



CITY OF NEWPORT BEACH SPECIAL JOINT MEETING OF THE CITY COUNCIL AND FINANCE COMMITTEE MINUTES

**COUNCIL CHAMBERS - 100 CIVIC CENTER DRIVE, NEWPORT BEACH, CA 92660
TUESDAY, MAY 26, 2026 - 4:00 P.M.**

City Council Members:

**Lauren Kleiman, Mayor
Noah Blom, Mayor Pro Tem
Michelle Barto, Councilmember
Joe Stapleton, Councilmember
Robyn Grant, Councilmember
Sara J. Weber, Councilmember
Erik Weigand, Councilmember**

Finance Committee Members:

**Joe Stapleton, Chair / Mayor
vacant, Councilmember
Sara J. Weber, Councilmember
Allen Cashion, Committee Member
William Collopy, Committee Member
William Kenney, Committee Member
Kory Kramer, Committee Member**

I. CALL MEETING TO ORDER

Mayor Lauren Kleiman called Joint Meeting to order at 4:00 p.m.

II. ROLL CALL

Present: All Councilmember present, and the following Finance Committee members: Chair/Councilmember Stapleton, Councilmember Sara J. Weber, Allen Cashion, William Kenney, and Kory Kramer

Absent: William Collopy

III. CURRENT BUSINESS

1. Review of the Proposed Fiscal Year 2026-27 Operating Budget

Staff will be reviewing the revenue assumptions, expenditure requirements, and program enhancement recommendations included within the proposed budget, as well as any revisions required to the proposed budget as originally distributed.

City Manager Seimone Jurjis reported that the City Charter requires annual budget submission, that the process began in early December, and that the result is a balanced but nuanced budget, crediting staff for their work.

Administrative Services Director Jason Al-Imam presented the proposed citywide operating budget of \$475.5 million, a 3% increase over the prior year, with a general fund budget of \$348 million. He noted that approximately half of general fund revenue derives from property tax, with sales tax and transient occupancy tax comprising the next largest sources. Revenues are

projected 5.2% above the current adopted budget, driven largely by a \$10.7 million increase in property tax. The City holds the second-largest assessed valuation in Orange County, with a median single-family home price now approximately \$5 million.

Deputy Finance Director Peter Kemp presented the expenditure side, noting the 8.4% increase in general fund spending is driven primarily by \$19.6 million in scheduled personnel cost increases, a \$40 million allocation toward the unfunded pension liability, and approximately \$1.5 million in program enhancements. Key enhancements include an additional firefighter paramedic, two new police officers (assigned to Fashion Island and Corona del Mar), expanded animal shelter hours and services, new rate studies for sewer and water systems, expanded library digital collections, and equipment for street maintenance. Net staffing additions total 4 full-time and 4.35 part-time FTE positions across all funds. City Manager Jurjis noted a correction to the prior slide, stating that the proposed transfer of the emergency coordinator from Police to Fire is no longer being proposed.

Administrative Services Director Al-Imam then presented an update on pension funded status, noting the City is currently 82% funded. He projected full funding by 2033 assuming CalPERS earns an average 6.8% annual return, and highlighted a newly established Section 115 pension trust, funded with \$5 million and currently up approximately 8%.

Councilmember Robyn Grant asked how the pension trust's 8% return compares to CalPERS; Administrative Services Director Al-Imam noted meaningful comparison is difficult given timing differences but confirmed the City is performing well.

Councilmember Erik Weigand confirmed the key staffing additions and verified that the park patrol transfer to the Police Department does not negatively affect the employees involved. City Manager Jurjis confirmed that Human Resources is working through those details and committed to following up.

Councilmember Joe Stapleton commended staff on an excellent budget, highlighted the growth of property tax revenue from \$105 million to \$171 million over the past decade, and expressed pride in the city's AAA bond rating and pension progress.

Councilmember Michelle Barto asked about the harbor vessel removal budget line, specifically whether the \$150,000 allocation is expected to grow annually. Harbormaster Paul Blank responded that state funding has been reduced but the City continues to perform well in securing available grants, and he does not anticipate requesting significantly more than \$150,000 in future years. Councilmember Barto also expressed appreciation for the Pacific Symphony's continued inclusion in the budget.

Mayor Lauren Kleiman commended the overall budget work and added one item not included in the proposed budget: a \$35,000 allocation for 22 new rifles for the SWAT unit, noting the Police Foundation had funded rifles for the broader department and that it is the City's responsibility to equip SWAT.

Public comment was received from Jim Mosher, who raised questions about the transparency of mid-year budget revisions, the city manager's authority to adjust line items by \$10,000 each, Council Policy F-28 requirements regarding the Facility Financial Planning tool, and the difficulty of reconciling revenue and expense line items in the public budget document.

Laura Curran expressed appreciation for the improved transparency of program enhancement line items, encouraged residents to track how individual budget items come forward during the year, and raised questions about the impact of staffing changes on bargaining unit assignments, pension plans, future early retirement policies, and a policy on searches for key executive staff.

IV. PUBLIC COMMENTS

Nancy Lyons spoke on behalf of Orange County United Way, describing the 211 OC service that connects residents to housing, food, healthcare, and other assistance, and noted that 1,474 Newport Beach residents used the service last year.

Laura Curran encouraged residents to explore the Oasis Senior Center, highlighted an upcoming "History Speaks" event on June 24 about major projects in Newport Beach's past, and noted an upcoming wine tasting at OASIS Senior Center.

Richard Moriarty, owner of Newport Beach Vineyards and Winery at 2128 Mesa Drive, spoke in opposition to the Delhi Channel Improvement Project proposed by County Supervisor Katrina Foley, citing concerns about invasive mosquito species, outdated environmental impact report documentation, and potential harm to his winery from the planned project. He proposed a botanical garden as an alternative habitat improvement project.

V. ADJOURNMENT

Meeting adjourned at 4:41p.m.

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