

**CITY OF NEWPORT BEACH  
FINANCE COMMITTEE  
MAY 26, 2022 MEETING MINUTES**

**I. CALL MEETING TO ORDER**

The meeting was called to order at 3:00 p.m.

**II. ROLL CALL**

**PRESENT:** Chair Will O'Neill, Mayor Pro Tem Noah Blom, Committee Member William Collopy, Committee Member John Reed, Committee Member Nancy Scarbrough and Committee Member Joe Stapleton.

**ABSENT:** Council Member Brad Avery

**STAFF PRESENT:** City Manager Grace K. Leung, Finance Director/Treasurer Scott Catlett, Deputy Finance Director Michael Gomez, Administrative Specialist to the Finance Director Marlene Burns, Accounting Manager Trevor Power, Senior Budget Analyst Amber Haston, Purchasing And Contracts Administrator Sander Huang, Public Works Finance/Administrative Manager Theresa Schweitzer, Budget Manager Shelby Burguan and IT Manager Avery Maglinti

**MEMBERS OF THE PUBLIC:** Jim Mosher

**OTHER ENTITIES:** None

**III. PUBLIC COMMENTS**

None

**IV. CURRENT BUSINESS**

**A. FINANCIAL STATEMENT AUDITOR'S COMMUNICATION WITH THE FINANCE COMMITTEE ACTING AS THE CITY'S AUDIT COMMITTEE**

**Summary:**

The City's external auditors, Davis Farr LLP, will provide an overview presentation regarding the audit process and request feedback from the Committee regarding any information that may assist them in their audit of the City's financial statements.

**Recommended Action:**

Receive and file.

Chair O'Neill reported the item would be continued to the next meeting.

**B. COMMITTEE RECOMMENDATION TO COUNCIL FOR THE FISCAL YEAR 2022-23 BUDGET**

**Summary:**

Discussion of the Study Session earlier in the week and formulation of any recommendations to be presented to the City Council at the budget public hearing in June.

**Recommended Action:**

Receive and file.

Chair O'Neill thanked the Finance Committee for attending the Budget Study Session.

Chair O'Neill opened public comments.

Jim Mosher thanked City Manager Grace Leung for providing him with a copy of the Budget book for review. He expressed confusion as to why the recommended action for the item was to receive and file.

Chair O'Neill agreed the recommended action should not be receive and file and should be an affirmative motion for the recommendation to the City Council.

Mr. Mosher noted he looks forward to hearing the Finance Committee's recommendations.

Chair O'Neill explained the main purpose of the Finance Committee is to make a budget recommendation to the City Council.

**MOTION:** Committee Member Stapleton moved to recommend the City Council approve the Fiscal Year 2022-23 Budget including the recommendation on handling the Structural Surplus, seconded by Committee Member Collopy. The motion carried 6 ayes – 0 noes, 1 absence (Council Member Avery)

#### **C. WORK PLAN REVIEW**

**Summary:**

Staff and Finance Committee to review the proposed work plan and identify matters that members would like placed on a future Agenda for discussion, action, or report.

**Recommended Action:**

Receive and file.

Chair O'Neill explained the City Council will decide at a future meeting on the composition of the Finance Committee. He encouraged any committee member who would like to stay on to reach out to their City Council designee. He reported the Finance Committee will be in recess through June and will start back in September. He advised the annual review of Investment Performance and Investment Policy, an overview of Police Department Budget Presentation, recommended changes to Purchasing Policies, the Internal Audit Program update, and Budget amendments for the quarter ending June 30, 2022, will be on the agenda for September. He advised the Year-End Budget results will be presented in October and suggested that be the time when the Finance Committee makes its recommendation to the City Council on how to handle the anticipated surplus from the prior year.

Finance Director/Treasurer Scott Catlett confirmed it will be part of the discussion.

Chair O'Neill recommended selecting a department for a more detailed review as part of the October Revenue Audit Program update.

Committee Member Collopy called for taking another look at the Harbor Department and believes it will not take more than one hour. City Manager Leung reported Human Resources is conducting a staffing study of the Harbor Department and she would prefer to present those results at the time the Harbor Department is reviewed. City Manager Leung reported some adjustments for the Harbor Department may be appropriate for consideration as part of next fiscal year's budget.

Committee Member Collopy inquired when the Finance Committee will be apprised of CalPERS performance. Finance Director/Treasurer Catlett reported that will be presented in November and will include information through June 30, 2022.

Chair O'Neill called for public comments.

Mr. Mosher commented that the work plan does not include approximately a dozen obligations it is supposed to be fulfilling including actively and pro-actively making recommendations to the

City Council on cost savings and reducing expenses annually. He encouraged the Finance Committee to place an item on the agenda to review that it is undertaking the tasks contemplated in the Committee's enabling resolution.

The item was received and filed.

Chair O'Neill thanked the Finance Committee for its service this year.

**V. ADJOURNMENT**

The Finance Committee adjourned at 3:11 p.m. to the next regular meeting of the Finance Committee.

The agenda for the Regular Meeting was posted on May 20, 2022, at 4:26 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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Will O'Neill, Chair  
Finance Committee

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Date