



CITY OF NEWPORT BEACH FINANCE COMMITTEE AGENDA - Final

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

Thursday, February 11, 2016 - 4:00 PM

Finance Committee Members:

Keith Curry, Chair / Council Member
Diane Dixon, Mayor
Tony Petros, Council Member
Patti Gorczyca, Committee Member
William C. O'Neill, Committee Member
Larry Tucker, Committee Member
John Warner, Committee Member

Staff Members:

Dave Kiff, 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

MINUTES OF JANUARY 14, 2016

Recommended Action:

Approve and file.

[DRAFT MINUTES 011416](#)

V. CURRENT BUSINESS

A. IMPLEMENTATION OF BUDGET PREPARATION FRAMEWORK - REVIEW OF OPERATING BUDGET, SESSION 5 - MUNICIPAL OPERATIONS

Summary:

During recent Finance Committee meetings, members discussed pursuing actions for bringing greater transparency and accountability during the annual budget development process. Staff believes that following a proposed budget preparation framework consisting of budget principles, and associated strategies and tactics can be a reliable vehicle for improving the City's budget process. In furtherance of Budget Framework Tactic T.10.1, the goal of this presentation will be to familiarize members of the Finance Committee with the elements of the Fiscal Year 2015-2016 Municipal Operations Department budget, provide opportunity for questions, and to gain clarity in the funding allocations for departmental programs.

Recommended Action:

In furtherance of Budget Framework Tactic T.10.1, review, ask questions, and provide comment relating to the Municipal Operations Department Fiscal Year 2015-2016 operating budget.

[STAFF REPORT](#)

[ATTACHMENT A](#)

[ATTACHMENT B](#)

[ATTACHMENT C](#)

[ATTACHMENT D](#)

B. CALPERS PENSION PLAN UPDATE AND ANALYSIS OF PAYMENT ALTERNATIVES

Summary:

Staff will summarize the results from our latest actuarial valuation and financial options to manage the current obligation. Discussion will include fresh start options as well as the option for contributing surplus funds to an irrevocable pension “reserve/stabilization” trust.

Recommended Action:

Provide policy direction related to the proposed funding options, suggest further changes as needed and if applicable, recommend a funding option for submission to the City Council for approval.

[STAFF REPORT](#)
[ATTACHMENT A](#)

C. FINANCE COMMITTEE CHARTER REVIEW AND UPDATE

Summary:

The resolution authorizing the purpose and responsibilities of the Finance Committee was last updated by Resolution No. 2015-40, as adopted May 26, 2015. Staff reviews this resolution with the Finance Committee on an annual basis and welcomes any discussion or consideration for updating. Any changes to the resolution will require formal City Council approval.

Recommended Action:

Review and provide guidance for updating the Finance Committee Charter.

[STAFF REPORT](#)
[ATTACHMENT A](#)

D. WORK PLAN OVERVIEW

Summary:

Staff will present and seek approval of the revised Finance Committee agenda topics scheduled for the calendar year. Proposed changes include additional committee meetings to review the entirety of the proposed Fiscal Year 2016-2017 budget. The work plan represents the planned topics of discussion; however, is subject to change based on the availability of information and the need to schedule other topics as they arise.

Recommended Action:

Review and approve the tentative Finance Committee agenda topics.

[STAFF REPORT](#)
[ATTACHMENT A](#)

E. BUDGET AMENDMENTS

Summary:

Staff will report on the budget amendments for the prior quarter. All budget amendments are in compliance with City Council Policy F-3, Budget Adoption and Administration.

Recommended Action:

Receive and file.

[STAFF REPORT](#)

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

X. ADJOURNMENT

**CITY OF NEWPORT BEACH
FINANCE COMMITTEE
JANUARY 14, 2016 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: Council Member Keith Curry (Chair), Mayor Diane Dixon, Committee Member Patti Gorczyca, Committee Member William C. O'Neill, Committee Member Larry Tucker, and Committee Member John Warner (arrived at 3:55 p.m.)

ABSENT: Council Member Tony Petros (excused absence)

STAFF PRESENT: City Manager Dave Kiff, Finance Director/Treasurer Dan Matusiewicz, Deputy Finance Director Steve Montano, Assistant City Manager Carol Jacobs, Public Works Director Dave Webb, Harbor Resources Manager Chris Miller, Deputy Public Works Director/City Engineer Mark Vukojevic, Public Works Administrative Manager Jamie Hook, Accounting Manager Rukshana Virany, Utilities General Manager George Murdoch, IT Manager Rob Houston, Deputy General Services Director Mike Pisani, Administrative Specialist to the Finance Director Marlene Burns, and Management Analyst Lucie Delorme

MEMBERS OF THE PUBLIC: Jim Mosher

OUTSIDE ENTITIES: Sarah Meacham and Henry Sun of PFM Asset Management LLC
Hannah Fry of the Daily Pilot

III. PUBLIC COMMENTS

Chair Curry opened public comments.

Jim Mosher commented on the Committee's interest in budget details as they related to employee benefits and how they are calculated for the various employees. He stated there are two more agreements upcoming for review, the Firefighters and the Fire Management Association, and both can be found on the City's website where the City Council agendas are available. The Human Resources page has the specific financial detail. Secondly, on Monday the Supreme Court is hearing a case about public agency employees having to pay fees to organizations that represent them. He inquired regarding the status of employees who are unrepresented. Tonight, the Committee will review the Public Works employees and he believes the benefits are all "lumped" together. In the minutes from the last meeting, Council Member Petros commented that the Finance Committee could now make recommendations to Council for a new model on how a Fire Department could operate. If the Committee can do this, perhaps they should appoint a subcommittee to handle this matter and he does not see anything like that on the agenda.

Chair Curry closed public comments.

IV. CONSENT CALENDAR

A. MINUTES OF DECEMBER 10, 2015

Recommended Action:

Approve and file.

Chair Curry opened public comments.

Jim Mosher stated there was a reference to a husband and wife who appeared to speak during public comments and has reason to believe that the male speaker's name was spelled "Neal" rather than "Neil."

Chair Curry closed public comments.

Committee Member Gorczyca moved, and Mayor Dixon seconded, to approve the December 10, 2015, Finance Committee Minutes, as corrected. The motion carried, unanimously with Council Member Petros and Committee Member Warner absent.

V. CURRENT BUSINESS

A. BI-ANNUAL INVESTMENT PORTFOLIO REVIEW

Summary:

Staff and/or one or more investment advisors will discuss current market conditions and the performance of the City's investment portfolio.

Recommended Action:

Receive and file.

Chair Curry noted that the Committee had expressed interest in having a more frequent review of the investment portfolio. He acknowledged PFM Asset Management (PFM) staff that were in attendance and introduced Sarah Meacham who made a report. Chair Curry noted that he was no longer affiliated with the firm.

Ms. Meacham reported that the Federal Reserve recently raised its target "Fed Fund" rate which took them seven years to do. PFM indicated going forward that the Fed expects four rate increases in 2016, although PFM feels the Fed will not raise it that aggressively. Currently, the City employs a one to three-year investment strategy and taking advantage of steeper parts of the yield curve. One of the ways to measure performance of the City's portfolio is to measure total return. Market values had declined so a negative total return occurred in the fourth quarter. The City did not necessarily lose money; however, this is a matter of course when investing. There will be a few more quarters of negative returns going forward, but this is a reality with fixed income investments in a rising interest environment.

Committee Member Gorczyca inquired about a "hold to maturity" strategy. Ms. Meacham responded that it is an actively managed portfolio, and they believe this is a safer policy than "hold to maturity." They may sell before maturity because the new investment could have a higher return and the City follows a one to three year investment strategy and they endeavor to remain close to the benchmark.

Ms. Meacham explained that a shorter duration, similar to maturity, is a measure of interest rate risk exposure. They have been keeping the duration close to the benchmark duration of approximately 1.75 years, and they continue to see value in sectors other than treasuries and agencies. They have been using CD's and corporate notes which have realized increases. She referenced strategic purchases during the fourth quarter in a document before the Committee. On page 9 it shows that the portfolio is dynamic as PFM continually assesses value and relative value and investments are bought and sold in congruence with the City's policies. The return

overall for the quarter was -.23 percent because of the decline in market value due to rising interest rates. The portfolio, though, has outperformed the benchmark since inception.

Ms. Meacham noted that the total return was negative even though the City booked positive income. Some of the sectors the City owns outperformed treasuries, which is often the basis for the index. The portfolio is in compliance with the City's policy. The portfolio is very diversified; the investors utilize strategic risk management and the credit quality of all investments is very high. They are moving to a "duration neutral stance" and going forward they will continue to watch what the Federal Reserve does.

Chair Curry opened public comments.

Jim Mosher stated that the use of the term "bi-annual" in the title of this agenda item is confusing as it refers to a meeting that could be held twice per year or every two years and the proper term to use on future agendas would be "semi-annual."

Chair Curry closed public comments.

Committee Member O'Neill moved, and Committee Member Gorczyca seconded, to receive and file the report. The motion carried, unanimously with Council Member Petros and Committee Member Warner absent.

B. IMPLEMENTATION OF BUDGET PREPARATION FRAMEWORK – REVIEW OF OPERATING BUDGET, SESSION 4

Summary:

During recent Finance Committee meetings, members discussed pursuing actions for bringing greater transparency and accountability during the annual budget development process. Staff believes that following a proposed budget preparation framework consisting of budget principles, and associated strategies and tactics can be a reliable vehicle for improving the City's budget process. In furtherance of Budget Framework Tactic T.10.1, the goal of this presentation will be to familiarize members of the Finance Committee with the elements of the Fiscal Year 2015-2016 Public Works Department budget, provide opportunity for questions, and to gain clarity in the funding allocations for departmental programs.

Recommended Action:

In furtherance of Budget Framework Tactic T.10.1, review, ask questions, and provide comment relating to the Public Works Department Fiscal Year 2015-2016 operating budget.

Public Works Director Webb introduced himself and the members of his staff in attendance. A PowerPoint Presentation was displayed. He presented an overview of the Department, the three Divisions, and presented various aspects of their budget. This included review of the five-year Operating Budget. He noted that the Capital Improvement Program and the Public Works Department represented approximately 23 percent of the total City budget, but only 4 percent of the City-wide staff. The budget has two funding sources: General Fund (\$9.6 million) and Tidelands (\$1.9 million). The Operating Budget includes salaries and outside services. The Tidelands Fund (\$1.9 million) consists of contract services such as those for mooring, yacht basin, water quality programs, and property management, miscellaneous and internal service funds. On the General Fund side of the operations, 75 percent is dedicated to salaries and they also run a large Capital Improvement Program.

Public Works Director Webb discussed the Capital Improvement Program (CIP) and distributed a handout. The management of the CIP takes into account City Council and community goals and provides the tools for project planning, conflict identification, and the setting of priorities. The Department also manages multiple master plans and he described the Traffic Signal and Bicycle master plans as examples of how these plans assist in the allocation of appropriate multi-year funding for large systems.

In response to Committee Member O'Neill, Public Works Director Webb described the process for the creation of master plans, stating they are living documents developed from surveys, Council direction on funding for programs, and input from staff on how to pay for Master plan component's in the upcoming year's budget. Occasionally, master plan components must be delayed or rolled over to future years depending on the City's financial picture. Some of the matters that come into play when deciding to include calculations, analyses, judgments on value, and occasionally, grant opportunities. Some master plans, such as the Bicycle master plan, are more grant-funded and not necessarily dependent on the General Fund.

In response to Committee Member O'Neill, Public Works Director Webb confirmed that master plans are generally not formally approved by the City Council, but rather are a living, dynamic document, provided for guidance so that operations are very transparent. Occasionally, some master plans are formally presented and approved by the City Council.

In response to Committee Member Tucker, Public Works Director Webb affirmed that many of the master plans relate to the City's adopted CIP and he described the Pavement master plan.

In response to Committee Member O'Neill, Public Works Director Webb stated that although not formally required to adopt master plans by outside agencies, it is beneficial for the City to have certain master plans in place in order to avoid potential fines for incidents related to the matters addressed by the individual master plan. He gave the example of OCTA, the County Health Department and the City's Sewer Master Plan. Public Works Director Webb also confirmed the City has an Americans with Disabilities (ADA) Act Transition Plan in response to previously filed lawsuits against the City.

Mayor Dixon inquired whether it would be prudent to know what the capital requirements are for components of the master plans and whether they should each have an accompanying financial plan. City Manager Kiff expressed support to have flexibility and fluidity in the master plans and if a specific financial plan were adopted for each it would tie the Council's funding abilities in future years should circumstances change.

Chair Curry described that the master plans allow the City to be opportunistic in going for funding proactively. He described the master plan related to signalization and a recent opportunity through OCTA, which the City was able to take advantage of.

Public Works Director Webb summarized the CIP development and multi-year process, including Council's direction in allocating General Fund dollars for the annual CIP. There are big spikes when large park projects are built. The Department has 33 employees and they recently absorbed two divisions. Certain services are contracted; however, Department staff performs the "bread and butter" services. They typically do not do design services and they do not want to be "staff heavy" when projects slow down. The attachment provided gives a five-year look back in terms of percent changes and the categories covered include Operating Budget, General Fund, Tidelands, Salary, Maintenance and Operations and Capital Outlay. More specific detail was given for Maintenance and Operations, and various increases in approved Memorandums of Understanding (MOU) were described. Public Works Director Webb noted that although there are some changes in the General Fund, the bottom line does not change. The fluctuations occur due to various projects and programs starting, such as the maintenance of the signal system.

In response to an inquiry from Mayor Dixon, Public Works Director Webb stated that certain employee salaries are allocated to the Tidelands Fund. There are no partial allocations, and most other employee salaries are allocated from the General Fund portion of the budget.

In response to an inquiry from Committee Member O'Neill regarding the pension's unfunded liability, Finance Director Matusiewicz stated that the unfunded liability was becoming such a large component of overall PERS cost, it was broken out separately in 2015. He further clarified the retirement contribution amount represents the entire contribution to PERS, offset by employee contributions.

In response to Committee Member Gorczyca, Finance Director Matusiewicz confirmed that the City does not budget for each employee at top step each year, only to their anticipated step increase. They do not anticipate any vacancies. Public Works Administrative Manager Jamie Hook explained the specialty pay system for Public Works and what would qualify someone for specialty pay, including Traffic Engineering degree-specific certifications from State agencies and Public Works Inspectors testing and materials from State agencies if they have earned that. It is a fixed dollar amount.

Committee Member O'Neill expressed concerns regarding funding for seawall reconstruction around Balboa Island. Public Works Director Webb stated it was a small component in the current CIP and the Department would be coming back to request additional funds for Grand Canal and a north and south "cap" project over the summer. Seawall projects have the potential to be in the millions of dollars and the Department will try to rehabilitate, if possible, but it may be necessary to replace them.

In response to Committee Member Tucker, Finance Director Matusiewicz confirmed that a subsidy of \$10 to \$14 million dollars is transferred annually to the Tidelands Fund. The General Fund transfer to the Tidelands funds represents the net amount of Tidelands expenditures that exceed the Tidelands revenues, representing the required General Fund subsidy.

Finance Director Matusiewicz reported that on the operating side of the CIP there are approximately \$1.5 to \$3 million dollars per year of capital expenditures programmed each year on top of the Police, Fire, and Lifeguard operations charged to the fund.

Committee Member Tucker stated that the seawall reconstruction is a big ticket item, with no money currently being "stacked up" in the reserves to address it.

Chair Curry opened public comments.

Jim Mosher thanked the Public Works Department for posting today's PowerPoint Presentation in advance of the meeting. He did not have time to review; however, he did have an inquiry regarding the CIP pie chart. He understood there are two aspects, the anticipated project budget and then the reporting of the "actuals" and was trying to comprehend that from the chart. He also understood that although there is use of outside contractors, he inquired as to how or if the funds are folded back into the budget if the City decides to instead enlist the services of in-house staff.

Public Works Director Webb responded that if there are any "leftover" funds they typically are returned to the pool from which it is first allocated, such as Gas Tax, or back to the General Fund reserve to be reprogrammed by the City Council.

Committee Member Warner arrived at 3:55 p.m.

Jim Mosher inquired whether residents would like to see the master plan on the City's website and stated that the public gets confused as to whether certain services are provided by Public Works or Municipal Operations, in particular, the maintenance of the streetlights.

Public Works Director Webb stated that the streetlight plan was put together 15 years ago and is discretionary based upon how much funding is available. He stated that sometimes

Municipal Operations handled streetlight related projects; however, most work was done through the CIP.

Chair Curry closed public comments.

C. REVIEW OF FACILITIES FINANCIAL PLANNING TOOL (FFPT)

Summary:

Staff will present the timing, means of financing, and fiscal impacts associated with funding high-priority capital projects approved by the City Council.

Recommended Action:

Receive and file.

Chair Curry introduced the item noting it was not the long term financial plan, nor a wish list. This tool was developed in 2007 during discussions on City Hall, where the City would have had taken on excessive debt in terms of budget for construction. The Facilities Financial Planning Tool (FFPT) was designed as a measurement tool to determine whether the City had the financial capacity to finance and construct the capital program. It demonstrated that you could build certain projects and how much debt service could be achieved. The FFPT has won the Helen Putnam Award of Excellence from the League of California Cities and truly is a measurement tool for affordability of projects.

Finance Director Matusiewicz stated that the tool allows staff to develop a funding plan for the replacement of all facilities on a perpetual basis. Currently, the list of priority projects included Marina Park and Bonita Creek artificial turf replacement which have recently been completed. The FFPT already reflects the date of 2025 when the artificial turf needs to be replaced. He reviewed the various charts which outlined large project expenditures, cash outflows, the proposed West Newport Community Center in 2019, and the large cash hurdle in 2026 related to the Police Station. Chart No. 3 shows the accumulation of resources and demonstrates the facility reserve balance will have sufficient funds to complete these projects. The minimum balance of \$9 million also represents the maximum annual debt service reserved in case of downturn in the economy. Chart No. 2 illustrates contributions from developers, illustrating the funding risk associated with developer contributions. Currently, there is projected to be \$34 million in developer contributions.

Finance Director Matusiewicz referenced the 2017 Uptown Newport Project which represents the next significant developer contribution. Those are the funds the City is counting on for the West Newport Community Center and the General Fund contribution has been ramped up in 2017 to cover the anticipated construction costs. If there is a downturn in development contributions, the fund then becomes reliant on the General Fund. Currently, it is a self-sustainable program with a General Fund contribution averaging \$11.4 million over 15 years, and \$14 million over 30 years.

In response to Mayor Dixon, Finance Director Matusiewicz stated that these numbers do not factor in Banning Ranch, and there could be \$27 million more available to fund projects. He also stated that if Banning Ranch comes through, contributions to the General Fund could be scaled back; however, the City does not want to delay construction and staff encourages continued contributions for now.

Mayor Dixon commented there is also a misunderstanding in the community regarding the funding for facilities construction and the General Fund portion is actually only a very small segment. City Manager Kiff stated that the City will get to the point where large scale development slows down and eventually becomes replaced with "infill" projects, with less revenue coming in from developer contributions. The General Fund contributions would continue to be programmed at the same level in order to support the perpetual replacement of the large facilities.

Finance Director Matusiewicz stated that the General Fund contribution was not set by policy, but it is managed so that the City is not contributing more than 5 percent of General Fund revenues.

Mayor Dixon suggested it would be wise in years with surpluses to reduce the General Fund contributions.

Committee Member Tucker commented that the City has no control over the biggest parts of its revenue stream and it is a wise thing to put it in the CIP, tamp down expenses, and invest it wisely. Property taxes in the City are astronomical as people find community more desirable. Maintenance will become more expensive over time.

Mayor Dixon stated the process is a good discipline.

Finance Director Matusiewicz noted that the plan is not reliant on any future debt, and the timing and magnitude of projects are expressed as Council priorities for projects. If that changes, staff retools the financing plan. This current plan reflects the last known direction from the City Council.

Committee Member O'Neill stated that this document does not show the Seawall. Finance Director Matusiewicz affirmed that harbor maintenance and improvements are different than facilities. He would like to see a harbor improvement/maintenance plan with a separate financing plan.

Chair Curry stated that this is a "color of money" plan and that is why they are kept separate.

City Manager Kiff explained that excess funds must go back to the State, including surplus from the Tidelands Trust.

In response to Committee Member O'Neill, Finance Director Matusiewicz confirmed that the Tidelands Capital Fund balance is negative because of a loan from the General Fund to the Tidelands Fund for Marina Park and if there is a plan to replace seawalls, then something similar will be shown.

Committee Member O'Neill stated that Marina Park is partially funded by Tidelands Funds.

City Manager Kiff affirmed that a Harbor Capital Plan would address things, such as seawalls, and that Council is in the process of developing it. The current seawall project anticipates spot fixes and caps, not a wholesale replacement.

Committee Member O'Neill expressed support for a future document to set-aside funds for the seawall replacement.

Chair Curry stated it is the biggest issue to talk about next year.

Mayor Dixon expressed concern about what to do with surplus funds and inquired whether institutionalizing a plan to set-aside surplus funds for a harbor facilities capital plan and the seawalls, both which are projects which will come before this Committee.

Committee Member Tucker stated that to spend money on capital projects like the seawalls or to impound funds toward them is a political decision, best left to the City Council. He has no problem recommending that Council consider a program for harbor and seawalls, but hesitated at a specific funding plan.

Committee Member O'Neill asked for clarification regarding the developer fees section on Page 6 of 7.

Finance Director Matusiewicz stated that some development agreements trigger the Quimby Act and fees must be spent on the development of new parks. He also discussed that 2 percent of public benefit fee must be set aside for arts and cultural facilities.

Discussion ensued regarding Banning Ranch. City Manager Kiff stated that there is every likelihood that a development agreement will come back to the City with a whole different structure, different price point, and anticipates negotiations to start anew. The unit number has come down, but it is likely the price per unit will increase.

Chair Curry reiterated that the measurement tool is a snapshot in time and is a placeholder for the current direction of the City Council.

Chair Curry opened public comment

Jim Mosher acknowledged this was a planning tool and demonstration of feasibility but not a commitment by the City Council. He referenced that Public Works stated that the Corona Del Mar Library will be smaller than what he believes the Council is expecting. He inquired because it was difficult to follow the Library Plans and the next one is the Balboa Library. He will be telling the Library Board that the new Library will be half of the current size.

City Manager Kiff stated that the process is a “push and pull” and it is an exercise to determine how small a building the programs and assets can fit in to. Mr. Mosher is welcome to notify the Library Board and he fully expects them to push back, as it is a negotiation. If he offers a larger number, it will only grow larger. At this time, it is only guidance and there is room for negotiation before the project is finalized. It is not new guidance from the City Council.

Chair Curry closed public comments.

D. WORK PLAN OVERVIEW

Summary:

Staff will present and seek approval of the tentative Finance Committee agenda topics scheduled for the calendar year. The work plan represents the planned topics of discussion; however, is subject to change based on the availability of information and the need to schedule other topics as they arise.

Recommended Action:

Review and approve the tentative Finance Committee agenda topics.

Council Member Curry provided a brief report and work plan overview, noting that the dates and topics are subject to change.

Discussion ensued regarding whether a mid-year review would be available and what numbers would be reviewed.

Mayor Dixon requested to see the total surplus numbers as they did last year in February. She also recommended memorializing a surplus policy, not dictating percentages, but would like to see some of the surplus go to the unfunded pension obligation, OPEB and capital improvements (medians, landscape).

Discussion ensued regarding bringing a policy to Council for review.

Finance Director Matusiewicz stated that there is a March 10 budget review scheduled and there will be discussion of budget assumptions and the use of surplus funds based upon feedback received.

City Manager Kiff stated that he will present the proposed budget to the Finance Committee in April or May for their input.

Committee Member Tucker expressed concerns regarding a binding surplus policy as every year is different. Each Council may approach the surplus differently and having flexibility is important.

Discussion ensued among the Committee and staff regarding a surplus policy.

Committee Member Gorczyca requested the following discussion items for the February Finance Committee agenda: PERS valuation, pension liability projections up to 5 years to see the difference between City versus employee contributions, Internal Revenue Code Section 115, and prepaying to CalPERS or an OPEB cash buyout plan.

Committee Member O'Neill suggested an item related to the fiscal impact of commitments to outside agencies, such as the Sewer Management Plan. He also wants to make sure that the appropriate funding for various master plans are put forward to avoid fines in the future. City Manager Kiff affirmed that the Regional Board does not approve master plans; however, it is beneficial to show that the City follows its own plan to show fiscal responsibility in the event of an incident.

Committee Member Tucker requested that staff republish the meeting schedule with the correct dates and times.

Chair Curry opened public comment. Noting there were no members of the public who elected to make public comments, Chair Curry closed public comment.

E. ISSUANCE OF MULTI-FAMILY HOUSING REVENUE BONDS FOR THE UPTOWN NEWPORT PROJECT BY THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY TO TPG/TSG VENTURE I ACQUISITION, LLC

Summary:

The California Statewide Communities Development Authority (CSCDA) is authorized to issue bonds, notes, and other evidences of indebtedness or certificates of participation in leases to public entities and private developers in order to promote economic development, including the provisions and maintenance of multi-family housing. The borrower, TPG/TSG Venture I Acquisition, LLC, (a joint venture entity formed by Shopoff Realty Investments and the Picerne Group) is seeking financing from CSCDA for the acquisition, construction and development of the multifamily rental housing projects collectively known as the Uptown Newport Village. The law requires a public hearing be held to allow members of the public and the governing board the ability to comment and approve or disapprove the issuance of bonds for the project. Any project not approved by the local jurisdiction will not be financed through CSCDA. As the Program Participant, the City of Newport Beach will not incur any liability of this CSCDA financing.

Recommended Action:

Review and recommend a City Council public hearing on the issuance of Multi-Family Housing Revenue Bonds by CSCDA to TPG/TSG Venture I, LLC for the development of the Uptown Newport I and II Apartments.

Chair Curry provided a brief report on the issuance of the revenue bonds.

In response to Committee Member Tucker, Chair Curry noted that the City authorizes the signatures on the bonds. This is not an item related to the payment of the bonds.

Finance Director Matusiewicz stated that this is a good opportunity to familiarize constituents regarding the process.

In response to Committee Member Gorczyca, Finance Director Matusiewicz stated that there is an affordability component and reported that Phase I will consist of \$91 million and Phase II will consist of \$101 million.

Committee Member Gorczyca requested a copy of the term sheet.

Chair Curry opened public comments.

Jim Mosher inquired regarding changing part of the development into a hotel and whether that impacts the issuance of the bonds. (

Discussion ensued regarding the unit number and the land that will be leftover.

Chair Curry closed public comments.

Committee Member Gorczyca moved, and Committee Member O'Neill seconded, to recommend a City Council public hearing on the issuance of Multi-Family Housing Revenue Bonds by CSCDA to TPG/TSG Venture I, LLC for the development of the Uptown Newport I and II Apartments. The motion carried, unanimously with Council Member Petros absent.

F. YEAR-END CLOSING RESULTS

Summary:

Staff will present the preliminary year-end closing results for Fiscal Year 2014-2015.

Recommended Action:

Receive and file.

Chair Curry reported that he was pleased that Fiscal Year 2014-2015 ended with a \$14.2 million surplus.

Finance Director Matusiewicz reported that there were notable increases in the Transient Occupancy Tax (TOT), mandated reimbursements, and that parking revenue did better than projected. Savings were also realized from within the Departments, and that some Department Budgets remained in flux, such as the deadline to outsource the refuse system.

In response to Committee Member O'Neill, Finance Director Matusiewicz provided examples of routine transfers (annual contribution to the Facilities Financing Plan Fund, General Fund subsidy of the Tidelands Fund, and those described in Attachment B) versus non-routine transfers.

In response to Committee Member Warner, Finance Director Matusiewicz explained that when expenditures are lower than the adopted budget, the surplus becomes undesignated funds available to be reprogrammed. He further affirmed that capital encumbered projects or non-completed projects are accounted for separately. They are not accounted for in the \$14 million surplus and are accounted for separately.

In response to Mayor Dixon, Finance Director Matusiewicz stated that capital funds are kept separated.

City Manager Kiff provided further detail on surplus funds stating that where they go depends on the year the funds were returned back, unfilled positions, and sometimes the need to hold and stretch out vacancies. He confirmed that he preferred to return excess funds back to the City Council for consideration.

Discussion ensued regarding general management of surplus funds.

Finance Director Matusiewicz referenced the discretionary funds available to the City Council in the event of a major catastrophe, although use of these funds was not generally advisable under ordinary circumstances. He noted that funds with external restrictions are not included as they are not under the City's discretion.

Chair Curry stated for the record the City ended with surplus twice the size of their debt service.

Chair Curry opened public comments.

Jim Mosher inquired regarding the City's main three revenue sources and made an inquiry regarding the percentage of sales tax revenues derived from restaurants versus automobiles.

Chair Curry stated there is a rivalry; however, it is true that autos account for a higher portion of the sales tax when compared to restaurants.

Committee Member O'Neill moved, and Committee Member Gorczyca seconded, to receive and file the report. The motion carried, unanimously with Council Member Petros absent.

G. QUARTERLY ERP UPDATE

Summary:

Staff will provide the Committee with a progress report on the Enterprise Resource Plan project to receive and file.

Recommended Action:

Receive and file.

Deputy Finance Director Montano reported that payroll conversion was completed and went as smoothly as can be expected. The project is on budget and projected to last 30 months; they are two-thirds of the way through. They have expended 55 percent of the projected budget, and expect to come in under-budget. The project has four phases, the first phase was completed in July (financials). The HR/Payroll phase was completed this month and the first payroll was issued today in the new system. The next phase is the utility billing system and then they will finish with the work order and fleet facilities modules (October 2016).

In response to an inquiry from Mayor Dixon, Deputy Finance Director Montano affirmed that the entire project was funded at \$3.7 million and they have expended \$2 million to date.

Committee Member Tucker moved, and Committee Gorczyca seconded, to receive and file the report. The motion carried, unanimously with Council Member Petros absent.

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

Committee Member Gorczyca requested five to ten-year budget projections. Chair Curry suggested this discussion take place during the budget review as part of revenue projections.

Committee Members Tucker and Warner requested an item to review the mission, goals, and purpose of the Finance Committee.

Committee Member O'Neill requested a copy of any budget amendments approved between Finance Committee meetings. Finance Director Matusiewicz said it can be done; however, cautioned about the Finance Committee's role in the day-to-day operations of the City.

VII. ADJOURNMENT

The Finance Committee adjourned at 5:05 p.m. to the next regular meeting of the Finance Committee on February 11, 2016, at 4:00 p.m.

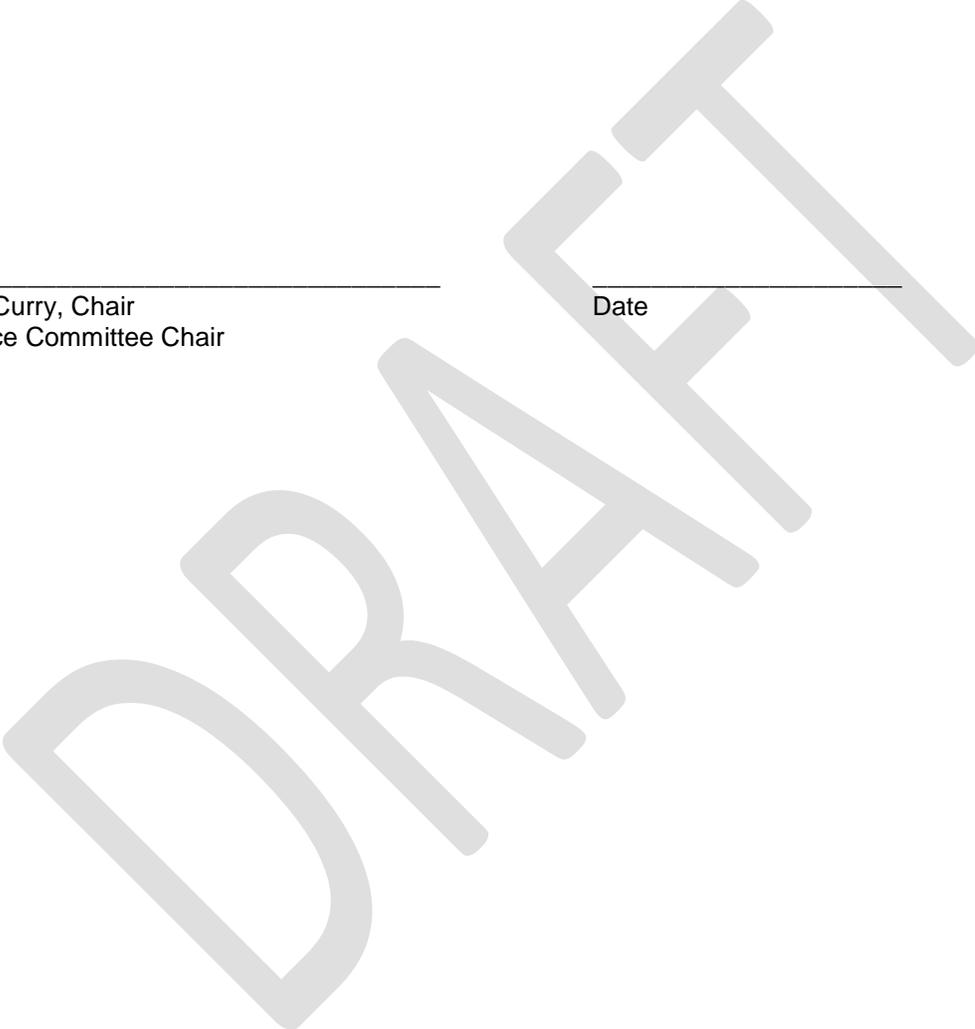
Filed with these minutes are copies of all materials distributed at the meeting.

The agenda for the Regular Meeting was posted on December 3, 2015, at 7:25 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:

Keith Curry, Chair
Finance Committee Chair

Date





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

Agenda Item No. 5A
February 11, 2016

TO: HONORABLE CHAIRMAN AND MEMBERS OF THE COMMITTEE

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

**SUBJECT: IMPLEMENTATION OF BUDGET PREPARATION FRAMEWORK – REVIEW
OF OPERATING BUDGET, SESSION 5 – MUNICIPAL OPERATIONS**

SUMMARY:

During recent Finance Committee meetings, members discussed pursuing actions for bringing greater transparency and accountability during the annual budget development process. Staff believes that following a proposed budget preparation framework consisting of budget principles, and associated strategies and tactics can be a reliable vehicle for improving the City's budget process. In furtherance of Budget Framework Tactic T.10.1, the goal of this presentation will be to familiarize members of the Finance Committee with the elements of the Fiscal Year 2015-2016 Municipal Operations Department budget, provide opportunity for questions, and to gain clarity in the funding allocations for departmental programs.

RECOMMENDED ACTION:

In furtherance of Budget Framework Tactic T.10.1, review, ask questions, and provide comment relating to the Municipal Operations Department Fiscal Year 2015-2016 operating budget.

DISCUSSION:

The Finance Committee expressed an interest in having greater involvement in the review of the proposed budget prior to its adoption by the City Council. During the September 16, 2015, Finance Committee meeting, members discussed and agreed to pursue a Budget Preparation Framework for bringing greater transparency and accountability during the annual budget development process.

The Budget Preparation Framework consists of goals, strategies and associated tactics to facilitate the establishment of priorities, guiding program activities, and allocating resources. Goals or "budget principles" represent statements that identify the broad goals that provide overall direction for the City and serve as a basis for decision making. Strategic objectives are major accomplishments that the City seeks to achieve over a specified period of time to achieve

its long term goals. Tactics identify what should be done, that is, outline the specific tasks that must be accomplished to achieve the strategic objectives.

Certain members of the Finance Committee expressed a desire to be more involved in the early stages of the budget process, well in advance of the budget adoption by the City Council in May. Budget development is typically well underway by February, the month that the Committee convened its first meeting in 2015. Soliciting Committee input earlier will provide the Finance Committee with a better opportunity to be involved and better understand the proposed budget. Committee Members also requested a year-over-year budget variance analysis to understand the reasons for major increases or decreases. This Municipal Operations budget variance analysis summary can be found in Attachment C.

The goal of this presentation will be to familiarize members of the Finance Committee with the elements of the Fiscal Year 2015-2016 Municipal Operations Department departmental budget, provide opportunity for questions, and to gain clarity in the funding allocations for departmental programs. The Municipal Operations section of the Fiscal Year 2015-2016 Performance Plan and Budget Detail can be found in Attachments A and B.

This agenda item is in furtherance of Budget Framework Tactic T.10.1 and staff will schedule similar Finance Committee presentations covering the operating budgets of other departments over the next few months.

Budget Framework Tactic T.10.1:

Staff would take the Finance Committee (FC) through a series of three to four “deep dives” into specific budget divisions or programs, with explanations about the Budget Detail and salaries, benefits, contract service accounts, and more. Set aside enough time to do this without anyone feeling rushed.

- *Have each member of the FC identify 2-3 areas of interest – or questions they want answered before they have a final discussion about the budget – and complete these to general satisfaction prior to having the Council’s spring 2016 budget sessions for FY 16-17.*

This action will provide members with the context and understanding of the City’s programs in advance of the Fiscal Year 2016-2017 budget process and reinforce an environment of continual process improvement.

Prepared and Submitted by:

/s/ Dan Matusiewicz

Dan Matusiewicz
Finance Director

Attachments:

- A. Municipal Operations Department Fiscal Year 2015-2016 Operating Budget Performance Plan
- B. Municipal Operations Department Fiscal Year 2015-2016 Operating Budget Detail
- C. Municipal Operations Budget Variance Analysis Summary
- D. Municipal Operations PowerPoint Presentation

ATTACHMENT A

**Municipal Operations Department Fiscal Year 2015-2016 Operating Budget
Performance Plan**

MISSION STATEMENT

To provide clean, safe, and responsive utility and infrastructure maintenance services to the community of Newport Beach.

DEPARTMENT OVERVIEW

The Municipal Operations Department is committed to providing a safe reliable source of water for drinking, irrigation and fire protection, as well as wastewater services to convey wastewater from homes and businesses for treatment and disposal. We are also responsible for maintaining all city public property such as beaches, streets, sidewalks, parks, and trees. We understand that maintaining these assets at a high level increases the quality of life for our residents and enjoyment of our visitors. It is our goal to keep the city looking great and seek out opportunities to make improvements. Our staff also oversees multiple contracts that provide service to our community such as refuse collection, facility custodial services, street sweeping, oil well operations, storm drain cleaning, water testing, and wastewater video. The Department also maintains the City's vehicle fleet and hundreds of vehicles, from fire trucks to beach cleaners and lifeguard boats, are serviced and maintained at our Corporation Yard. Providing these diverse services requires dedicated city staff members and responsive contractors.

The Municipal Operations Department is divided into eleven key department programs or divisions that are responsible for our core functions. For example, the Water Division has sections that include water maintenance and repair, water production, and water system services, all focused on providing water service and funded from the Water Enterprise Fund. Each division is led by a Manager who oversees the performance of the sections and assures that goals are being met efficiently, on time, and with the public in mind. The Department operates from two maintenance yards located at 592 Superior Avenue and 949 West 16th Street.

KEY DEPARTMENT PROGRAMS:

- Administration
- Facilities Maintenance
- Streetlights
- Beaches/Sidewalks/Streets
- Fleet Maintenance
- Oil and Gas Operations
- Storm Drain/Street Sweeping
- Landscape Maintenance
- Refuse
- Water Supply
- Wastewater



DEPARTMENT GOALS

- Operate, maintain and repair the City's water system to provide a safe reliable source of water for drinking, irrigation, commercial use and fire suppression. Continue to comply with all regulations and plan for the future.
- Operate, maintain and repair the City's sewer collection system to convey wastewater to the Orange County Sanitation District for treatment. Make every effort to minimize spills and continue to comply with all regulations.
- Maintain all City-owned public facilities such as libraries, piers, beach and park restrooms, fire stations, and the Civic Center including managing the contracts for janitorial services.
- Continually maintain streets, sidewalks and beaches to assure the areas are clean, kept in a safe condition, and aesthetically pleasing.
- Provide maintenance activities to City-owned parks, trees and median landscaping focusing on a well maintained look and properly trimmed trees.
- Service all City-owned vehicles including cars, trucks, heavy equipment, fire trucks, and small equipment and manage the replacement of vehicles and equipment at the end of their economical service life.
- Operate, maintain and repair the City's storm drain and tide valve system to avoid street and property flooding and proper operation.
- Quickly respond to all emergencies that arise at any time, during working hours or at nights and on weekends.
- Provide superior customer service to residents, businesses, and visitors.
- Participate with various agencies and surrounding communities in meetings and training sessions to stay informed of changes and opportunities required to comply with changing regulations and perform our functions in the most efficient and economic manner.



TOTAL MUNICIPAL OPERATIONS DEPARTMENT COSTS

	2012-13 Actual	2013-14 Actual	2014-15 Estimated	2015-16 Adopted
General Fund				
Salaries and Benefits	\$ 9,718,305	\$ 8,732,666	\$ 8,535,083	\$ 8,662,125
Maintenance and Operations	\$ 14,169,413	\$ 16,354,345	\$ 18,719,394	\$ 19,379,222
Capital Outlay	\$ 4,780	\$ 18,039	\$ 335,050	\$ 373,050
General Fund Total	\$ 23,892,498	\$ 25,105,050	\$ 27,589,527	\$ 28,414,397
Water Fund				
Salaries and Benefits	\$ 3,938,918	\$ 3,927,478	\$ 3,925,436	\$ 4,356,962
Maintenance and Operations	\$ 13,786,521	\$ 15,276,468	\$ 16,745,396	\$ 18,249,446
Capital Outlay	\$ 3,622	\$ 152,110	\$ 175,618	\$ 246,220
Water Fund Total	\$ 17,729,061	\$ 19,356,056	\$ 20,846,450	\$ 22,852,628
Wastewater Fund				
Salaries and Benefits	\$ 1,449,941	\$ 1,440,032	\$ 1,616,872	\$ 1,532,098
Maintenance and Operations	\$ 1,085,970	\$ 1,108,023	\$ 1,595,225	\$ 1,823,516
Capital Outlay	\$ 33,830	\$ 10,653	\$ 33,000	\$ 33,000
Wastewater Fund Total	\$ 2,569,741	\$ 2,558,708	\$ 3,245,097	\$ 3,388,614
Tidelands Fund				
Salaries and Benefits	\$ -	\$ -	\$ -	\$ -
Maintenance and Operations	\$ 829,528	\$ 1,163,124	\$ 857,700	\$ 857,201
Capital Outlay	\$ -	\$ -	\$ -	\$ -
Tidelands Fund Total	\$ 829,528	\$ 1,163,124	\$ 857,700	\$ 857,201
Operations - All Funds	\$ 45,020,828	\$ 48,182,939	\$ 52,538,774	\$ 55,512,840
Equipment Funds				
Equipment Maintenance Program	\$ 2,780,539	\$ 5,680,355	\$ 7,711,339	\$ 4,036,596
Capital Improvement Projects (CIP)				
Water	\$ 5,503,478	\$ 8,131,391	\$ 1,175,288	\$ 6,377,000
Wastewater	\$ 118,145	\$ 319,926	\$ 882,508	\$ 520,000
CIP Total	\$ 5,621,623	\$ 8,451,317	\$ 2,057,796	\$ 6,897,000
Total	\$ 53,422,990	\$ 62,314,611	\$ 62,307,909	\$ 66,446,436



Service Indicators	2012-13 Actual	2013-14 Actual	2014-15 Estimated	2015-16 Projected
Beach Debris Collected (tons)	594	687	700	700
Curb & Gutter Replacement (linear feet)	2,530	1,815	2,100	2,100
Graffiti Incidents	4,685	5,176	5,666	5,348
Landscaped Acres Maintained	641	700	715	726
Oil Produced for Sale (barrels)	25,824	22,952	23,896	25,550
Parks Maintained	58	58	59	61
Pipe Cleaned (miles)	250	234	240	240
Pipe Video Inspected (miles)	23	37	40	40
Reclaimed Water Used (acre feet)	466	475	515	525
Residential Refuse Collected (tons)	33,400	33,509	33,700	34,000
Sidewalk Repair (square feet)	37,607	30,194	28,000	30,000
Street & Pavement Marking (linear feet)	370,795	593,461	350,000	450,000
Street Sweeping (cubic yards)	5,734	6,902	7,430	6,411
Street Light Service Requests	440	284	553	425
Trees Planted	264 *	266	500	600
Trees Removed	140	604	200	750
Trees Trimmed	14,575	22,015	16,500	14,000
Wastewater Repairs	50	53	50	50
Wastewater Services Requests	300	435	400	400
Water Main Breaks	18	14	15	13
Water Purchased/Produced (acre feet)	15,915	17,106	16,400	16,500
Water Service Requests	2,715	1,942	6,000 **	5,500 **
1 Acre foot = 325,850 gallons				
* Includes Civic Center				
** Includes all water divisions				

ADMINISTRATION

CORE FUNCTIONS

- Contract administration
- Create and oversee the annual budget
- Provide administrative support to operations divisions
- Ensure regulatory compliance
- Provide customer service to internal customers and the public

WORK PLAN

- Oversee contract development to implementation

- Enforce contractor insurance requirements
- Monitor expenditures and revenues on an on-going basis
- Receive and route in-person, telephone, and online customer inquiries

ADMINISTRATION PROGRAM COSTS

	2012-13 Actual	2013-14 Actual	2014-15 Estimated	2015-16 Adopted
Salaries and Benefits	\$ 728,557	\$ 698,772	\$ 663,198	\$ 778,881
Maintenance and Operations	\$ 161,492	\$ 126,385	\$ 169,304	\$ 124,715
Capital Equipment	\$ 451	\$ 878	\$ 2,500	\$ 2,500
Total	\$ 890,500	\$ 826,036	\$ 835,002	\$ 906,096

ADMINISTRATION BUDGETED STAFFING

Positions	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Full-Time				
Administrative Assistant	1.0	1.0	1.0	1.0
Administrative Manager	0.5	0.5	0.5	0.5
Department Assistant	1.0	1.0	1.0	1.0
Deputy MOD Director	1.0	1.0	1.0	1.0
Management Assistant	1.0	1.0	1.0	1.0
MOD Director	0.5	0.5	0.5	0.5
Total Full-Time	5.0	5.0	5.0	5.0
Total Budgeted Staffing	5.0	5.0	5.0	5.0

EQUIPMENT MAINTENANCE

CORE FUNCTIONS

- Service and repair vehicles
- Fabricate and repair metal parts
- Procure vehicles and equipment
- Dispose of out-of-service vehicles

WORK PLAN

- Custom-engineer metal parts for vehicles, facilities, beaches/harbor
- Perform scheduled maintenance and as-needed repair services to the City fleet
- Provide loaner vehicles while vehicles are being serviced
- Examine ways to increase the efficiency of the City fleet by the purchase of smaller vehicles and those powered by hybrid systems or compressed natural gas (CNG).



EQUIPMENT MAINTENANCE PROGRAM COSTS

	2012-13 Actual	2013-14 Actual	2014-15 Estimated	2015-16 Adopted
Salaries and Benefits	\$ 1,282,870	\$ 1,275,064	\$ 1,158,858	\$ 1,018,682
Maintenance and Operations	\$ 727,194	\$ 666,699	\$ 575,448	\$ 637,905
Capital Equipment	\$ 770,475	\$ 3,738,592	\$ 5,977,033	\$ 2,380,009
Total	\$ 2,780,539	\$ 5,680,355	\$ 7,711,339	\$ 4,036,596

EQUIPMENT MAINTENANCE BUDGETED STAFFING

Positions	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Full-Time				
Automotive Parts Buyer	1.0	1.0	1.0	1.0
Equipment Maintenance Superintendent	1.0	1.0	1.0	0.5
Equipment Maintenance Supervisor	1.0	1.0	1.0	1.0
Equipment Mechanic I	1.0	1.0	1.0	1.0
Equipment Mechanic II	5.0	5.0	3.0	3.0
Inventory Assistant	1.0	1.0	1.0	-
Senior Equipment Mechanic	1.0	1.0	1.0	1.0
Total Full-Time	11.0	11.0	9.0	7.5
Part-Time				
Maintenance Aide	0.75	0.75	0.75	-
Total Part-Time	0.75	0.75	0.75	-
Total Budgeted Staffing	11.75	11.75	9.75	7.50

FACILITIES MAINTENANCE

CORE FUNCTIONS

- Maintain and repair public buildings
- Maintain and repair public piers and floats
- Maintain and repair public restrooms

WORK PLAN

- Perform repair services through a variety of specialty contractors
- Manage janitorial contractors cleaning City facilities and beach and park restrooms
- Manage a preventative maintenance program for all facilities



FACILITIES MAINTENANCE PROGRAM COSTS

	2012-13 Actual	2013-14 Actual	2014-15 Estimated	2015-16 Adopted
Salaries and Benefits	\$ -	\$ 668,211	\$ 668,268	\$ 808,991
Maintenance and Operations	\$ -	\$ 460,435	\$ 1,572,008	\$ 1,932,680
Capital Equipment	\$ -	\$ -	\$ -	\$ 26,000
Total	\$ -	\$ 1,128,646	\$ 2,240,276	\$ 2,767,671

FACILITIES MAINTENANCE BUDGETED STAFFING

Positions	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Full-Time				
Electrician	-	-	1.0	-
Facilities Maint Tech	-	-	4.0	4.0
Facilities Maint Crew Chief	-	-	1.0	-
Facilities Maint Supervisor	-	-	-	1.0
Equipment Maint Supertndt	-	-	-	0.5
Maint & Ops Specialist	-	-	-	1.0
Total Full-Time	-	-	6.0	6.5
Total Budgeted Staffing	-	-	6.0	6.5



STREET, SIDEWALK, BEACH MAINTENANCE

CORE FUNCTIONS

- Conduct street inspections
- Inspect, maintain, and repair sidewalk and curb/gutter
- Maintain beaches and fire rings
- Maintain horse trails
- Repair asphalt streets
- Maintain regulatory signage and street and curb painting

WORK PLAN:

- Collect and dispose of beach refuse and debris
- Clean and maintain fire rings
- Paint traffic markings
- Patch and repair asphalt streets
- Inspect and grind damaged areas of sidewalk
- Replace sidewalk, curb and gutter when remedial repairs cannot be completed
- Replace old and worn signage and street/curb markings

STREET, SIDEWALK, BEACH MAINTENANCE PROGRAM COSTS

	2012-13 Actual	2013-14 Actual	2014-15 Estimated	2015-16 Adopted
Salaries and Benefits	\$ 2,203,251	\$ 2,119,668	\$ 2,388,375	\$ 3,655,075
Maintenance and Operations	\$ 1,105,628	\$ 1,219,039	\$ 1,293,232	\$ 2,350,229
Capital Equipment	\$ 915	\$ -	\$ 2,000	\$ 14,000
Total	\$ 3,309,794	\$ 3,338,708	\$ 3,683,607	\$ 6,019,304

STREET, SIDEWALK, BEACH MAINTENANCE BUDGETED STAFFING

Positions	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Full-Time				
Concrete Finisher	2.0	2.0	2.0	2.0
Concrete Maintenance Crew Chief	1.0	1.0	1.0	1.0
Concrete Supervisor	1.0	1.0	1.0	1.0
Equipment Operator I	2.0	2.0	2.0	3.0
Equipment Operator II	5.0	5.0	5.0	8.0
Field Maintenance Superintendent	1.0	1.0	1.0	1.0
Maintenance Worker I	1.0	1.0	4.0	7.0
Maintenance Worker II	5.0	5.0	3.0	5.0
Street Maintenance Crew Chief	1.0	1.0	1.0	1.0
Street Maintenance Supervisor	1.0	1.0	1.0	1.0
Beach Maint Supervisor	-	-	-	1.0
Traffic Painter	1.0	-	-	-
Total Full-Time	21.0	20.0	21.0	31.0
Part-Time				
Temporary Labor	0.75	-	-	-
Total Part-Time	0.75	-	-	-
Total Budgeted Staffing	21.75	20.0	21.0	31.0

OIL AND GAS

CORE FUNCTIONS

- Maintain oil and natural gas production facilities
- Sell oil and natural gas

WORK PLAN:

- Monitor oil and gas production
- Monitor oil and gas revenue
- Perform repair services through a variety of specialty contractors



OIL AND GAS PROGRAM COSTS

	2012-13 Actual	2013-14 Actual	2014-15 Estimated	2015-16 Adopted
Salaries and Benefits	\$ -	\$ -	\$ -	\$ -
Maintenance and Operations	\$ 829,528	\$ 1,163,124	\$ 857,700	\$ 857,201
Capital Equipment	\$ -	\$ -	\$ -	\$ -
Total	<u>\$ 829,528</u>	<u>\$ 1,163,124</u>	<u>\$ 857,700</u>	<u>\$ 857,201</u>

STORM DRAIN, STREET SWEEPING, TIDE VALVES, GRAFFITI

CORE FUNCTIONS

- Maintain and repair the storm drain system
- Monitor and operate tide valves
- Remove debris from streets and alleyways
- Remove graffiti

WORK PLAN:

- Manage contractors providing storm drain cleaning and graffiti removal services
- Provide 24-hour monitoring and coverage to reduce street end and property flooding
- Remove debris and chemical spills from gutters, vaults, drainage ditches
- Document graffiti to assist Orange County Sheriff in prosecution of offenders



STORM DRAIN, STREET SWEEPING, TIDE VALVES, GRAFFITI PROGRAM COSTS

	2012-13 Actual	2013-14 Actual	2014-15 Estimated	2015-16 Adopted
Salaries and Benefits	\$ 2,709,995	\$ 2,005,949	\$ 2,249,355	\$ 1,173,059
Maintenance and Operations	\$ 3,407,762	\$ 3,399,780	\$ 2,757,188	\$ 1,776,124
Capital Equipment	\$ 2,534	\$ 16,144	\$ 17,550	\$ 17,550
Total	\$ 6,120,291	\$ 5,421,874	\$ 5,024,094	\$ 2,966,733

STORM DRAIN, STREET SWEEPING, TIDE VALVES, GRAFFITI STAFFING

Positions	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Full-Time				
Beach Maintenance Supervisor	1.0	1.0	1.0	-
Electrician	1.0	1.0	-	-
Equipment Operator I	1.0	1.0	1.0	-
Equipment Operator II	6.0	6.0	6.0	3.0
Facilities Maintenance Crew Chief	1.0	1.0	-	-
Facilities Maintenance Tech	4.0	4.0	-	-
Maintenance Worker I	4.0	4.0	4.0	1.0
Maintenance Worker II	3.0	3.0	3.0	1.0
Operations Support Superintendent	1.0	1.0	1.0	0.5
Storm Drain/Street Sweeping Crew Chief	1.0	1.0	1.0	1.0
Storm Drain/Street Sweeping Supervisor	1.0	1.0	1.0	1.0
Maintenance & Operations Specialist	-	-	-	0.5
Temporary Labor	2.0	-	-	-
Total Full-Time	26.0	24.0	18.0	8.0
Total Budgeted Staffing	26.0	24.0	18.0	8.0

LANDSCAPE MAINTENANCE

CORE FUNCTIONS

- Abate weeds to reduce fire hazards in City-owned wildland areas
- Facilitate donation program for park amenities Maintain landscaped roadsides and medians using contract forces
- Maintain parks utilizing a combination of contract and City staff
- Maintain trees in right of way and public areas
- Maintain the computerized tree inventorySupport Parks, Beaches, and Recreation Commission



WORK PLAN

- Mow, trim, seed, renovate, and remove turf and plant materials in parks, on street medians and roadside areas, and at City facilities
- Manage the pruning, planting and removal of City trees in parks, parkways, on slopes and at City facilities
- Implement the revised G-1 and G-6 Council Policies, and new Street Tree Designation List

LANDSCAPE MAINTENANCE PROGRAM COSTS

	2012-13 Actual	2013-14 Actual	2014-15 Estimated	2015-16 Adopted
Salaries and Benefits	\$ 1,605,216	\$ 1,554,327	\$ 1,792,288	\$ 1,978,853
Maintenance and Operations	\$ 5,213,464	\$ 6,154,550	\$ 6,538,786	\$ 7,169,866
Capital Equipment	\$ 880	\$ 1,017	\$ 313,000	\$ 313,000
Total	\$ 6,819,561	\$ 7,709,894	\$ 8,644,074	\$ 9,461,719

LANDSCAPE MAINTENANCE BUDGETED STAFFING

Positions	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Full-Time				
Groundworker I	3.0	2.0	5.0	3.0
Groundworker II	3.0	3.0	3.0	5.0
Irrigation Specialist	1.0	1.0	1.0	-
Maint & Ops Specialist	-	-	-	1.0
Parks & Trees Superintendent	1.0	1.0	1.0	1.0
Park Maintenance Crew Chief	3.0	3.0	3.0	3.0
Park Maintenance Supervisor	2.0	2.0	2.0	2.0
Urban Forester	1.0	1.0	1.0	1.0
Total Full-Time	14.0	13.0	16.0	16.0
Total Budgeted Staffing	14.0	13.0	16.0	16.0

REFUSE

CORE FUNCTIONS

- Administer the Non-Exclusive Solid Waste Franchises
- Provide for the collection, recycling, and disposal of residential solid waste
- Administer solid waste collection contracts for City facilities and public areas
- Ensure regulatory compliance



WORK PLAN:

- Manage the contract for collection residential waste, bulky items, sharps, and electronic waste
- Manage contracts for waste collection from City facilities, Pier and street end waste containers, and beach containers
- Compile and report refuse data to local and state agencies

REFUSE PROGRAM COSTS

	2012-13 Actual	2013-14 Actual	2014-15 Estimated	2015-16 Adopted
Salaries and Benefits	\$ 2,471,286	\$ 1,685,738	\$ 773,599	\$ 267,267
Maintenance and Operations	\$ 3,383,828	\$ 4,109,770	\$ 5,345,259	\$ 4,952,595
Capital Equipment	\$ -	\$ -	\$ -	\$ -
Total	<u>\$ 5,855,114</u>	<u>\$ 5,795,509</u>	<u>\$ 6,118,858</u>	<u>\$ 5,219,862</u>

REFUSE BUDGETED STAFFING

Positions	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Full-Time				
Refuse Superintendent	1.0	1.0	1.0	0.0
Refuse Supervisor	1.0	1.0	1.0	-
Refuse Worker I	8.0	5.0	2.0	-
Refuse Worker II	14.0	11.0	-	-
Sr. Management Analyst	-	-	-	1.0
Total Full-Time	<u>24.0</u>	<u>18.0</u>	<u>4.0</u>	<u>1.0</u>
Total Budgeted Staffing	<u>24.0</u>	<u>18.0</u>	<u>4.0</u>	<u>1.0</u>

STREETLIGHTS

CORE FUNCTIONS

- Inspect, maintain, and repair streetlights, parking lot lights, and facility lights

WORK PLAN:

- Visually inspect streetlights on a quarterly basis
- Oversee replacement of non-functioning bulbs

STREETLIGHTS PROGRAM COSTS

	2012-13 Actual	2013-14 Actual	2014-15 Estimated	2015-16 Adopted
Salaries and Benefits	\$ -	\$ -	\$ -	\$ -
Maintenance and Operations	\$ 897,238	\$ 884,384	\$ 1,043,616	\$ 1,073,012
Capital Equipment	\$ -	\$ -	\$ -	\$ -
Total	\$ 897,238	\$ 884,384	\$ 1,043,616	\$ 1,073,012

Personnel costs transferred to other divisions in FY 2011-12. This division no longer had staff associated with it after July 2011.

WATER

CORE FUNCTIONS

- Inspect new installations
- Maintain adequate pressure and flow
- Mark underground utilities for excavations
- Provide a safe reliable source of water
- Repair water services and mains
- Read water meters

WORK PLAN:

- Pump water from groundwater supplies in Fountain Valley
- Purchase water from import supplies as needed
- Treat water to meet or exceed water quality standards
- Operate pressure regulators and pump stations to provide adequate pressure and flow
- Maintain reservoirs, pump stations, and treatment facilities
- Repair broken water mains and services as-needed
- Maintain fire hydrants and valves on a routine basis
- Meet with contractors and residents during installations of service
- Provide underground marking in compliance with DigAlert
- Provide recycled water to connected users

WATER PROGRAM COSTS

	2012-13 Actual	2013-14 Actual	2014-15 Estimated	2015-16 Adopted
Salaries and Benefits	\$ 3,938,918	\$ 3,927,478	\$ 3,925,436	\$ 4,356,962
Maintenance and Operations	\$ 13,786,521	\$ 15,276,468	\$ 16,745,396	\$ 18,249,446
Capital Equipment	\$ 3,622	\$ 152,110	\$ 175,618	\$ 246,220
CIP	\$ 5,503,478	\$ 8,131,391	\$ 1,175,288	\$ 8,234,900
Total	\$ 23,232,539	\$ 27,487,447	\$ 22,021,738	\$ 31,087,528

WATER BUDGETED STAFFING

Positions	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Full-Time				
Administrative Assistant	1.0	1.0	1.0	1.0
Administrative Manager	0.5	0.5	0.5	0.5
Department Assistant	1.0	1.0	1.0	1.0
Electrician	1.0	1.0	1.0	-
Engineering Technician	0.5	0.5	0.5	0.5
Field Superintendent I	2.0	2.0	-	-
Field Superintendent II	1.0	1.0	-	1.0
MOD Director	0.5	0.5	0.5	0.5
Management Assistant	1.0	1.0	-	-
Senior Utilities Specialist	5.0	5.0	5.0	5.0
Utilities Crew Chief	5.0	5.0	5.0	4.0
Utilities General Manager	1.0	1.0	1.0	1.0
Utilities Safety Officer	-	-	-	-
Utilities SCADA Coordinator	1.0	1.0	1.0	1.0
Utilities Specialist	8.0	8.0	8.0	9.0
Utilities Supervisor	-	-	2.0	3.0
Water Production Operator	3.0	3.0	3.0	3.0
Water Production Supervisor	-	-	1.0	-
Water Quality Coordinator	1.0	1.0	1.0	1.0
Maint & Ops Specialist	-	-	-	1.0
Total Full-Time	32.5	32.5	31.5	32.5
Part-Time				
Student Intern	0.00	0.00	0.00	2.0
Total Part-Time	0.00	0.00	0.00	2.0
Total Budgeted Staffing	32.5	32.5	31.5	34.5



WASTEWATER

CORE FUNCTIONS

- Minimize sewer spills by performing routine maintenance and cleaning
- Operate, maintain and repair sewer collection system
- Repair sewer mains, laterals, and manholes as needed

WORK PLAN:

- Clean sewer mains routinely and in compliance with regulations
- Visually inspect sewer mains and laterals utilizing remote video systems
- Repair and replace sewer mains and laterals as-needed
- Operate and maintain sewer lift stations

WASTEWATER PROGRAM COSTS

Total Wastewater Program Costs:

	2012-13 <u>Actual</u>	2013-14 <u>Actual</u>	2014-15 <u>Estimated</u>	2015-16 <u>Adopted</u>
Salaries and Benefits	\$ 1,449,941	\$ 1,440,032	\$ 1,616,872	\$ 1,532,098
Maintenance and Operations	\$ 1,085,970	\$ 1,108,023	\$ 1,595,225	\$ 1,823,516
Capital Equipment	\$ 33,830	\$ 10,653	\$ 33,000	\$ 33,000
CIP	\$ 118,145	\$ 319,926	\$ 882,508	\$ 520,000
Total	<u>\$ 2,687,886</u>	<u>\$ 2,878,634</u>	<u>\$ 4,127,605</u>	<u>\$ 3,908,614</u>

WASTEWATER BUDGETED STAFFING

Positions	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
<u>Full-Time</u>				
Electrician	1.0	1.0	1.0	-
Field Superintendent I	1.0	1.0	-	-
Senior Equipment Mechanic	1.0	-	-	-
Senior Utilities Specialist	2.0	2.0	2.0	2.0
Utilities Crew Chief	4.0	3.0	3.0	3.0
Utilities Operations Manager	-	-	-	-
Utilities SCADA Technician	1.0	1.0	1.0	1.0
Utilities Specialist	5.0	5.0	6.0	4.0
Utilities Supervisor	-	-	1.0	1.0
Operations Support Supt	-	-	-	0.50
Maint & Ops Specialist	-	-	-	0.50
Total Full-Time	<u>15.0</u>	<u>13.0</u>	<u>14.0</u>	<u>12.0</u>
Total Budgeted Staffing	15.0	13.0	14.0	12.0

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ATTACHMENT B

Municipal Operations Department Fiscal Year 2015-2016 Operating Budget Detail

Report : DIVISION POSITION WORKSHEET
Year: JUL To JUN 2016
Division 010-3110 - GS-ADMIN

Position	Type of Employee	FTE	Base Wages	Specialty Pays	Retirement Contrib (City) ^[1]	Other Benefits	Total Salaries and Benefits
ADMINISTRATIVE MANAGER	Full Time	0.50	55,449	480	2,062	13,491	71,482
ASSISTANT, ADMINISTRATIVE	Full Time	1.00	77,251	0	2,873	26,097	106,221
ASSISTANT, DEPARTMENT	Full Time	1.00	62,026	1,800	2,374	24,709	90,909
DEPUTY MUNIPAL OPS DIRCTR	Full Time	1.00	154,045	960	5,729	30,288	191,022
MANAGEMENT ASSISTANT	Full Time	1.00	69,018	0	2,567	28,816	100,401
MUNICIPAL OPS DIRECTOR	Full Time	0.50	67,236	0	2,500	13,430	83,166
		5.00	485,024	3,240	18,105	136,834	643,203

[1] Retirement Contribution (City) for each position does not include the amortized cost of the unfunded pension liability.

010-3110 GS-ADMIN
T50000 Total Expenses

DESCRIPTION	2014	2015	2015	2016
	ADOPTED	ADOPTED	AMENDED	ADOPTED
7000 SALARIES - MISC	487,206	479,996	480,196	485,024
Total Regular Salaries	487,206	479,996	480,196	485,024
7040 OT, MISC & 1/2 TIME	128	128	128	128
Total Overtime Salaries	128	128	128	128
7066 BILINGUAL PAY	0	0	0	1,800
7099 SALARY SAVINGS	0	0	(75,000)	0
7114 CELL PHNE STIPND EXP	1,920	1,920	1,920	1,440
Total Other Salaries	1,920	1,920	(73,080)	3,240
Total Salaries	489,255	482,044	407,244	488,392
7210 HLTH/DNTAL/VISON FT	90,960	97,185	97,185	100,368
7223 ANNUAL OPEB COST	29,698	25,110	25,110	20,811
7227 RHS \$2.50 CONTRIB	7,110	6,705	6,705	11,782
Total Health & Retiree Ins	127,768	129,001	129,001	132,961
7290 LIFE INSURANCE	525	525	525	525
7295 EMP ASSIST PRGM	115	118	118	122
7370 WORKERS' COMP, MISC	26,152	26,152	26,152	21,766
7373 COMPSNTD ABSNCES	17,052	16,800	16,800	16,976
7425 MEDICARE FRINGES	4,997	6,962	6,962	7,061
Total Other Benefits	48,841	50,557	50,557	46,450
7439 PERS MBR CNTRBN MISC	4,726	37,440	37,440	38,853
7440 PERS ER CNTRBN MISC	75,517	38,400	38,400	39,374
7445 EE RET CNTRBN MISC	0	(52,320)	(52,320)	(60,123)
7446 PERS UNFND LIAB MISC	0	52,876	52,876	92,973
Total Retirements	80,243	76,396	76,396	111,078
Total Benefits	256,852	255,954	255,954	290,488
Total Salaries and Benefits	746,106	737,998	663,198	778,881
8020 AUTOMOTIVE SERVICE	2,000	1,200	1,200	1,200
8022 EQUIP MAINT ISF	3,553	3,791	3,791	3,793
8024 VEHICLE REPLACE ISF	3,406	0	0	2,400
8030 MAINT&REPAR - EQUIP	200	200	200	200
8033 PRNTR MAINT/SUPLIES	1,200	1,200	1,200	1,200
8040 MAINT&REPAIR - BLDG	900	900	900	900
8050 PSTGE,FREIGHT,EXPRS	2,000	2,000	2,000	2,000
8060 PUBLICATIONS & DUES	200	200	200	200
8080 SERVICES-PROF & TECH	16,500	16,500	16,500	19,000
8089 SVCS-CTY PRT CNTRCT	3,397	3,397	3,397	3,397
8100 TRAVEL & MEETINGS	1,200	1,200	1,200	1,200
8105 TRAINING	1,500	1,000	1,000	1,000
8112 UTILITIES - TELEPHONE	3,000	3,000	3,000	3,000
8114 UTILITIES - NTRL GAS	3,000	3,000	3,000	3,000
8116 UTILITIES - ELECTRICITY	32,000	32,000	32,000	32,000
8140 SUPPLIES- OFFICE NOC	3,300	3,300	3,300	3,300
8200 SPECIAL DEPT SUPPLIES	1,500	1,500	1,500	1,500
8310 SFTWRE LICNSE RENWL	1,000	1,000	1,000	1,000
8318 IT ISF OPRATNG CHRGE	69,715	84,520	84,520	31,501
8319 IT ISF STRATGIC CHRGE	4,413	4,502	4,502	8,249
8340 GENERAL INSURANCE	4,895	4,895	4,895	4,675
Total Operating Expenses	158,881	169,304	169,304	124,715
9010 COMPUTER EQUIPMENT	1,000	1,000	1,000	1,000
9400 OFF FRNTRE/FIXTRES	1,500	1,500	1,500	1,500
Total Capital Outlay	2,500	2,500	2,500	2,500
Total Division Expenses	907,487	909,802	835,002	906,096
Total Expenses	907,487	909,802	835,002	906,096

Report :
Year:
Division

DIVISION POSITION WORKSHEET
JUL To JUN 2016
010-3120 - FACILITIES MAINTENANCE

Position	Type of Employee	FTE	Base Wages	Specialty Pays	Retirement Contrib (City) ^[1]	Other Benefits	Total Salaries and Benefits
EQUIPMENT MAINT SUPERTDNT	Full Time	0.50	64,813	480	2,410	14,135	81,838
FACILITIES MAINT TECH	Full Time	1.00	57,314	540	2,135	23,040	83,029
FACILITIES MAINT TECH	Full Time	1.00	70,678	540	2,632	25,622	99,472
FACILITIES MAINT TECH	Full Time	1.00	70,678	540	2,632	25,772	99,622
FACILITIES MAINT TECH	Full Time	1.00	67,004	815	2,506	23,524	93,848
FACILITIES MAINTENANCE SUPERVISOR	Full Time	1.00	82,846	960	3,085	24,304	111,195
MAINTENANCE & OPERATIONS SPECIALIST	Full Time	1.00	78,936	705	2,945	26,183	108,769
		6.50	492,270	4,580	18,345	162,840	678,035

[1] Retirement Contribution (City) for each position does not include the amortized cost of the unfunded pension liability.

**010-3120 FACILITIES MAINTENANCE
T50000 Total Expenses**

DESCRIPTION	2014 ADOPTED	2015 ADOPTED	2015 AMENDED	2016 ADOPTED
7000 SALARIES - MISC	0	432,086	432,661	492,270
Total Regular Salaries	0	432,086	432,661	492,270
7040 OT, MISC & 1/2 TIME	0	15,000	15,000	15,000
Total Overtime Salaries	0	15,000	15,000	15,000
7057 DUTY PAY	0	1,000	1,000	2,000
7063 CERTIFICATION PAY	0	440	440	440
7080 CALL BACK PAY	0	1,000	1,000	1,000
7114 CELL PHNE STIPND EXP	0	2,580	2,580	4,140
Total Other Salaries	0	5,020	5,020	7,581
Total Salaries	0	452,107	452,682	514,850
7210 HLTH/DNTAL/VISON FT	0	116,622	116,622	130,479
7223 ANNUAL OPEB COST	0	0	0	18,751
7227 RHS \$2.50 CONTRIB	0	7,620	7,620	6,885
Total Health & Retiree Ins	0	124,242	124,242	156,115
7290 LIFE INSURANCE	0	630	630	683
7295 EMP ASSIST PRGM	0	142	142	158
7373 COMPSNTD ABSNCES	0	15,123	15,123	17,229
7425 MEDICARE FRINGES	0	6,518	6,518	7,405
Total Other Benefits	0	22,413	22,413	25,476
7439 PERS MBR CNTRBN MISC	0	33,781	33,781	39,369
7440 PERS ER CNTRBN MISC	0	34,648	34,648	39,896
7445 EE RET CNTRBN MISC	0	(47,207)	(47,207)	(60,920)
7446 PERS UNFND LIAB MISC	0	47,710	47,710	94,206
Total Retirements	0	68,932	68,932	112,551
Total Benefits	0	215,587	215,587	294,141
Total Salaries and Benefits	0	667,693	668,268	808,991
8020 AUTOMOTIVE SERVICE	0	0	0	5,000
8022 EQUIP MAINT ISF	0	0	0	30,871
8024 VEHICLE REPLACE ISF	0	0	0	29,529
8033 PRNTR MAINT/SUPLIES	0	0	0	950
8040 MAINT&REPAIR - BLDG	0	400,000	400,000	400,000
8060 PUBLICATIONS & DUES	0	0	0	200
8080 SERVICES-PROF & TECH	0	237,500	237,500	325,000
8081 SERVICES - JANITORIAL	0	357,976	357,976	430,000
8100 TRAVEL & MEETINGS	0	0	0	150
8112 UTILITIES - TELEPHONE	0	500	500	500
8114 UTILITIES - NTRL GAS	0	10,000	10,000	10,000
8116 UTILITIES - ELECTRICITY	0	250,000	250,000	275,000
8118 UTILITIES - WATER	0	160,000	160,000	160,000
8130 SEWER USE FEE/PROPE	0	0	0	48,720
8140 SUPPLIES- OFFICE NOC	0	0	0	300
8150 SUPPLIES- JANITORIAL	0	100,000	100,000	100,000
8153 MAINT - BBSC	0	25,000	25,000	25,210
8160 MAINT & REPAIR NOC	0	0	0	35,000
8200 SPECIAL DEPT SUPPLIES	0	0	0	500
8204 UNIFORM EXPENSE	0	2,000	2,000	2,000
8214 CRPNTR SHP SUPPLIES	0	1,500	1,500	0
8215 PIER/FLOAT SUPPLIES	0	10,000	10,000	10,000
8240 TOOLS, INSTRMNTS, ETC	0	1,500	1,500	4,000
8244 CVC CTR STRT UP CSTS	0	0	16,032	0
8318 IT ISF OPRATNG CHRGE	0	0	0	31,501
8319 IT ISF STRATGIC CHRGE	0	0	0	8,249
Total Operating Expenses	0	1,555,976	1,572,008	1,932,680
9300 EQUIPMENT, N.O.C.	0	0	0	26,000
Total Capital Outlay	0	0	0	26,000
Total Division Expenses	0	2,223,669	2,240,276	2,767,672
Total Expenses	0	2,223,669	2,240,276	2,767,672

Report :
Year:
Division

DIVISION POSITION WORKSHEET
JUL To JUN 2016
010-3130 - GS-FIELD MAIN

Position	Type of Employee	FTE	Base Wages	Specialty Pays	Retirement Contrib (City) ^[1]	Other Benefits	Total Salaries and Benefits
BEACH MAINT SUPERVISOR	Full Time	1.00	90,489	1,325	3,382	24,687	119,884
CONCRETE FINISHER	Full Time	1.00	70,678	165	2,638	23,704	97,186
CONCRETE FINISHER	Full Time	1.00	70,678	420	2,648	23,708	97,454
CONCRETE MAINT CREW CHIEF	Full Time	1.00	78,936	1,720	2,947	24,113	107,717
CONCRETE SUPERVISOR	Full Time	1.00	91,333	1,180	3,408	26,707	122,628
EQUIPMENT OPERATOR I	Full Time	1.00	64,189	220	2,399	23,383	90,191
EQUIPMENT OPERATOR I	Full Time	1.00	64,189	220	2,399	24,643	91,451
EQUIPMENT OPERATOR I	Full Time	1.00	64,189	165	2,397	23,383	90,133
EQUIPMENT OPERATOR II	Full Time	1.00	67,413	220	2,519	25,103	95,255
EQUIPMENT OPERATOR II	Full Time	1.00	67,413	220	2,519	23,543	93,695
EQUIPMENT OPERATOR II	Full Time	1.00	67,413	220	2,519	25,283	95,435
EQUIPMENT OPERATOR II	Full Time	1.00	67,413	220	2,519	23,543	93,695
EQUIPMENT OPERATOR II	Full Time	1.00	67,413	330	2,523	23,545	93,810
EQUIPMENT OPERATOR II	Full Time	1.00	67,413	220	2,519	25,163	95,315
EQUIPMENT OPERATOR II	Full Time	1.00	67,413	220	2,519	25,523	95,675
EQUIPMENT OPERATOR II	Full Time	1.00	67,413	165	2,517	23,542	93,637
FIELD MAINT SUPERINTDNT	Full Time	1.00	129,626	960	4,821	26,620	162,026
MAINTENANCE WORKER I	Full Time	1.00	60,882	220	2,276	23,220	86,597
MAINTENANCE WORKER I	Full Time	1.00	60,882	165	2,274	23,219	86,540
MAINTENANCE WORKER I	Full Time	1.00	58,178	385	2,181	24,468	85,213
MAINTENANCE WORKER I	Full Time	1.00	57,325	165	2,142	23,043	82,675
MAINTENANCE WORKER I	Full Time	1.00	60,882	220	2,276	23,220	86,597
MAINTENANCE WORKER I	Full Time	1.00	58,178	165	2,173	23,085	83,601
MAINTENANCE WORKER I	Full Time	1.00	58,178	165	2,173	24,435	84,951
MAINTENANCE WORKER II	Full Time	1.00	61,110	220	2,284	25,151	88,766
MAINTENANCE WORKER II	Full Time	1.00	61,110	220	2,284	24,611	88,226
MAINTENANCE WORKER II	Full Time	1.00	61,110	220	2,284	24,971	88,586
MAINTENANCE WORKER II	Full Time	1.00	61,110	220	2,284	25,001	88,616
MAINTENANCE WORKER II	Full Time	1.00	61,110	165	2,282	24,520	88,078
STREET MAINT CREW CHIEF	Full Time	1.00	78,936	1,920	2,955	26,396	110,207
STREET MAINT SUPERVISOR	Full Time	1.00	91,333	1,380	3,416	27,070	123,199
		31.00	2,153,932	14,021	80,478	760,230	3,008,662

[1] Retirement Contribution (City) for each position does not include the amortized cost of the unfunded pension liability.

**010-3130 GS-FIELD MAIN
T50000 Total Expenses**

DESCRIPTION	2014 ADOPTED	2015 ADOPTED	2015 AMENDED	2016 ADOPTED
7000 SALARIES - MISC	1,397,481	1,478,166	1,479,116	2,153,932
Total Regular Salaries	1,397,481	1,478,166	1,479,116	2,153,932
7040 OT, MISC & 1/2 TIME	15,000	10,000	10,000	100,000
Total Overtime Salaries	15,000	10,000	10,000	100,000
7057 DUTY PAY	4,000	5,000	5,000	8,000
7063 CERTIFICATION PAY	5,800	4,505	4,505	7,180
7080 CALL BACK PAY	3,000	3,000	3,000	4,000
7114 CELL PHNE STIPND EXP	3,960	3,961	3,961	6,841
Total Other Salaries	16,760	16,465	16,465	26,021
Total Salaries	1,429,241	1,504,632	1,505,582	2,279,953
7210 HLTH/DNTAL/VISON FT	363,840	408,177	408,177	622,283
7223 ANNUAL OPEB COST	66,063	71,366	71,366	64,102
7227 RHS \$2.50 CONTRIB	19,050	20,370	20,370	25,590
Total Health & Retiree Ins	448,954	499,913	499,913	711,975
7290 LIFE INSURANCE	2,100	2,205	2,205	3,255
7295 EMP ASSIST PRGM	458	496	496	755
7370 WORKERS' COMP, MISC	70,399	70,399	70,399	58,591
7373 COMPSNTD ABSNCES	48,912	51,736	51,736	75,388
7425 MEDICARE FRINGES	20,460	21,760	21,760	32,960
Total Other Benefits	142,329	146,596	146,596	170,949
7439 PERS MBR CNTRBN MISC	13,556	115,796	115,796	172,706
7440 PERS ER CNTRBN MISC	216,907	118,766	118,766	175,021
7445 EE RET CNTRBN MISC	0	(161,818)	(161,818)	(267,249)
7446 PERS UNFND LIAB MISC	0	163,540	163,540	411,721
Total Retirements	230,462	236,284	236,284	492,198
Total Benefits	821,745	882,793	882,793	1,375,122
Total Salaries and Benefits	2,250,986	2,387,425	2,388,375	3,655,075
8020 AUTOMOTIVE SERVICE	65,000	65,000	65,000	95,000
8022 EQUIP MAINT ISF	171,212	187,314	187,314	320,337
8024 VEHICLE REPLACE ISF	196,813	196,813	196,813	345,238
8030 MAINT&REPAR - EQUIP	2,500	2,500	2,500	2,500
8033 PRNTR MAINT/SUPLIES	700	700	700	950
8036 MAINT-E. COAST HWY	19,783	19,783	19,783	19,783
8060 PUBLICATIONS & DUES	250	250	250	200
8070 RENTAL/PROP & EQUIP	1,200	1,200	1,200	1,200
8080 SERVICES-PROF & TECH	35,000	35,000	35,000	85,000
8088 SERVICES - CONTRACT	40,000	50,000	61,843	61,843
80886 CNTRT SVCS-BCH REFS	0	0	0	164,218
8089 SVCS-CTY PRT CNTRCT	46	46	46	46
808D BCH TRSHCN CLCTN	0	0	0	141,682
808E STEAM CLEANING	0	0	0	210,000
8100 TRAVEL & MEETINGS	300	300	300	300
8105 TRAINING	1,000	2,500	2,500	5,000
8111 TELECOMM-DATALINES	600	600	600	600
8140 SUPPLIES- OFFICE NOC	750	750	750	850
8160 MAINT & REPAIR NOC	700	700	700	700
8170 MAINT - BEACHES	0	0	0	8,000
8176 MAINT - TRFC CNTRL	5,000	5,000	7,935	8,035
8200 SPECIAL DEPT SUPPLIES	1,000	1,000	1,000	1,000
8204 UNIFORM EXPENSE	11,000	11,000	11,000	16,000
8212 STRT CLEANING EXP	0	0	0	3,000
8222 TRAFFIC SUPPLIES	8,000	8,000	8,000	8,000
8223 CONTRACT STRIPING	130,000	130,000	130,594	130,594
8224 RDWY PAINTS & BARS	11,000	11,000	11,000	11,000
8226 DEVICE PAINTS	700	700	700	700
8228 SIGNS	15,000	47,000	47,000	47,000
8232 SIGN INSTLTNS MTRLS	20,000	0	0	0
8238 ASPHALT MATERIALS	190,000	193,735	195,253	195,253
8239 CONCRETE MATERIALS	150,000	150,000	150,000	150,000
8240 TOOLS, INSTRMNTS, ETC	2,000	2,000	2,000	2,000
8250 SPECIAL DEPT EXPENSE	30,000	30,000	30,000	30,000

**010-3130 GS-FIELD MAIN
T50000 Total Expenses**

DESCRIPTION	2014 ADOPTED	2015 ADOPTED	2015 AMENDED	2016 ADOPTED
8318 IT ISF OPRATNG CHRGE	24,195	29,107	29,107	162,754
8319 IT ISF STRATGIC CHRGE	11,585	11,817	11,817	42,622
8340 GENERAL INSURANCE	82,527	82,527	82,527	78,824
Total Operating Expenses	1,227,861	1,276,342	1,293,232	2,350,229
9010 COMPUTER EQUIPMENT	2,000	2,000	2,000	2,000
9300 EQUIPMENT, N.O.C.	0	0	0	12,000
Total Capital Outlay	2,000	2,000	2,000	14,000
Total Division Expenses	3,480,847	3,665,767	3,683,607	6,019,303
Total Expenses	3,480,847	3,665,767	3,683,607	6,019,303

Report :
 Year:
 Division

DIVISION POSITION WORKSHEET
 JUL To JUN 2016
 010-3140 - GS-OPERATIONS SUPPRT

Position	Type of Employee	FTE	Base Wages	Specialty Pays	Retirement Contrib (City) ^[1]	Other Benefits	Total Salaries and Benefits
EQUIPMENT OPERATOR II	Full Time	1.00	67,413	330	2,523	25,645	95,910
EQUIPMENT OPERATOR II	Full Time	1.00	67,413	220	2,519	25,163	95,315
EQUIPMENT OPERATOR II	Full Time	1.00	67,413	330	2,523	25,075	95,341
MAINTENANCE & OPERATIONS SPECIALIST	Full Time	0.50	30,898	480	1,151	11,631	44,160
MAINTENANCE WORKER I	Full Time	1.00	58,178	0	2,167	24,793	85,138
MAINTENANCE WORKER II	Full Time	1.00	61,110	165	2,282	24,730	88,288
OPERATIONS SUPPORT SUPT.	Full Time	0.50	64,813	480	2,410	13,310	81,013
STORM DRAIN/ST. SWP SUPR	Full Time	1.00	91,333	1,400	3,417	24,730	120,880
STRM DRN/ST.SWP CRW CHIEF	Full Time	1.00	78,936	1,125	2,945	24,113	107,119
		8.00	587,506	4,530	21,937	200,785	814,759

[1] Retirement Contribution (City) for each position does not include the amortized cost of the unfunded pension liability.

010-3140 GS-OPERATIONS SUPPRT
T50000 Total Expenses

DESCRIPTION	2014 ADOPTED	2015 ADOPTED	2015 AMENDED	2016 ADOPTED
7000 SALARIES - MISC	1,660,175	1,258,990	1,259,190	587,506
Total Regular Salaries	1,660,175	1,258,990	1,259,190	587,506
7040 OT, MISC & 1/2 TIME	165,000	150,000	150,000	90,000
Total Overtime Salaries	165,000	150,000	150,000	90,000
7057 DUTY PAY	10,000	10,000	10,000	10,000
7063 CERTIFICATION PAY	5,000	3,445	3,445	1,650
7080 CALL BACK PAY	10,000	10,000	10,000	10,000
7114 CELL PHNE STIPND EXP	5,340	3,841	3,841	2,881
Total Other Salaries	30,340	27,286	27,286	24,531
Total Salaries	1,855,515	1,436,276	1,436,476	702,037
7210 HLTH/DNTAL/VISON FT	436,608	349,866	349,866	160,589
7223 ANNUAL OPEB COST	75,677	84,781	84,781	54,571
7227 RHS \$2.50 CONTRIB	17,640	12,480	12,480	8,460
Total Health & Retiree Ins	529,925	447,127	447,127	223,620
7290 LIFE INSURANCE	2,520	1,890	1,890	840
7295 EMP ASSIST PRGM	550	425	425	195
7370 WORKERS' COMP, MISC	97,416	97,416	97,416	81,077
7373 COMPSNTD ABSNCES	58,106	44,065	44,065	20,563
7425 MEDICARE FRINGES	20,159	20,770	20,770	10,138
Total Other Benefits	178,751	164,566	164,566	112,812
7439 PERS MBR CNTRBN MISC	16,104	98,596	98,596	47,077
7440 PERS ER CNTRBN MISC	257,687	101,124	101,124	47,709
7445 EE RET CNTRBN MISC	0	(137,781)	(137,781)	(72,849)
7446 PERS UNFND LIAB MISC	0	139,248	139,248	112,652
Total Retirements	273,791	201,186	201,186	134,589
Total Benefits	982,467	812,880	812,880	471,022
Total Salaries and Benefits	2,837,983	2,249,155	2,249,355	1,173,059
8020 AUTOMOTIVE SERVICE	100,000	100,000	100,000	40,000
8022 EQUIP MAINT ISF	235,112	262,903	262,903	81,088
8024 VEHICLE REPLACE ISF	265,529	269,092	269,092	93,174
8030 MAINT&REPAR - EQUIP	4,000	4,000	4,000	5,000
8033 PRNTR MAINT/SUPLIES	1,000	1,000	1,000	1,000
8036 MAINT-E. COAST HWY	7,114	7,114	7,114	7,114
8040 MAINT&REPAIR - BLDG	220,000	0	0	0
8060 PUBLICATIONS & DUES	200	200	200	200
8070 RENTAL/PROP & EQUIP	4,000	4,000	4,000	2,000
8080 SERVICES-PROF & TECH	175,000	175,000	184,645	125,000
8081 SERVICES - JANITORIAL	330,000	0	3,788	0
80884 CNTRT SVC-STRT SWP	453,000	453,000	453,000	455,000
80885 CNTRT SVCS-ALY SWPN	87,000	89,876	92,752	75,000
80886 CNTRT SVCS-BCH REFS	135,500	149,859	164,218	0
80887 CNTRT SVCS-STRM DR	167,588	167,588	167,588	200,000
8089 SVCS-CTY PRT CNTRCT	33	33	33	33
808D BCH TRSHCN CLCTN	140,000	140,000	140,000	0
808E STEAM CLEANING	200,000	201,300	201,300	0
8100 TRAVEL & MEETINGS	450	450	450	300
8105 TRAINING	1,000	2,500	2,500	2,500
8112 UTILITIES - TELEPHONE	500	500	500	500
8114 UTILITIES - NTRL GAS	10,000	10,000	10,000	0
8116 UTILITIES - ELECTRICITY	150,000	20,000	20,000	20,000
8118 UTILITIES - WATER	80,000	80,000	80,000	80,000
8140 SUPPLIES- OFFICE NOC	1,500	1,500	1,500	1,500
8150 SUPPLIES- JANITORIAL	100,000	0	0	0
8153 MAINT - BBSC	25,000	0	0	0
8160 MAINT & REPAIR NOC	30,625	30,625	30,625	50,625
8166 MAINT - STORM DRAINS	55,400	135,000	135,000	135,000
8170 MAINT - BEACHES	8,000	8,000	8,682	0
8176 MAINT - TRFC CNTRL	1,500	1,500	1,500	2,000
8200 SPECIAL DEPT SUPPLIES	2,500	2,500	2,500	2,500
8204 UNIFORM EXPENSE	14,000	12,000	12,000	4,000
8212 STRT CLEANING EXP	4,000	5,000	5,000	2,000

010-3140 GS-OPERATIONS SUPPRT
T50000 Total Expenses

DESCRIPTION	2014 ADOPTED	2015 ADOPTED	2015 AMENDED	2016 ADOPTED
8214 CRPNTR SHP SUPPLIES	1,500	0	0	0
8215 PIER/FLOAT SUPPLIES	10,000	0	0	0
8220 SIGN SHOP SUPPLIES	2,000	0	0	0
8230 SIGN MATERIALS	10,000	0	0	0
8240 TOOLS, INSTRMNTS, ETC	4,000	2,500	2,500	3,500
8250 SPECIAL DEPT EXPENSE	160,000	160,000	189,934	189,934
8318 IT ISF OPRATNG CHRGE	28,612	34,431	34,431	42,001
8319 IT ISF STRATGIC CHRGE	13,240	13,505	13,505	10,999
8340 GENERAL INSURANCE	150,928	150,928	150,928	144,156
Total Operating Expenses	3,389,831	2,695,904	2,757,188	1,776,124
9010 COMPUTER EQUIPMENT	1,000	1,000	1,000	1,000
9300 EQUIPMENT, N.O.C.	13,000	16,550	16,550	16,550
Total Capital Outlay	14,000	17,550	17,550	17,550
Total Division Expenses	6,241,814	4,962,610	5,024,094	2,966,733
Total Expenses	6,241,814	4,962,610	5,024,094	2,966,733

Report : DIVISION POSITION WORKSHEET
Year: JUL To JUN 2016
Division 010-3150 - GS-REFUSE

Position	Type of Employee	FTE	Base Wages	Specialty Pays	Retirement Contrib (City)	Other Benefits	Total Salaries and Benefits
SR MANAGEMENT ANALYST	Full Time	1.00	127,712	960	4,750	26,525	159,947
		1.00	127,712	960	4,750	26,525	159,947

[1] Retirement Contribution (City) for each position does not include the amortized cost of the unfunded pension liability.

**010-3150 GS-REFUSE
T50000 Total Expenses**

DESCRIPTION	2014	2015	2015	2016
	ADOPTED	ADOPTED	AMENDED	ADOPTED
7000 SALARIES - MISC	1,143,750	328,224	328,224	127,712
Total Regular Salaries	1,143,750	328,224	328,224	127,712
7040 OT, MISC & 1/2 TIME	150,000	150,000	150,000	0
Total Overtime Salaries	150,000	150,000	150,000	0
7059 ONE MAN PACKER PAY	100,000	0	0	0
7063 CERTIFICATION PAY	4,800	385	385	0
7114 CELL PHNE STIPND EXP	1,920	1,920	1,920	960
Total Other Salaries	106,720	2,305	2,305	960
Total Salaries	1,400,470	480,529	480,529	128,672
7210 HLTH/DNTAL/VISON FT	327,456	77,748	77,748	20,074
7223 ANNUAL OPEB COST	67,463	58,409	58,409	14,225
7227 RHS \$2.50 CONTRIB	10,470	3,510	3,510	0
Total Health & Retiree Ins	405,389	139,667	139,667	34,298
7290 LIFE INSURANCE	1,890	420	420	105
7295 EMP ASSIST PRGM	413	95	95	24
7370 WORKERS' COMP, MISC	82,113	82,113	82,113	68,340
7373 COMPSNTD ABSNCES	40,031	11,488	11,488	4,470
7425 MEDICARE FRINGES	15,867	6,940	6,940	1,852
Total Other Benefits	140,314	101,055	101,055	74,791
7439 PERS MBR CNTRBN MISC	11,094	25,654	25,654	10,193
7440 PERS ER CNTRBN MISC	177,547	26,312	26,312	10,329
7445 EE RET CNTRBN MISC	0	(35,849)	(35,849)	(15,772)
7446 PERS UNFND LIAB MISC	0	36,232	36,232	24,756
Total Retirements	188,642	52,348	52,348	29,505
Total Benefits	734,344	293,070	293,070	138,595
Total Salaries and Benefits	2,134,814	773,599	773,599	267,267
8009 RSDNTL REFSE COLLECT	0	3,807,000	3,807,000	3,910,000
8010 ADVRT&PUB RELATNS	1,000	1,000	1,000	2,500
8020 AUTOMOTIVE SERVICE	100,000	1,500	1,500	3,000
8022 EQUIP MAINT ISF	414,538	0	0	4,482
8024 VEHICLE REPLACE ISF	411,325	3,649	3,649	3,649
8030 MAINT&REPAR - EQUIP	10,000	0	0	0
8033 PRNTR MAINT/SUPLIES	300	300	300	300
8080 SERVICES-PROF & TECH	100,000	50,000	50,002	50,002
8085 SRVCS-NPT CST REFSE	645,000	669,440	767,817	725,000
8088 SERVICES - CONTRACT	21,000	34,000	34,000	34,000
8089 SVCS-CTY PRT CNTRCT	209	209	209	209
8100 TRAVEL & MEETINGS	200	750	750	750
8105 TRAINING	400	1,000	1,000	2,000
8200 SPECIAL DEPT SUPPLIES	5,000	5,000	5,000	1,000
8204 UNIFORM EXPENSE	13,000	750	750	750
8240 TOOLS, INSTRMNTS, ETC	250	250	250	250
8250 SPECIAL DEPT EXPENSE	1,601,658	2,000	427,441	5,000
8298 OTHER AGENCY FEES	15,000	15,000	15,000	15,000
8318 IT ISF OPRATNG CHRGE	27,470	33,046	33,046	15,750
8319 IT ISF STRATGIC CHRGE	13,240	13,505	13,505	4,125
8340 GENERAL INSURANCE	183,041	183,041	183,041	174,828
Total Operating Expenses	3,562,632	4,821,439	5,345,259	4,952,595
Total Division Expenses	5,697,446	5,595,038	6,118,858	5,219,862
Total Expenses	5,697,446	5,595,038	6,118,858	5,219,862

Report :
 Year:
 Division

DIVISION POSITION WORKSHEET
 JUL To JUN 2016
 010-3170 - GS-PARKS

Position	Type of Employee	FTE	Base Wages	Specialty Pays	Retirement Contrib (City) ^[1]	Other Benefits	Total Salaries and Benefits
GROUNDWORKER I, LIMITED TERM	Full Time	1.00	60,882	165	2,274	23,219	86,540
GROUNDWORKER I, LIMITED TERM	Full Time	1.00	60,882	165	2,274	25,439	88,759
GROUNDWORKER I, LIMITED TERM	Full Time	1.00	55,266	165	2,065	24,321	81,817
GROUNDWORKER II	Full Time	1.00	60,882	165	2,274	23,219	86,540
GROUNDWORKER II	Full Time	1.00	59,363	0	2,211	24,341	85,916
GROUNDWORKER II	Full Time	1.00	53,789	0	2,004	24,576	80,368
GROUNDWORKER II	Full Time	1.00	62,296	440	2,337	25,033	90,106
GROUNDWORKER II	Full Time	1.00	62,296	0	2,320	23,287	87,903
MAINTENANCE & OPERATIONS SPECIALIST	Full Time	1.00	65,395	1,070	2,440	23,442	92,347
PARK & TREE SUPERTDNT	Full Time	1.00	129,626	960	4,821	28,480	163,886
PARK MAINT CREW CHIEF	Full Time	1.00	78,936	1,400	2,955	24,117	107,408
PARK MAINT CREW CHIEF	Full Time	1.00	78,936	1,180	2,947	24,113	107,177
PARK MAINT CREW CHIEF	Full Time	1.00	78,936	540	2,939	24,110	106,526
PARK MAINT SUPERVISOR	Full Time	1.00	91,333	1,070	3,404	26,315	122,123
PARK MAINT SUPERVISOR	Full Time	1.00	91,333	1,180	3,408	24,727	120,648
		15.00	1,090,149	8,501	40,673	369,188	1,508,512

[1] Retirement Contribution (City) for each position does not include the amortized cost of the unfunded pension liability.

**010-3170 GS-PARKS
T50000 Total Expenses**

DESCRIPTION	2014 ADOPTED	2015 ADOPTED	2015 AMENDED	2016 ADOPTED
7000 SALARIES - MISC	883,784	1,020,542	1,020,917	1,090,149
Total Regular Salaries	883,784	1,020,542	1,020,917	1,090,149
7040 OT, MISC & 1/2 TIME	29,500	29,500	29,500	29,500
Total Overtime Salaries	29,500	29,500	29,500	29,500
7063 CERTIFICATION PAY	1,400	1,815	1,815	2,200
7080 CALL BACK PAY	0	1,500	1,500	1,500
7114 CELL PHNE STIPND EXP	6,300	6,301	6,301	6,301
Total Other Salaries	7,700	9,616	9,616	10,001
Total Salaries	920,984	1,059,659	1,060,034	1,129,650
7210 HLTH/DNTAL/VISON FT	218,304	272,118	272,118	301,105
7223 ANNUAL OPEB COST	44,371	45,133	45,133	44,244
7227 RHS \$2.50 CONTRIB	12,307	9,960	9,960	11,700
Total Health & Retiree Ins	274,982	327,211	327,211	357,049
7290 LIFE INSURANCE	1,258	1,470	1,470	1,575
7295 EMP ASSIST PRGM	275	331	331	365
7370 WORKERS' COMP, MISC	49,555	49,555	49,555	41,243
7373 COMPSNTD ABSNCES	30,932	35,719	35,719	38,155
7425 MEDICARE FRINGES	7,820	15,274	15,274	16,289
Total Other Benefits	89,840	102,349	102,349	97,627
7439 PERS MBR CNTRBN MISC	8,573	79,840	79,840	82,286
7440 PERS ER CNTRBN MISC	137,159	81,887	81,887	88,457
7445 EE RET CNTRBN MISC	0	(111,571)	(111,571)	(135,069)
7446 PERS UNFND LIAB MISC	0	112,758	112,758	207,697
Total Retirements	145,731	162,914	162,914	248,371
Total Benefits	510,554	592,474	592,474	703,047
Total Salaries and Benefits	1,431,538	1,652,133	1,652,508	1,832,697
8020 AUTOMOTIVE SERVICE	28,000	28,000	28,000	30,000
8022 EQUIP MAINT ISF	52,240	57,153	57,153	57,041
8024 VEHICLE REPLACE ISF	46,809	46,809	46,809	49,209
8030 MAINT&REPAR - EQUIP	2,000	2,000	2,000	2,000
8033 PRNTR MAINT/SUPLIES	450	450	450	450
8060 PUBLICATIONS & DUES	300	1,000	1,000	1,000
8070 RENTAL/PROP & EQUIP	5,300	5,300	5,300	5,300
8080 SERVICES-PROF & TECH	136,628	140,861	140,861	160,861
8082 TURF RENOVATION	80,000	86,120	97,712	95,000
80881 CNTRCT SVCS-MEDINS	1,140,000	1,182,700	1,434,800	1,623,800
80883 CNTRCT SVCS-PRKS/FC	845,200	1,001,850	1,063,022	1,183,603
80889 CNTRCT SVCS-CVC CTR	0	188,403	188,403	198,131
8089 SVCS-CTY PRT CNTRCT	454	454	454	454
808D BCH TRSHCN CLCTN	55,000	55,000	55,000	60,000
8100 TRAVEL & MEETINGS	150	150	150	150
8105 TRAINING	2,500	2,500	2,500	2,500
8111 TELECOMM-DATALINES	1,200	1,200	1,200	1,200
8112 UTILITIES - TELEPHONE	850	850	850	850
8116 UTILITIES - ELECTRICITY	45,000	45,000	45,000	45,000
8118 UTILITIES - WATER	650,000	800,000	800,000	1,000,000
8140 SUPPLIES- OFFICE NOC	1,600	1,600	1,600	1,600
8160 MAINT & REPAIR NOC	150,199	150,199	153,069	153,069
8165 MAINT-IRRGTN REPAIR	28,000	55,000	57,280	57,280
8167 MAINT-DRNKG FOU REP	500	500	500	500
8173 MAIN-BLG/PLGR EQ RPR	5,000	5,000	5,000	5,000
8200 SPECIAL DEPT SUPPLIES	4,000	4,000	4,000	4,000
8204 UNIFORM EXPENSE	7,000	7,000	7,000	7,000
8216 SAFETY EQUIPMENT	4,000	4,000	4,000	4,000
8231 NWP CST REIMBRSMNT	60,620	60,620	60,620	60,620
8234 INSCTCDES	6,000	6,000	6,000	6,000
8235 PLANT MATERIALS	20,000	20,000	20,000	20,000
8236 FERTILIZER	5,000	5,000	5,000	5,000
8237 TOP SOIL/AMENDMENTS	15,000	15,000	15,000	15,000
8240 TOOLS, INSTRMNTS, ETC	3,500	3,500	3,500	3,500
8250 SPECIAL DEPT EXPENSE	10,000	10,000	10,000	10,000

010-3170 GS-PARKS
T50000 Total Expenses

DESCRIPTION	2014 ADOPTED	2015 ADOPTED	2015 AMENDED	2016 ADOPTED
8292 HAZARD MITIGATION	180,406	180,996	181,586	181,586
8318 IT ISF OPRATNG CHRGE	16,552	19,917	19,917	78,752
8319 IT ISF STRATGIC CHRGE	7,723	7,878	7,878	20,624
8340 GENERAL INSURANCE	207,735	207,735	207,735	198,414
Total Operating Expenses	3,824,916	4,409,745	4,740,349	5,348,494
9023 FY15 PARK RENOVATION	0	310,000	310,000	310,000
9300 EQUIPMENT, N.O.C.	3,000	3,000	3,000	3,000
Total Capital Outlay	3,000	313,000	313,000	313,000
Total Division Expenses	5,259,454	6,374,877	6,705,857	7,494,191
Total Expenses	5,259,454	6,374,877	6,705,857	7,494,191

Report : DIVISION POSITION WORKSHEET
Year: JUL To JUN 2016
Division 010-3180 - GS-STREET TREES

Position	Type of Employee	FTE	Base Wages	Specialty Pays	Retirement Contrib (City) ^[1]	Other Benefits	Total Salaries and Benefits
URBAN FORESTER	Full Time	1.00	91,312	1,860	3,357	24,723	121,252
		1.00	91,312	1,860	3,357	24,727	121,255

[1] Retirement Contribution (City) for each position does not include the amortized cost of the unfunded pension liability.

010-3180 GS-STREET TREES
T50000 Total Expenses

DESCRIPTION	2014 ADOPTED	2015 ADOPTED	2015 AMENDED	2016 ADOPTED
7000 SALARIES - MISC	88,629	89,960	89,960	91,312
Total Regular Salaries	88,629	89,960	89,960	91,312
7040 OT, MISC & 1/2 TIME	258	258	258	258
Total Overtime Salaries	258	258	258	258
7063 CERTIFICATION PAY	1,726	1,680	1,680	900
7114 CELL PHNE STIPND EXP	960	960	960	960
Total Other Salaries	2,686	2,640	2,640	1,860
Total Salaries	91,573	92,858	92,858	93,430
7210 HLTH/DNTAL/VISON FT	18,192	19,437	19,437	20,074
7223 ANNUAL OPEB COST	4,190	4,526	4,526	3,899
Total Health & Retiree Ins	22,382	23,963	23,963	23,972
7290 LIFE INSURANCE	105	105	105	105
7295 EMP ASSIST PRGM	23	24	24	24
7370 WORKERS' COMP, MISC	3,764	3,764	3,764	3,133
7373 COMPSNTD ABSNCES	3,102	3,149	3,149	3,196
7425 MEDICARE FRINGES	1,323	1,333	1,333	1,328
Total Other Benefits	8,317	8,374	8,374	7,786
7439 PERS MBR CNTRBN MISC	893	7,148	7,148	7,359
7440 PERS ER CNTRBN MISC	14,005	7,331	7,331	7,385
7445 EE RET CNTRBN MISC	0	(9,989)	(9,989)	(11,388)
7446 PERS UNFND LIAB MISC	0	10,095	10,095	17,611
Total Retirements	14,898	14,585	14,585	20,967
Total Benefits	45,597	46,922	46,922	52,726
Total Salaries and Benefits	137,170	139,781	139,781	146,156
8020 AUTOMOTIVE SERVICE	1,500	1,500	1,500	1,500
8022 EQUIP MAINT ISF	3,505	3,835	3,835	3,828
8024 VEHICLE REPLACE ISF	2,777	2,777	2,777	2,777
8030 MAINT&REPAR - EQUIP	200	200	200	200
8060 PUBLICATIONS & DUES	300	300	300	300
8080 SERVICES-PROF & TECH	1,150,000	1,321,670	1,329,420	1,351,478
80805 FICUS TREE MAINT	60,000	60,000	99,849	99,849
80806 TREE REFORESTATION	135,000	250,000	250,845	250,845
80807 TREE REPLACE/CLAIMS	30,000	30,000	46,916	46,916
8089 SVCS-CTY PRT CNTRCT	75	75	75	75
8100 TRAVEL & MEETINGS	200	200	200	200
8105 TRAINING	400	400	400	400
8111 TELECOMM-DATALINES	400	400	400	400
8140 SUPPLIES- OFFICE NOC	200	200	200	200
8200 SPECIAL DEPT SUPPLIES	100	100	100	100
8204 UNIFORM EXPENSE	300	300	300	300
8240 TOOLS, INSTRMNTS, ETC	750	750	750	750
8318 IT ISF OPRATNG CHRGE	2,161	2,611	2,611	5,250
8319 IT ISF STRATGIC CHRGE	552	563	563	1,375
8340 GENERAL INSURANCE	57,197	57,197	57,197	54,630
Total Operating Expenses	1,445,617	1,733,077	1,798,437	1,821,372
Total Division Expenses	1,582,787	1,872,858	1,938,218	1,967,528
Total Expenses	1,582,787	1,872,858	1,938,218	1,967,528

**010-5300 UTILITIES-ELECTRICAL
T50000 Total Expenses**

DESCRIPTION	2014 ADOPTED	2015 ADOPTED	2015 AMENDED	2016 ADOPTED
8003 GENRATR MAINT&REPR	0	11,000	11,000	11,000
8040 MAINT&REPAIR - BLDG	2,000	2,000	2,000	2,000
8088 SERVICES - CONTRACT	65,000	78,370	87,153	137,153
8116 UTILITIES - ELECTRICITY	700,000	700,000	700,000	600,000
8160 MAINT & REPAIR NOC	170,000	230,000	230,000	310,000
8340 GENERAL INSURANCE	13,463	13,463	13,463	12,859
Total Operating Expenses	950,463	1,034,833	1,043,616	1,073,012
Total Division Expenses	950,463	1,034,833	1,043,616	1,073,012
Total Expenses	950,463	1,034,833	1,043,616	1,073,012

230-5400 UTILITIES-OIL & GAS
T50000 Total Expenses

DESCRIPTION	2014	2015	2015	2016
	ADOPTED	ADOPTED	AMENDED	ADOPTED
8080 SERVICES-PROF & TECH	120,000	120,337	122,577	122,577
8111 TELECOMM-DATALINES	2,000	1,000	1,000	1,000
8116 UTILITIES - ELECTRICITY	72,000	75,000	75,000	75,000
8118 UTILITIES - WATER	7,500	8,000	8,000	8,000
8160 MAINT & REPAIR NOC	284,524	325,000	325,000	325,000
8200 SPECIAL DEPT SUPPLIES	5,000	5,000	5,000	5,000
8201 TREATMENT CHEMICALS	20,000	20,000	20,000	20,000
8250 SPECIAL DEPT EXPENSE	232,000	290,000	290,000	290,000
8340 GENERAL INSURANCE	11,123	11,123	11,123	10,624
Total Operating Expenses	754,147	855,460	857,700	857,201
Total Division Expenses	754,147	855,460	857,700	857,201
Total Expenses	754,147	855,460	857,700	857,201

Report :
Year:
Division

DIVISION POSITION WORKSHEET
JUL To JUN 2016
500-5500 - UTILITIES-WATER UTIL

Position	Type of Employee	FTE	Base Wages	Specialty Pays	Retirement Contrib (City)	Other Benefits	Total Salaries and Benefits
ADMINISTRATIVE MANAGER	Full Time	0.50	55,449	480	2,062	13,491	71,482
ASSISTANT, ADMINISTRATIVE	Full Time	1.00	77,251	0	2,873	24,027	104,151
ASSISTANT, DEPARTMENT	Full Time	1.00	62,026	0	2,307	25,013	89,346
ENGINEERING TECHNICIAN	Full Time	0.50	37,679	480	1,401	12,792	52,352
FIELD SUPERINTENDENT II	Full Time	1.00	127,012	2,100	4,766	28,396	162,275
MAINTENANCE & OPERATIONS SPECIALIST	Full Time	1.00	78,936	1,125	2,945	25,823	108,829
MUNICIPAL OPS DIRECTOR	Full Time	0.50	67,236	0	2,500	13,430	83,166
UTILITIES CREW CHIEF	Full Time	1.00	78,936	1,620	2,964	25,500	109,020
UTILITIES CREW CHIEF	Full Time	1.00	78,936	1,400	2,955	24,117	107,408
UTILITIES CREW CHIEF	Full Time	1.00	78,936	2,800	3,008	25,577	110,321
UTILITIES CREW CHIEF	Full Time	1.00	74,078	1,455	2,777	25,287	103,598
UTILITIES GENERAL MANAGER	Full Time	1.00	154,045	960	5,729	27,828	188,562
UTILITIES SCADA COORD	Full Time	1.00	84,614	1,125	3,156	26,464	115,360
UTILITIES SPECIALIST	Full Time	1.00	65,395	110	2,440	25,782	93,727
UTILITIES SPECIALIST	Full Time	1.00	65,395	330	2,448	25,005	93,178
UTILITIES SPECIALIST	Full Time	1.00	56,451	385	2,117	29,806	88,760
UTILITIES SPECIALIST	Full Time	1.00	65,395	330	2,448	24,855	93,028
UTILITIES SPECIALIST	Full Time	1.00	65,395	165	2,442	24,673	92,675
UTILITIES SPECIALIST	Full Time	1.00	59,251	110	2,211	30,119	91,692
UTILITIES SPECIALIST	Full Time	1.00	65,395	750	2,464	25,281	93,890
UTILITIES SPECIALIST	Full Time	1.00	56,349	935	2,134	31,597	91,015
UTILITIES SPECIALIST	Full Time	1.00	51,230	0	1,909	22,739	75,878
UTILITIES SPECIALIST, SR.	Full Time	1.00	63,189	925	2,368	29,067	95,548
UTILITIES SPECIALIST, SR.	Full Time	1.00	66,343	1,730	2,500	29,586	100,159
UTILITIES SPECIALIST, SR.	Full Time	1.00	70,283	330	2,630	24,917	98,160
UTILITIES SPECIALIST, SR.	Full Time	1.00	69,643	980	2,610	23,657	96,890
UTILITIES SPECIALIST, SR.	Full Time	1.00	70,283	1,730	2,646	25,133	99,793
UTILITIES SUPERVISOR	Full Time	1.00	91,333	2,360	3,452	26,184	123,329
UTILITIES SUPERVISOR	Full Time	1.00	91,333	1,840	3,433	26,207	122,813
UTILITIES SUPERVISOR	Full Time	1.00	91,333	1,510	3,421	26,592	122,855
WATER PRODUCTION OPERATOR	Full Time	1.00	82,846	2,380	3,137	25,914	114,279
WATER PRODUCTION OPERATOR	Full Time	1.00	82,846	1,830	3,117	25,937	113,730
WATER PRODUCTION OPERATOR	Full Time	1.00	82,846	2,160	3,129	24,321	112,457
WATER QUALITY COORDINATOR	Full Time	1.00	91,333	2,630	3,462	26,848	124,274
INTERN	Part Time	2.00	32,386	0	12,145	470	45,000
		34.50	2,591,390	37,068	108,105	854,028	3,590,591

[1] Retirement Contribution (City) for each position does not include the amortized cost of the unfunded pension liability.

500-5500 UTILITIES-WATER UTIL
T50000 Total Expenses

DESCRIPTION	2014	2015	2015	2016
	ADOPTED	ADOPTED	AMENDED	ADOPTED
7000 SALARIES - MISC	2,438,709	2,431,980	2,435,230	2,559,004
7020 SALARIES - PART TIME	0	0	0	32,386
Total Regular Salaries	2,438,709	2,431,980	2,435,230	2,591,390
7040 OT, MISC & 1/2 TIME	107,987	50,000	50,000	60,000
Total Overtime Salaries	107,987	50,000	50,000	60,000
7063 CERTIFICATION PAY	20,000	18,046	18,046	18,706
7066 BILINGUAL PAY	1,800	1,800	1,800	0
7080 CALL BACK PAY	48,333	50,000	50,000	50,000
7114 CELL PHNE STIPND EXP	19,860	18,423	18,423	18,363
Total Other Salaries	89,993	88,269	88,269	87,069
Total Salaries	2,636,688	2,570,249	2,573,499	2,738,458
7210 HLTH/DNTAL/VISON FT	591,240	612,266	612,266	652,393
7223 ANNUAL OPEB COST	123,680	124,769	124,769	105,538
7227 RHS \$2.50 CONTRIB	27,090	28,350	28,350	68,424
Total Health & Retiree Ins	742,010	765,385	765,385	826,355
7290 LIFE INSURANCE	3,404	3,308	3,308	3,413
7295 EMP ASSIST PRGM	745	744	744	792
7370 WORKERS' COMP, MISC	69,756	69,756	69,756	58,056
7373 COMPSNTE ABSNCES	85,355	85,119	85,119	89,565
7425 MEDICARE FRINGES	33,562	37,001	37,001	39,441
Total Other Benefits	192,822	195,929	195,929	191,267
7439 PERS MBR CNTRBN MISC	23,690	191,435	191,435	205,931
7440 PERS ER CNTRBN MISC	378,701	196,343	196,343	208,692
7445 EE RET CNTRBN MISC	0	(267,518)	(267,518)	(318,664)
7446 PERS UNFND LIAB MISC	0	270,363	270,363	492,777
7460 RETRMNT PT/TEMP	0	0	0	12,145
Total Retirements	402,392	390,624	390,624	600,882
Total Benefits	1,337,224	1,351,937	1,351,937	1,618,504
Total Salaries and Benefits	3,973,912	3,922,186	3,925,436	4,356,962
8003 GENRATR MAINT&REPR	0	13,500	13,500	13,500
8004 CERT & MEMBERSHIP	0	3,500	3,500	3,500
8005 VALVE MAINT PROGRAM	0	100,000	100,000	100,000
8006 AIR VAC MAINT PRGM	0	30,000	30,000	30,000
8007 WATER SERVICE M&R	0	15,000	15,000	0
8008 METER VAULT REPLCMN	0	6,000	6,000	6,000
8010 ADVRT&PUB RELATNS	10,000	10,000	10,000	10,000
8020 AUTOMOTIVE SERVICE	80,000	80,000	80,000	80,000
8022 EQUIP MAINT ISF	217,832	238,319	238,319	237,853
8024 VEHICLE REPLACE ISF	231,954	231,954	231,954	231,954
8030 MAINT&REPAR - EQUIP	5,000	5,000	5,000	5,000
8033 PRNTR MAINT/SUPLIES	2,000	2,000	2,000	5,000
8040 MAINT&REPAIR - BLDG	43,552	44,812	44,812	44,812
8050 PSTGE,FREIGHT,EXPRS	81,882	81,882	81,882	81,882
8060 PUBLICATIONS & DUES	5,000	5,000	5,000	5,000
8070 RENTAL/PROP & EQUIP	4,000	4,000	4,000	4,000
8080 SERVICES-PROF & TECH	264,959	310,297	378,439	379,239
8100 TRAVEL & MEETINGS	4,000	4,000	4,000	4,000
8105 TRAINING	10,000	12,510	12,510	12,510
8111 TELECOMM-DATALINES	5,100	5,100	5,100	5,100
8112 UTILITIES - TELEPHONE	19,000	19,000	19,000	19,000
8114 UTILITIES - NTRL GAS	4,000	4,000	4,000	4,000
8116 UTILITIES - ELECTRICITY	1,450,000	1,450,000	1,450,000	1,650,000
8118 UTILITIES - WATER	4,700	4,700	4,700	4,700
8140 SUPPLIES- OFFICE NOC	5,500	5,500	5,500	5,500
8150 SUPPLIES- JANITORIAL	3,000	3,000	3,000	3,000
8151 RECY PUMP STA MAINT	0	0	0	10,000
8156 WELLS&PUMP STA MAIN	122,708	80,000	80,000	76,715
8157 REGULATING STA MAINT	98,766	80,000	80,000	60,000
8160 MAINT & REPAIR NOC	314,815	140,000	209,533	175,000
8183 BCKFLW MAINT & REPAR	20,000	25,000	25,000	25,000
8184 MAINT - SCADA	61,095	50,000	50,000	47,237

500-5500 UTILITIES-WATER UTIL
T50000 Total Expenses

DESCRIPTION	2014	2015	2015	2016
	ADOPTED	ADOPTED	AMENDED	ADOPTED
8190 WTR METR REPL PRGM	122,117	500,000	500,744	500,000
8191 FIRE HYDRNT REPL PRG	70,000	70,000	70,000	70,000
8192 CATHODIC PRTCTN PRM	15,000	15,000	15,000	15,000
8193 METR&VALVE CVR PRGM	45,563	46,404	46,404	46,404
8194 METR RDNG EQUIP IMPR	5,000	5,000	5,000	5,000
8195 WTR QLTY MONTR PRG	75,000	75,000	75,000	75,000
8196 BIG CYN RSV MNTR PRG	11,000	0	0	0
8197 UTIL FAC MAIN PRG	142,050	125,000	129,681	129,681
8198 WTR TRTMNT PRGM	27,500	50,000	50,000	50,000
8199 COMRCL METR REPL PR	111,193	111,193	112,999	111,193
8200 SPECIAL DEPT SUPPLIES	111,679	75,000	75,000	75,000
8201 TREATMENT CHEMICALS	280,000	150,000	150,000	130,000
8204 UNIFORM EXPENSE	7,000	7,000	7,000	7,000
8240 TOOLS,INSTRMNTS,ETC	6,587	7,175	7,175	7,175
8295 IMPORTED WATER EXP	4,859,026	5,154,477	5,154,477	5,962,949
8296 GROUNDWATER EXP	3,984,198	4,607,950	4,607,950	4,909,946
8297 RECLMD WTR EXP-OCW	121,600	169,488	169,488	192,500
8298 OTHER AGENCY FEES	225,000	225,000	225,000	225,000
8303 WTR CNSRV ACTVTIES	100,000	160,724	202,315	202,315
8310 SFTWRE LICNSE RENWL	7,000	25,000	25,000	25,000
8318 IT ISF OPRATNG CHRGE	115,312	139,566	139,566	147,004
8319 IT ISF STRATGIC CHRG	17,654	18,007	18,007	38,498
8330 SVC CHARGE-ADMIN	1,261,125	1,261,125	1,261,125	1,498,511
8340 GENERAL INSURANCE	221,717	221,717	221,717	211,768
8657 OUTSIDE CNSL:SPEC LIT	275,000	275,000	275,000	275,000
Total Operating Expenses	15,286,185	16,558,898	16,745,396	18,249,446
9000 OFFICE EQUIPMENT	5,000	5,000	5,000	5,000
9040 WTR CNSRVTN EQUIP	0	150,000	154,618	154,618
9300 EQUIPMENT, N.O.C.	15,000	15,000	15,000	85,602
9400 OFF FRNTRE/FIXTRES	1,000	1,000	1,000	1,000
Total Capital Outlay	21,000	171,000	175,618	246,220
Total Division Expenses	19,281,097	20,652,084	20,846,450	22,852,628
Total Expenses	19,281,097	20,652,084	20,846,450	22,852,628

Report :
 Year:
 Division

DIVISION POSITION WORKSHEET
 JUL To JUN 2016
 530-5600 - UTILITIES-WASTEWATER

Position	Type of Employee	FTE	Base Wages	Specialty Pays	Retirement Contrib (City) ^[1]	Other Benefits	Total Salaries and Benefits
MAINTENANCE & OPERATIONS SPECIALIST	Full Time	0.50	30,898	480	1,151	11,631	44,160
OPERATIONS SUPPORT SUPT.	Full Time	0.50	64,813	480	2,410	13,310	81,013
UTILITIES CREW CHIEF	Full Time	1.00	64,854	1,510	2,452	30,230	99,046
UTILITIES CREW CHIEF	Full Time	1.00	78,216	1,345	2,927	25,280	107,768
UTILITIES CREW CHIEF	Full Time	1.00	59,781	1,455	2,245	28,899	92,381
UTILITIES SCADA TECH	Full Time	1.00	78,936	1,235	2,949	26,124	109,245
UTILITIES SPECIALIST	Full Time	1.00	65,275	825	2,462	29,713	98,275
UTILITIES SPECIALIST	Full Time	1.00	65,395	330	2,448	23,445	91,618
UTILITIES SPECIALIST	Full Time	1.00	56,349	385	2,113	28,549	87,396
UTILITIES SPECIALIST	Full Time	1.00	65,395	330	2,448	24,705	92,878
UTILITIES SPECIALIST, SR.	Full Time	1.00	70,283	960	2,633	25,218	99,094
UTILITIES SPECIALIST, SR.	Full Time	1.00	70,283	1,310	2,646	25,043	99,282
UTILITIES SUPERVISOR	Full Time	1.00	91,333	1,510	3,421	24,732	120,995
		12.00	861,812	12,156	32,305	318,040	1,224,312

[1] Retirement Contribution (City) for each position does not include the amortized cost of the unfunded pension liability.

530-5600 UTILITIES-WASTEWATER
T50000 Total Expenses

DESCRIPTION	2014 ADOPTED	2015 ADOPTED	2015 AMENDED	2016 ADOPTED
7000 SALARIES - MISC	873,537	964,735	965,110	861,812
Total Regular Salaries	873,537	964,735	965,110	861,812
7040 OT, MISC & 1/2 TIME	50,975	45,000	45,000	45,000
Total Overtime Salaries	50,975	45,000	45,000	45,000
7063 CERTIFICATION PAY	9,000	8,245	8,245	5,735
7080 CALL BACK PAY	37,440	35,000	35,000	35,000
7114 CELL PHNE STIPND EXP	6,300	6,841	6,841	6,421
Total Other Salaries	52,740	50,086	50,086	47,156
Total Salaries	977,252	1,059,821	1,060,196	953,968
7210 HLTH/DNTAL/VISON FT	236,496	272,118	272,118	240,884
7223 ANNUAL OPEB COST	44,917	44,610	44,610	41,826
7227 RHS \$2.50 CONTRIB	9,120	9,930	9,930	31,701
Total Health & Retiree Ins	290,533	326,658	326,658	314,410
7290 LIFE INSURANCE	1,363	1,470	1,470	1,260
7295 EMP ASSIST PRGM	298	331	331	292
7370 WORKERS' COMP, MISC	24,112	24,112	24,112	20,068
7373 COMPSNTD ABSNCES	30,574	33,766	33,766	30,163
7425 MEDICARE FRINGES	11,667	15,268	15,268	13,739
Total Other Benefits	68,014	74,947	74,947	65,523
7439 PERS MBR CNTRBN MISC	8,473	75,996	75,996	69,326
7440 PERS ER CNTRBN MISC	135,602	77,945	77,945	70,255
7445 EE RET CNTRBN MISC	0	(106,200)	(106,200)	(107,277)
7446 PERS UNFND LIAB MISC	0	107,330	107,330	165,891
Total Retirements	144,075	155,071	155,071	198,196
Total Benefits	502,622	556,675	556,675	578,130
Total Salaries and Benefits	1,479,875	1,616,497	1,616,872	1,532,098
8003 GENRATR MAINT&REPR	0	17,500	17,500	17,500
8004 CERT & MEMBERSHIP	0	5,500	5,500	5,500
8020 AUTOMOTIVE SERVICE	45,000	45,000	45,000	45,000
8022 EQUIP MAINT ISF	145,159	158,811	158,811	138,331
8024 VEHICLE REPLACE ISF	182,781	182,781	182,781	206,622
8030 MAINT&REPAR - EQUIP	4,000	4,000	4,000	4,000
8040 MAINT&REPAIR - BLDG	4,662	4,662	4,662	4,662
8060 PUBLICATIONS & DUES	1,000	1,000	1,000	1,000
8070 RENTAL/PROP & EQUIP	1,000	1,000	1,000	1,000
8080 SERVICES-PROF & TECH	35,000	15,000	31,084	31,084
8100 TRAVEL & MEETINGS	1,000	1,000	1,000	1,000
8105 TRAINING	7,000	9,260	9,260	9,260
8112 UTILITIES - TELEPHONE	8,700	8,700	8,700	8,700
8114 UTILITIES - NTRL GAS	1,000	1,000	1,000	1,000
8116 UTILITIES - ELECTRICITY	65,000	68,000	68,000	68,000
8118 UTILITIES - WATER	20,000	20,000	20,000	20,000
8130 SEWER USE FEE/PROPE	0	0	0	18,285
8140 SUPPLIES- OFFICE NOC	350	350	350	350
8155 WSTWATR ROOT CUTTG	15,000	15,801	16,601	16,601
8158 CCTV EQUIP MAINT	10,000	77,000	85,115	87,036
8159 GREASE CNTRL DEV/INS	45,000	45,000	59,544	79,544
8160 MAINT & REPAIR NOC	175,807	197,933	211,007	211,007
8184 MAINT - SCADA	18,337	25,252	25,252	25,252
8185 SEWR MNHLE LNG PRGM	40,000	75,000	75,000	75,000
8186 PUMP STATION MAINT	13,000	13,000	13,000	13,000
8187 ALLY LATRL REPL PRGM	40,000	43,500	43,500	43,500
8188 SEWR MNHLE MAINT PR	30,000	36,246	37,601	37,601
8189 TREE ROOT FOAMING	85,000	85,000	85,000	85,000
8197 UTIL FAC MAIN PRG	12,500	16,438	20,375	20,375
8200 SPECIAL DEPT SUPPLIES	15,000	15,000	15,000	15,000
8204 UNIFORM EXPENSE	5,000	5,000	5,000	5,000
8239 CONCRETE MATERIALS	0	2,000	2,000	2,000
8240 TOOLS,INSTRMNTS,ETC	2,000	2,500	2,500	2,500
8298 OTHER AGENCY FEES	29,500	30,000	30,000	30,000
8310 SFTWRE LICNSE RENWL	0	29,249	29,249	29,249

530-5600 UTILITIES-WASTEWATER
T50000 Total Expenses

DESCRIPTION	2014 ADOPTED	2015 ADOPTED	2015 AMENDED	2016 ADOPTED
8318 IT ISF OPRATNG CHRGE	21,581	25,996	25,996	68,252
8319 IT ISF STRATGIC CHRGE	8,827	9,003	9,003	17,874
8330 SVC CHARGE-ADMIN	223,084	223,084	223,084	357,657
8340 GENERAL INSURANCE	21,749	21,749	21,749	20,773
Total Operating Expenses	1,333,036	1,537,315	1,595,225	1,823,516
9000 OFFICE EQUIPMENT	2,000	2,000	2,000	2,000
9010 COMPUTER EQUIPMENT	5,000	5,000	5,000	5,000
9200 SHOP EQUIPMENT	1,000	1,000	1,000	1,000
9300 EQUIPMENT, N.O.C.	25,000	25,000	25,000	25,000
Total Capital Outlay	33,000	33,000	33,000	33,000
Total Division Expenses	2,845,911	3,186,812	3,245,097	3,388,614
Total Expenses	2,845,911	3,186,812	3,245,097	3,388,614

D3000 MUNICIPAL OPERATIONS
T50000 Total Expenses

DESCRIPTION	2014 ADOPTED	2015 ADOPTED	2015 AMENDED	2016 ADOPTED
010-3110 GS-ADMIN	907,487	909,802	835,002	906,096
010-3120 FACILITIES MAINTEN	0	2,223,669	2,240,276	2,767,672
010-3130 GS-FIELD MAIN	3,480,847	3,665,767	3,683,607	6,019,303
010-3140 GS-OPERATIONS SU	6,241,814	4,962,610	5,024,094	2,966,733
010-3150 GS-REFUSE	5,697,446	5,595,038	6,118,858	5,219,862
010-3170 GS-PARKS	5,259,454	6,374,877	6,705,857	7,494,191
010-3180 GS-STREET TREES	1,582,787	1,872,858	1,938,218	1,967,528
010-5300 UTILITIES-ELECTRIC	950,463	1,034,833	1,043,616	1,073,012
230-5400 UTILITIES-OIL & GAS	754,147	855,460	857,700	857,201
500-5500 UTILITIES-WATER UT	19,281,097	20,652,084	20,846,450	22,852,628
530-5600 UTILITIES-WASTEWA	2,845,911	3,186,812	3,245,097	3,388,614
D3000 MUNICIPAL OPERATION	47,001,453	51,333,810	52,538,775	55,512,840

ATTACHMENT C

Municipal Operations Budget Variance Analysis Summary

MUNICIPAL OPERATION DEPARTMENT BUDGET VARIANCE REVIEW

Date Exported:

24-Nov-15

Changes over 10k **and** over 5% noted below.

Levels - Account Mode

		2014	2015	2016	\$	%	
	DESCRIPTION	ADOPTED	ADOPTED	ADOPTED	Change	Change	
1	7000 SALARIES - MISC	8,973,271	8,484,680	8,448,721	-35,959	-0.42%	
2	7020 SALARIES - PART TIME	0	0	32,386	32,386	#DIV/0!	
3	Total Regular Salaries	8,973,271	8,484,680	8,481,106	-3,574	-0.04%	
4	7040 OT, MISC & 1/2 TIME	518,848	449,886	339,886	-110,000	-24.45%	1 OT was reduced due to the outsourcing of the refuse function.
5	Total Overtime Salaries	518,848	449,886	339,886	-110,000	-24.45%	
6	7057 DUTY PAY	14,000	16,000	20,000	4,000	25.00%	
7	7059 ONE MAN PACKER PAY	100,000	0	0	0	#DIV/0!	
8	7063 CERTIFICATION PAY	47,726	38,561	36,811	-1,750	-4.54%	
9	7066 BILINGUAL PAY	1,800	1,800	1,800	0	0.00%	
10	7080 CALL BACK PAY	98,773	100,500	101,500	1,000	1.00%	
11	7114 CELL PHNE STIPND EXP	46,560	46,748	48,308	1,560	3.34%	
12	Total Other Salaries	308,859	203,609	208,419	4,810	2.36%	
13	Total Salaries	9,800,978	9,138,175	9,029,411	-108,764	-1.19%	
14	7210 HLTH/DNTAL/VISON FT	2,283,096	2,225,537	2,248,247	22,710	1.02%	
15	7223 ANNUAL OPEB COST	456,060	458,705	367,965	-90,740	-19.78%	2 OPEB costs declined \$440K city-wide due to favorable actuarial experience.
16	7227 RHS \$2.50 CONTRIB	102,787	98,926	164,542	65,616	66.33%	3 The City contributes \$2.50 for each month for each year of age plus service during employment. Upon vesting after five years, contributions are deposited retroactively.
17	Total Health & Retiree Ins	2,841,943	2,783,167	2,780,754	-2,413	-0.09%	
18	7290 LIFE INSURANCE	13,165	12,023	11,760	-263	-2.19%	
19	7295 EMP ASSIST PRGM	2,876	2,706	2,729	23	0.85%	
20	7370 WORKERS' COMP, MISC	423,267	423,267	352,275	-70,992	-16.77%	4 Workers' Comp Internal Service Fund (ISF) charges to departments remained unchanged city-wide but due to an updated cost-allocation based on department experience, the MOD charge decreased.
21	7373 COMPSNTED ABSNCES	314,065	296,964	295,705	-1,259	-0.42%	
22	7425 MEDICARE FRINGES	115,855	131,826	130,213	-1,613	-1.22%	
23	Total Other Benefits	869,227	866,785	792,681	-74,104	-8.55%	
24	7439 PERS MBR CNTRBN MISC	87,109	665,686	678,101	12,415	1.86%	
25	7440 PERS ER CNTRBN MISC	1,393,125	682,755	687,119	4,364	0.64%	
26	7445 EE RET CNTRBN MISC	0	-930,254	-1,049,311	-119,057	12.80%	5 Employee contributions to the total cost of PERS have increased due to collective bargaining. City-wide employee contributions increased \$817K over the prior year due to an estimate total of \$8.2 million.

Levels - Account Mode		2014	2015	2016	\$	%	
DESCRIPTION		ADOPTED	ADOPTED	ADOPTED	Change	Change	
27	7446 PERS UNFND LIAB MISC	0	940,152	1,620,284	680,132	72.34%	6 City-wide contributions to pay down the unfunded pension liability was accelerated increasing the total contribution \$8.7 million to achieve a total UAL payment of \$21.5 million.
28	7460 RETRMNT PT/TEMP	0	0	12,145	12,145	#DIV/0!	
29	Total Retirements	1,480,234	1,358,339	1,948,338	589,999	43.44%	
30	Total Benefits	5,191,405	5,008,291	5,521,774	513,483	10.25%	
31	Total Salaries and Benefits	14,992,383	14,146,466	14,551,185	404,719	2.86%	
32	8003 GENRATR MAINT&REPR	0	42,000	42,000	0	0.00%	
33	8004 CERT & MEMBERSHIP	0	9,000	9,000	0	0.00%	
34	8005 VALVE MAINT PROGRAM	0	100,000	100,000	0	0.00%	
35	8006 AIR VAC MAINT PRGM	0	30,000	30,000	0	0.00%	
36	8007 WATER SERVICE M&R	0	15,000	0	-15,000	-100.00%	7 Moved budget to 8160
37	8008 METER VAULT REPLCMNT	0	6,000	6,000	0	0.00%	
38	8009 RSDNTL REFSE COLLECTN	0	3,807,000	3,910,000	103,000	2.71%	
39	8010 ADVRT&PUB RELATNS	11,000	11,000	12,500	1,500	13.64%	
40	8020 AUTOMOTIVE SERVICE	421,500	322,200	300,700	-21,500	-6.67%	8 Reduction in the cost of fuel, miles driven
41	8022 EQUIP MAINT ISF	1,243,153	912,126	877,624	-34,502	-3.78%	
42	8024 VEHICLE REPLACE ISF	1,341,393	933,874	964,552	30,678	3.29%	
43	8030 MAINT&REPAR - EQUIP	27,900	17,900	18,900	1,000	5.59%	
44	8033 PRNTR MAINT/SUPLIES	5,650	5,650	9,850	4,200	74.34%	
45	8036 MAINT-E. COAST HWY	26,897	26,897	26,897	0	0.00%	
46	8040 MAINT&REPAIR - BLDG	271,114	452,374	452,374	0	0.00%	
47	8050 PSTGE,FREIGHT,EXPR	83,882	83,882	83,882	0	0.00%	
48	8060 PUBLICATIONS & DUES	7,250	7,950	8,100	150	1.89%	
49	8070 RENTAL/PROP & EQUIP	15,500	15,500	13,500	-2,000	-12.90%	
50	8080 SERVICES-PROF & TECH	2,033,087	2,422,164	2,649,241	227,077	9.37%	9 Increase in contract services
51	80805 FICUS TREE MAINT	60,000	60,000	99,849	39,849	66.42%	
52	80806 TREE REFORESTATION	135,000	250,000	250,845	845	0.34%	
53	80807 TREE REPLACE/CLAIMS	30,000	30,000	46,916	16,916	56.39%	10 Encumbered \$\$ rolled over into FY 16
54	8081 SERVICES - JANITORIAL	330,000	357,976	430,000	72,024	20.12%	11 Beach portering expenses recategorized into this account
55	8082 TURF RENOVATION	80,000	86,120	95,000	8,880	10.31%	
56	8085 SRVCS-NPT CST REFSE	645,000	669,440	725,000	55,560	8.30%	12 Budgeted amount will be reconciled in FY 17
57	8088 SERVICES - CONTRACT	126,000	162,370	232,996	70,626	43.50%	13 Encumbered \$\$ rolled over into FY 16 and extra \$\$ for street lights
58	80881 CNTRCT SVCS-MEDINS	1,140,000	1,182,700	1,623,800	441,100	37.30%	14 New median contract
59	80883 CNTRCT SVCS-PRKS/FC	845,200	1,001,850	1,183,603	181,753	18.14%	15 New parks (Sunset Ridge, Marina Park)
60	80884 CNTRT SVC-STRT SWPN	453,000	453,000	455,000	2,000	0.44%	
61	80885 CNTRT SVCS-ALY SWPN	87,000	89,876	75,000	-14,876	-16.55%	
62	80886 CNTRT SVCS-BCH REFSE	135,500	149,859	164,218	14,359	9.58%	16 Encumbered \$\$ rolled over into FY 16
63	80887 CNTRT SVCS-STRM DRN	167,588	167,588	200,000	32,412	19.34%	17 New contract, prevailing wage

Levels - Account Mode		2014	2015	2016	\$	%	
DESCRIPTION		ADOPTED	ADOPTED	ADOPTED	Change	Change	
64	80889 CNTRCT SVCS-CVC CTR	0	188,403	198,131	9,728	5.16%	
65	8089 SVCS-CTY PRT CNTRCT	4,214	4,214	4,214	0	0.00%	
66	808D BCH TRSHCN CLCTN	195,000	195,000	201,682	6,682	3.43%	
67	808E STEAM CLEANING	200,000	201,300	210,000	8,700	4.32%	
68	8100 TRAVEL & MEETINGS	7,500	8,050	8,050	0	0.00%	
69	8105 TRAINING	23,800	31,670	35,170	3,500	11.05%	
70	8111 TELECOMM-DATALINES	9,300	8,300	8,300	0	0.00%	
71	8112 UTILITIES - TELEPHONE	32,050	32,550	32,550	0	0.00%	
72	8114 UTILITIES - NTRL GAS	18,000	28,000	18,000	-10,000	-35.71%	18 Reevaluation of actual usage
73	8116 UTILITIES - ELECTRICITY	2,514,000	2,640,000	2,765,000	125,000	4.73%	
74	8118 UTILITIES - WATER	762,200	1,072,700	1,272,700	200,000	18.64%	19 Cost of water from City and other agency increase
75	8130 SEWER USE FEE/PROPERTY TAX	0	0	67,005	67,005	#DIV/0!	
76	8140 SUPPLIES- OFFICE NOC	13,200	13,200	13,600	400	3.03%	
77	8150 SUPPLIES- JANITORIAL	103,000	103,000	103,000	0	0.00%	
78	8151 RECY PUMP STA MAINT	0	0	10,000	10,000	#DIV/0!	
79	8153 MAINT - BBSC	25,000	25,000	25,210	210	0.84%	
80	8155 WSTWATR ROOT CUTTG	15,000	15,801	16,601	800	5.06%	
81	8156 WELLS&PUMP STA MAIN	122,708	80,000	76,715	-3,285	-4.11%	
82	8157 REGULATING STA MAINT	98,766	80,000	60,000	-20,000	-25.00%	20 Moved budget to 8160
83	8158 CCTV EQUIP MAINT	10,000	77,000	87,036	10,036	13.03%	21 Cost of annual camera truck maintenance increase
84	8159 GREASE CNTRL DEV/INS	45,000	45,000	79,544	34,544	76.76%	22 Increased construct to inspect all restaurants not just ones with interceptors (council approved)
85	8160 MAINT & REPAIR NOC	1,126,670	1,074,457	1,260,401	185,944	17.31%	23 Increase in material costs (hydrants etc) plus funds moved from other line items
86	8165 MAINT-IRRGTN REPAIR	28,000	55,000	57,280	2,280	4.15%	
87	8166 MAINT - STORM DRAINS	55,400	135,000	135,000	0	0.00%	
88	8167 MAINT-DRNKG FOU REP	500	500	500	0	0.00%	
89	8170 MAINT - BEACHES	8,000	8,000	8,000	0	0.00%	
90	8173 MAIN-BLG/PLGR EQ RPR	5,000	5,000	5,000	0	0.00%	
91	8176 MAINT - TRFC CNTRL	6,500	6,500	10,035	3,535	54.38%	
92	8183 BCKFLW MAINT & REPAR	20,000	25,000	25,000	0	0.00%	
93	8184 MAINT - SCADA	79,432	75,252	72,489	-2,763	-3.67%	
94	8185 SEWR MNHLE LNG PRGM	40,000	75,000	75,000	0	0.00%	
95	8186 PUMP STATION MAINT	13,000	13,000	13,000	0	0.00%	
96	8187 ALLY LATRL REPL PRGM	40,000	43,500	43,500	0	0.00%	
97	8188 SEWR MNHLE MAINT PRG	30,000	36,246	37,601	1,355	3.74%	
98	8189 TREE ROOT FOAMING	85,000	85,000	85,000	0	0.00%	
99	8190 WTR METR REPL PRGM	122,117	500,000	500,000	0	0.00%	
100	8191 FIRE HYDRNT REPL PRG	70,000	70,000	70,000	0	0.00%	

Levels - Account Mode

	DESCRIPTION	2014 ADOPTED	2015 ADOPTED	2016 ADOPTED	\$ Change	% Change	
101	8192 CATHODIC PRTCTN PRM	15,000	15,000	15,000	0	0.00%	
102	8193 METR&VALVE CVR PRGM	45,563	46,404	46,404	0	0.00%	
103	8194 METR RDNG EQUIP IMPR	5,000	5,000	5,000	0	0.00%	
104	8195 WTR QLTY MONTR PRG	75,000	75,000	75,000	0	0.00%	
105	8196 BIG CYN RSV MNTR PRG	11,000	0	0	0	#DIV/0!	
106	8197 UTIL FAC MAIN PRG	154,550	141,438	150,056	8,618	6.09%	
107	8198 WTR TRTMNT PRGM	27,500	50,000	50,000	0	0.00%	
108	8199 COMRCL METR REPL PRG	111,193	111,193	111,193	0	0.00%	
109	8200 SPECIAL DEPT SUPPLIES	145,779	109,100	105,600	-3,500	-3.21%	
110	8201 TREATMENT CHEMICALS	300,000	170,000	150,000	-20,000	-11.76%	24 Reduced costs due to entering into joint agency agreement
111	8204 UNIFORM EXPENSE	57,300	45,050	42,050	-3,000	-6.66%	
112	8212 STRT CLEANING EXP	4,000	5,000	5,000	0	0.00%	
113	8214 CRPNTR SHP SUPPLIES	1,500	1,500	0	-1,500	-100.00%	
114	8215 PIER/FLOAT SUPPLIES	10,000	10,000	10,000	0	0.00%	
115	8216 SAFETY EQUIPMENT	4,000	4,000	4,000	0	0.00%	
116	8220 SIGN SHOP SUPPLIES	2,000	0	0	0	#DIV/0!	
117	8222 TRAFFIC SUPPLIES	8,000	8,000	8,000	0	0.00%	
118	8223 CONTRACT STRIPING	130,000	130,000	130,594	594	0.46%	
119	8224 RDWY PAINTS & BARS	11,000	11,000	11,000	0	0.00%	
120	8226 DEVICE PAINTS	700	700	700	0	0.00%	
121	8228 SIGNS	15,000	47,000	47,000	0	0.00%	
122	8230 SIGN MATERIALS	10,000	0	0	0	#DIV/0!	
123	8231 NWP CST REIMBRMNT	60,620	60,620	60,620	0	0.00%	
124	8232 SIGN INSTLTNS MTRLS	20,000	0	0	0	#DIV/0!	
125	8234 INSCCTDES	6,000	6,000	6,000	0	0.00%	
126	8235 PLANT MATERIALS	20,000	20,000	20,000	0	0.00%	
127	8236 FERTILIZER	5,000	5,000	5,000	0	0.00%	
128	8237 TOP SOIL/AMENDMENTS	15,000	15,000	15,000	0	0.00%	
129	8238 ASPHALT MATERIALS	190,000	193,735	195,253	1,518	0.78%	
130	8239 CONCRETE MATERIALS	150,000	152,000	152,000	0	0.00%	
131	8240 TOOLS, INSTRMNTS, ETC	19,087	20,175	23,675	3,500	17.35%	
132	8250 SPECIAL DEPT EXPENSE	2,033,658	492,000	524,934	32,934	6.69%	25 Encumbered \$\$ rolled over into FY 16
133	8292 HAZARD MITIGATION	180,406	180,996	181,586	590	0.33%	
134	8295 IMPORTED WATER EXP	4,859,026	5,154,477	5,962,949	808,472	15.68%	26 Increase in water costs from MWDOC
135	8296 GROUNDWATER EXP	3,984,198	4,607,950	4,909,946	301,996	6.55%	27 Increase in water costs from OCWD
136	8297 RECLMD WTR EXP-OCWD	121,600	169,488	192,500	23,012	13.58%	28 Increase in recycled water costs from OCWD plus new connections
136	8298 OTHER AGENCY FEES	269,500	270,000	270,000	0	0.00%	

Levels - Account Mode		2014	2015	2016	\$	%		
DESCRIPTION		ADOPTED	ADOPTED	ADOPTED	Change	Change		
138	8303 WTR CNSRV ACTVTIES	100,000	160,724	202,315	41,591	25.88%	29	Drought/water conservation costs. Increase in enforcement and public education
139	8310 SFTWRE LICNSE RENWL	8,000	55,249	55,249	0	0.00%		
140	8318 IT ISF OPRATNG CHRGE	305,599	369,194	582,765	213,571	57.85%	30	Continued Refinement of 3 year old IT ISF Budget. Reduction in PW operating charge to better reflect actual PW staff use of hardware, software, and IT staff time. Moved portions of Operations hardware budget into Strategic Replacement Budget.
141	8319 IT ISF STRATGIC CHRGE	77,235	78,779	152,615	73,836	93.73%	31	Continued Refinement of 3 year old IT ISF Budget. Moved portion of operations hardware budget into strategic replacement budget as those funds are predominantly used to replace existing equipment versus buy net new devices.
142	8330 SVC CHARGE-ADMIN	1,484,209	1,484,209	1,856,168	371,959	25.06%	32	Administrative charge did not previously include Public Works engineering and oversight of Water Fund CIPs.
143	8340 GENERAL INSURANCE	954,375	954,375	911,551	-42,824	-4.49%		
144	8657 OUTSIDE CNSL:SPEC LIT	275,000	275,000	275,000	0	0.00%		
145	Total Operating Expenses	31,933,569	36,648,294	40,309,385	3,661,091	9.99%		
146	9000 OFFICE EQUIPMENT	7,000	7,000	7,000	0	0.00%		
147	9010 COMPUTER EQUIPMENT	9,000	9,000	9,000	0	0.00%		
148	9023 FY15 PARK RENOVATIONS	0	310,000	310,000	0	0.00%		
149	9040 WTR CNSRVTN EQUIP	0	150,000	154,618	4,618	3.08%		
150	9200 SHOP EQUIPMENT	1,000	1,000	1,000	0	0.00%		
151	9300 EQUIPMENT, N.O.C.	56,000	59,550	168,152	108,602	182.37%	33	One time purchase of chemical injectors - City manager approved last budget season
152	9400 OFF FRNTRE/FIXTRES	2,500	2,500	2,500	0	0.00%		
153	Total Capital Outlay	75,500	539,050	652,270	113,220	21.00%		
154	Total Division Expenses	47,001,453	51,333,810	55,512,840	4,179,030	8.14%		
155	Total Expenses	47,001,453	51,333,810	55,512,840	4,179,030	8.14%		

ATTACHMENT D
Municipal Operations PowerPoint Presentation

MUNICIPAL OPERATIONS DEPARTMENT

Operating Budget Overview



Finance Committee
February 11, 2016



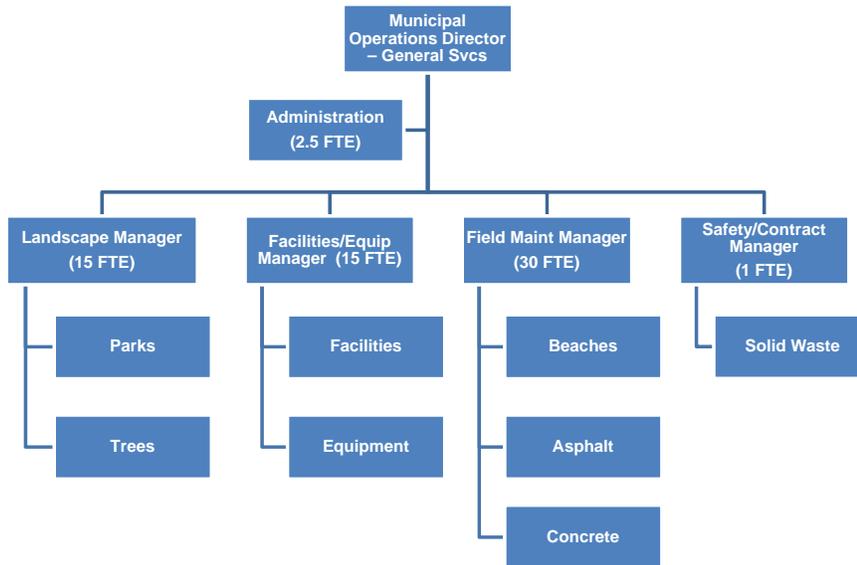
MUNICIPAL OPERATIONS

Overview

- Our mission is to provide responsive utility and infrastructure maintenance services to our community
- We are responsible for:
 - City Parks and Trees
 - Street Maintenance
 - Fleet Maintenance
 - Storm Drains
 - Graffiti Removal
 - Beach Maintenance
 - Sidewalk, Curb, Gutters
 - Water Services
 - Streetlights
 - Oil Wells
 - Refuse Collection
 - Facility Maintenance
 - Wastewater Services
 - Street Sweeping
 - Street Signs
- We respond to emergencies 24 hours a day including:
 - Storm Flooding, High Surf and High Tides
 - Water and Sewer Issues
 - Downed Trees
 - Road/Sidewalk Issues
 - Beach Issues

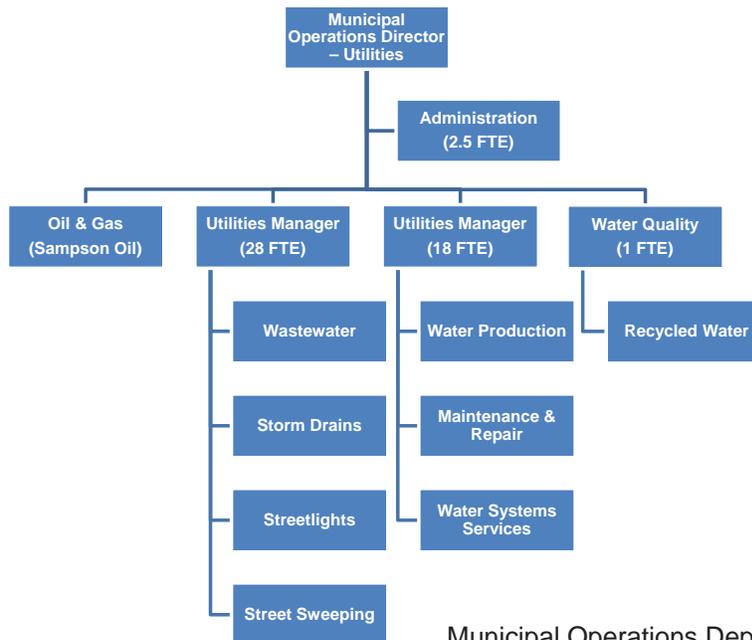
MUNICIPAL OPERATIONS

General Services Organizational Chart



MUNICIPAL OPERATIONS

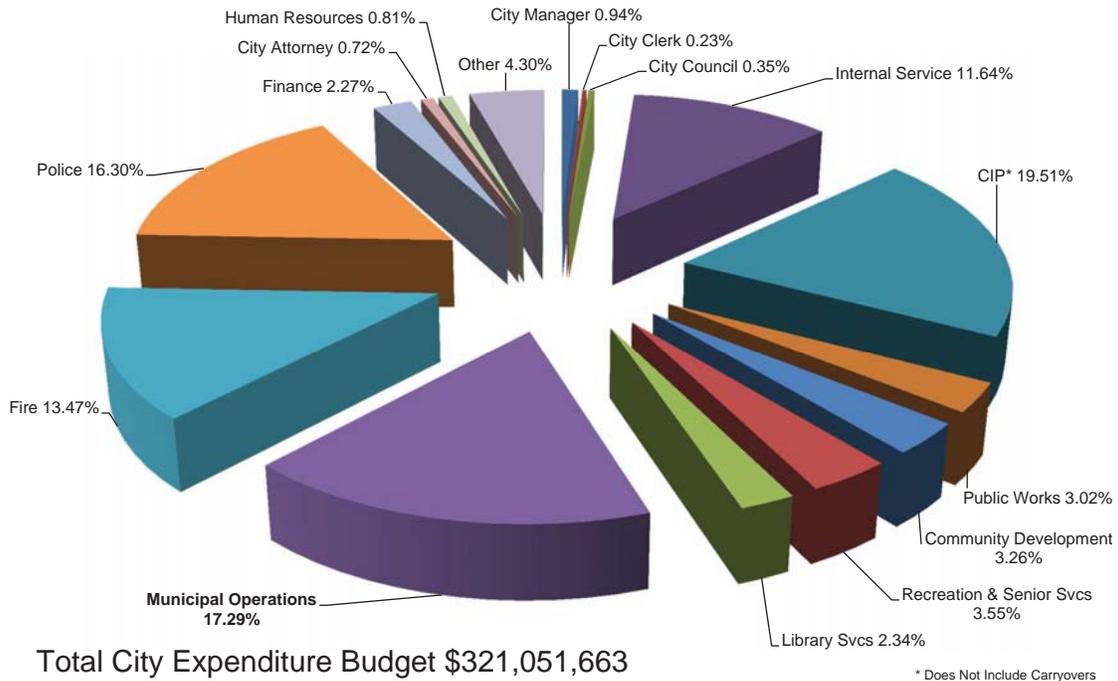
Utilities Organizational Chart



Municipal Operations Department 116 FTE

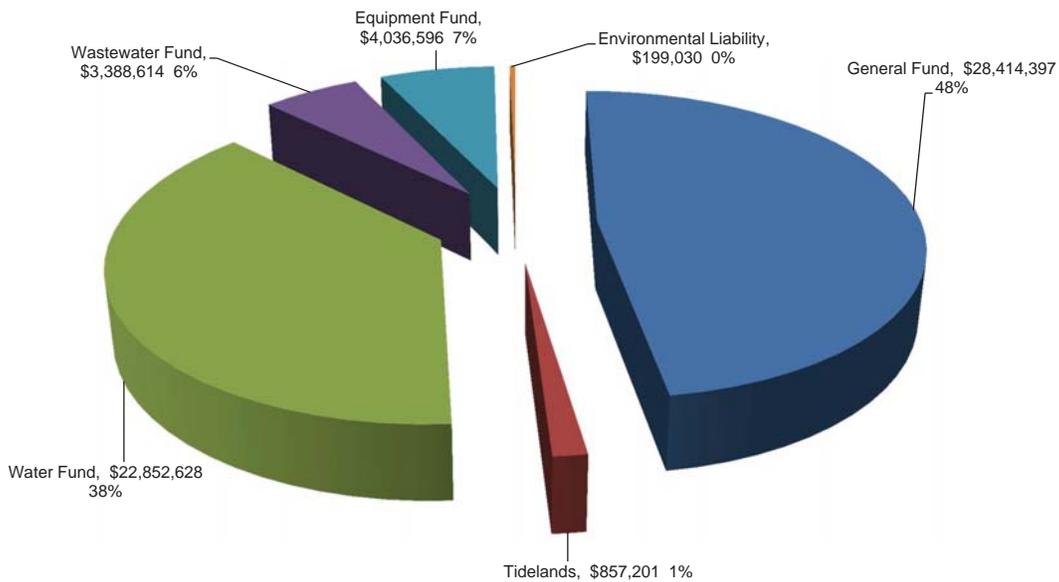
CITY OF NEWPORT BEACH

FY 2015-16 Adopted Budget



MUNICIPAL OPERATIONS

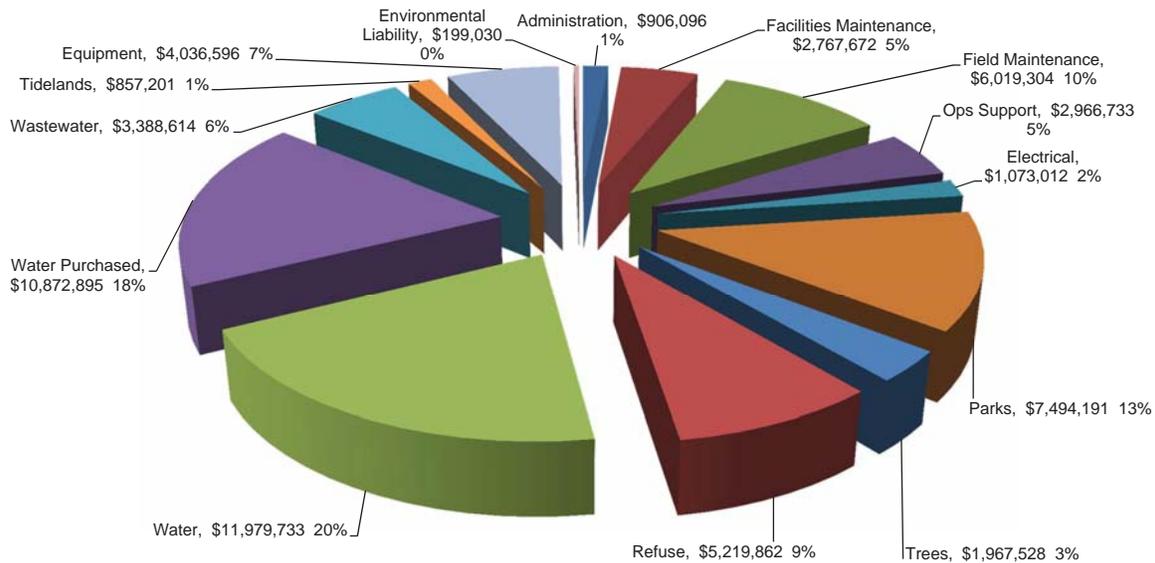
FY 2015-16 Adopted Budget – By Fund



Total Municipal Operations Expenditure Budget \$59,748,466

MUNICIPAL OPERATIONS

FY 2015-16 Adopted Budget – By Division



Total Municipal Operations Expenditure Budget \$59,748,466

MUNICIPAL OPERATIONS

Five Year Operating Budget Overview

		2012 Adopted Budget	2013 Adopted Budget	% Change from Prior Year	2014 Adopted Budget	% Change from Prior Year	2015 Adopted Budget	% Change from Prior Year	2016 Adopted Budget	% Change from Prior Year
General Fund	Salaries/Benefits	\$ 9,500,928	\$ 9,689,856	2%	\$ 9,538,597	-2%	\$ 8,607,784	-10%	\$ 8,662,126	1%
	Maintenance/Operations	\$ 13,486,313	\$ 13,812,534	2%	\$ 14,581,701	6%	\$ 18,031,669	24%	\$ 19,752,271	9%
	General Fund Subtotal	\$ 22,987,241	\$ 23,502,390	2%	\$ 24,120,298	3%	\$ 26,639,454	10%	\$ 28,414,397	6%
Water Fund	Salaries/Benefits	\$ 4,117,707	\$ 3,681,766	-12%	\$ 3,973,912	8%	\$ 3,922,186	-1%	\$ 4,356,962	10%
	Maintenance/Operations	\$ 15,021,268	\$ 14,518,469	-3%	\$ 15,307,185	5%	\$ 16,729,898	9%	\$ 18,495,666	10%
	Water Fund Subtotal	\$ 19,138,975	\$ 18,200,235	-5%	\$ 19,281,097	6%	\$ 20,652,084	7%	\$ 22,852,628	10%
Sewer Fund	Salaries/Benefits	\$ 1,573,152	\$ 1,566,059	0%	\$ 1,479,875	-6%	\$ 1,616,497	9%	\$ 1,532,098	-6%
	Maintenance/Operations	\$ 1,477,110	\$ 1,429,509	-3%	\$ 1,366,036	-4%	\$ 1,570,315	15%	\$ 1,856,516	15%
	Sewer Fund Subtotal	\$ 3,050,262	\$ 2,995,568	-2%	\$ 2,845,911	-5%	\$ 3,186,812	12%	\$ 3,388,614	6%
Tideland Fund	Maintenance/Operations	\$ 978,325	\$ 802,460	-22%	\$ 754,147	-6%	\$ 855,460	13%	\$ 857,201	0%
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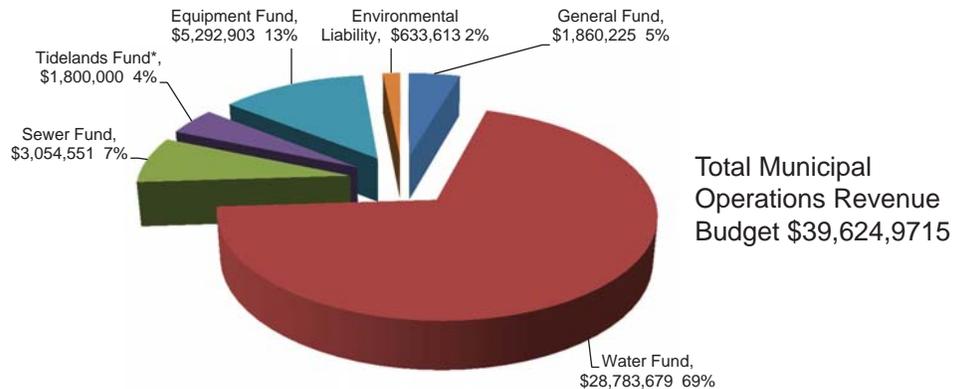
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MUNICIPAL OPERATIONS

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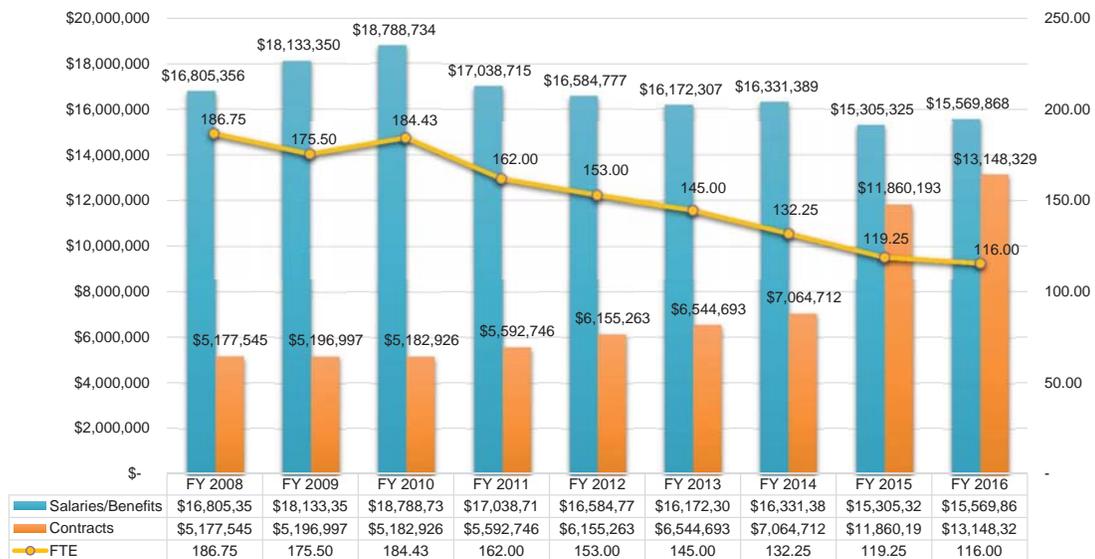
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MUNICIPAL OPERATIONS

Outsourcing – Budget Costs and FTE Positions

Salaries/Benefits Costs, Contract Costs, and Number of Employees From FY 2008 to FY 2016



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MUNICIPAL OPERATIONS DEPARTMENT

Operating Budget Overview



Finance Committee
February 11, 2016



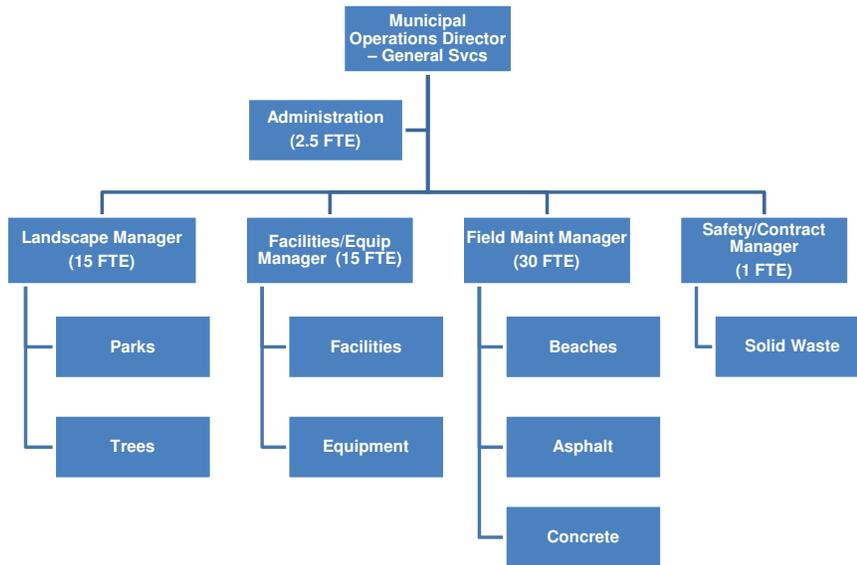
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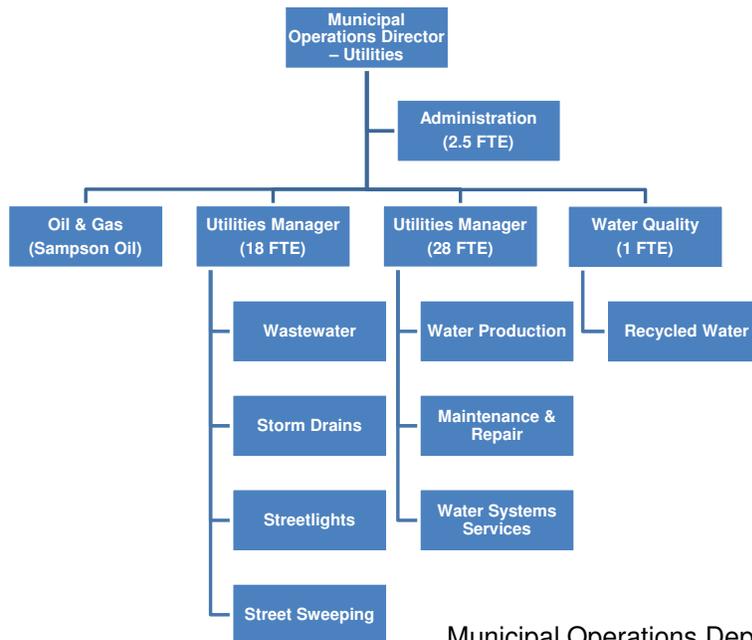
MUNICIPAL OPERATIONS

General Services Organizational Chart



MUNICIPAL OPERATIONS

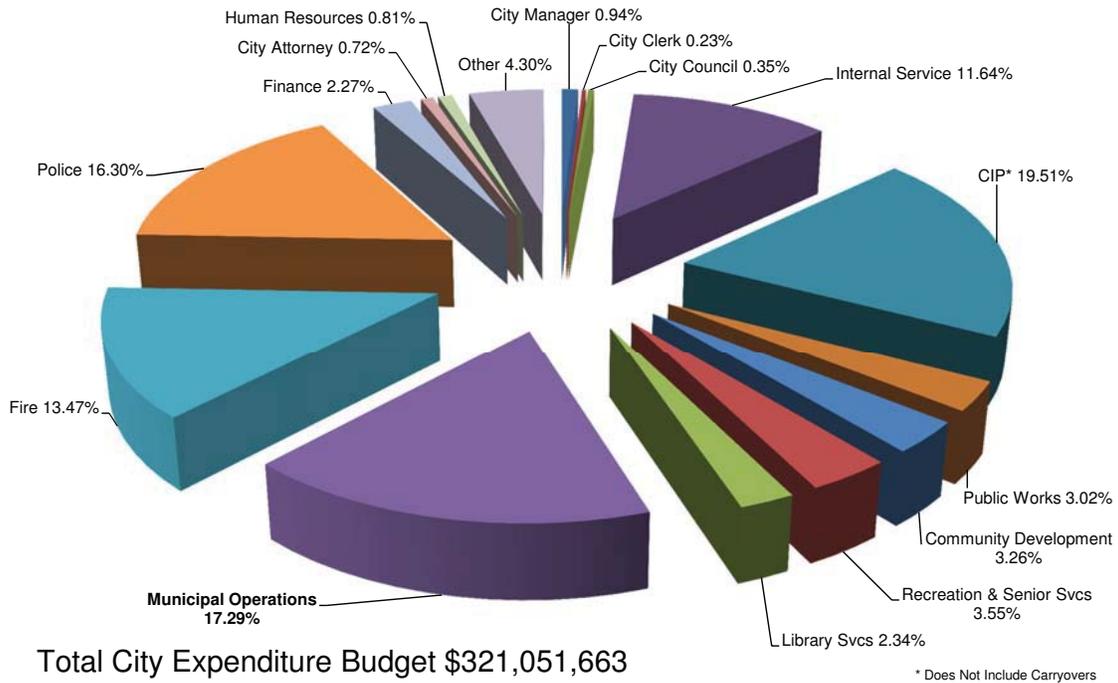
Utilities Organizational Chart



Municipal Operations Department 116 FTE

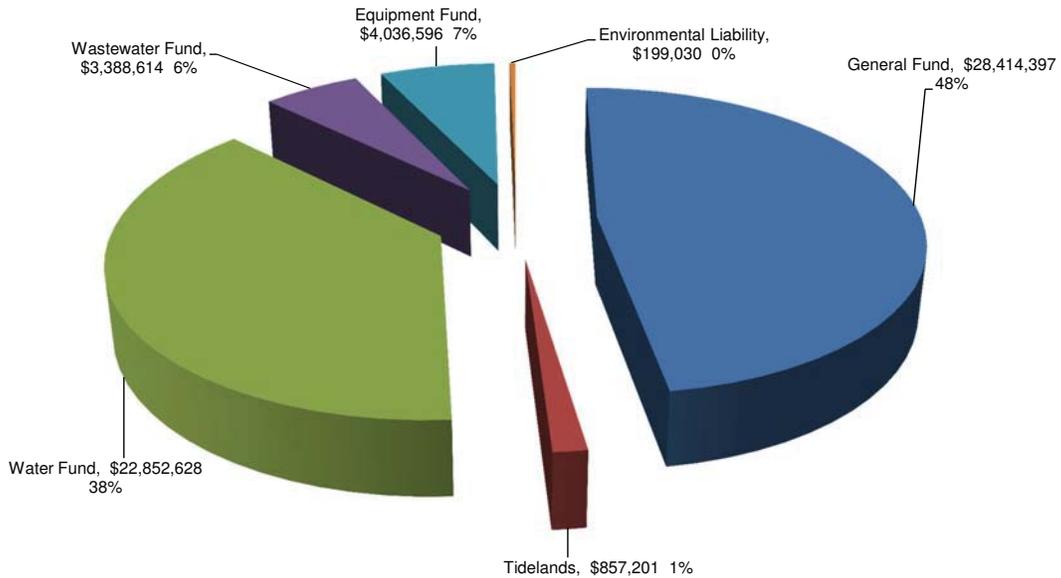
CITY OF NEWPORT BEACH

FY 2015-16 Adopted Budget



MUNICIPAL OPERATIONS

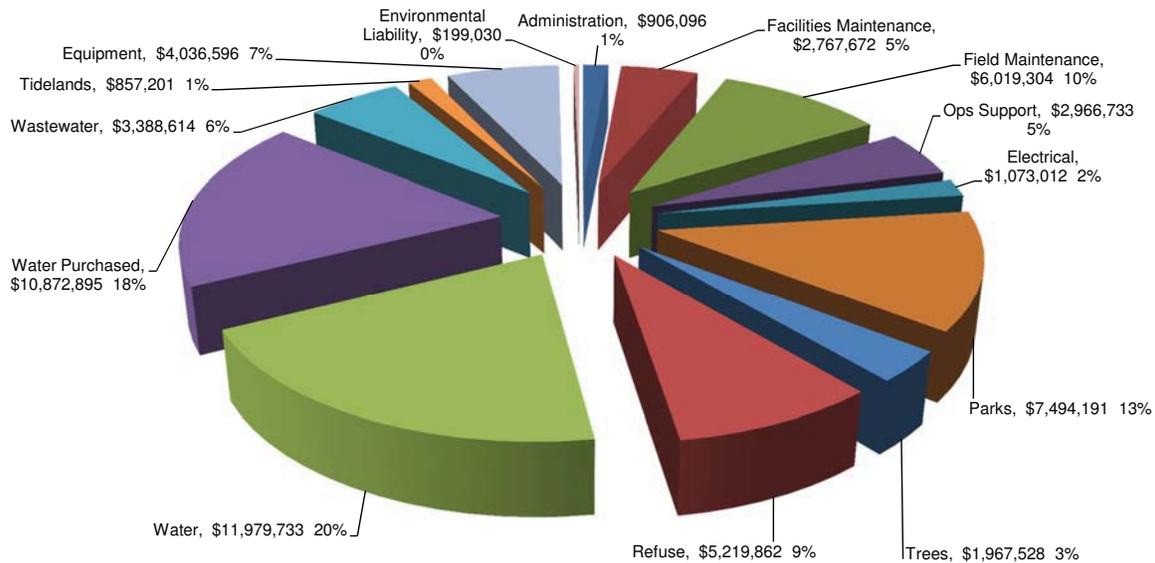
FY 2015-16 Adopted Budget – By Fund



Total Municipal Operations Expenditure Budget \$59,748,466

MUNICIPAL OPERATIONS

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MUNICIPAL OPERATIONS

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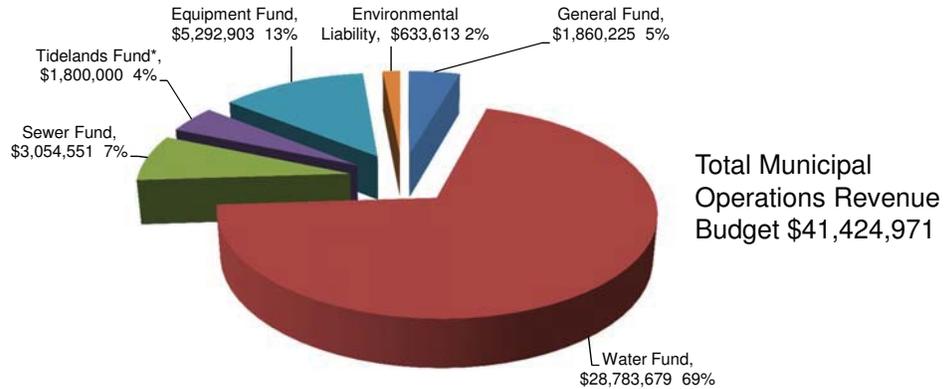
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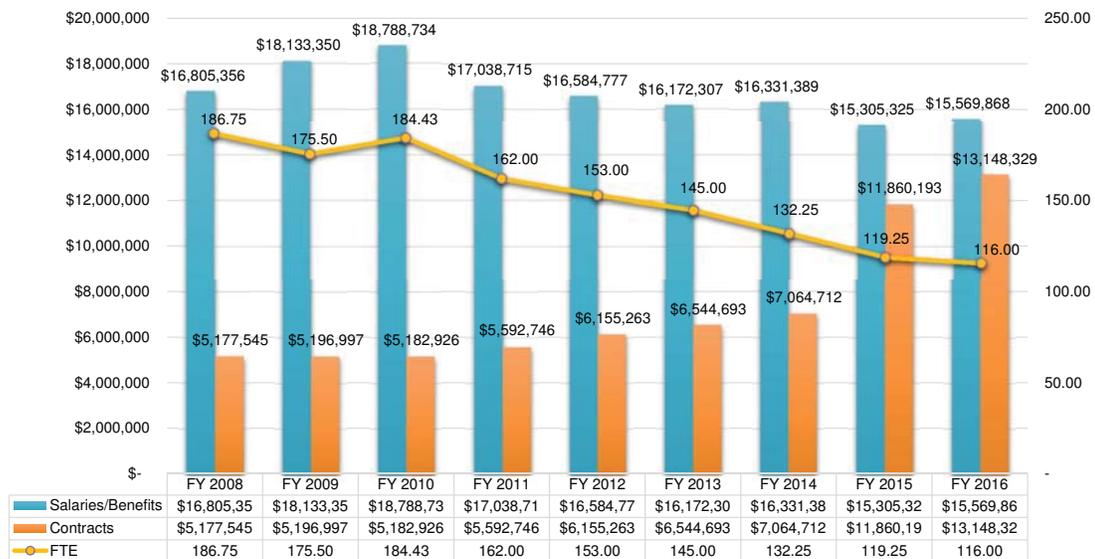
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MUNICIPAL OPERATIONS

Outsourcing – Budget Costs and FTE Positions

Salaries/Benefits Costs, Contract Costs, and Number of Employees From FY 2008 to FY 2016



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MUNICIPAL OPERATIONS DEPARTMENT

Operating Budget Overview



Finance Committee
February 11, 2016



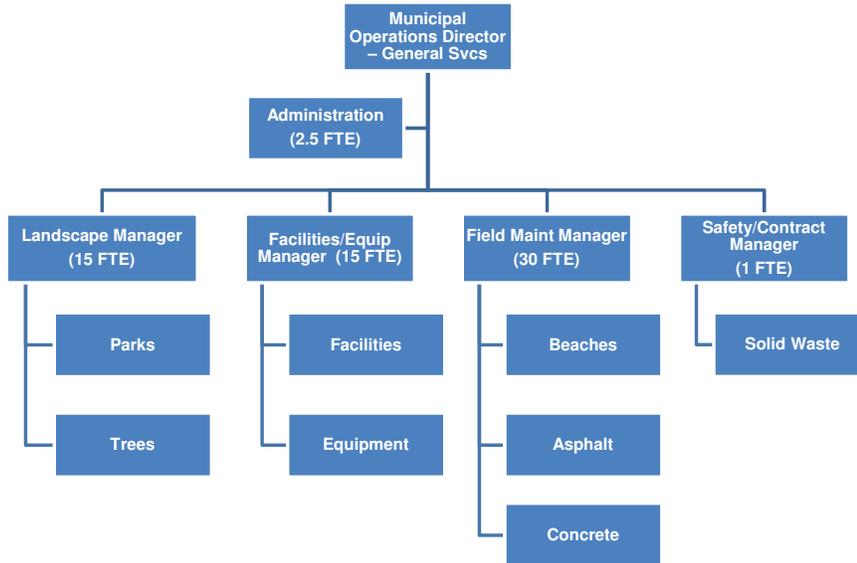
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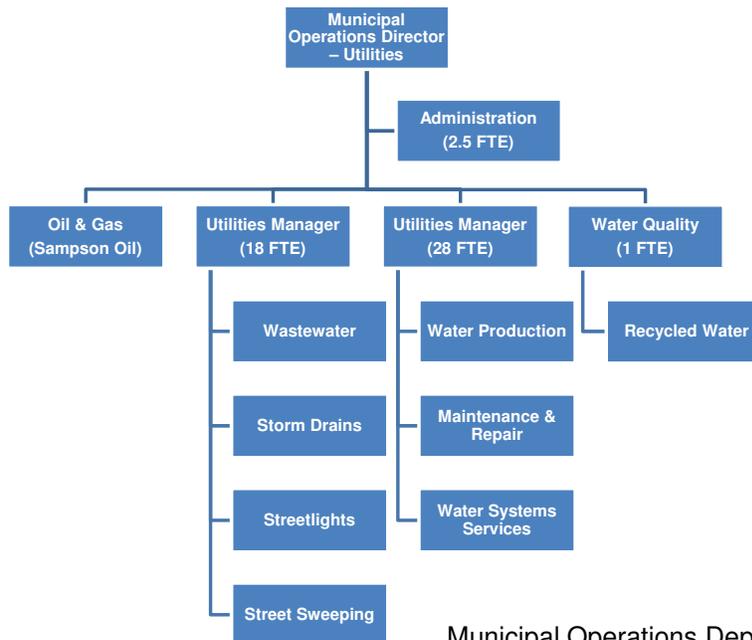
MUNICIPAL OPERATIONS

General Services Organizational Chart



MUNICIPAL OPERATIONS

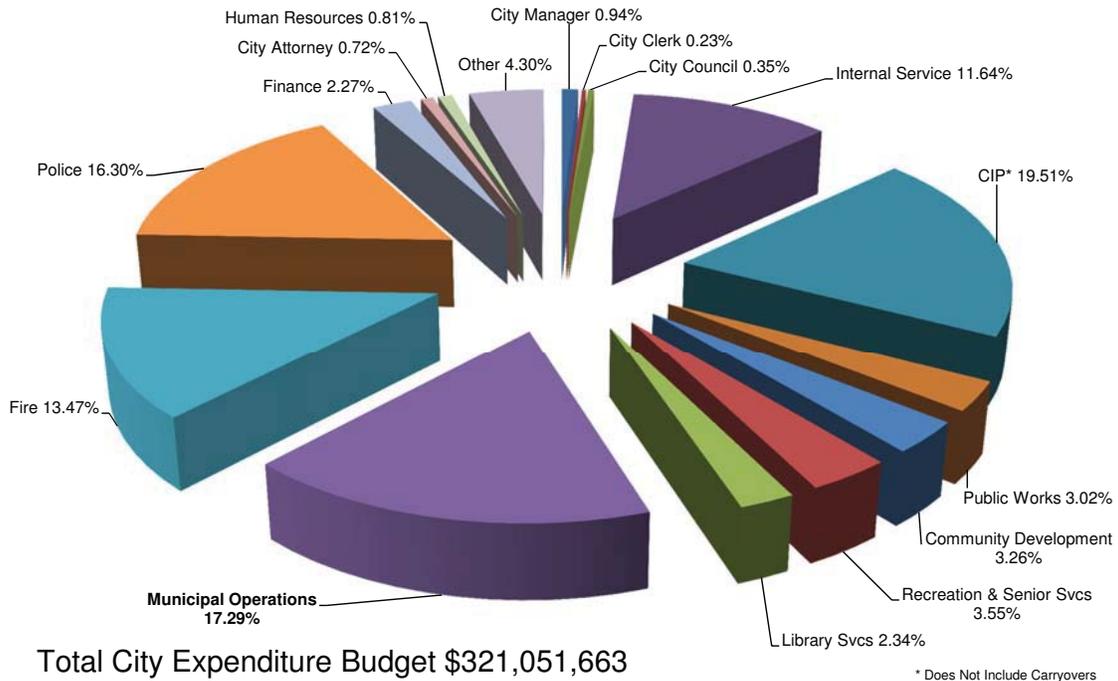
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Municipal Operations Department 116 FTE

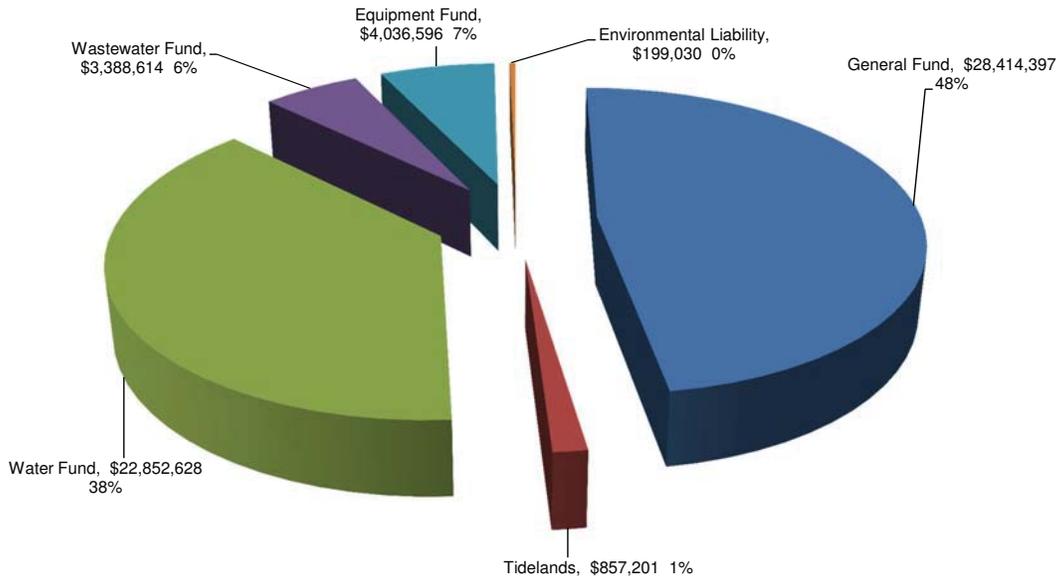
CITY OF NEWPORT BEACH

FY 2015-16 Adopted Budget



MUNICIPAL OPERATIONS

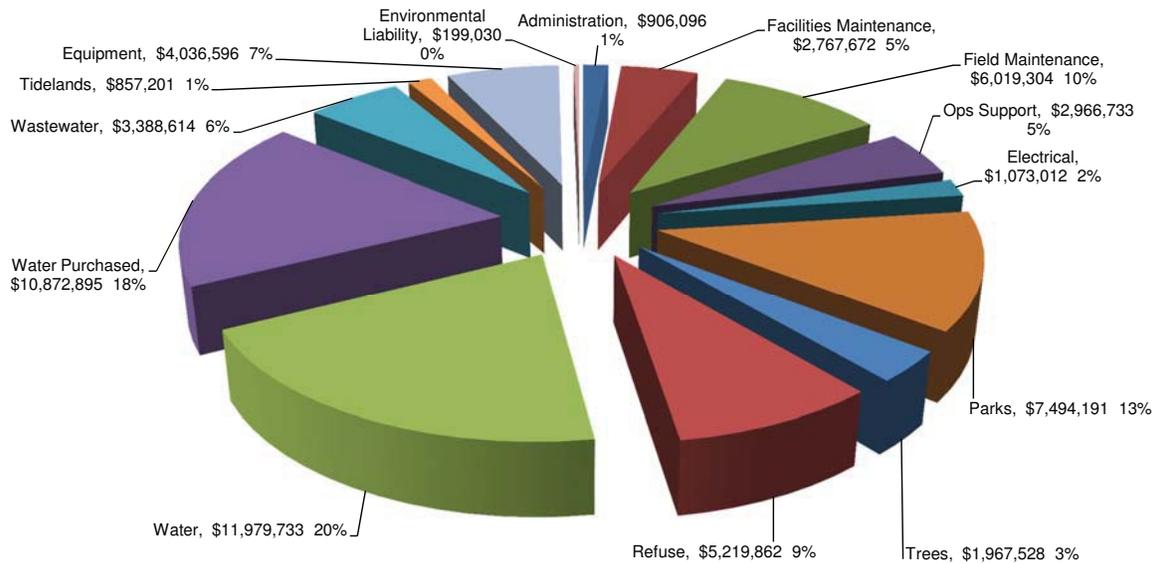
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MUNICIPAL OPERATIONS

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MUNICIPAL OPERATIONS

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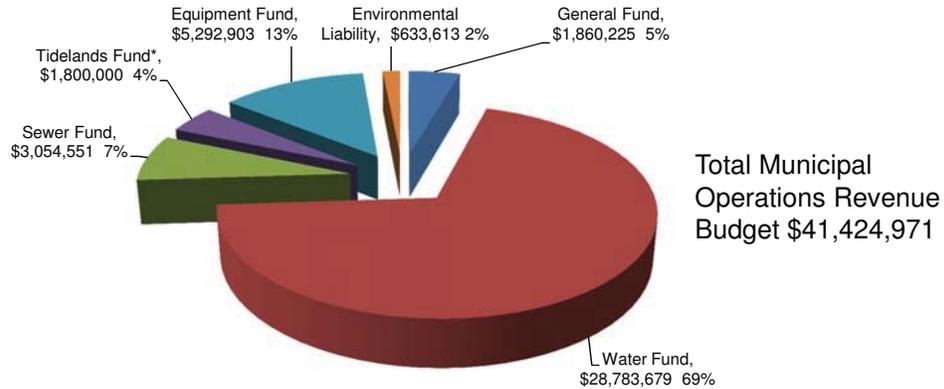
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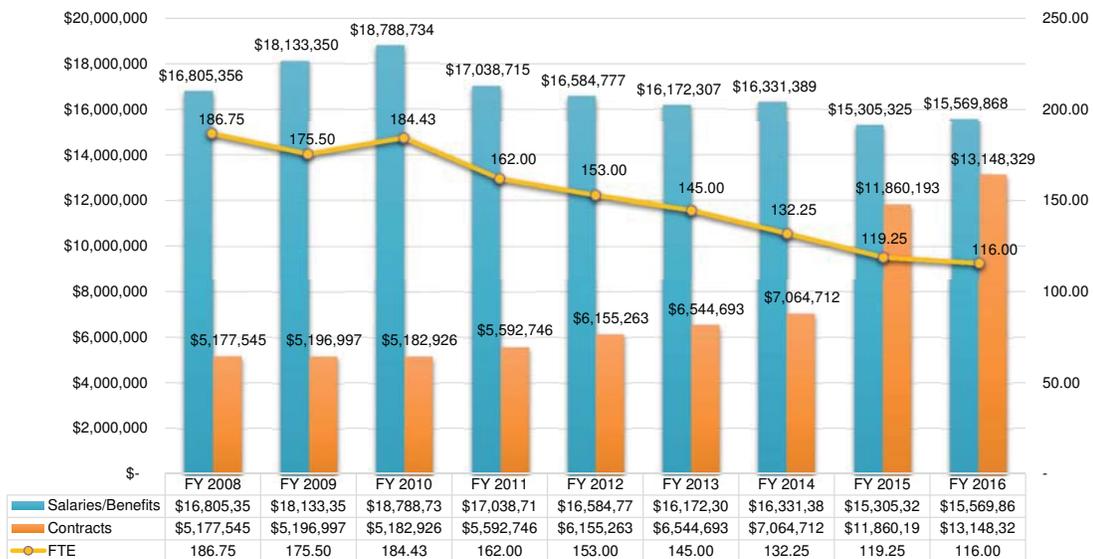
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MUNICIPAL OPERATIONS

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MUNICIPAL OPERATIONS DEPARTMENT

Operating Budget Overview



Finance Committee
February 11, 2016



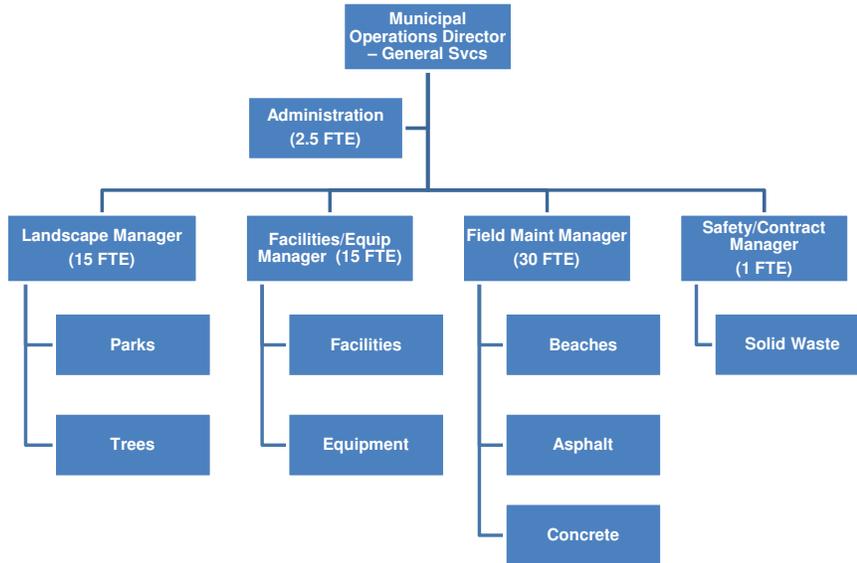
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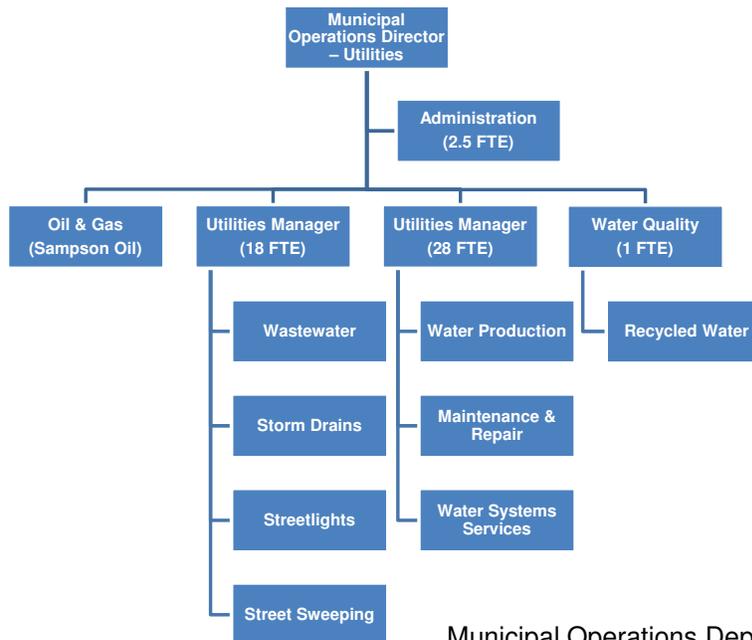
MUNICIPAL OPERATIONS

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MUNICIPAL OPERATIONS

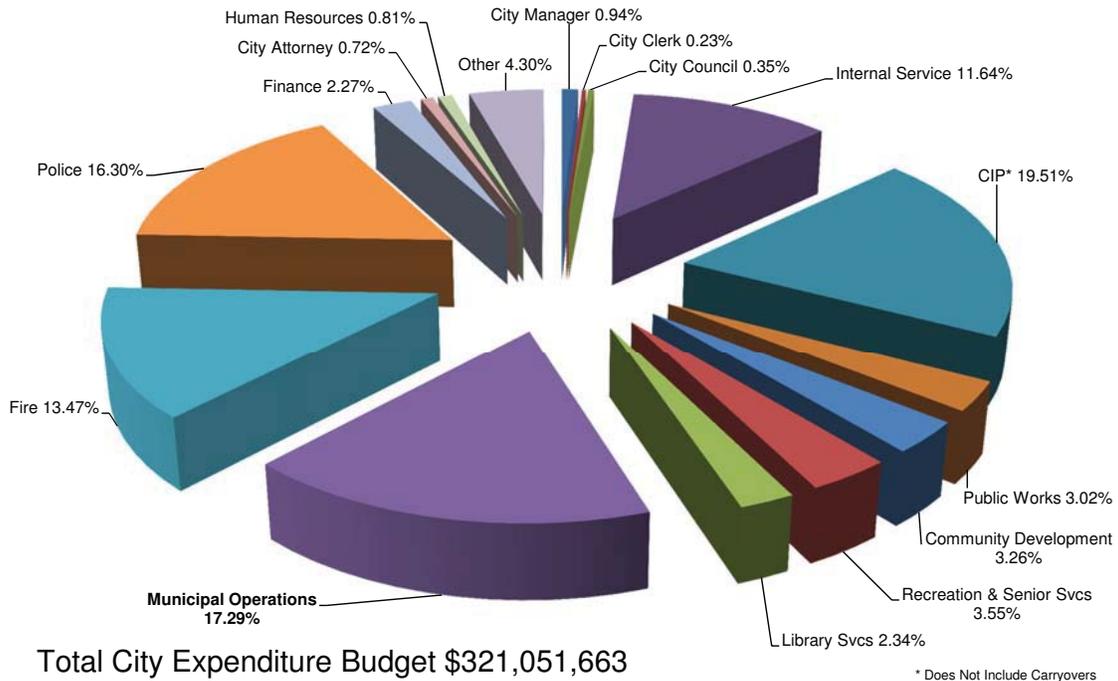
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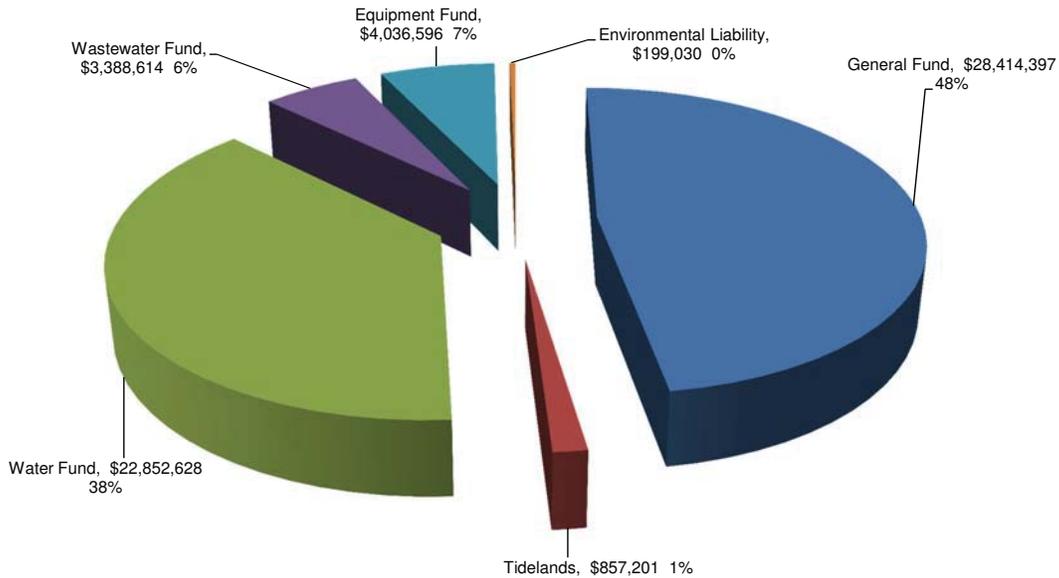
CITY OF NEWPORT BEACH

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MUNICIPAL OPERATIONS

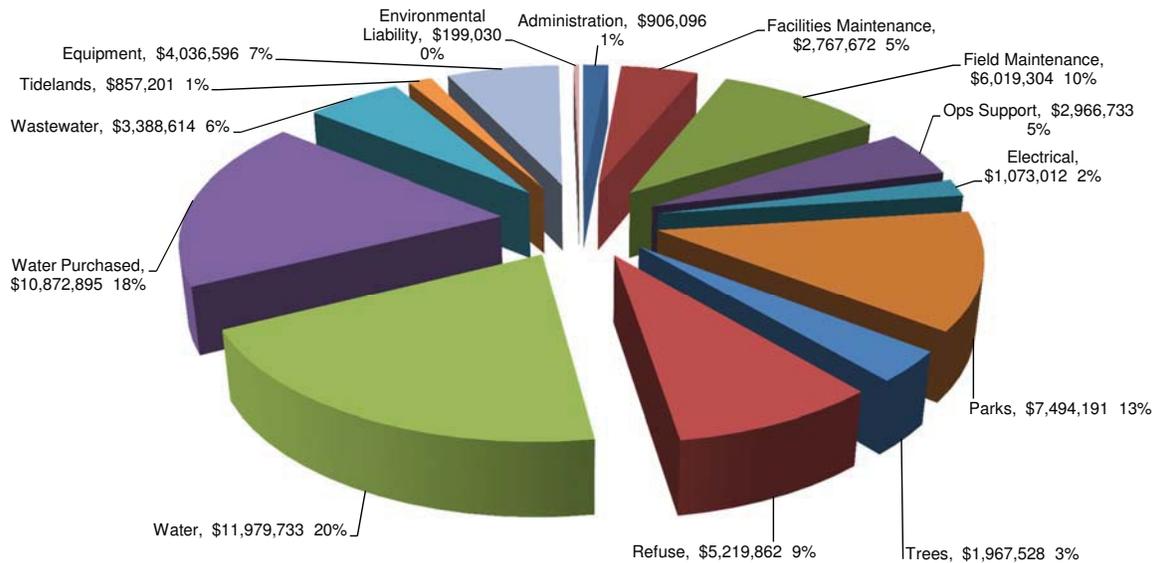
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MUNICIPAL OPERATIONS

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Water Fund	Salaries/Benefits	\$ 4,117,707	\$ 3,681,766	-12%	\$ 3,973,912	8%	\$ 3,922,186	-1%	\$ 4,356,962	10%
	Maintenance/Operations	\$ 15,021,268	\$ 14,518,469	-3%	\$ 15,307,185	5%	\$ 16,729,898	9%	\$ 18,495,666	10%
	Water Fund Subtotal	\$ 19,138,975	\$ 18,200,235	-5%	\$ 19,281,097	6%	\$ 20,652,084	7%	\$ 22,852,628	10%
Sewer Fund	Salaries/Benefits	\$ 1,573,152	\$ 1,566,059	0%	\$ 1,479,875	-6%	\$ 1,616,497	9%	\$ 1,532,098	-6%
	Maintenance/Operations	\$ 1,477,110	\$ 1,429,509	-3%	\$ 1,366,036	-4%	\$ 1,570,315	15%	\$ 1,856,516	15%
	Sewer Fund Subtotal	\$ 3,050,262	\$ 2,995,568	-2%	\$ 2,845,911	-5%	\$ 3,186,812	12%	\$ 3,388,614	6%
Tidelands Fund	Maintenance/Operations	\$ 978,325	\$ 802,460	-22%	\$ 754,147	-6%	\$ 855,460	13%	\$ 857,201	0%
	Tidelands Fund Subtotal	\$ 978,325	\$ 802,460	-22%	\$ 754,147	-6%	\$ 855,460	13%	\$ 857,201	0%
Equipment Fund*	Salaries/Benefits	\$ 1,392,990	\$ 1,234,626	-13%	\$ 1,339,005	8%	\$ 1,158,858	-13%	\$ 1,018,682	-14%
	Maintenance/Operations	\$ 723,075	\$ 667,717	-8%	\$ 676,566	1%	\$ 588,948	-13%	\$ 678,405	13%
	Equipment Purchases	\$ 2,469,500	\$ 3,633,500	32%	\$ 1,530,200	-58%	\$ 5,045,500	230%	\$ 2,339,509	-116%
	Equipment Fund Subtotal	\$ 4,585,565	\$ 5,535,843	17%	\$ 3,545,771	-36%	\$ 6,793,306	92%	\$ 4,036,596	-68%
Environmental Liability	Maintenance/Operations	\$ 139,286	\$ 161,086	14%	\$ 176,886	10%	\$ 178,530	1%	\$ 199,030	11%
	Environmental Liability Subtotal	\$ 139,286	\$ 161,086	14%	\$ 176,886	10%	\$ 178,530	1%	\$ 199,030	11%
Municipal Operations Total Budget		\$ 50,740,368	\$ 51,036,496	1%	\$ 50,547,224	-1%	\$ 58,127,116	13%	\$ 59,748,466	3%

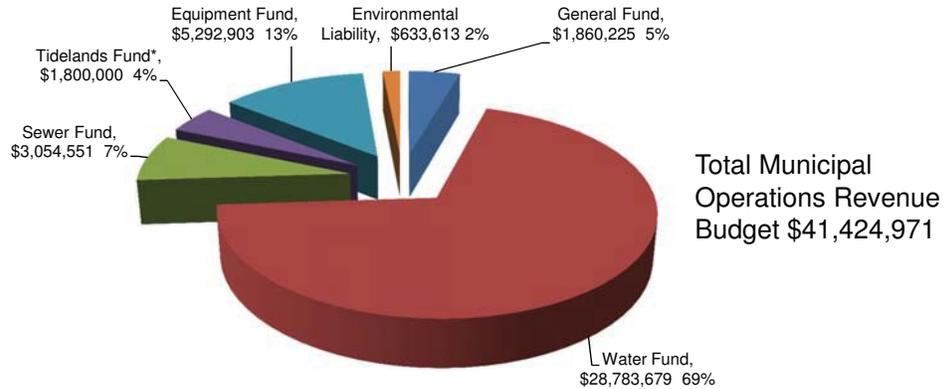
*Excludes items in this fund for other Departments

MUNICIPAL OPERATIONS

Five Year Revenue Budget Overview

	2012 Adopted Budget	2013 Adopted Budget	% Change from Prior Year	2014 Adopted Budget	% Change from Prior Year	2015 Adopted Budget	% Change from Prior Year	2016 Adopted Budget	% Change from Prior Year
General Fund	\$ 1,163,625	\$ 1,213,865	4%	\$ 1,394,269	15%	\$ 1,694,887	22%	\$ 1,860,225	10%
Water Fund	\$ 23,341,392	\$ 24,973,034	7%	\$ 27,523,763	10%	\$ 28,442,855	3%	\$ 28,783,679	1%
Sewer Fund	\$ 3,174,844	\$ 3,230,030	2%	\$ 3,344,685	4%	\$ 3,042,615	-9%	\$ 3,054,551	0%
Tidelands Fund*	\$ 1,800,000	\$ 1,800,000	0%	\$ 1,926,287	100%	\$ 2,000,000	4%	\$ 1,800,000	0%
Equipment Fund	\$ 5,735,006	\$ 5,875,942	2%	\$ 6,327,689	8%	\$ 4,922,520	-22%	\$ 5,292,903	8%
Environmental Liability	\$ 500,000	\$ 455,000	-10%	\$ 518,202	14%	\$ 574,025	11%	\$ 633,613	10%
Total Revenue	\$ 35,714,867	\$ 37,547,871		\$ 41,034,895	9%	\$ 40,676,902	-1%	\$ 41,424,971	2%

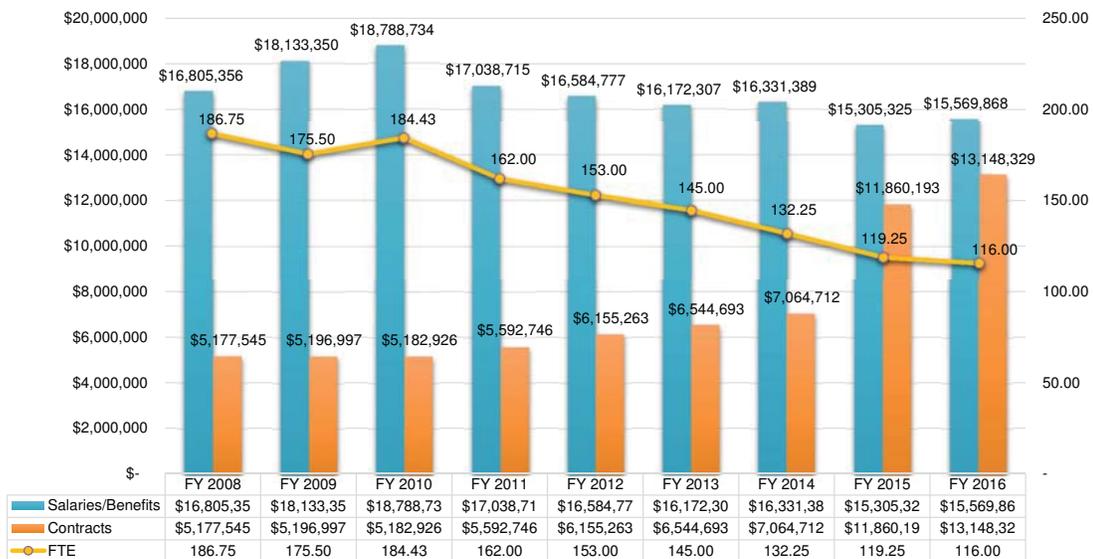
*Oil and Gas Only



MUNICIPAL OPERATIONS

Outsourcing – Budget Costs and FTE Positions

Salaries/Benefits Costs, Contract Costs, and Number of Employees From FY 2008 to FY 2016



MUNICIPAL OPERATIONS

Outsourcing

- Since FY 2008, staff has been reduced by 38% (186.75 FTE's to 116 FTE's) and services have been outsourced including:
 - Refuse (multiple contracts)
 - Street Sweeping
 - Carpentry Work
 - Electrical Repairs
 - Concrete Saw Cutting
 - Manufacture of Signs
 - Water Meter Reading
 - Streetlight Maintenance
 - CCTV Sewer Video
 - Water Meter Replacement
 - Seawall Repair
 - Tire Mounting and Balancing

MUNICIPAL OPERATIONS

Outsourcing - Continued

- Services Studied for Outsourcing
 - Water Valve Replacement: Results – No Cost Savings
 - Wastewater Maintenance: Results – No Cost Savings
 - Wastewater Lateral Replacement/Maintenance: Results – No Cost Savings
- Other Reductions in Personnel
 - Early Retirement Incentive Program (December 2010)
 - Voluntary Separation Incentive Program (June 2013)
 - Restructuring of the Department



CITY OF NEWPORT BEACH FINANCE COMMITTEE STAFF REPORT

Agenda Item No. 5B
February 11, 2016

TO: HONORABLE CHAIRMAN AND MEMBERS OF THE COMMITTEE

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

SUBJECT: CALPERS PENSION PLAN UPDATE AND ANALYSIS OF PAYMENT ALTERNATIVES

RECOMMENDATION:

Comment on staff recommendation to authorize a partial "Fresh Start" of the City's Unfunded Pension Liability. This action will initially increase the City's minimum pension contribution PERS \$6 million over the next four years but would decrease pension future pension costs by \$12.4 million over the next sixteen years. This action would result in a net present value savings to the City of approximately \$3 million. Provide staff direction whether the Finance Committee would like explore further the use of benefit trust to prefund pension obligations to CalPERS.

BACKGROUND:

The City of Newport Beach's pension contributions are pre-funded, as opposed to pay-as-you-go retirement systems like Social Security. In pre-funded systems, the employer and employee make contributions into a pension trust each year, over the course of an employee's working life. That money is invested and earnings on these funds are re-invested. By the time the employee reaches retirement, the accumulated assets in the trust are available to pay benefits. The objective of course, is to accumulate sufficient assets to pay the benefits over the remainder of the employee's life. To meet this objective, a pension plan should receive contributions in accordance with an actuarially based funding policy. The actuarially determined pension funding plan determines exactly how much the employer and employee should contribute each year to ensure that the benefits being earned will be securely funded in a systematic fashion.

Funding a Pension Plan



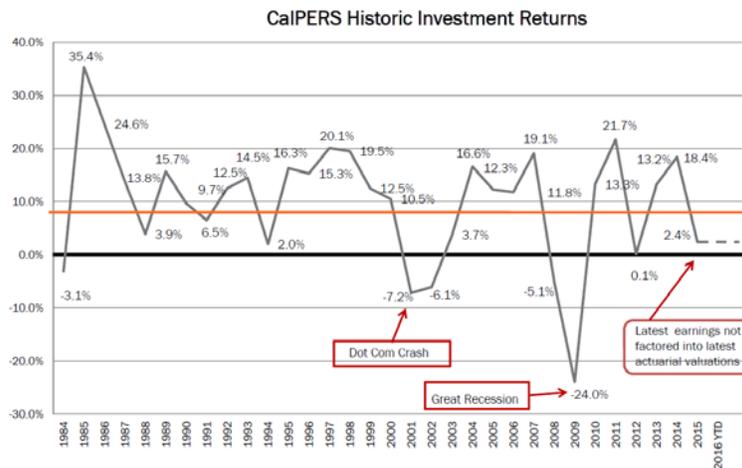
Plan assets come from three distinct sources including employee contributions, employer contributions and investment income.

Since actuarial assumptions are for the long-term, demographic and economic assumptions can vary from actual experience. There are many moving parts such as mortality experience, retirement rates, disability incidences, salary growth, investment returns and more. An actuarial plan valuation is, therefore, prepared each year to true-up contribution levels to better match actual experience.

DISCUSSION:

Investment losses during the most recent recession revealed an enormous problem with most public agency pension plans. That is, promised pension benefits are proving to be far more expensive than were previously thought. The spectacular investment earnings achieved during the technology boom of the late nineties and the real estate boom at the early part of this century helped plans achieve funding levels sometimes 130% of their target funding level and created expectations that favorable investment returns might continue indefinitely. This is significant because high investment returns can significantly reduce required pension contributions. While the true cost of pension plans were masked by extraordinary investment returns, many public agencies, including Newport Beach, faced increasing pressure to enhance pension benefits and did so retroactively to include all prior employee service credit. At the time, enhanced retirement benefits appeared almost free, that is, if investment returns continued at the previous historical pace.

As we know today and as the chart illustrates below, the equities market incurred heavy losses in 2008-2009 and sustained patterns of favorable earnings have not returned.



Unsheltered from high investment earnings, public agencies have become exposed to, and are now heavily burdened by, the high cost of prior pension promises that are difficult if not impossible to retract.

The most recent actuarial report presents the results of the June 30, 2014, California Public Employees' Retirement System (CalPERS) valuation of both the Miscellaneous and the Public Safety Plans for the City of Newport Beach. This report sets the Fiscal Year 2016-2017 minimum required contributions.

As of the latest valuation the combined unfunded pension liability for both Safety and Miscellaneous employee pension plans total \$253 million.

What has the City done to address the unfunded liability and to lower pension costs to the taxpayer?

The City has established two new lower benefit tiers (one for employees who transfer here from other agencies and one for employees brand new to the PERS system).

- Negotiated to eliminate the Employer-Paid Member Contribution (EPMC). This practice

previously allowed cities to pay both the City's expected contribution to PERS and the contribution that PERS indicated that employees (the "members") should pay.

- Employees are now or will contribute up to 54.8% of the total cost of their pensions. Most employees pay between 15.2% and 43.7%. Each increase must be negotiated under California law, and equates to between 10.5% and 14.6% of their salary being deducted and going to PERS. Most employee contributions in Newport Beach in 2016 exceed Governor Jerry Brown's employee contribution goals for 2018.
- Reduced the overall amount of staff at the City (from 833 full-time positions in Fiscal Year 2009-2010 to 730 in the Fiscal Year 2015-2016 budget). This does not affect the unfunded liability but it can stop additional liability from accruing.
- Accelerated the funding of the City's unfunded liability. Simply put, this means that the City will invest more dollars earlier to fully fund the unfunded portion of the pension plan by a date certain. Under the 19-year unfunded liability payment plan, the City will pay down the liability at a net present value cost of \$375 million (including interest) and realize present value savings of \$47 million from the 30-year plan. Under this plan, the City is estimated to reach an 80% funded status in 2020 (Miscellaneous Plan) and 2024 (Public Safety Plan).

Changes Impacting the Valuation Results

Key Valuation Results

There were two key events that impacted the current balance of our unfunded liability balance, which in turn will be reflected in our minimum required contribution to PERS. These include the changes to the actuarial assumptions and the experience gain or loss. These events are reflected in the actuarial valuation as two new amortization bases that supplement the previous fresh start base. Each new base can be compared to a second and third mortgage, each with their own term. These included a change in actuarial assumption (mortality) and experience gains due to extraordinary investment earnings of 18.4% during Fiscal Year 2013-2014.

Changes in Actuarial Assumptions

The CalPERS Board of Administration approved several changes to the demographic assumptions that more closely align with actual experience based on the most recent experience study. The most significant of these is mortality improvement to acknowledge the greater life expectancies we are seeing in our membership and expected continued improvements. The new actuarial assumptions are used to set the Fiscal Year 2016-2017 contribution rates for public agency employers. The increase in liability due to new actuarial assumptions calculated in this actuarial valuation is amortized over a 20-year period with a 5-year ramp-up or ramp-down in accordance with the CalPERS Board amortization policy. In total, the change in assumptions increased our unfunded liability \$37,323,892 as of June 30, 2014. Rolling this number forward for rate setting purposes, the change in assumption grows to a \$44,057,736 amortization base as of July 1, 2016, (see the table labeled "Current Unfunded Liability Amortization Bases" on page 6).

Experience (Gain)/Loss

Experience gains and losses occur when actual results differ from expected results. Examples include deviations in expected salary, work longevity, and investment earnings. Changes in liability due to experience gains and losses are amortized over a 30-year period with a 5-year ramp-up or ramp-down again in accordance with CalPERS Board amortization policy. The net change in experience gains and losses resulted in a \$(50,870,741) decrease in our unfunded liability as of June 30, 2014. Rolling this number forward for rate setting purposes the favorable gain resulted in a \$(67,321,034) amortization base as of July 1, 2016, (see the table labeled "Current Unfunded Liability Amortization Bases" on page 6).

This represents a credit that will reduce the amount of the minimum required contribution each year for 30 years.

Net Result

The City's unfunded liability decreased slightly on a year-over-year basis from \$258 million to \$253 million. The components of the unfunded liability are displayed in the following table.

Plan Funded Status - June 30, 2014			
	Miscellaneous	Public Safety	Total
Accrued Liability	\$ 343,832,762	\$ 476,037,681	\$ 819,870,443
Less: Market Value of Assets (MVA)	<u>\$ 255,201,637</u>	<u>\$ 312,101,811</u>	<u>\$ 567,303,448</u>
Unfunded Liability	\$ 88,631,125	\$ 163,935,870	\$ 252,566,995
Funded Ratio (MVA / Accrued Liability)	74.2%	65.6%	69.2%

When combined, the City's two pension plans are 69.2% funded.

Options for Funding of the Unfunded Accrued Liability (UAL) Faster

It is the City's policy (Reserve Policy F-2) to: 1) make contributions to the pension plans equaling at least 100% of the minimum required contribution; and 2) make effort at maintaining its UAL within a range that is considered acceptable to actuarial standards. Reserve Policy F-2 further prescribes that the City Council shall consider increasing the annual CalPERS contribution should the UAL status fall below acceptable actuarial standards.

We believe a funded ratio of 100% is the ultimate target, but 80% is an acceptable funding level.

Optimizing Payment Schedules by Enacting a Partial Fresh Start

The default amortization schedule referred to as the "5 Year Ramp Up/Down" policy reflects the *minimum* required contribution required by CalPERS and includes a graduated payment increase to allow the employer to absorb the change smoothly. Unfortunately, postponing contributions to the full payment will inevitably cost more in the long-run. As the result, the payment does not cover the interest accrual to the principal balance, which grows significantly in the first four years and takes a full eight years for the principal to reduce below the original balance (compare the circled cells in the chart on page 5).

By combining one or more amortization bases, the policy reverts to another amortization schedule called the "Level Percent of Pay." Under this methodology the City would pay the fully payment and principal is declines immediately resulting in significantly less interest and lower payments. Combining one or more amortization basis is referred to as a "Fresh Start" and can be thought of as refinancing a first and second mortgage under more favorable terms, see tables on pages 5 and 6.

Amortization Comparison - Mortality Assumption Change								
Year	20 Year Level % of Pay Amortization			20 Year 5 Yr. Ramp Up/Down			Annual Pmt Diff	
	Balance	Period	Payment	Balance	Period	Payment		
1	2017	\$ 44,057,736	18	\$ 3,561,837	\$ 44,057,736	20	\$ 839,198	\$ 2,722,639
2	2018	\$ 43,669,075	17	\$ 3,668,692	\$ 46,491,967	19	\$ 1,728,748	\$ 1,939,945
3	2019	\$ 43,140,474	16	\$ 3,778,753	\$ 48,186,461	18	\$ 2,670,915	\$ 1,107,838
4	2020	\$ 42,458,115	15	\$ 3,892,116	\$ 49,031,181	17	\$ 3,668,057	\$ 224,059
5	2021	\$ 41,607,042	14	\$ 4,008,879	\$ 48,905,397	16	\$ 4,722,624	\$ (713,744)
6	2022	\$ 40,571,076	13	\$ 4,129,146	\$ 47,676,782	15	\$ 4,864,302	\$ (735,157)
7	2023	\$ 39,332,718	12	\$ 4,253,020	\$ 46,209,125	14	\$ 5,010,231	\$ (757,211)
8	2024	\$ 37,873,047	11	\$ 4,380,610	\$ 44,480,091	13	\$ 5,160,538	\$ (779,928)
9	2025	\$ 36,171,611	10	\$ 4,512,029	\$ 42,465,537	12	\$ 5,315,354	\$ (803,326)
10	2026	\$ 34,206,311	9	\$ 4,647,390	\$ 40,139,376	11	\$ 5,474,815	\$ (827,425)
11	2027	\$ 31,953,268	8	\$ 4,786,811	\$ 37,473,420	10	\$ 5,639,060	\$ (852,248)
12	2028	\$ 29,386,692	7	\$ 4,930,416	\$ 34,437,225	9	\$ 5,808,231	\$ (877,816)
13	2029	\$ 26,478,730	6	\$ 5,078,328	\$ 30,997,915	8	\$ 5,982,478	\$ (904,150)
14	2030	\$ 23,199,312	5	\$ 5,230,678	\$ 27,119,993	7	\$ 6,161,953	\$ (931,275)
15	2031	\$ 19,515,978	4	\$ 5,387,598	\$ 22,765,144	6	\$ 6,346,811	\$ (959,213)
16	2032	\$ 15,393,696	3	\$ 5,549,226	\$ 17,892,016	5	\$ 6,537,215	\$ (987,989)
17	2033	\$ 10,794,662	2	\$ 5,715,703	\$ 12,455,988	4	\$ 5,386,666	\$ 329,038
18	2034	\$ 5,678,095	1	\$ 5,887,174	\$ 7,805,173	3	\$ 4,161,199	\$ 1,725,975
19	2035	\$ -			\$ 4,076,138	2	\$ 2,857,357	\$ (2,857,357)
20	2036	\$ -			\$ 1,419,278	1	\$ 1,471,539	\$ (1,471,539)

Sum of Payments	\$83,398,407	\$89,807,292
NPV @ 3%	\$62,245,699	\$65,180,425
Sum Difference		\$6,408,884
NPV Difference @ 3%		\$2,934,726

By combining or “refinancing” the Assumption Change base with the Previous “Fresh Start” base 6/30/2013, the payment would start out higher but remain lower than the default payment schedule for most of the term of the loan. Under this plan, the Experience Gain Base is left for future use to offset lower than expected investment returns.

Current Unfunded Liability Amortization Bases

Year	Event	Amort Period	Amort Type	Unfunded Liability 6/30/2014	Roll Forward 7/1/2016	2016-17 Pmt Default Amortizaion	2016-17 Pmt Level % of Pay Amortization
6/30/2013	Previous Fresh Start	18	Level % of Pay	266,113,844	271,346,480	21,936,942	21,936,942
6/30/2014	Assumption Change	20	5 Yr Ramp Up/Down	37,323,892	44,057,736	839,198	3,326,598
6/30/2014	Experience Gain	30	5 Yr Ramp Up/Down	(50,870,741)	(67,321,034)	(946,872)	(4,042,664)
				252,566,995	248,083,182	21,829,268	21,220,876

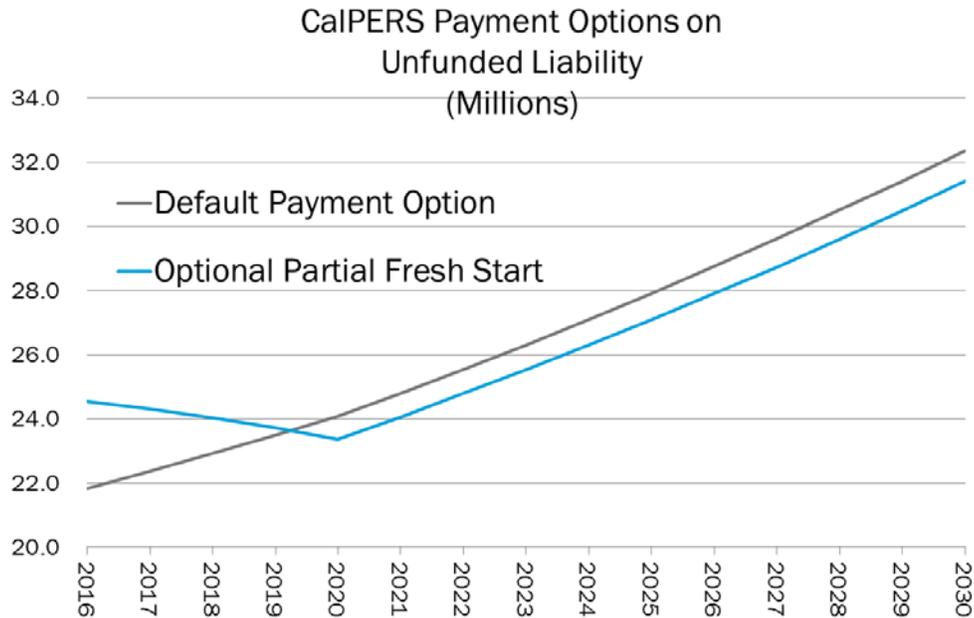
B

Proposed Partial Fresh Start Incorporating Assumption Change Base Into Fresh Start Base

6/30/2014	Partial Fresh Start	18	Level % of Pay	303,437,736	315,404,216	N/A	25,498,779
6/30/2014	Experience Gain	30	5 Yr Ramp Up/Down	(50,870,741)	(67,321,034)	N/A	(946,872)
				252,566,995	248,083,182	-	24,551,907

A

Payment Difference **2,722,639**
(A-B)



Another Potential Strategy – Pension Benefit Trusts

Committee members asked to explore the option of setting up a Pension Benefit Trust. Under this strategy, some of the City's reserves could be carved out and placed in an IRC Section 115 Benefit Trust. The trust would be eligible to purchase equity securities that have a have greater investment return opportunities, but carry a higher degree of risk.

The City could pay an annual amount in excess of the CalPERS-required annual required contribution, or it could contribute periodically, for instance, if and when it experiences budget savings or revenue surpluses at the end of the fiscal year. The amount that it contributes could be paid either directly to CalPERS, or into an irrevocable trust, known as a Section 115 Trust. This type of trust acts as a pension "reserve" or "stabilization" fund and can be financially managed by such entities as the Public Agency Retirement Services (PARS), the PFM Group (PFM), CalPERS and likely others.

Potential benefits of using a Section 115 Trust:

- Trust assets can be accessed to pay CalPERS at any time to reduce volatility and offset unexpected rate increases (rate stabilization).
- Provides access to a broader universe of investments that the City can undertake on its own, including stocks and longer-term bonds.
- Contributions can offset pension liability on the balance sheet.
- Allows the City to maintain control and investment oversight of assets.
- Diversifies investment assets and strategies.

Potential limitations of using a Section 115 Trust:

- The Trust can only be used to pay CalPERS directly or to reimburse the City for CalPERS contributions, thereby constraining the City's ability to use committed funds for operating needs.
- The Trust would not likely have a material impact on overall pension asset diversification or investment return relative to the \$550 million of pension assets already at CalPERS.
- In the event of an economic downturn, when the reserve funds might need to be accessed, the market value of the trust portfolio is also likely to be negatively impacted by the downturn.
- There would be an additional layer of administrative expenses for the trust and investment advisor services. Due to the scale of the CalPERS investment portfolio, our cost to administer these funds would far exceed CalPERS administrative expenses.

Summary

It is clear that the enacting a partial fresh start is more cost effective than the default option resulting in a present value savings to the City of \$3 million net of the initially higher cash flows. Staff recommends the committee strongly consider the partial fresh start option.

However, using cash now to pay off the UAL also has an opportunity cost. What services, programs, facilities, or master plan funding might be foregone due to the commitment of cash for this purpose?

It is less clear whether a pension benefit trust would have any significant marginal benefit but would require some time and expense to administer. Staff will defer to the Committee whether any further consideration of pension benefit trusts are desired.

The Committee may wish to weigh the proposed strategies and tactics against other budget opportunities and strategies as we commence the Finance Committee budget review, scheduled for March 10.

The full actuarial valuations can be reviewed at: www.newportbeachca.gov/pensions

Prepared by:

Submitted by:

/s/ Steve Montano

/s/ Dan Matusiewicz

Steve Montano
Deputy Finance Director

Dan Matusiewicz
Finance Director

Attachment:

A. CalPERS 20-Year Projection - Default vs. Partial Fresh Start Payment Options

ATTACHMENT A

CalPERS 20-Year Projection - Default vs. Partial Fresh Start Payment Options

CalPERS 20-Year Projection - Default vs. Partial Fresh Start Payment Options

		Default UAL Payment Option				Partial Fresh Start UAL Payment Option				
Period	Year	Normal Cost	Default UAL Payment Option	Projected Employee Contributions	Net City Cost	Normal Cost	Partial Fresh Start UAL Payment Option	Projected Employee Contributions	Net City Cost	Partial Fresh Start vs. Default Net City Cost
1	2017	15,546,433	22,380,511	(8,617,709)	29,309,235	15,546,433	25,103,150	(8,617,709)	32,031,874	2,722,639
2	2018	16,012,826	22,941,021	(8,876,240)	30,077,607	16,012,826	24,880,966	(8,876,240)	32,017,552	1,939,945
3	2019	16,493,211	23,515,020	(9,142,527)	30,865,703	16,493,211	24,622,858	(9,142,527)	31,973,541	1,107,838
4	2020	16,988,007	24,102,811	(9,416,803)	31,674,015	16,988,007	24,326,870	(9,416,803)	31,898,074	224,059
5	2021	17,497,647	24,704,707	(9,699,307)	32,503,047	17,497,647	23,990,962	(9,699,307)	31,789,302	(713,744)
6	2022	18,022,577	25,445,848	(9,990,287)	33,478,138	18,022,577	24,710,691	(9,990,287)	32,742,981	(735,157)
7	2023	18,563,254	26,209,223	(10,289,995)	34,482,482	18,563,254	25,452,012	(10,289,995)	33,725,271	(757,211)
8	2024	19,120,152	26,995,500	(10,598,695)	35,516,957	19,120,152	26,215,572	(10,598,695)	34,737,029	(779,928)
9	2025	19,693,756	27,805,365	(10,916,656)	36,582,465	19,693,756	27,002,040	(10,916,656)	35,779,140	(803,326)
10	2026	20,284,569	28,639,526	(11,244,156)	37,679,939	20,284,569	27,812,101	(11,244,156)	36,852,514	(827,425)
11-15	2027-31	110,924,337	156,612,668	(61,487,652)	206,049,353	110,924,337	152,087,967	(61,487,652)	201,524,652	(4,524,701)
16-20	2032-36	128,591,708	89,546,216	(71,281,040)	146,856,883	128,591,708	86,284,344	(71,281,040)	143,595,011	(3,261,872)
	Total	417,738,477	498,898,417	(231,561,068)	685,075,825	417,738,477	492,489,532	(231,561,068)	678,666,941	(6,408,884)
1	NPV@3 %	310,928,660	375,441,395	(172,354,180)	514,015,875	310,928,660	372,506,669	(172,354,180)	511,081,149	(2,934,726)

Schedule of Amortization Bases

There is a two-year lag between the Valuation Date and the Contribution Fiscal Year.

- The assets, liabilities and funded status of the plan are measured as of the valuation date; June 30, 2014.
- The employer contribution rate determined by the valuation is for the fiscal year beginning two years after the valuation date; Fiscal Year 2016-17.

This two-year lag is necessary due to the amount of time needed to extract and test the membership and financial data, and due to the need to provide public agencies with their employer contribution rates well in advance of the start of the fiscal year.

The Unfunded Liability is used to determine the employer contribution and therefore must be rolled forward two years from the valuation date to the first day of the fiscal year for which the contribution is being determined. The Unfunded Liability is rolled forward each year by subtracting the expected Payment on the Unfunded Liability for the fiscal year and adjusting for interest. The Expected Payment on the Unfunded Liability for a fiscal year is equal to the Expected Employer Contribution for the fiscal year minus the Expected Normal Cost for the year. The Employer Contribution Rate for the first fiscal year is determined by the actuarial valuation two years ago and the rate for the second year is from the actuarial valuation one year ago. The Normal Cost Rate for each of the two fiscal years is assumed to be the same as the rate determined by the current valuation. All expected dollar amounts are determined by multiplying the rate by the expected payroll for the applicable fiscal year, based on payroll as of the valuation date.

Reason for Base	Date Established	Amortization Period	Balance 6/30/14	Expected Payment 2014-15	Balance 6/30/15	Expected Payment 2015-16	Amounts for Fiscal 2016-17		
							Balance 6/30/16	Scheduled Payment for 2016-17	Payment as Percentage of Payroll
FORCED FS OLD METHOD	06/30/13	18	\$97,814,567	\$4,379,082	\$100,610,330	\$7,850,319	\$100,016,721	\$8,085,828	19.529%
ASSUMPTION CHANGE	06/30/14	20	\$15,300,917	\$(162,746)	\$16,617,224	\$(167,629)	\$18,037,317	\$343,569	0.830%
(GAIN)/LOSS	06/30/14	30	\$(24,484,359)	\$(48,938)	\$(26,269,946)	\$(191,255)	\$(28,041,895)	\$(394,410)	(0.953%)
TOTAL			\$88,631,125	\$4,167,398	\$90,957,608	\$7,491,435	\$90,012,143	\$8,034,987	19.406%

Schedule of Amortization Bases

There is a two-year lag between the Valuation Date and the Contribution Fiscal Year.

- The assets, liabilities and funded status of the plan are measured as of the valuation date; June 30, 2014.
- The employer contribution rate determined by the valuation is for the fiscal year beginning two years after the valuation date; Fiscal Year 2016-17.

This two-year lag is necessary due to the amount of time needed to extract and test the membership and financial data, and due to the need to provide public agencies with their employer contribution rates well in advance of the start of the fiscal year.

The Unfunded Liability is used to determine the employer contribution and therefore must be rolled forward two years from the valuation date to the first day of the fiscal year for which the contribution is being determined. The Unfunded Liability is rolled forward each year by subtracting the expected Payment on the Unfunded Liability for the fiscal year and adjusting for interest. The Expected Payment on the Unfunded Liability for a fiscal year is equal to the Expected Employer Contribution for the fiscal year minus the Expected Normal Cost for the year. The Employer Contribution Rate for the first fiscal year is determined by the actuarial valuation two years ago and the rate for the second year is from the actuarial valuation one year ago. The Normal Cost Rate for each of the two fiscal years is assumed to be the same as the rate determined by the current valuation. All expected dollar amounts are determined by multiplying the rate by the expected payroll for the applicable fiscal year, based on payroll as of the valuation date.

Reason for Base	Date Established	Amortization Period	Balance 6/30/14	Expected Payment 2014-15	Balance 6/30/15	Expected Payment 2015-16	Amounts for Fiscal 2016-17		
							Balance 6/30/16	Scheduled Payment for 2016-17	Payment as Percentage of Payroll
FORCED FS OLD METHOD	06/30/13	18	\$168,299,277	\$8,270,565	\$172,346,617	\$13,447,683	\$171,329,759	\$13,851,114	42.384%
ASSUMPTION CHANGE	06/30/14	20	\$22,022,975	\$(261,221)	\$23,945,538	\$(269,058)	\$26,020,419	\$495,629	1.517%
(GAIN)/LOSS	06/30/14	30	\$(26,386,382)	\$7,722,133	\$(36,371,839)	\$173,040	\$(39,279,139)	\$(552,462)	(1.691%)
TOTAL			\$163,935,870	\$15,731,477	\$159,920,316	\$13,351,665	\$158,071,039	\$13,794,281	42.210%

Partial Fresh Start Proposal

A	B	C	D
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Current Unfunded Liability Amortization Bases

		Year	Event	Amort Period	Amort Type	Unfunded Liability 6/30/2014	Roll Forward 7/1/2016	2016-17 Pmt Default Amortizaion	2016-17 Pmt Level % of Pay Amortization
1	1st Mortgage	6/30/2013	Previous Fresh Start	18	Level % of Pay	266,113,844	271,346,480	21,936,942	21,936,942
2	2nd Mortgage	6/30/2014	Assumption Change	20	5 Yr Ramp Up/Down	37,323,892	44,057,736	839,198	3,326,598
3	Long Term Receivable	6/30/2014	Experience Gain	30	5 Yr Ramp Up/Down	(50,870,741)	(67,321,034)	(946,872)	(4,042,664)
4						252,566,995	248,083,182	21,829,268	21,220,876

B

Proposed Partial Fresh Start Incorporating Assumption Change Base Into Fresh Start Base

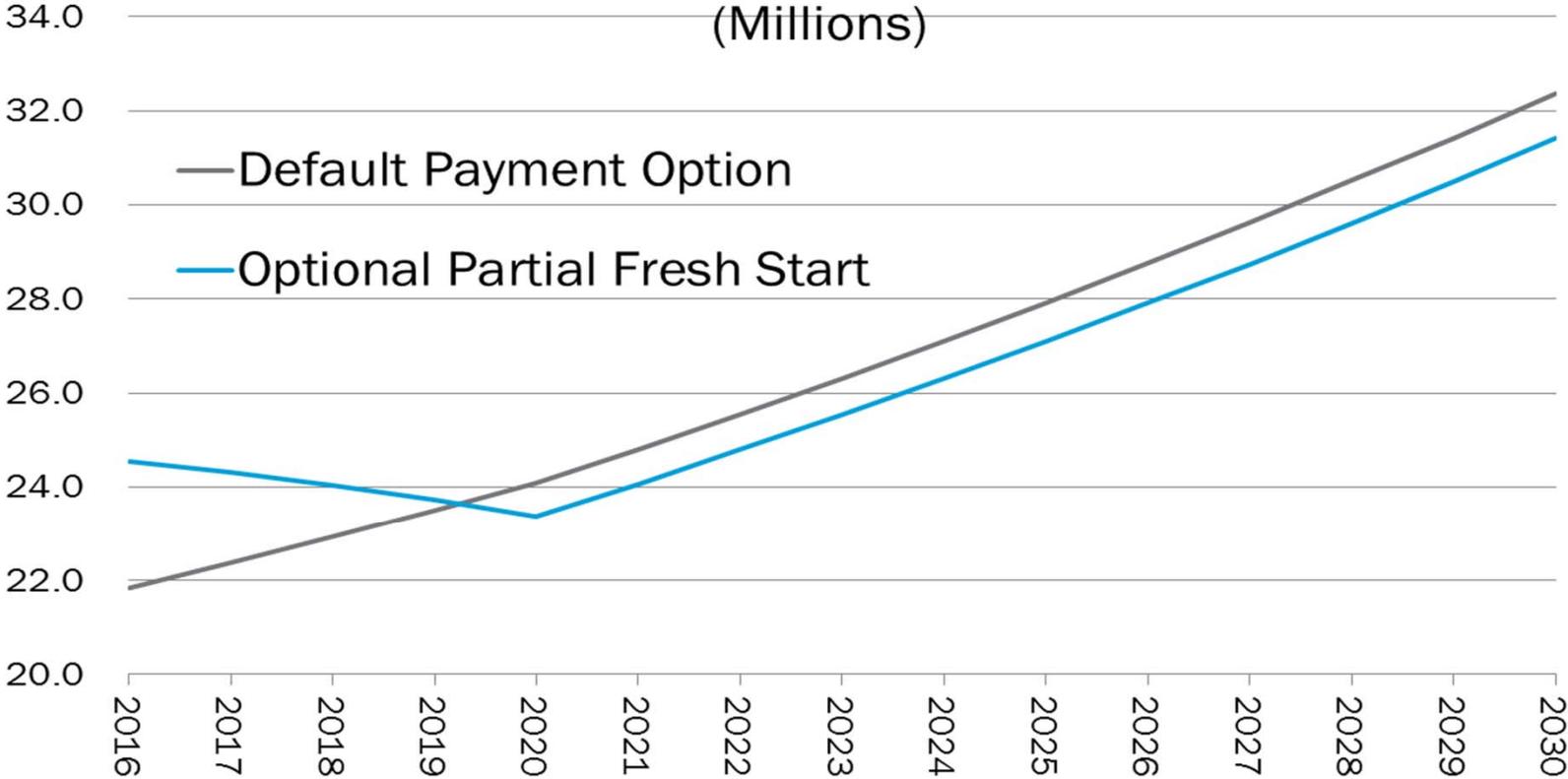
5	1st & 2nd Refinanced	6/30/2014	Partial Fresh Start	18	Level % of Pay	303,437,736	315,404,216	N/A	25,498,779
6	Long Term Receivable	6/30/2014	Experience Gain	30	5 Yr Ramp Up/Down	(50,870,741)	(67,321,034)	N/A	(946,872)
						252,566,995	248,083,182	-	24,551,907

A

7		Payment Difference	2,722,639
			(A-B)

Amortization Comparison - Mortality Assumption Change								
Year	20 Year Level % of Pay Amortization			20 Year 5 Yr. Ramp Up/Down			Annual Pmt Diff	
	Balance	Period	Payment	Balance	Period	Payment		
1	2017	\$ 44,057,736	18	\$ 3,561,837	\$ 44,057,736	20	\$ 839,198	\$ 2,722,639
2	2018	\$ 43,669,075	17	\$ 3,668,692	\$ 46,491,967	19	\$ 1,728,748	\$ 1,939,945
3	2019	\$ 43,140,474	16	\$ 3,778,753	\$ 48,186,461	18	\$ 2,670,915	\$ 1,107,838
4	2020	\$ 42,458,115	15	\$ 3,892,116	\$ 49,031,181	17	\$ 3,668,057	\$ 224,059
5	2021	\$ 41,607,042	14	\$ 4,008,879	\$ 48,905,397	16	\$ 4,722,624	\$ (713,744)
6	2022	\$ 40,571,076	13	\$ 4,129,146	\$ 47,676,782	15	\$ 4,864,302	\$ (735,157)
7	2023	\$ 39,332,718	12	\$ 4,253,020	\$ 46,209,125	14	\$ 5,010,231	\$ (757,211)
8	2024	\$ 37,873,047	11	\$ 4,380,610	\$ 44,480,091	13	\$ 5,160,538	\$ (779,928)
9	2025	\$ 36,171,611	10	\$ 4,512,029	\$ 42,465,537	12	\$ 5,315,354	\$ (803,326)
10	2026	\$ 34,206,311	9	\$ 4,647,390	\$ 40,139,376	11	\$ 5,474,815	\$ (827,425)
11	2027	\$ 31,953,268	8	\$ 4,786,811	\$ 37,473,420	10	\$ 5,639,060	\$ (852,248)
12	2028	\$ 29,386,692	7	\$ 4,930,416	\$ 34,437,225	9	\$ 5,808,231	\$ (877,816)
13	2029	\$ 26,478,730	6	\$ 5,078,328	\$ 30,997,915	8	\$ 5,982,478	\$ (904,150)
14	2030	\$ 23,199,312	5	\$ 5,230,678	\$ 27,119,993	7	\$ 6,161,953	\$ (931,275)
15	2031	\$ 19,515,978	4	\$ 5,387,598	\$ 22,765,144	6	\$ 6,346,811	\$ (959,213)
16	2032	\$ 15,393,696	3	\$ 5,549,226	\$ 17,892,016	5	\$ 6,537,215	\$ (987,989)
17	2033	\$ 10,794,662	2	\$ 5,715,703	\$ 12,455,988	4	\$ 5,386,666	\$ 329,038
18	2034	\$ 5,678,095	1	\$ 5,887,174	\$ 7,805,173	3	\$ 4,161,199	\$ 1,725,975
19	2035	\$ -			\$ 4,076,138	2	\$ 2,857,357	\$ (2,857,357)
20	2036	\$ -			\$ 1,419,278	1	\$ 1,471,539	\$ (1,471,539)
			Sum of Payments	\$83,398,407				\$89,807,292
			NPV @ 3%	\$62,245,699				\$65,180,425
					Sum Difference			\$6,408,884
					NPV Difference @ 3%			\$2,934,726

CalPERS Payment Options on Unfunded Liability (Millions)



CalPERS 20-Year Projection - Default vs. Partial Fresh Start Payment Options

		Default UAL Payment Option				Partial Fresh Start UAL Payment Option				
Period	Year	Normal Cost	Default UAL Payment Option	Projected Employee Contributions	Net City Cost	Normal Cost	Partial Fresh Start UAL Payment Option	Projected Employee Contributions	Net City Cost	Partial Fresh Start vs. Default Net City Cost
1	2017	15,546,433	22,380,511	(8,617,709)	29,309,235	15,546,433	25,103,150	(8,617,709)	32,031,874	2,722,639
2	2018	16,012,826	22,941,021	(8,876,240)	30,077,607	16,012,826	24,880,966	(8,876,240)	32,017,552	1,939,945
3	2019	16,493,211	23,515,020	(9,142,527)	30,865,703	16,493,211	24,622,858	(9,142,527)	31,973,541	1,107,838
4	2020	16,988,007	24,102,811	(9,416,803)	31,674,015	16,988,007	24,326,870	(9,416,803)	31,898,074	224,059
5	2021	17,497,647	24,704,707	(9,699,307)	32,503,047	17,497,647	23,990,962	(9,699,307)	31,789,302	(713,744)
6	2022	18,022,577	25,445,848	(9,990,287)	33,478,138	18,022,577	24,710,691	(9,990,287)	32,742,981	(735,157)
7	2023	18,563,254	26,209,223	(10,289,995)	34,482,482	18,563,254	25,452,012	(10,289,995)	33,725,271	(757,211)
8	2024	19,120,152	26,995,500	(10,598,695)	35,516,957	19,120,152	26,215,572	(10,598,695)	34,737,029	(779,928)
9	2025	19,693,756	27,805,365	(10,916,656)	36,582,465	19,693,756	27,002,040	(10,916,656)	35,779,140	(803,326)
10	2026	20,284,569	28,639,526	(11,244,156)	37,679,939	20,284,569	27,812,101	(11,244,156)	36,852,514	(827,425)
11-15	2027-31	110,924,337	156,612,668	(61,487,652)	206,049,353	110,924,337	152,087,967	(61,487,652)	201,524,652	(4,524,701)
16-20	2032-36	128,591,708	89,546,216	(71,281,040)	146,856,883	128,591,708	86,284,344	(71,281,040)	143,595,011	(3,261,872)
	Total	417,738,477	498,898,417	(231,561,068)	685,075,825	417,738,477	492,489,532	(231,561,068)	678,666,941	(6,408,884)
1	NPV@3 %	310,928,660	375,441,395	(172,354,180)	514,015,875	310,928,660	372,506,669	(172,354,180)	511,081,149	(2,934,726)



CITY OF NEWPORT BEACH FINANCE COMMITTEE STAFF REPORT

Agenda Item No. 5C
February 11, 2016

TO: HONORABLE CHAIRMAN AND MEMBERS OF THE COMMITTEE

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

SUBJECT: FINANCE COMMITTEE CHARTER REVIEW AND UPDATE

DISCUSSION:

The resolution authorizing the purpose and responsibilities of the Finance Committee was last updated by Resolution No. 2015-40, as adopted May 26, 2015.

Staff reviews this resolution with the Finance Committee on an annual basis and welcomes any discussion or consideration for updating. It is also a good time to reflect on the past year and to consider changes to the proposed work plan. Doing so will allow for any necessary course corrections and will help the Finance Committee fulfill its mission. Any changes to the resolution will require formal City Council approval.

Prepared and Submitted by:

/s/ Steve Montano

Steve Montano
Deputy Finance Director

Attachment:

- A. Resolution No. 2015-40 (Adopted May 26, 2015), A Resolution of the City Council of the City of Newport Beach Amending the Membership, Duties and Responsibilities of the Finance Committee

ATTACHMENT A

Resolution No. 2015-40 (Adopted May 26, 2015), A Resolution of the City Council of the City of Newport Beach Amending the Membership, Duties and Responsibilities of the Finance Committee

FINANCE COMMITTEE

AUTHORIZATION: Established by Resolution No. 94-110 adopted on December 12, 1994. Modified by Resolution No. 96-100 adopted on December 9, 1996. Disbanded by Resolution No. 98-32 adopted on May 11, 1998. Re-established by Resolution No. 2000-103 adopted on December 12, 2000. Duties and membership amended by Resolution No. 2007-21 adopted on April 10, 2007. Purpose and responsibilities amended by Resolution No. 2013-32 adopted on April 9, 2013. Membership, qualifications and term of members, and purpose and responsibilities amended by Resolution No. 2015-5 adopted on January 13, 2015. Administrative practices amended by Resolution No. 2015-40 adopted on May 26, 2015.

MEMBERSHIP: Seven (7) total. Three (3) Council Members appointed by the Mayor subject to full City Council approval. Four (4) Citizen Advisors appointed by the Council Members not on the Committee subject to approval of the full City Council. Citizen Advisors have equal voting status. The Mayor shall appoint the chairperson subject to confirmation of the full City Council.

Staff support shall be provided primarily by the City Manager and the Finance Director and by other staff as necessary.

Meetings shall be held as required by the business needs of the Finance Committee in the City Council Chambers or such other locations as allowed by the Ralph M. Brown Act, on weeknights or weekdays (M-Th) at a time that is convenient for the Finance Committee and the public to encourage public participation.

TERM OF COUNCIL MEMBERS:

Indefinite pending City Council action.

TERM OF APPOINTED MEMBERS:

Appointed Annually.

QUALIFICATIONS OF

- APPOINTED MEMBERS:**
- A. Must be a resident of the city of Newport Beach;
 - B. Must be a registered voter in Newport Beach;
 - C. Must be appointed by a City Council Member; and
 - D. Recommended, but not required, that the appointee be a CPA, CFA or Business/Finance major or other such designation as may be appropriate.

PURPOSE &

- RESPONSIBILITIES:**
- A. Review and monitor events and issues which may affect the financial status of the City;
 - B. Make recommendations to the City Council regarding amendments to financial and budgetary policies;
 - C. In accordance with Sections 504 & 1101 of the City Charter, review the City Manager's proposed budget and give recommendations to the City Manager in advance of the budget's presentation to the City Council. The Committee's recommendations shall be provided in writing to the City Council along with the City Manager's presented budget;
 - D. Recommend for Council approval, and manage an on-going process for measuring and setting goals designed to maximize the City's revenues consistent with existing taxation structures and inter-governmental funding opportunities, fee generation consistent with market rate charges for City provided services and market rate fees for utilization of City owned assets. Recommend to Council major initiatives to accomplish identified goals;
 - E. Recommend for Council approval, and manage an on-going process for measuring and setting goals designed to minimize the City's cost to provide core services and required activities, consistent with the desired service level for residents and other internal

and external customers. Recommend to Council major initiatives to accomplish identified goals;

- F. Review with staff on an annual basis the timing, means of financing, and fiscal impacts associated with funding the high-priority projects designated in the Facilities Financing Plan. After approval by the City Council, identify, review and annually recommend to Council the most advantageous methods to fund the City Council's approved Facilities Financing Plan;
- G. Identify, review and annually recommend to Council the most advantageous methods to fund the City's long term compensation and benefit program liabilities;
- H. Review and recommend to Council policies related to the setting of funding goals for reserves, and review on-going progress related thereto;
- I. Review the structure and documentation of any proposed debt financing to assess the risk associated with debt usage;
- J. Conduct audit conference meeting(s) with the auditors to provide independent review and oversight of the City of Newport Beach's financial reporting processes, framework of internal control, and to provide a forum in which auditors can candidly discuss concerns in the absence of staff; and
- K. Recommend for Council approval and monitor and review activities related to Investment Guidelines for City Reserve and investment funds.



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

Agenda Item No. 5D
February 11, 2016

TO: HONORABLE CHAIRMAN AND MEMBERS OF THE COMMITTEE

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

SUBJECT: WORK PLAN OVERVIEW

DISCUSSION:

Staff will present and seek approval of the revised Finance Committee agenda topics scheduled for the year. Proposed changes include additional committee meetings to review the entirety of the proposed Fiscal Year 2016-2017 budget. The work plan represents the planned topics of discussion; however, is subject to change based on the availability of information and the need to schedule other topics as they arise.

Prepared and submitted by:

/s/Steve Montano

Steve Montano
Deputy Finance Director

Attachment:

A. Revised Finance Committee 2016 Work Plan

ATTACHMENT A

Revised Finance Committee 2016 Work Plan

City of Newport Beach Finance Committee Work Plan 2016

Scheduled Date	Agenda Title	Agenda Description
January		
Thursday, January 14, 2016	Semi-Annual Investment Portfolio Review	Staff and/or one or more investment advisors will describe the performance of the City's investment portfolio.
	Implementation of Budget Preparation Framework - Review of Operating Budget, Session 4 (Public Works Department)	The goal of this presentation will be to familiarize members of the Finance Committee with the elements of the Fiscal Year 2015-2016 Public Works Department budget, provide opportunity for questions, and to gain clarity in the funding allocations for departmental programs.
	Review of Facilities Financial Planning Tool (FFPT)	Staff will present the timing, means of financing, and fiscal impacts associated with funding high-priority capital projects approved by the City Council.
	Work Plan Overview	Staff will present and seek approval of the tentative Finance Committee agenda topics scheduled for the calendar year. The work plan represents the planned topics of discussion; however, is subject to change based on the availability of information and the need to schedule other topics as they arise.
	Issuance of Multi-Family Housing Revenue Bonds for the Uptown Newport Project by the California Statewide Communities Development Authority to TPG/TSG Venture I Acquisition, LLC	The California Statewide Communities Development Authority (CSCDA) is authorized to issue bonds, notes, and other evidences of indebtedness to public entities and private developers in order to promote economic development, including the provisions and maintenance of multi-family housing. TPG/TSG Venture I Acquisition, LLC (the borrower also known as the Shopoff and Picerne Real Estate Joint Venture Investment Group) is seeking financing from CSCDA for the acquisition, construction and development of the multifamily rental housing projects collectively known as the Uptown Newport Village. The law requires a public hearing be held to allow members of the public and the governing board the ability to comment and approve or disapprove the issuance of bonds for the project. Any project not approved by the local jurisdiction will not be financed through CSCDA. As the Program Participant, the City of Newport Beach will not incur any liability of this CSCDA financing.
	Year-End Closing Results	Staff will present the preliminary year-end closing results for Fiscal Year 2014-2015.
	Quarterly ERP Update	Staff will provide the Committee with a progress report on the Enterprise Resource Plan project to receive and file.
February		
Thursday, February 11, 2016	Implementation of Budget Preparation Framework - Review of Operating Budget, Session 5 (Municipal Operations Department)	The goal of this presentation will be to familiarize members of the Finance Committee with the elements of the Fiscal Year 2015-2016 Municipal Operations Department budget, provide opportunity for questions, and to gain clarity in the funding allocations for departmental programs.
	Review of Public Employees Retirement System (PERS) Valuation	Staff will summarize the results from our latest actuarial valuation and financial options to manage the current obligation. Discussion will include fresh start options as well as the California Employers' Benefit Trust (CERBT) Fund, which is a Section 115 trust fund dedicated to prefunding Other Post-Employment Benefits (OPEB) for all eligible California public agencies.
	Budget Amendments	Staff will report on the budget amendments for the prior quarter. All budget amendments are in compliance with City Council Policy F-3, Budget Adoption and Administration.
	Finance Committee Charter Review and Update	The resolution authorizing the purpose and responsibilities of the Finance Committee was last updated by Resolution No. 2015-5, as adopted January 13, 2015. Staff reviews this resolution with the Finance Committee on an annual basis and welcomes any discussion or consideration for updating.
	Work Plan Overview	Staff will present and seek approval of the revised Finance Committee agenda topics scheduled for the calendar year. Proposed changes include additional committee meetings to review the entirety of the proposed FY 17 budget. The work plan represents the planned topics of discussion; however, is subject to change based on the availability of information and the need to schedule other topics as they arise.
March		
Thursday, March 10, 2016	Quarterly ERP Update	Staff will provide the Committee with a progress report on the Enterprise Resource Plan project to receive and file.
	FY 2014-2015 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 6/30/2015. 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.
	Financial Policy Update (Optional)	Review and discuss any proposed Financial Policy updates as necessary.
	Proposed FY 2016-2017 Budget Overview # 1	Staff will provide an overview of the Proposed FY 2016-2017 Budget Assumptions.
April		
Thursday, April 28, 2016 **Special Meeting Date**	Proposed FY 2016-2017 Budget Overview # 2	Staff will provide an overview of the Proposed FY 2016-2017 Operating Budget and or CIP.
May		
Thursday May 5, 2016 **Special Meeting Date**	Proposed FY 2016-2017 Budget Overview # 3 (Optional)	Staff will provide an overview of the Proposed FY 2016-2017 Operating Budget and or CIP.

City of Newport Beach Finance Committee Work Plan 2016

Scheduled Date	Agenda Title	Agenda Description
Thursday, May 12, 2016	Proposed FY 2016-2017 Budget Overview # 4	Staff will provide an overview of the Proposed FY 2016-2017 Operating Budget and or CIP.
	Review Staff Recommendation on the Selection of a Certified Public Accounting Audit Firm	Staff will recommend the selection of a certified public accountant firm to perform the annual audit. The selection will be based on the evaluation results generated from a Request for Proposals process.
Friday May 13, 2016 **Special Meeting Date**	Proposed FY 2016-2017 Budget Overview # 5 (Optional)	Staff will provide an overview of the Proposed FY 2016-2017 Operating Budget and or CIP.
June		
Thursday, June 16, 2016	Annual Fee Schedule Update	The purpose of this meeting is to review staff's recommendation to revise the Master Fee Schedule according to CPI and to review the specific changes recommended for departmental related fees.
	Audit Entrance Conference (Optional)	Auditors will contact members of the Finance Committee individually to discuss the work plan for the fiscal year ending 6/30/2016 CAFR audit. Alternatively, the auditor may request an audience with the Finance Committee as a whole, in which case a meeting may be convened during this month. The committee will have an opportunity to discuss any potential areas of concern they wish the auditors to review and the auditors can discuss any changes in accounting standards or disclosures that may be relevant for the audit year.
	Financial Policy Update (Optional) Quarterly ERP Update	Review and discuss any proposed Financial Policy updates as necessary. Staff will provide the Committee with a progress report on the Enterprise Resource Plan project to receive and file.
	Budget Amendments	Staff will report on the budget amendments for the prior quarter. All budget amendments are in compliance with City Council Policy F-3, Budget Adoption and Administration.
July		
Thursday, July 14, 2016	Proposed Committee Recess	
August		
Thursday, August 11, 2016	Proposed Committee Recess	
September		
Thursday, September 15, 2016	Semi-Annual Investment Performance Review	Staff and/or one or more investment advisors will describe the performance of the City's investment portfolio.
	Investment Policy Review Quarterly ERP Update	Annual review of Investment Policy. Staff will provide the Committee with a progress report on the Enterprise Resource Plan project to receive and file.
	Budget Amendments	Staff will report on the budget amendments for the prior quarter. All budget amendments are in compliance with City Council Policy F-3, Budget Adoption and Administration.
October		
Thursday, October 13, 2016	Review of Post Employment Retiree Insurance Actuarial Valuation (AKA OPEB)	The City's OPEB actuary will review the City's latest OPEB valuation and liability.
	Review of Cloud-Based Business Intelligence Software	Business intelligence software delivers critical financial information and analytics to internal decision makers and members of the community. Staff will demonstrate the functionality of the proposed software solution and seek input from the Committee on its various configuration options.
	Prepare Budget Guidance in preparation for the FY 2017-2018 Budget	Staff will seek guidance and input from the Committee regarding potential areas of budget process improvement prior to the preparation of the 2017-18 annual budget.
November		
Thursday, November 10, 2016	Review of Public Employees Retirement System (PERS) Valuation	Staff will summarize the results from the latest PERS actuarial valuation and financial options to manage the current obligation.
	Finalize Budget Guidance in preparation for the FY 2017-2018 Budget	Staff will seek guidance and input from the Committee regarding potential areas of budget process improvement prior to the preparation of the 2017-18 annual budget.
December		
Thursday, December 15, 2016	Year-End Closing Results	Staff will present the preliminary year-end closing results for Fiscal Year 2015-2016.
	Quarterly ERP Update	Staff will provide the Committee with a progress report on the Enterprise Resource Plan project to receive and file.
	Budget Amendments	Staff will report on the budget amendments for the prior quarter. All budget amendments are in compliance with City Council Policy F-3, Budget Adoption and Administration.



CITY OF NEWPORT BEACH FINANCE COMMITTEE STAFF REPORT

Agenda Item No. 5E
February 11, 2016

TO: HONORABLE CHAIR AND MEMBERS OF THE COMMITTEE

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

SUBJECT: BUDGET AMENDMENTS

EXECUTIVE SUMMARY

The purpose of this memorandum is to report on the budget amendments for the first two quarters of Fiscal Year 2015-2016. All budget amendments are in compliance with City Council Policy F-3, Budget Adoption and Administration.

DISCUSSION

The Finance Committee requested that staff provide a quarterly report of budget amendments. City Council Policy F-3, Budget Adoption and Administration, identifies how appropriations can be transferred, amended or reduced.

**City of Newport Beach
Budget Amendments
Fiscal Year 2015-16
Quarter Ending September 30, 2015**

Date	Amount	Amendment Type	Department	Explanation
07/01/15	18,618	City Manager	Police	Roll forward purchase of second Police canine from FY 2014-15 Elks Donation
07/14/15	40,000	Council	CIP - Assessment District #116	Advance of General Funds to initiate work
07/28/15	347,597	Council	CDD - Building	Contract for building inspections, civil engineer and permit specialist
08/11/15	363,740	Council	OTS Grant - Traffic Enforcement	Increase revenue & expenditures for Office of Traffic Safety Grant
08/11/15	11,364	Council	Library	Increase revenue & expenditures from Newport Beach Library Foundation for library materials & literacy services
8/13/2015	11,183	City Manager	Police	To transfer OTS Grant allocation from supplies to equipment as specified in the grant documents
09/08/15	205,000	Council	Library	Donation from Friends of the Library for library programming & literacy materials
09/08/15	400,000	Council	CIP - Radio Tower Rehabilitation Project	Expedite design and rehabilitation construction
09/08/15	855,200	Council	CIP - E. Coast Highway Traffic Signal	Award of construction contract
9/10/2015	5,000	City Manager	Public Works	Roll forward funding for Newport Pier Market study

City of Newport Beach
Budget Amendments
Fiscal Year 2015-16
Quarter December 31, 2015

Date	Amount	Amendment Type	Department	Explanation
10/1/2015	778	City Manager	Library	Increase revenue & expenditures from SLS Grants for eBook funding
10/1/2015	144,552	City Manager	CIP - Water Distribution	Administrative correction to funding for settlement approved by Council at their March 20, 2015 meeting
10/13/15	125,000	Council	Fire	Increase revenue & expenditures from Hoag Hospital for the OC Alternate Destinations Pilot Project
10/13/15	18,000	Council	Library	Increase revenue & expenditures from California State Library for Literacy Services
10/27/15	221,125	Council	Library	Increase revenue & expenditures from Newport Beach Library Foundation for library materials, programming, & literacy services
11/10/15	268,247	Council	MOD - Utilities	Provide water conservation support services
11/24/15	1,415,232	Council	CDD	Increase revenue & expenditures for the new Fostering Interest In Nature (FiIN) Fund
11/24/15	2,575,000	Council	CDD and Recreation & Senior Services	Funding for Newport Shores and Senior Home Repair Affordable Housing projects
11/24/15	165,397	Council	MOD - Parks	Increased costs associated with landscape maintenance services at City parks and facilities
11/24/15	50,000	Council	CIP - Street Improvements	Transfer funds to project street concrete replacement work
11/24/15	352,920	Council	City Council	Funding for the Civic Center Project Audit
11/24/15	10,712	Council	Fire	Increase revenue & expenditures for Emergency Management Performance Grant
11/24/15	174,648	Council	CIP	Increase revenue & expenditures for OCSD project support
11/30/2015	428	City Manager	Recreation - OASIS	Increase revenue & expenditures for donation from 24 Hour Home Care for holiday gifts for homebound senior citizens
12/4/2015	9,697	City Manager	City Attorney	Transfer salary savings to professional services to fund outside counsel contract
12/08/15	143,500	Council	CIP - Water Fund	Funding for construction contract to replace two Variable Frequency Drives serving the Zone III Pump Station

Prepared by:

Submitted by:

/s/ Susan Giangrande

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Budget Manager

/s/ Dan Matusiewicz

Dan Matusiewicz
Finance Director