

**CITY OF NEWPORT BEACH  
FINANCE COMMITTEE  
NOVEMBER 12, 2015 MEETING MINUTES**

**I. CALL MEETING TO ORDER**

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

**II. ROLL CALL**

PRESENT: Council Member Keith Curry (Chair), Mayor Pro Tem Diane Dixon, Council Member Tony Petros, Committee Member Patti Gorczyca, Committee Member William C. O'Neill, Committee Member Larry Tucker, Committee Member John Warner

STAFF PRESENT: City Manager Dave Kiff, Finance Director/Treasurer Dan Matusiewicz, Deputy Finance Director Steve Montano, Chief of Police Jay Johnson, Assistant City Manager Carol Jacobs, Budget Manager Susan Giangrande, IT Manager Rob Houston, Police Fiscal Services/Facilities Manager Lisa Newman, Deputy Police Chief David W. McGill, Police Support Services Administrator Jonathan Stafford, Police Assistant Chief Jon Lewis, and Administrative Specialist to the Finance Director Marlene Burns

MEMBERS OF THE PUBLIC: Laura Curran and Jim Mosher

**III. PUBLIC COMMENTS**

Jim Mosher suggested that future Finance Committee agendas should allow Committee Members to comment and make suggestions relative to future agendas. He suggested placing a link to the audio recording of the meeting on the City's website and thus solve potential Brown Act issues. He addressed the City's contract award process and the need for related documents to be accessible to the public.

**IV. CONSENT CALENDAR**

**A. MINUTES OF OCTOBER 15, 2015**

**Recommended Action:**  
Approve and file.

Corrections to the minutes were noted as submitted.

Chair Curry opened public comments.

Seeing no one wishing to address the Committee, Chair Curry closed public comments.

Committee Member Warner moved, and Mayor Pro Tem Dixon seconded, to approve the October 15, 2015, Finance Committee Minutes, as corrected. The motion carried with 5 ayes and 2 abstentions (Committee Members Gorczyca and Tucker).

**V. CURRENT BUSINESS**

**A. IMPLEMENTATION OF BUDGET PREPARATION FRAMEWORK – REVIEW OF OPERATING BUDGET, SESSION 2**

**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 Police 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 Police Department Fiscal Year 2015-2016 operating budget.

Chair Curry introduced the item and deferred to Chief of Police Jay Johnson, for a PowerPoint presentation of the Police Department's budget.

Chief Johnson presented a brief background of his experience and qualifications, focusing on stewardship at a very early age. He addressed consideration of the budget, cuts, zero-based budgeting and staffing, outsourcing, and budget overview and execution.

Discussion followed regarding areas that could change, understanding overtime, and whether the definition of overtime for the Police Department is consistent with other bargaining units.

City Manager Dave Kiff noted that overtime is time and a-half but that there is a different way of calculating it as compared to doing shift work within the Fire Department.

Chief Johnson addressed service indicators, the Performance Plan, crime statistics, calls for service, the various Department Divisions, civilianized positions, creating career paths, and inclusion of IT and fleet within support services.

Discussion followed regarding the process for determining staffing, plans for civilian positions, whether benchmarking studies have been performed, comparisons with other agencies, participation by the school district in salaries of specific positions and duplicative services that could be done in-house.

Chief Johnson continued with the presentation addressing revenues, fee recovery, grants received, Risk Management, new audit policy, the Support Services budget including fleet maintenance, contracted services and leased vehicles versus owned vehicles.

Discussion followed regarding the vehicle replacement policy, benefits of consolidating fleet services with nearby agencies, consolidating vehicles as a revenue source, and whether there is room for increased efficiencies.

Chief Johnson noted that the Department has been making changes for improvements and is very efficient, at present.

City Manager Kiff added that thorough and aggressive evaluations have been made internally and externally.

Ensuing discussion pertained to the model for patrol and traffic and whether they are standard, tying salaries and benefits to service levels, differences in the Police and Fire Departments, staffing on the Peninsula, scheduling, and steps towards optimization.

Discussion continued regarding the effects of the Office of Traffic Safety grant on the budget, individual incentive pays contained in the MOUs, qualifiers for incentives, education/retention and bilingual pay.

Chief Johnson addressed total salary savings each year, overtime, the importance of having a team of experienced officers on the Peninsula, training, and reported that school districts pay for half the salary of School Resource Officers.

A request was made for staff to provide a detailed fiscal and position schedule for the entire Police Department as well as summaries.

Chief Johnson addressed how civilianized and contracted personnel can or cannot be used for optimization.

Discussion followed regarding General Insurance, self-insuring, changes and investments in technology, potential City liabilities, the need for a Training Sergeant to coordinate proper training, and specialized vehicles/equipment. Additionally, discussion followed regarding positions eligible for overtime, holiday pay, tuition reimbursement, scholastic pay and related time-and-service requirements.

In response to Mayor Pro Tem Dixon's question regarding whether the Finance Committee will review the upcoming proposed budget, City Manager Kiff addressed the process and stated he reviews the Departmental changes and could present the proposed budget to the Committee.

Mayor Pro Tem Dixon requested percentages when comparing figures with prior years.

City Manager Kiff addressed challenges with Industrial Disability Retirement (IDR) cases noting that the State is very generous and that costs go into PERS rates. He provided various options that could help with that and reported that staff is working to find solutions.

Discussion followed regarding the process in private industries and desk versus patrol jobs.

Chair Curry opened public comments.

Jim Mosher asked regarding sworn versus non-sworn officers and the need for public employees to swear an oath to the Constitution. He opined that safety officers are over-compensated compared to the level of education and experience needed to enter the profession. He commented on the Police Chief being paid more than the City Manager. Additionally, he addressed changes in compensation noting that changes cannot be made without amending the contract but wondered how the compensation has been going up. He commented on the budget amount and stated he had to visit the website, [Transparent California](#) for information as to how much City employees are being paid. He addressed "fancy equipment" and felt that the cost of some equipment seems excessive.

Laura Curran commented on the Administrative Assistant position listed as the only administrative position when there are others in the Police Department. Chief Johnson explained that other administrative positions are listed as Community Services Officer (CSOs) and they support the other Divisions. He noted that the term "CSO" is broadly used within the Department, and added that the CSOs interface with the public.

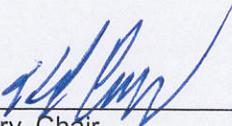
**VI. ADJOURNMENT**

The Finance Committee adjourned at 4:41 p.m. to the next regular meeting of the Finance Committee on December 10, 2015, 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 November 5, 2015, at 4:06 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:

  
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Keith Curry, Chair  
Finance Committee Chair

2/14/16  
\_\_\_\_\_  
Date