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NEWPORT BEACH

City Council Staff Report

January 27, 2026
Agenda Item No. 17

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: Jason Al-Imam, Adminstrative Services Director/Treasurer - 949-644-3126, jalimam@newportbeachca.gov

PREPARED BY: Jason Al-Imam, Administrative Services Director/Treasurer

TITLE: Resolution No. 2026-05 –Establishing the Fiscal Transparency Ad Hoc Committee

ABSTRACT:

At its January 13, 2026, meeting, the City Council voted via straw poll to direct staff to return with an item to consider suspending Finance Committee meetings while creating a City Council Ad Hoc Committee focused on fiscal transparency. Mayor Lauren Kleiman subsequently clarified that the Finance Committee should not be suspended and remain active. The proposed resolution would only establish a City Council Fiscal Transparency Ad Hoc Committee consisting of the Mayor Kleiman and Councilmembers Weber and Stapleton.

RECOMMENDATIONS:

- a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly; and
- b) Adopt Resolution No. 2026-05, *A Resolution of the City Council of the City of Newport Beach, California, Establishing the Fiscal Transparency Ad Hoc Committee.*

DISCUSSION:

On January 13, 2026, pursuant to City Council Policy A-1, Mayor Lauren Kleiman (Mayor) requested that the City Council consider temporarily suspending Finance Committee meetings, along with related appointments, while a City Council Ad Hoc Committee, evaluates potential ways to enhance transparency, accountability, and the efficient use of City resources, broaden policy perspectives, and increase public engagement in discussions relating to the fiscal governance and financial status of the City. Mayor Kleiman, Mayor Pro Tem Noah Blom, and Councilmembers Sara J. Weber and Erik Weigand voted, via a straw poll, in favor of bringing the item back for consideration at a future meeting. On January 20, 2026, the Mayor modified her request by asking staff to draft a resolution formally establishing a City Council Fiscal Transparency Ad Hoc

Committee consisting of the Mayor and Councilmembers Weber and Stapleton, and by clarifying that she no longer wished to suspend the Finance Committee.

To inform the City Council's discussion on this item, a survey of Orange County cities was conducted to determine whether neighboring cities maintain Finance Committees. Of the 34 cities in the County, 14 currently have a Finance Committee, representing approximately 41 percent. The likelihood of having a Finance Committee increases with population size. Among the 16 cities with populations of 65,000 or more, 10 have a Finance Committee, or about 63 percent.

Among the 14 cities with a Finance Committee, 8 include one or more City Council Members on the committee, representing approximately 57 percent. The remaining 6 cities rely exclusively on non-council members, such as residents or subject matter experts. Overall, the survey indicates a variety of approaches across the county, with a majority of Finance Committees including some level of Council participation, often alongside non-council members.

Looking specifically at coastal cities, including Huntington Beach, Laguna Beach, Seal Beach, Dana Point and San Clemente, 2 of the 5 currently have Finance Committees. Including Newport Beach, this results in an equal split among neighboring coastal cities.

In addition to the survey results, staff compiled a list of items reviewed and discussed by the Finance Committee in calendar years 2024 and 2025 that did not go before the City Council for review and consideration. This information is intended to provide further context regarding the types of matters typically handled by the Finance Committee.

If the resolution is adopted, the Ad Hoc Committee will make a recommendation to the City Council for their consideration.

FISCAL IMPACT:

There are no direct fiscal impacts associated with this item. City staff estimates that approximately 485 hours are spent annually preparing for and attending Finance Committee meetings, including agenda preparation, development of reports and presentations, internal review and coordination, and meeting attendance. This estimate reflects only activities specific to the Finance Committee and does not include staff time associated with items that also go before the City Council.

ENVIRONMENTAL REVIEW:

Staff recommends the City Council find this action is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

NOTICING:

The agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the City Council considers the item).

ATTACHMENTS:

Attachment A – Resolution No. 2026-05

Attachment B – Survey of Orange County Cities

Attachment C – Finance Committee Items Discussed in Calendar Years 2024 & 2025
(Excluding Items Brought Before the City Council)