



**CITY OF NEWPORT BEACH
FINANCE COMMITTEE
STAFF REPORT**

Agenda Item No. 5B
February 13, 2020

TO: HONORABLE CHAIR AND MEMBERS OF THE COMMITTEE

FROM: Finance Department
Dan Matusiewicz, Finance Director
(949) 644-3126, danm@newportbeachca.gov

SUBJECT: FACILITIES FINANCIAL PLAN (FFP)

SUMMARY:

Per Council Policy F-28, staff shall prepare an update of the Facilities Financial Planning Tool and the Harbor and Beaches Capital Financial Plan for review, modification, and approval by the City Council.

If requested by the City Council, the Finance Committee will review the fiscal impacts associated with, and recommend the most advantageous methods to fund the high-priority projects in, the Facilities Financial Plan (FFP). The City Manager will consider these recommendations in the preparation and presentation of the City Manager's annual budget to the City Council.

To aid in the review process, a quick reference guide "What to Look for When Reviewing the Facilities Financial Plan (FFP)" is provided as Attachment A.

RECOMMENDED ACTION:

Review the Facilities Financial Plan and recommend the City Manager consider the changes as needed for submittal to the City Council for final approval.

DISCUSSION:

Background

In addition to the annual Capital Improvement Program ("CIP"), and in accordance with Council Policy F-28, the City has established a long-term plan for major renovation or replacement of aging facilities and installation of new infrastructure. The emphasis is on structures and adjacent grounds, rather than transportation, environmental, or other

projects funded either in whole or in part by the General Fund.

The attached FFP has several project revisions and additions as highlighted on page two and page six. The proposed compliment of projects would require an additional cash infusion from the General Fund of approximately \$2.8 million in FY 2020-21 and an additional \$1 million per year in subsequent years through FY 2025-26 as follows:

Sources and Uses Proforma		1	2	3	4	5	6	7
		2020	2021	2022	2023	2024	2025	2026
	Sources							
	Annual GF Contributions	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000
	Periodic GF or One-time Transfers	1,520,333	2,779,870	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000

Even with these additional General Fund contributions, the FFP balances fall slightly shy of the target reserve balances in the out years.

Staff welcomes and looks forward to any recommendations from Finance Committee.

Prepared and Submitted by:

/s/ Dan Matusiewicz

Dan Matusiewicz
Finance Director

Attachments:

- A. What to Look for When Reviewing the Facilities Financial Plan (FFP)
- B. Facilities Financial Plan (FFP)