIALS	16,711	20,000	20,000	-	0.0%		
841040 - FERTILIZER	1,945	5,000	-	(5,000)	-		
841041 - SOIL AMENDMENTS	11,152	7,500	17,500	10,000	133.3%		
841042 - ASPHALT MATERIALS	157,043	201,487	127,400	(74,087)	-36.8%		Transfer to 841044
841043 - CONCRETE MATERIALS	154,397	170,000	90,000	(80,000)	-47.1%		Transfer to 841044
841044 - TOOLS INSTRUMENTS ETC	36,925	44,000	163,750	119,750	272.2%		Transfer from 841042/841043
841046 - SPECIAL DEPT EXPENSE NOC	907,644	951,366	971,677	20,311	2.1%	30,000	Crystal Cove Conservancy
841049 - III PROGRAM	2,530	5,000	5,000	-	0.0%		
841051 - WELLNESS PROGRAM	8,189	17,000	17,000	-	0.0%		
841052 - LIBRARY MATERIALS	937,295	1,077,729	622,040	(455,689)	-42.3%		Support Orgs (Friends & NBPL Foundation) annual gifts recorded upon receipt
841053 - LIB MATRLS ONLINE REFRNCE	20,782	26,000	26,000	-	0.0%		
841054 - FIREWORKS	41,000	50,000	50,000	-	0.0%		
841055 - HAZARD MITIGATION	183,108	221,967	187,967	(34,000)	-15.3%		
841062 - STATION OPERATIONS	26,618	35,959	35,959	-	0.0%		
841064 - CDD BOARDS & COMMITTEES	9,910	18,280	18,280	-	0.0%		
841065 - COMPUTER SUPPLY MEMORY/HD	37,583	27,000	24,000	(3,000)	-11.1%		
841070 - ANIMAL SHELTER SUPPLIES	25,866	7,000	25,000	18,000	257.1%		
841071 - HOMELESS ASSISTANCE	2,320	5,000	5,000	-	0.0%		
841072 - JR LIFEGUARD PREPAID EXPENSES	-	-	-	-	-		
841074 - FIRE INVESTIGATIONS	12,926	15,000	10,000	(5,000)	-33.3%		
841076 - BACK BAY SCIENCE CENTER M&O EX	824	800	800	-	0.0%		
841077 - DISPOSABLE MEDICAL SUPPLIES	242,452	214,250	214,250	-	0.0%		
85 - MAINTENANCE & REPAIR	8,522,494	9,993,229	8,931,520	(1,061,710)	-10.6%		
841014 - SUPPLIES JANITORIAL NOC	204,983	220,778	222,391	1,613	0.7%		
851001 - GENERATOR MAINT & REPAIR	11,754	11,000	11,031	31	0.3%		
851006 - RESID REFUSE COLLECTION	3,964,340	4,202,443	4,244,973	42,530	1.0%		
851007 - AUTOMOTIVE FUEL/WASH	652,647	782,256	746,338	(35,918)	-4.6%		
851008 - AUTO EXTERIOR MAINT	61,679	90,768	90,768	-	0.0%		
851009 - COLLISION CONTINGNCY FUND	53,967	75,304	72,000	(3,304)	-4.4%		
851010 - MAINT & REPAIR EQUIPMENT	773,344	922,426	816,769	(105,656)	-11.5%		FY 19 includes FY 18 encumbrance roll
851011 - MAINTENANCE COPIERS	811	3,000	3,000	-	0.0%		
851013 - PRINTER MAINT/SUPPLIES	45,736	102,963	65,135	(37,828)	-36.7%		
851014 - MAINT & REPAIR DAMAGE	24,682	83,470	50,000	(33,470)	-40.1%		
851015 - MAINT E COAST HIGHWAY	22,641	26,897	7,114	(19,783)	-73.6%		
851016 - MAINT & REPAIR BUILDING	1,000,330	1,316,571	1,328,376	11,805	0.9%		

FullAccount Hierarchy	010 - GENERAL FUND			***DO NOT RE-SORT***			
Projection	20201 - FY 20 EXPENDITURE - ANNUAL FUNDS						
Row Labels	FY 18 Actuals	FY 19 Revised	FY 20 Proposed	Variance 2020 v 2019 Revised	% Change	Program Enhancements \$	Notes
851017 - FIRE STATION 1 MAINT/REPAIR	14,499	110	-	(110)	-		
851018 - FIRE STATION 2 MAINT/REPAIR	15,921	-	-	-	-		
851019 - FIRE STATION 3 MAINT/REPAIR	32,774	-	-	-	-		
851020 - FIRE STATION 4 MAINT/REPAIR	11,125	596	-	(596)	-		
851021 - FIRE STATION 5 MAINT/REPAIR	14,963	113	-	(113)	-		
851022 - FIRE STATION 6 MAINT/REPAIR	16,585	-	-	-	-		
851023 - FIRE STATION 7 MAINT/REPAIR	27,413	-	-	-	-		
851024 - FIRE STATION 8 MAINT/REPAIR	25,716	113	-	(113)	-		
851025 - LG TOWER MAINTENANCE	73,389	51,239	20,000	(31,239)	-61.0%		\$30,325 transferred to replacement account 01040406-911056
851026 - LANDSCAPE MAINT	-	-	-	-	-		
851027 - FICUS TREE MAINTENANCE	99,660	99,849	-	(99,849)	-		Transfer to 811017
851028 - TREE REFORESTATION	215,446	250,845	-	(250,845)	-		Transfer to 811017
851029 - TREE REPLACE/CLAIMS	23,630	46,916	-	(46,916)	-		
851031 - MAINT BBSC	38,861	25,210	23,463	(1,747)	-6.9%		
851037 - MAINT & REPAIR NOC	510,550	1,143,015	663,313	(479,702)	-42.0%		Transfer to 811017
851038 - MAINT IRRIGATION REPAIR	190,810	137,280	137,700	421	0.3%		
851039 - MAINT STORM DRAINS	132,921	135,000	135,000	-	0.0%		
851040 - MAINT DRNKNG FOU REPAIR	500	500	-	(500)	-		
851041 - MAINT PIERS/FLOATS/DOCKS	-	-	20,000	20,000	0.0%		
851042 - MAINTENANCE BEACHES	19,258	20,000	26,500	6,500	32.5%		
851044 - MAINT TRAFFIC CONTROL	519	2,000	2,000	-	0.0%		
851047 - MAINT COMP HARDWARE	273	2,822	-	(2,822)	-		
851065 - NWP COAST REIMBURSEMENT	60,620	60,620	60,620	-	0.0%		
851066 - SEWER USE FEE/PROP TAX	141,688	131,479	135,381	3,902	3.0%		
851069 - DONATED BENCH & TREE PURCHASES	28,706	30,000	30,000	-	0.0%		
851072 - SEWER FEES: FIXED + USE	9,752	17,647	19,647	2,000	11.3%		
86 - TRAVEL & TRAINING	739,506	895,264	957,383	62,119	6.9%		
861001 - TRAVEL & MEETINGS NOC	180,127	204,555	216,035	11,480	5.6%		
861002 - TRAINING/EDUCATION	105,661	95,000	95,000	-	0.0%		
861003 - TRAINING	271,399	358,894	359,230	336	0.1%		
861004 - TRAINING POST	101,203	136,991	136,991	-	0.0%		
861005 - TRAINING CITY WIDE	68,645	85,514	115,514	30,000	35.1%	30,000	Mandated (SB1343) harassment training for all employees
861006 - TRAINING CERT	8,018	8,000	8,000	-	0.0%		
861007 - STANDRDS FOR TRNING & CORRTRN	4,453	6,310	6,613	303	4.8%		
861008 - CASP CERTIFICATION & TRAINING	-	-	20,000	20,000	0.0%		
87 - GENERAL EXPENSES	2,024,073	2,314,249	2,219,206	(95,043)	-4.1%		
871001 - CERT & MEMBERSHIP	4,814	7,350	-	(7,350)	-		
871002 - ADVERT & PUB RELATIONS	166,017	158,735	158,735	-	0.0%		
871003 - POSTAGE/FREIGHT/EXPRESS NOC	153,095	219,358	211,026	(8,332)	-3.8%		
871004 - PUBLICATIONS & DUES NOC	144,540	242,926	274,115	31,189	12.8%		
871005 - ALARM MONITORING	-	-	-	-	-		
871006 - UNIFORM EXPENSE	333,958	379,485	379,470	(15)	0.0%		
871007 - UNIFORMS/PROTECTIVE GEAR	67,561	191,441	139,058	(52,383)	-27.4%		FY 19 includes FY 18 encumbrance roll
871008 - DIST 1 DISCRETIONARY GRNT	5,819	6,000	6,000	-	0.0%		
871009 - DIST 2 DISCRETIONARY GRNT	1,250	6,000	6,000	-	0.0%		
871010 - DIST 3 DISCRETIONARY GRNT	4,100	6,000	6,000	-	0.0%		
871011 - DIST 4 DISCRETIONARY GRNT	2,000	6,000	6,000	-	0.0%		
871012 - DIST 5 DISCRETIONARY GRNT	4,500	6,000	6,000	-	0.0%		
871013 - DIST 6 DISCRETIONARY GRNT	-	6,000	6,000	-	0.0%		
871014 - DIST 7 DISCRETIONARY GRNT	3,250	6,000	6,000	-	0.0%		
871015 - TUITION REIMBURSEMENT	67,791	98,500	98,500	-	0.0%		

FullAccount Hierarchy	010 - GENERAL FUND			***DO NOT RE-SORT***			
Projection	20201 - FY 20 EXPENDITURE - ANNUAL FUNDS						
Row Labels	FY 18 Actuals	FY 19 Revised	FY 20 Proposed	Variance 2020 v 2019 Revised	% Change	Program Enhancements \$	Notes
871017 - SOFTWARE LICENSE RENEWAL	398,128	416,042	417,962	1,920	0.5%		
871018 - HARDWARE MONITOR/PRINTER	24,672	54,595	32,800	(21,795)	-39.9%		
871019 - NETWORK EQUIPMENT	36,326	50,520	39,316	(11,204)	-22.2%		
871020 - PC REPLACEMENT	199,617	215,344	188,271	(27,073)	-12.6%		
871021 - HARDWARE MAINTENANCE	19,956	15,457	15,457	-	0.0%		
871040 - OC RECORDING EXPENSE	528	600	600	-	0.0%		
871041 - NBTV OPERATIONS/PROGRAM	121,854	175,000	175,000	-	0.0%		
871048 - INVEST ADVISOR REPORT FEE	140,717	10,000	10,000	-	0.0%		
871049 - BANK FEES	102,892	36,896	36,896	-	0.0%		
871051 - CREDIT CARD FEES	3,726	-	-	-	-		
871052 - OTHER MISC FEES	16,962	-	-	-	-		
88 - INTERNAL SVC PREMIUM	13,658,844	13,760,063	15,197,277	1,437,214	10.4%		
726002 - ANNUAL OPEB PREMIUM	3,692,656	3,502,724	3,528,356	25,632	0.7%		
881001 - EQUIP MAINT ISF	1,424,974	1,449,198	1,573,673	124,475	8.6%		COLA's/other additions to benefits per League MOU
881002 - NON CAPITAL EQUIPMENT	372,545	372,545	435,545	63,000	16.9%	63,000	Bucket Truck for new M&O Specialist
881003 - VEHICLE REPLACE ISF	2,337,861	2,429,440	2,429,440	-	0.0%		
881004 - IT ISF OPERATING CHARGE	4,118,460	4,035,380	4,572,987	537,607	13.3%		Software replacement fully funded in FY 20 (consolidated years 2 & 3 increase); Fire MDC charges transferred from vehicle ISF to IT ISF
881005 - IT ISF REPLACEMENT CHARGE	1,141,741	1,400,983	2,055,841	654,858	46.7%		Full phase-in of 3 year cost increases (years 2 & 3 in FY 20 bringing to full funded status)
881006 - PARKING EQUIP CONTRIB	354,954	354,954	400,000	45,046	12.7%	45,046	Program Enhancement - increase to Annual Parking Equip Contrib
881007 - RSS EQUIPMENT ISF	183,128	182,314	172,612	(9,702)	-5.3%		
881008 - RSS INFRASTRUCTURE ISF	32,525	32,525	28,823	(3,702)	-11.4%		
89 - INSURANCE RESERVE	4,195,586	5,989,237	6,425,209	435,972	7.3%		
891001 - GENERAL LIABILITY INSURANCE	3,629,328	5,172,524	4,363,062	(809,462)	-15.6%		Portion moved to 891048, Uninsured Claims
891008 - BENEFITS	23,042	20,000	20,000	-	0.0%		
891010 - RECRUITING	86,760	173,713	162,915	(10,798)	-6.2%		
891020 - OUTSIDE COUNSEL ADVISORY	150,514	195,000	170,000	(25,000)	-12.8%		
891021 - OUTSIDE COUNSEL SPEC LIT	286,108	400,000	400,000	-	0.0%		
891022 - OUTSIDE COUNSEL CODE ENF	17,325	25,000	25,000	-	0.0%		
891041 - SPECIAL EVENT LIABILITY	2,510	3,000	3,000	-	0.0%		
891048 - UNINSURED CLAIMS CHARGE	-	-	1,281,232	1,281,232	0.0%		New fund/object created for FY 20
90 - CAPITAL EXPENDITURES	687,192	907,129	812,145	(94,984)	-10.5%		
911001 - OFFICE EQUIPMENT	20,035	25,500	21,600	(3,900)	-15.3%		
911004 - COMPUTER EQUIPMENT	32,793	50,764	45,770	(4,994)	-9.8%		
911006 - FITNESS EQUIPMENT	50,973	47,007	35,298	(11,709)	-24.9%		
911008 - PARK RENOVATIONS	307,000	307,000	307,000	-	0.0%		
911024 - EQUIPMENT N.O.C.	236,252	391,288	333,141	(58,147)	-14.9%	7,500	PD Replace Polygraph Equip (perm reduce helicopter budget)
911025 - NEW PC PURCHASES	13,001	11,461	-	(11,461)	-		
911027 - SOFTWARE LICENSE NEW	-	1,654	1,000	(654)	-39.6%		
911039 - OFFICE FURNITURE/FIXTURES	14,232	52,455	18,012	(34,443)	-65.7%		
911055 - PEG EQUIPMENT	12,907	20,000	20,000	-	0.0%		
911056 - LG TOWER REPLACEMENT	-	-	30,325	30,325	0.0%		
99 - TRANSFERS	22,171,178	26,587,885	31,680,252	5,092,367	19.2%		
991012 - TRANSFER OUT CIP FUND	5,771,178	5,775,000	5,000,000	(775,000)	-13.4%		
991101 - TRANSFER OUT TIDELAND HARBR CA	6,000,000	4,000,000	5,500,000	1,500,000	37.5%		
991513 - TRANSFER OUT FFP	8,500,000	8,500,000	10,020,333	1,520,333	17.9%		
991536 - TRANSFER OUT NBR ENHANCEMENT	400,000	2,428,885	5,071,115	2,642,230	108.8%		
991571 - TRANSFER OUT FACILITIES MAINT	1,000,000	1,000,000	2,500,000	1,500,000	150.0%		
991664 - TRANSFER OUT AD #114	-	-	55,783	55,783	0.0%		
991665 - TRANSFER OUT AD #114B	-	-	33,021	33,021	0.0%		
991750 - TRANSFER OUT WORK COMP FUND	-	-	3,000,000	3,000,000	0.0%		

FullAccount Hierarchy	010 - GENERAL FUND			***DO NOT RE-SORT***			
Projection	20201 - FY 20 EXPENDITURE - ANNUAL FUNDS						
Row Labels				Variance 2020		Program	
	<u>FY 18 Actuals</u>	<u>FY 19 Revised</u>	<u>FY 20 Proposed</u>	<u>v 2019 Revised</u>	<u>% Change</u>	<u>Enhancements \$</u>	<u>Notes</u>
991751 - TRANSFER OUT GEN LIABILITY FUN	-	4,200,000	-	(4,200,000)	-		
991752 - TRANSFER OUT EQUIPMENT FUND	-	150,000	-	(150,000)	-		
991754 - TRANSFER OUT 800 MHZ RADIO	500,000	534,000	500,000	(34,000)	-6.4%		
Grand Total	219,003,294	240,906,158	250,369,580	9,463,422	3.9%	1,353,155	

SUMMARY OF PROPOSED SOURCES AND USES BY FUND
Fiscal Year 2019-20

<u>Fund</u>	<u>Sources</u>			<u>Uses</u>			<u>Estimated Year End Fund Balance</u>
	<u>Estimated Beginning Fund Balance</u>	<u>Estimated Revenues</u>	<u>Interfund Transfers In</u>	<u>Proposed Operating Budget</u>	<u>Proposed Capital Improvements</u>	<u>Interfund Transfers Out</u>	
General Fund Operating	84,275,537	229,392,161	8,225,236	218,689,329	-	31,680,252	71,523,353
General Fund Capital Projects	1,158,312	-	5,000,000	-	5,000,000	-	1,158,312
Tidelands Operating Fund	1,676,999	12,130,575	-	2,544,989	1,175,000	8,225,236	1,862,349
Harbor & Beaches Capital Plan	3,190,241	3,630,820	5,500,000	-	5,450,000	-	6,871,061
Asset Forfeiture Fund	158,296	6,333	-	40,000	-	-	124,629
SLESF - COPS Fund	-	165,000	-	165,000	-	-	-
CDBG Fund	4,253	359,743	-	294,872	-	-	69,124
State Gas Tax Fund	(247,797)	2,300,329	-	-	1,500,000	-	552,532
SB1 Gas Tax RMRA Fund	14,603	1,443,005	-	-	1,500,000	-	(42,392)
Measure M Fund	21,925	5,465,030	-	-	2,100,000	-	3,386,955
Contributions Fund	1,958,026	2,793,504	-	-	500,000	-	4,251,530
AQMD Fund	1,023,932	112,395	-	-	350,000	-	786,327
Transportation and Circulation	1,621,707	250,328	-	-	-	-	1,872,035
Building Excise Tax Fund	368,000	206,647	-	-	360,000	-	214,647
Environmental Liability Fund	6,853,918	804,387	-	576,030	580,000	-	6,502,275
Fostering Interest in Nature Fund	1,288,360	11,420	-	147,000	-	-	1,152,780
Debt Service Fund	2,384,338	2,350,677	8,193,102	10,668,148	-	-	2,259,969
Assessment District Funds	(832,193)	7,780	88,804	-	5,336,500	-	(6,072,109)
Parks & Community Centers Fund	707,562	5,000	-	-	6,000,000	-	(5,287,438)
Facilities Financing Plan Fund	6,610,335	2,727,460	10,020,333	-	-	8,403,501	10,954,627
Major Facilities Replacement	1,339,538	26,345	-	-	-	-	1,365,883
Marina Park Fund	-	2,092	-	-	-	-	2,092
Sunset Ridge Park Fund	(7,515)	-	7,515	-	-	-	-
Jr. Lifeguards Fund	(50,000)	-	50,000	-	-	-	-
Fire Stations Fund	517,487	17,168	-	-	-	-	534,655
Strategic Planning Fund	(109,199)	-	109,199	-	-	-	-
Facilities Miscellaneous Fund	(43,685)	-	43,685	-	-	-	-
West Newport Community Center Fund	319,972	-	-	-	-	-	319,972
Newport Uptown Underground Fund	27,079	-	-	-	-	-	27,079
Balboa Village Parking Mgmt District	275	468,788	-	-	20,000	-	449,063
Neighborhood Enhancement	24,375	7,542	5,071,115	-	4,909,000	-	194,032
Facilities Maintenance Fund	116,381	6,672	2,500,000	-	2,340,600	-	282,453

SUMMARY OF PROPOSED SOURCES AND USES BY FUND
Fiscal Year 2019-20

Fund	Sources			Uses			Estimated Year End Fund Balance
	Estimated Beginning Fund Balance	Estimated Revenues	Interfund Transfers In	Proposed Operating Budget	Proposed Capital Improvements	Interfund Transfers Out	
Insurance Reserve Fund							
Uninsured Claims Reserve	3,433,039	1,500,000	-	3,104,455	-	-	1,828,584
Workers Comp Reserve	16,493,447	4,793,084	3,000,000	3,569,505	-	-	20,717,026
General Liability Reserve	5,497,965	5,115,000	-	5,485,450	-	-	5,127,515
Total	25,424,451	11,408,084	3,000,000	12,159,410	-	-	27,673,125
Retiree Medical Fund	286,264	7,015,251	-	7,181,251	-	-	120,264
Compensated Absence Fund	5,120,609	2,698,247	-	2,030,000	-	-	5,788,856
Information Technology Fund	2,668,414	7,182,526	-	8,234,383	-	-	1,616,557
Equipment Fund	11,829,143	6,277,431	500,000	10,285,312	-	-	8,321,262
Water Enterprise Fund	25,082,374	28,426,809	-	26,757,330	5,740,000	-	21,011,853
Wastewater Enterprise Fund	1,691,206	4,076,962	-	3,963,634	1,630,000	-	174,534
Ackerman Donation Fund							
Appropriations Reserve - Schlrschp	212,471	6,188	-	-	-	-	218,659
Appropriations Reserve - Hi Tech	169,578	12,013	-	5,000	-	-	176,591
Perm Scholarship Endowment Resv	193,195	-	-	11,000	-	-	182,195
Perm Equip Endowment Resv	579,586	-	-	-	-	-	579,586
Newport Bay Dredging Fund							
Permanent Endowment	3,906,277	56,507	-	-	-	-	3,962,784
Appropriation Reserve	1,209,015	-	-	-	-	-	1,209,015
	192,743,645	331,851,219	48,308,989	303,752,688	44,491,100	48,308,989	176,351,076

City of Newport Beach Finance Committee Work Plan 2018-19

Scheduled Date	Agenda Title	Agenda Description
January		
Thursday, January 17, 2019	Council Policy F-7, Income Property, Review	A subcommittee of the Finance Committee was appointed to review and recommend changes if deemed necessary to select financial policies. In continuation from the December 13, 2018, meeting, the subcommittee working with staff has made additional edits to Council Policy F-7, Income Property, in order to align policy with current practice.
	Pension Accrued Liability Basics	The City's CalPERS actuary, Kerry Worgan, will present the major components, assumptions and plan experience considered during the development of the pension accrued liability.
	Section 115 Discussion	An investment advisor and major provider of Section 115 pension prefunding trusts, PFM, will discuss the pros and cons; risks and benefits; and other considerations when considering the establishment of a Section 115 pension benefit trust.
	Budget Amendments (Quarter Ended December 31, 2018)	Receive and file a staff report on the budget amendments for the prior quarter.
	Work Plan Review	Staff will review with the Committee the agenda topics scheduled for the remainder of the calendar year.
	Discuss Items for Future Agendas	
Tuesday, January 22, 2019	CITY COUNCIL STUDY SESSION	Beacon Economics will present its bi-annual economic and top revenue forecast for the City of Newport Beach.
February		
Saturday, February 02, 2019	CITY COUNCIL OFF-SITE PLANNING SESSION	Staff will present status and funding of major programs planned for the calendar year.
Thursday, February 14, 2019	Harbor and Beaches Master Plan Update	Review Harbor and Beaches Master Plan for financial solvency based on known Council priorities.
	Facilities Financial Plan Update	Review Facilities Financial Plan for financial solvency based on known Council priorities.
	Long-Range Financial Forecast (LRFF)	Staff will provide an update to the latest version of the LRFF.
	Work Plan Review	Staff will review with the Committee the agenda topics scheduled for the remainder of the calendar year.
March		
Thursday, March 14, 2019	Review of Operating Budget (Harbor Department)	The goal of this presentation will be to familiarize members of the Finance Committee with the elements of the FY 2018-19 Harbor Department budget, provide opportunity for questions, and to gain clarity in the funding allocations for departmental programs.
	Finance Subcommittee to Review Beacon Bay Market Studies	At the February 12, 2019, City Council Study Session, the City Council requested the Finance Committee create a subcommittee of citizen members to review/reconcile the Beacon Bay market studies prepared by the City's consultant, Keyser Marston Associates and the resident proponent study. The subcommittee will report back to the full City Council with its recommendations.
	Review of Revenue Assumptions	Staff will provide of an overview for revenue assumptions for the FY 2019-20 Proposed Budget.
	Work Plan Review	Staff will review with the Committee the agenda topics scheduled for the remainder of the calendar year.
April		
Thursday, April 25, 2019	Proposed FY 2019-20 Budget Overview	Staff will provide an overview of the Proposed FY 2019-20 Operating Budget.
	Budget Amendments for Quarter Ending March 31, 2019	Staff will report on the budget amendments for the prior quarter.
	Work Plan Review	Staff will review with the Committee the agenda topics scheduled for the remainder of the calendar year.
May		
Tuesday, May 14, 2019	JOINT CITY COUNCIL/FINANCE COMMITTEE MEETING	
Thursday, May 16, 2019	FY 2017-18 Audit Review (with Auditor)	The City's external audit firm, White Nelson Diehl Evans LLP will meet with the Finance Committee to discuss the audit findings for the fiscal year ending 6/30/2018. The committee will have an opportunity to discuss any potential areas of concern and the auditors can discuss any changes in accounting standards or disclosures that were relevant for the audit year.
	Water Review Discussion	Staff and or consultant will provide a broad overview of the water rate study process and solicit Finance Committee input as necessary.
	Proposed FY 2019-20 Follow-Up Meeting	Staff will be available to answer follow-up questions on the Fiscal Year 2019-20 budget. Finance Committee may discuss their impending recommendation(s) to Council.
	Finance Subcommittee on Beacon Bay Market Studies	Clarification of scope and other questions.
	Work Plan Review	Staff will review with the Committee the agenda topics scheduled for the remainder of the calendar year.
Thursday, May 30, 2019	Recommendation FY 2019-20 Budget	Make final recommendation to the City Council on the proposed FY 2019-20 Operating Budget and or CIP.
	Unfunded Pension Liability - Primer for Members of the Public	Staff will explain how defined benefit pension programs in California work, the drivers that impact the City's unfunded liability, and solutions implemented to lower pension costs to the taxpayer.
June		
Thursday, June 27, 2019	TBD	TBD, if needed.