

ATTACHMENT B

RESOLUTION NO. 2019-54

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEWPORT BEACH, CALIFORNIA, ADOPTING THE BUDGET FOR THE 2019-20 FISCAL YEAR

WHEREAS, the City Manager of the City of Newport Beach ("City") has prepared and submitted to the City Council a proposed annual budget for the Fiscal Year 2019-20 consistent with the City Charter Article XI (Fiscal Administration);

WHEREAS, the City's Finance Committee has reviewed and discussed the City Manager's proposed annual budget for Fiscal Year 2019-20;

WHEREAS, the proposed annual budget was submitted to the City Council at least thirty-five days (35) prior to the beginning of the fiscal year as required by the City Charter Section 1102;

WHEREAS, the City Council has reviewed the proposed annual budget, determined the time for the holding of a public hearing thereon, and caused a notice of the public hearing to be published not less than ten (10) days prior thereto in the official newspaper of the City, and copies of the proposed annual budget were made available for inspection by the public in the Office of the City Clerk and the Finance Department at least ten (10) days prior to the public hearing;

WHEREAS, the City Council held a public hearing on the proposed budget on June 11, 2019, and has made such revisions in the proposed budget as deemed advisable;

WHEREAS, the City Manager has the authority to approve budget increases not to exceed Ten Thousand Dollars (\$10,000) in any Budget line item or activity or Capital Project, in accordance with City Council Policy F-3 (Budget Adoption and Administration);

WHEREAS, the City Manager may accept certain donations and grants on behalf of the City and appropriate funds for the purpose intended, in accordance with City Council Policies;

WHEREAS, all requirements of the City Charter and Newport Beach Municipal Code relating to the preparation and consideration of the annual budget and establishment of employee salary ranges have been complied with; and

WHEREAS, all appropriations in the Capital Improvement Budget for projects currently underway and remaining unexpended as of June 30, 2019, as approved by the City Council in prior years, are hereby appropriated to the 2019-20 Fiscal Year.

NOW, THEREFORE, the City Council of the City of Newport Beach resolves as follows:

Section 1: The City Council does hereby adopt the budget of the City of Newport Beach for the 2019-20 Fiscal Year, including employee salary ranges as set forth in Attachment A, and as revised by the City Council via the proposed budget revisions. Total new appropriations of \$348,243,788 (\$317,399,143 less internal charges) plus any items on the approved proposed budget revisions attached as Attachment B, and incorporated herein by reference, have been allocated to the following funds in the amounts hereinafter shown:

Fund	Operating Budget	Capital Budget	Total Budget
General Fund	\$218,689,329	\$5,000,000	\$223,689,329
Ackerman Fund	\$16,000	\$0	\$16,000
CDBG Fund	\$294,872	\$0	\$294,872
Asset Forfeiture Fund	\$40,000	\$0	\$40,000
AQMD Fund	\$0	\$350,000	\$350,000
Police Grants	\$165,000	\$0	\$165,000
State Gas Tax Fund	\$0	\$1,500,000	\$1,500,000
Measure M Fund	\$0	\$2,100,000	\$2,100,000
Tidelands Fund	\$2,544,989	\$1,175,000	\$3,719,989
Harbor & Beaches Capital Fund	\$0	\$5,450,000	\$5,450,000
SB1 Road Maintenance Repair	\$0	\$1,500,000	\$1,500,000
Contribution Fund	\$0	\$500,000	\$500,000
Building Excise Tax	\$0	\$360,000	\$360,000
Environmental Liab.	\$576,030	\$580,000	\$1,156,030
Assessment Districts	\$0	\$5,336,500	\$5,336,500
Debt Service	\$10,668,148	\$0	\$10,668,148
Fostering Interest In Nature	\$147,000	\$0	\$147,000
Parks & Community Centers	\$0	\$6,000,000	\$6,000,000
Facilities Maintenance	\$0	\$2,340,600	\$2,340,600
Balboa Village Parking Mgmt	\$0	\$20,000	\$20,000
Neighborhood Enhancement	\$0	\$4,909,000	\$4,909,000
Insurance Reserve Fund	\$12,159,410	\$0	\$12,159,410
Retiree Medical Fund	\$7,181,251	\$0	\$7,181,251
Comp. Absence Fund	\$2,030,000	\$0	\$2,030,000
IT Strategic Fund	\$8,234,383	\$0	\$8,234,383
Equipment Fund	\$10,285,312	\$0	\$10,285,312
Water Fund	\$26,757,330	\$7,220,000	\$33,977,330
Wastewater Fund	\$3,963,634	\$150,000	\$4,113,634
Total Appropriations	\$303,752,688	\$44,491,100	\$348,243,788

Section 2: An interfund transfer is a governmental accounting term used to describe an internal flow of resources between the funds listed below and do not constitute an expenditure of the City. The total approved interfund transfers include the following amounts by fund:

Funds	Interfund Transfers	
	Transfers In	Transfer Out
General Fund Operating	\$ 8,225,236	\$ 31,680,252
General Fund Capital Improvement	5,000,000	-
800 MHz Fund	500,000	-
Assessment District Funds	88,804	-
Debt Service	8,193,102	-
Facilities Financing Replacement Program	10,020,333	8,403,501
Facilities Maintenance	2,500,000	-
Facilities Miscellaneous	43,685	-
Harbor & Beaches Capital Fund	5,500,000	-
Insurance Reserve (Work Comp) Fund	3,000,000	-
Junior Lifeguards Capital Fund	50,000	-
Neighborhood Enhancement	5,071,115	-
Strategic Planning Fund	109,199	-
Sunset Ridge Park Fund	7,515	-
Tidelands Operating Fund	-	8,225,236
Total	\$ 48,308,989	\$ 48,308,989

Section 3: An interfund reimbursement is an accounting term to describe “repayments from funds responsible for particular expenditures” to the funds that initially paid for them. The transfer into the General Fund, from the Tidelands Operating Fund, as described in Section 2 shall be reclassified as an interfund reimbursement when actual expenditures are known at the end of the fiscal year.

Section 4: A copy of the approved budget, certified by the City Clerk shall be filed with the persons retained by the City Council to perform auditing functions for the City Council, and a further copy shall be placed, and shall remain on file, in the Office of the City Clerk where it shall be available for public inspection.

Section 5: The budget so certified shall be reproduced and copies made available for the use of the public and of departments, offices, and agencies in the City.

Section 6: The recitals provided in this resolution are true and correct and are incorporated into the operative part of this resolution.

Section 7: If any section, subsection, sentence, clause or phrase of this resolution is, for any reason, held to be invalid or unconstitutional, such decision shall not affect the validity or constitutionality of the remaining portions of this resolution. The City Council hereby declares that it would have passed this resolution, and each section, subsection, sentence, clause or phrase hereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

Section 8: The City Council finds the adoption of this resolution 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, Division 6, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

Section 9: This resolution, and the salary ranges contained therein, shall take effect immediately upon its adoption by the City Council, and the City Clerk shall certify the vote adopting the resolution.

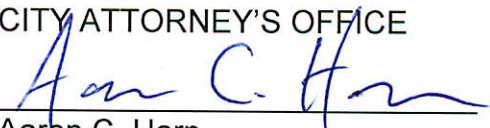
ADOPTED this 11th day of June, 2019.

Diane B. Dixon
Mayor

ATTEST:

Leilani I. Brown
City Clerk

APPROVED AS TO FORM:
CITY ATTORNEY'S OFFICE



Aaron C. Harp
City Attorney

Attachment A - Citywide Salary Schedule
Attachment B - Proposed Budget Revisions

ATTACHMENT A

City of Newport Beach
Citywide Salary Schedule
Effective: 06/11/2019

**[THE FULL TEXT OF THIS DOCUMENT IS ATTACHED
TO THE STAFF REPORT]**

Proposed Budget Revisions Fiscal Year 2019-20

06/05/2019

CHANGES TO THE PROPOSED BUDGET AS PRINTED - PERSONNEL & OPERATIONS

Department/Account Number/Description		Budget Increase (Decrease)	Approved
Enhancement of Public Safety			
1	Continue limited term (1-year) funding for cold case investigations (.44 FTE Police Officer)	\$ 50,000	
	SUBTOTAL	\$ 50,000	
General Plan Update Process Support			
2	Add 1.0 FTE limited term (2-year) Planning Technician to assist during General Plan Update process	\$ 63,907	
3	Increase Department Assistant .25 FTE limited term (2-year) to assist during the General Plan Update process	\$ 17,490	
	SUBTOTAL	\$ 81,397	
City Council Community Support			
4	Contribution to OC River Park for video production (requested by Council Member Herdman)	\$ 10,000	
	SUBTOTAL	\$ 10,000	
Utilities Department Services			
5	Anticipated increases related to future contract for storm drain services (October 2019)	\$ 197,156	
6	Anticipated increases related to future contract for street sweeping services related to prevailing wage (April 2020)	\$ 113,750	
7a	Reduction of Admin Service fee for Water	\$ (193,650)	
7b	Increase of Admin Service fee for Sewer	\$ 3,100	
8a	Increase fixed water charges to City water accounts (General Fund)	\$ 204,328	
8b	Increase fixed water charges to City water accounts (Water Fund)	\$ 20,470	
	SUBTOTAL	\$ 345,154	
Budget Revisions/Corrections			
9	Revised Employee Pension Contribution (Human Resources Department)	\$ (139,557)	
10	Reduction to professional & technical services budget (City Manager, Airport Division)	\$ (100,000)	
11a	Remove Sculpture Garden Funding from 01060603-811054	\$ (115,000)	
11b	Add Sculpture Garden funding to a new account titled Sculpture Garden VNB, 01060603-811059	\$ 135,000	
11c	Use VNB Public Benefit reserve to fund Sculpture Garden	\$ (135,000)	
12	Increase to Great Scott Tree Services Contract (Council approved 3/12/19 with Contract Amendment #2)	\$ 90,033	
13	One-time purchases of replacement: Cellebrite, LiveScan, Polygraph, Handgun to be purchased in FY 19	\$ (94,500)	
	SUBTOTAL	\$ (359,024)	
TOTAL CHANGES TO THE PROPOSED OPERATING BUDGET		\$ 127,527	
TOTAL CHANGES TO THE PROPOSED OPERATING BUDGET BY FUND			
	General Fund	\$ 432,607	
	General Fund VNB Public Benefit	\$ (135,000)	
	Water Fund	\$ (173,180)	
	Sewer Fund	\$ 3,100	
	Total Changes to the Proposed Operating Budget	\$ 127,527	

**Proposed Budget Revisions
Fiscal Year 2019-20**

CHANGES TO THE PROPOSED BUDGET AS PRINTED - CIP EXPENDITURES

Department/Account Number/Description	Budget		Approved
	Increase (Decrease)		
Additions to Proposed Capital Improvement Program Budget			
CIP #1a	Buck Gully Restoration - Irvine Ranch Conservancy - 01201929-20X11	\$ 95,000	
CIP #1b	Revenue restitution for Buck Gully Restoration CIP - 20X11	\$ (95,000)	
CIP #2	Storm Drain System Evaluation - 01201926-20D01	\$ 125,000	
CIP #3	W Coast Hwy Landscaping - Contribution - 13501-18L11	\$ (500,000)	
CIP #4	Culver Dr / Bonita Cyn Dr / Ford Rd Traffic Signal Synchronization - City Match - 14001-20T12	\$ 165,790	
CIP #5	Junior Lifeguards Building - 53101-19F13	\$ 500,000	
CIP #6	Balboa Village Enhanced Maintenance - Supplemental Summer Restrooms - 53501-19M12	\$ 10,000	
CIP #7	SCE 20A Credit Purchase - 53601-20M03	\$ 200,000	
CIP #8	Ocean Blvd / Carnation Ave Concrete Reconstruction - 53601-18R25	\$ (500,000)	
CIP #9	West Newport (NW) Streetscape - 53601-20R12	\$ 500,000	
CIP #10	Harbor Maintenance / Minor Improvements - 10001-20H09	\$ 100,000	
CIP #11	Oil Wells Maintenance and Repair - 10001-20M14	500,000	
TOTAL CHANGES TO THE PROPOSED CIP BUDGET		\$ 1,100,790	

TOTAL CHANGES TO THE PROPOSED CIP BUDGET BY FUND

General Fund Transfer	\$	125,000
Contributions	\$	(500,000)
Transportation and Circulation	\$	165,790
Jr Lifeguards Building - FFP	\$	500,000
Balboa Village Parking Management District	\$	10,000
Neighborhood Enhancement	\$	200,000
Tidelands Maintenance Fund	\$	600,000
Total CIP Changes	\$	1,100,790

CAPITAL IMPROVEMENT PROGRAM REBUDGETS

Department/Account Number/Description	Budget		Approved
	Increase (Decrease)		
Fiscal Year 2019-20 Rebudgets			
01201925-980000-17F12	Police Facility Remodel	\$ (40,647)	
01201926-980000-18D02	Storm Drain System Repair / Rehab	\$ (50,000)	
01201926-980000-19D02	Storm Drain System Repair / Rehab	\$ 8,996	
01201927-980000-15L01	Landscape Enhancement Program	\$ (43,660)	
01201927-980000-15R18	Alleys Reconstruction	\$ (186,000)	
01201927-980000-15T09	Superior Ave Overcrossing and Parking Lot	\$ (51,446)	
01201927-980000-16R12	Bayside Dr Pavement Rehabilitation	\$ (271,250)	
01201927-980000-17R13	Marine Ave Reconstruction	\$ (6,371)	
01201927-980000-17V02	Streetlight Rehabilitation Program	\$ (26,183)	
01201927-980000-19R04	Slurry Seal Program	\$ (790,522)	
01201927-980000-18T03	Traffic Signage, Striping and Marking	\$ (29,400)	
01201927-980000-19T03	Traffic Signage, Striping and Marking	\$ (29,767)	
01201927-980000-19T11	Balboa Peninsula Crosswalk Improvements	\$ (458)	
01201927-980000-19T12	Dover Shores Traffic Study	\$ 14,423	
01201928-980000-15M12	Balboa Island Enhancements	\$ (41,100)	
01201928-980000-16M15	Affordable Housing	\$ (12,519)	
01201928-980000-17X11	TMDL Compliance / Big Canyon Pond Treatment	\$ (20,000)	
01201928-980000-19M03	SCE Rule 20A Credits	\$ (150,000)	
01201929-980000-19P01	Playground Refurbishment Program	\$ (272,494)	
01201929-980000-19P14	West Newport Park Rehab	\$ 75,500	
01201938-980000-19H04	Bay and Beach Sand Management	\$ 136,526	
10001-980000-16H11	American Legion Bulkhead	\$ (146,972)	
10001-980000-16H14	Newport Pier Platform and Piles	\$ (21,949)	
10001-980000-16X11	Arches Storm Drain Dry Weather Diversion	\$ 20	
10001-980000-17H03	Ocean Piers Inspection and Maintenance	\$ (16,013)	
10001-980000-18H09	Harbor Maintenance and Minor Improvements	\$ (150,000)	
10001-980000-18H12	Bilge Pump out Dock / Oil Collection	\$ 8	
10001-980000-18H13	Harbor Bulkhead / Seawall Repairs	\$ (4,867)	
10001-980000-18X02	TMDL Compliance Water Quality Improvements	\$ 100,000	
10101-980000-16H12	Grand Canal Dredging	\$ 55,525	
10101-980000-19H11	Balboa Island / 10th St Swim Platforms	\$ (200)	

**Proposed Budget Revisions
Fiscal Year 2019-20**

Continued from previous page

12101-980000-15R19	Old Newport Blvd / W Coast Hwy Modifications	\$	(1,996)	
12101-980000-18R21	Concrete Street Pavement Reconstruction (Bal Pen)	\$	(64,950)	
12101-980000-19T01	Traffic Signal Rehabilitation	\$	(2,659)	
12101-980000-19V02	Streetlight Rehabilitation Program	\$	74,480	
12201-980000-17R11	Balboa Village Streetscape Improvements	\$	(4,040)	
12201-980000-18R23	MacArthur Blvd / University Dr Pavement Rehab	\$	(31,384)	
12201-980000-19R21	Bison Ave / SJH Rd Pavement Rehab	\$	63	
1230053-980000-17T13	Balboa Peninsula Summer Trolleys	\$	196	
13501-980000-19R02	Pavement Overlay - Cal recycle	\$	(79,996)	
13501-980000-18H11	Abandoned / Surrendered Watercraft Abatement	\$	17,540	
13501-980000-19A11	UUD 22 (Balboa Blvd)	\$	321,023	
13501-980000-19F11	Central Library Lecture Hall (Contribution)	\$	(20,000)	
13501-980000-19F13	Junior Lifeguards Building (Contribution)	\$	(20,000)	
13801-980000-16X11	Arches Storm Drain Dry Weather Diversion	\$	79	
160001-980000-18H11	Abandoned / Surrendered Watercraft Abatement	\$	82,160	
51201-980000-19F14	Marina Park Office Modifications	\$	50,093	
53201-980000-15F12	Fire Sta No. 5 / Library Replacement - CdM	\$	11,819	
53201-980000-15F13	Fire Sta No. 2 Replacement - Lido	\$	9	
53201-980000-17F11	Fire Station Remodels	\$	6,069	
53501-980000-16M11	Balboa Village Façade Improvements	\$	4	
53501-980000-17T13	Balboa Peninsula Summer Trolleys	\$	(2,581)	
53501-980000-19M12	Balboa Village Enhanced Maintenance	\$	(19,421)	
53501-980000-19T13	Balboa Peninsula Summer Trolleys	\$	6	
53601-980000-16L02	Landscape Enhancement Program	\$	(3,956)	
53601-980000-17A11	Assessment District Payment for City Parcels	\$	(24)	
53601-980000-18L11	West Coast Hwy Median Landscape	\$	(59,319)	
56101-980000-15P18	Sunset Ridge Park Access	\$	(89,500)	
56201-980000-19P11	Grant Howald Park Rehabilitation	\$	(4,784)	
57101-980000-19F02	Facilities Maint Master Plan	\$	836,842	
65002-980000-17A01	Assessment District Coordination	\$	(150,000)	
65802-9xxxxx	UUD AD 117	\$	(33,043)	
65902-9xxxxx	UUD AD 116	\$	(1,359,713)	
66002-9xxxxx	UUD AD 111	\$	(344,275)	
66102-9xxxxx	UUD AD 116B	\$	(563,426)	
66302-9xxxxx	UUD AD 113	\$	(300,008)	
70101-980000-19W12	Advanced Metering Infrastructure	\$	(222,296)	
70201931-980000-16W14	Lido Village Water Main Replacement	\$	(108,000)	
70201931-980000-18W12	Transmission Mains Valve Replacement	\$	(9,246)	
70201931-980000-19W11	Balboa Island Water Main Replacement	\$	(276,700)	
70201932-980000-19W05	Water System Rehabilitation	\$	109,651	
70201932-980000-19W15	Spyglass Hill Reservoir Mixing System	\$	25,963	
70201933-980000-19W04	Water Well Rehabilitation	\$	27,504	
71201-980000-18S03	Sewer Main Lining and Repairs	\$	17,159	
SUBTOTAL CAPITAL PROJECTS REBUDGETS		\$	(4,161,477)	

Proposed Budget Revisions Fiscal Year 2019-20

CAPITAL IMPROVEMENT PROGRAM REBUDGET BY FUND

General Fund CIP	\$	(1,922,898)
General Fund Oceanfront Encroachment	\$	136,526
Balboa Village Parking Management District	\$	(21,992)
Contributions Fund	\$	218,567
Environmental Contributions Fund	\$	79
Environmental Liability	\$	82,160
Facilities Maintenance Fund	\$	836,842
Fire Stations Fund	\$	17,897
Measure M Fund	\$	(35,361)
Measure M Competitive Fund	\$	196
Neighborhood Enhancement	\$	(63,299)
Parks & Community Centers Fund	\$	(4,784)
State Gas Tax Fund	\$	4,875
Misc FFP CIP	\$	50,093
Sunset Ridge Park	\$	(89,500)
Tidelands Maintenance Fund	\$	(239,773)
Tidelands Harbor Capital Fund	\$	55,325
Assessment Districts	\$	(2,750,465)
Wastewater Capital Fund	\$	17,159
Water Enterprise	\$	(222,296)
Water Capital Fund	\$	(230,828)
Total CIP Rebudgets by Fund	\$	<u>(4,161,477)</u>

TOTAL CHANGES TO THE PROPOSED CIP BUDGET

\$ (3,060,687)

CHANGES TO THE PROPOSED BUDGET AS PRINTED - REVENUE

Department/Account Number/Description		Budget		Approved
		Increase (Decrease)		
0103032-551466	Closure of Parking Lot on Peninsula (Newport Blvd & 28th Street)	\$	(30,258)	
0103031-521350	Reduction to Admin Service Fee for Water	\$	(193,650)	
0103031-521355	Increase to Admin Service Fee for Sewer	\$	3,100	
70103-521505	Sale of Water City revenue increasing due to increased City fixed charges above	\$	224,798	
SUBTOTAL		\$	3,990	

CIP Revenue Carryforward (Grant Value less receipts to date)

13501-431385-18H11	Abandoned Watercraft - Dept of Boating and Waterways	\$ 44,864
13501-431220-18R23	MacArthur University Pavement Rehab - IRWD	\$ 13,576
13501-431221-18R23	MacArthur University Pavement Rehab - Mesa Water	\$ 2,298
13501-431490-19R02	Pavement Overlay - CalRecycle Rubberized Asphalt	\$ 199,100
13501-431075-16R12	Bayside Drive Pavement - OCSD	\$ 89,946
13501-561007-19A11	UUD 22A - Balboa Boulevard	\$ 2,122,732
13801-431500-16X11	Arches Dry Weather Diversion	\$ 709,820

TOTAL CHANGES TO THE PROPOSED REVENUE BUDGET

\$ 3,186,326

TOTAL CHANGES TO THE PROPOSED REVENUE BUDGET BY FUND

General Fund	\$ (220,808)
Contributions	\$ 2,472,516
Environmental Contributions	\$ 709,820
Water Fund	\$ 224,798
Total Changes to the Proposed Revenue Budget	<u>\$ 3,186,326</u>