

May 27, 2025, City Council - Finance Committee Joint Meeting Agenda Comments

The following comments on items on the Newport Beach City Council and Finance Committee joint meeting [agenda](#) are submitted by:

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Item 1. Review of the Proposed Fiscal Year 2025-26 Operating Budget

As one of the many whose eyes glaze over when talk turns to budgets, I appreciate the advance posting of the [staff presentation](#).

With written comments due at the end of a holiday weekend, I do not claim to have studied all the slides in detail, but I found Slide 13 “Primary Reasons for General Fund Budget Growth of 3.3%” to be particularly confusing. After adoption, it will likely replace the table on page 34 of the adopted FY2024-2025 Budget Detail book (page 42 of the [417-page PDF](#) for FY25), which purported to explain a 5.9% growth in general fund expenditures in that budget.

Both seem to advance the mathematically improbable idea that overall expenses can grow by a larger percentage than any individual expense category contributing to the overall (in the present case, a 3.3% overall growth when no contributing part grew by more than 1.8% and many went down).

That paradox seems to arise from a mislabeling of the column on the right as “% Change from Adopted FY25” when that column, in fact, appears to be reporting what percentage of the *total* FY26 budget the stated change will represent, not how much that category changed.

For example, the reported \$5,538,755 “Increase in base Transfers (FFP, HBMP)” adds 1.8% to the overall budget, but that is quite different from how the proposed transfers compare to the numbers adopted in FY25.

Comparing the “Transfers In” to the “Harbor & Beaches Capital Plan Fund” and “Facilities Financing Plan Fund” on pages 109 and 110 of the FY25 budget (pages 117 and 118 of the above-linked 417-page PDF) to those in the corresponding table on pages 49 and 50 of the proposed FY26 Budget Detail (pages 56 and 57 of the [277-page PDF](#) for FY26), the general fund transfers to the HBMP are proposed to go from \$5,832,875 to \$5,978,697 (a \$145,822 or 2.5% increase), while those to the FFP will go from \$1,285,152 to \$6,778,085 (a \$5,492,933 or 427% increase). Combined, the increase is \$5,638,755, as stated, but that is a 79% increase for that category compared to FY25, even though it increases the overall budget by only 1.8%,.

The percentage changes in the other categories compared to FY25 budgeted expenses in the same categories are likely also quite different from the numbers stated, and likely also contain within them components differing widely from each other. For example, the \$19,500 of decreased Flock ALPR ongoing costs may represent only 0.01% of the overall general fund, but it must represent a much larger change in the expenses budgeted for the Flock program.

Setting aside the slides, I remain baffled by such inscrutable, to me, questions as why, in the budget world, the City’s Information Technology Division is regarded as performing an “internal service,” while its Human Resources Department is not. Both seem to exist solely to support other City departments, and only indirectly the public.

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Item SS3. Review of the Proposed Fiscal Year 2025-26 Capital Improvement Program Budget

The slide reproduced on agenda packet page SS3-6 informs viewers “The Proposed CIP Budget detail can be found on the City’s website:

<https://www.newportbeachca.gov/government/departments/public-works>”

Those following that link may well give up in frustration. Although the Public Works Department’s website does contain links to what appears to be the [current CIP budget](#), it is not at all clear a link to the proposed one can be found anywhere on it.

Even the Finance Department’s [City Budget & Salary Information](#) page does not seem to have a link to it. And the folder for “2026” in the City’s [Budgets Archive](#) where proposed budgets, and then the adopted versions, are normally posted (as for “2025” and before) is inaccessible. The [Budget Division](#) webpage provides no assistance, while the link to the Capital Improvements Budget on the City’s [Financial Information](#) returns an error.

An undated page on the Public Works Department’s website does mention an [Interactive CIP Portal and Map](#), but if those features ever existed, they no longer appear to.

At the most recent meeting of the City’s Finance Committee on [May 8](#), I recall members having what I assumed to be printed copies of the proposed CIP budget (along with the separate printing of the proposed operating Budget Detail). While printed copies may be available at the City’s libraries (which are closed on the day before the present Council meeting), my efforts to find a copy online have, thus far, proved unsuccessful.

Item 1. Minutes for the May 13, 2025 City Council Meeting

The passages shown in *italics* below are from the [draft minutes](#) with suggested corrections shown in ***strikeout underline*** format. The page number refers to Volume 66.

Page 314, paragraph 2: “*Jim Mosher questioned Council’s approach in the planning process for the trolley expansion, suggesting that procedural issues might have limited public participation.*”

[comment: My comment was to caution that according to the City’s Council Minutes archive, a little-remembered former trolley experiment, hosted by the City along essentially the same route as is now being considered, approved as Item J.2 at the Council’s [March 24, 1986](#), meeting had been terminated on January 31, 1987 on the basis of the ridership not justifying the cost (see [page 15](#) of the February 9, 1987, minutes). While the recent popularity of summer trolleys in coastal cities may indicate a different market for such services today, I did not recognize this as my comment from the sentence quoted above.]

Page 318, Item XIV, paragraph 1: “*George Lesley announced the 16th Annual Field of Honor at Castaways Park starting May 17, 2025, invited the public to attend the free events which*

*~~honors~~ **honor** military personnel and first responders, and indicated that the field will also feature artwork by local fifth grade students.” [alternatively, “~~events~~ **event** which honors”]*

Page 318, Item XIV, paragraph 3: “Adam Leverenz echoed Mr. Mosher’s procedural concerns regarding the Five Crowns temporary patio, emphasizing that ***an expectation changes to*** significant mitigating factors such as sound walls and time limits ***would be included***, might have discouraged some residents from participating in the discussions.”

[Since there was no hint in the [posted notice](#) that last minute changes might be made, that could not have been what discouraged attendance. The [video](#) clearly indicates the comment was that it was an expectation the mitigation measures stated in the notice *would* be included that discouraged attendance.]

Item 2. Reading of Ordinances

While the recommendation to waive reading, in full, of ordinances proposed for adoption, as allowed by City Charter [Section 412](#),¹ is a customary consent calendar item, I have some difficulty understanding what relevance or necessity it has to the present agenda, since there do not appear to be any ordinances proposed for either introduction or adoption.

Item 3. Resolution No. 2025-24: Establishing the Position of Historian Laureate

The suggestion to create this position would seem to me to fall clearly within the purview of the City Arts Commission to evaluate and provide advice about per City Charter [Section 712](#).

I do not recall staff consulting them about this.

It might further be noted that if the person in this new position were to make recommendations to the Council about “ordinances, rules and regulations” needed to preserve City history, that would seem to conflict with the role voters have assigned to the Arts Commission.

Item 4. Resolution No. 2025-25: Approving Amendments to the Records Retention Schedule

Since Exhibit A says it is a summary of “major changes,” it would have been helpful to provide a redline version of Exhibit B’s full schedule, so all the proposed changes (not just “major” ones) would be visible and more easily seen in context. That would, for instance, help to clarify what significance things like adding or deleting “1 year” or “2 years” might have.

But even in Exhibit B, the significance of the entries is not always obvious.

For example, Classification CW-020 is said to apply to “Boards, Commissions, & Committees: City Council Subcommittees (All records)” – which are apparently scheduled to be destroyed after two years. First it is not clear from the quoted description whether this is supposed to apply to all BCC’s or only City Council Subcommittees (and if the latter, why it refers to BCC’s at all – or is this intended to apply to all subcommittees, whether of the Council or a BCC?). Second, it

¹ It might be noted that waiving the full reading of ordinances is one of the rare motions that requires unanimous consent of the members present. In other words, a single member can require the full ordinance to be read, even if no others want that.

seems to say the paper copies can be destroyed after “QC & OD.” But if the records are being transferred to a permanent electronic format is the intent that those will also be destroyed at the end of the two years? And if so, why? While it is true City Council Subcommittees only make recommendations, the documents that led to those recommendations may have historical significance. Should the Historian Laureate or City Arts Commission be consulted before destroying them?

Many of the other entries are also less than self-explanatory. For example, CW-025 refers to “Copies of City Attorney: Opinions.” I am aware that some cities, San Diego being a prominent example, post copies of [legal opinions](#) produced by their city attorney, and more frequently their [Memoranda of Law](#). Does the City of Newport Beach have such things? Is the public allowed to see them? If so, who decides “When No Longer Required” and why is there no requirement to preserve them? How is CW-025 related to CA-001, which is also titled “City Attorney: Opinions” but appears to be related only to lawsuits? Don’t Councilmembers and employees ask, like in San Diego, for opinions unrelated to lawsuits? What is the rule for those?

Many of the 132 pages of Exhibit B raise similar questions.

In addition, there seem to be City policies related to record retention not covered by this. For example, some years ago, a decision seems to have been made that “News” items appearing on the City’s internet [home page](#) be retained under “[More News](#)” for at most a very limited time, making it impossible for the public to re-read an announcement they believed they saw a short time before. I am not aware of any news organization that does that. By the same logic, the City’s [online calendar](#) would be erased after the current month is past (fortunately, it is not, although some events and announcements on it do seem to disappear). Again, perhaps, the Historian Laureate should be consulted...

Item 9. Parks, Beaches & Recreation Commission Recommendations for Ocean Boulevard Vision Plan and The Great Rescue of 1925 Plaque

On Friday, shortly before 4 p.m., the City sent out an emailed news alert warning recipients that “**** The Staff Report and Attachment A for the Ocean Boulevard Vision Plan (Item 9) have been amended ****.” This was quite confusing since there was no explanation of what had changed, or why, and it was not self-evident how the new documents differed from the old, which appeared very similar.

The changes seem to be that the next-to-last slide of the presentation provided as Attachment A, which slide broke down the “Priority 1” and “Priority 2” improvements with a total \$1,995,250 cost estimate, has been removed, and the first paragraphs of the Discussion and Fiscal Impact sections on page 9-2 of the staff report have been extensively modified to tone down references to actually including anything other than critical maintenance issues in future CIP budgets. Curiously, no cost estimate for those is provided.

Neither the original nor amended staff reports disclose what the vote at PB&R was on the Concept Master Plan, whether PB&R or the public had any comments regarding the Plan, nor what significance PB&R’s “approval” of it might have.

In the Council-City Manager form of government, it is expected that staff will provide their professional opinion for the Council to consider, along with public input, in reaching their political decision. In this case, the lack of explanation as why the report was changed suggests that after its initial posting, staff was placed under some pressure to modify what was supposed to be their good-faith professional recommendation.

As to the largely unrelated matter under this item heading regarding the proposal to approve “The Great Rescue of 1925 Plaque,” I continue to think a location near the base of the East Jetty to the harbor entrance would be more historically appropriate site² and would likely allow the plaque to be seen by more visitors. It would also avoid loss of most of the existing flower bed at the Dahlia “Vista Point.”

Regarding Attachment B, the Donation Agreement:

1. In paragraph 2, “*rescued the crew*” should probably read “*rescued part of the crew*” or “*rescued 12 crew members.*”
2. In paragraph 6, “*slight line*” should almost certainly read “*sight line.*”

Item 11. Tentative Agreement with Newport Beach Police Association (NBPA)

Page 11-4 of the staff report promises that Attachment A, the Tentative Agreement and proposed MOU (redlined), whose presentation for review is the purpose of the agenda item, “*will be available for viewing prior to the date of the meeting.*”

As of noon on Memorial Day, May 26th, the day before the date of the meeting, that promise does not appear to have been fulfilled – at least the Attachment A link within the relevant [agenda item posting](#) continues to return nothing but the PDF with the message quoted above.

This is not to say I don’t feel a little relief at not needing to feel guilty about not reading the proposed new MOU on a national holiday.

Item 12. Temporary Employment Agreement for City Clerk Services

I will be sorry to see our present City Clerk leave. She seems too young to be retiring.

² Although subject to a more corrosive marine environment, a location on the East Jetty would apparently be immediately adjacent to where the rescue took place. Additionally, Pirate’s Cove, [from which the rescuers likely came](#) is visible from the East Jetty, but not at all from the proposed location at the Dahlia Vista Point.