

# City of Newport Beach

PROPOSED BUDGET

**FY 2020 - 21**

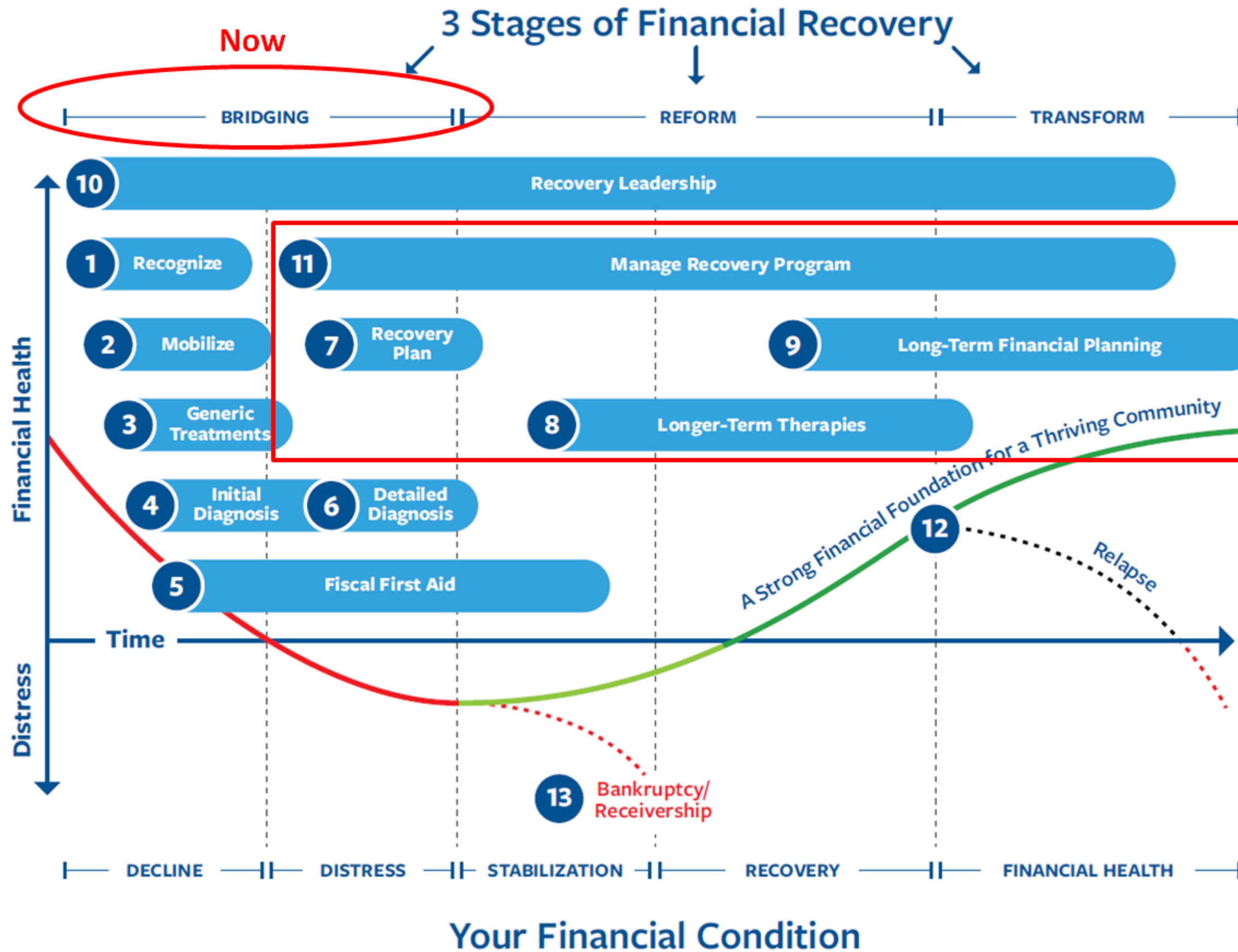


# Fiscal Impact of COVID-19

- COVID-19 dealt a sudden and significant blow to local, national and global economies.
- Early stages of administering financial first aid.
- Fortunately, the City was in excellent financial health prior to the pandemic.
- The Proposed Budget is *an initial bridge to financial recovery, not a long-term solution if fiscal conditions persist past June 2021!*

# Administering Fiscal First Aid

12 Steps  
through the  
process



# Short-term Bridging Techniques

- The **Short time-to-benefit**. A yield occurs in a very short period of time.
- **Not complex**. It is easy to understand the short-term benefits and long-term ramifications
- **Reversible**. It can be undone with reasonable effort.



# Budget Overview

- The Proposed Budget assumes strong property tax growth rate while most other revenue is flat or significantly reduced.
- Continued focus on enhancing the community's quality of life and safety to the extent possible.
- Temporary suspension of funding infrastructure master plans and neighborhood enhancement projects.
- Continued aggressive payment schedule of unfunded pension liability, still a significant risk to financial health.

# Summary of Proposed Budget – All Funds

	2018-19 REVISED EXPENDITURES	2019-20 ORIGINAL EXPENDITURES	2019-20 REVISED EXPENDITURES	2020-21 PROPOSED EXPENDITURES	\$ VAR	% VAR
OPERATING BUDGET	\$ 291,709,382	\$ 304,005,216	\$ 303,133,223	\$ 307,759,024	\$ 4,625,801	1.5%
CIP PROJECTS*						
New Appropriations	46,807,906	45,686,890	56,257,715	29,597,224	(26,660,491)	-47.4%
CIP Reappropriations	30,757,550	47,562,633	47,562,633	56,659,222	9,096,589	19.1%
	\$ 77,565,456	\$ 93,249,523	\$ 103,820,348	\$ 86,256,446	\$ (17,563,902)	-16.9%
Less CIP Reappropriations	(30,757,550)	(47,562,633)	(47,562,633)	(56,659,222)	(9,096,589)	19.1%
Less Internal Charges	(28,078,625)	(30,844,645)	(30,844,645)	(32,823,525)	(1,978,880)	6.4%
<b>TOTAL BUDGET</b>	<b>\$ 310,438,663</b>	<b>\$ 318,847,461</b>	<b>\$ 328,546,293</b>	<b>\$ 304,532,723</b>	<b>\$ (24,013,570)</b>	<b>-7.3%</b>

\* 2020-21 Proposed Expenditure CIP Projects include the deferral of 34 CIP Projects



# General Fund Revenue

Source	FY 2018-19 ACTUALS	FY 2019-20 ORIGINAL	FY 2019-20 REVISED	FY 2020-21 PROPOSED	\$ VAR	% VAR
Property Taxes	108,365,261	113,601,474	112,723,626	117,508,227	4,784,601	4.2%
Sales Taxes	38,502,470	35,697,090	34,411,405	28,690,831	(5,720,574)	-16.6%
Transient Occupancy Tax	24,697,446	24,483,131	19,087,031	6,434,115	(12,652,916)	-66.3%
Other Taxes	8,988,044	9,072,886	8,316,170	7,701,878	(614,292)	-7.4%
Licenses and Permits	5,071,609	4,918,412	4,567,521	4,239,333	(328,188)	-7.2%
Intergovernmental	3,922,453	1,842,767	2,800,003	1,646,716	(1,153,287)	-41.2%
Charges for Services	20,300,379	21,316,081	18,820,002	17,350,903	(1,469,099)	-7.8%
Fines & Penalties	3,454,660	3,475,428	3,089,260	3,681,031	591,771	19.2%
Use of Money & Property	12,609,169	11,663,212	10,676,836	9,821,619	(855,217)	-8.0%
Other Revenues	3,901,104	3,100,871	4,511,329	2,509,251	(2,002,078)	-44.4%
TOTAL GENERAL FUND	\$ 229,812,595	\$ 229,171,352	\$ 219,003,183	\$ 199,583,904	\$ (19,419,279)	-8.5%



# Top Three Revenue Categories



## *Property Tax*

4.2% Increase over Fiscal  
Year 2019 -20



## *Sales Tax*

16.6% Decrease over  
already reduced Fiscal Year  
2019 -20.



## *Transient Occupancy Tax*

66.3% Decrease over  
already reduced Fiscal Year  
2019 -20

**Projected  
Loss in  
Revenues  
Created a  
\$33.2M  
shortfall  
in the  
General  
Fund  
Before  
Short-term  
Fiscal  
Solutions**

# **Budget Shortfall Before Short-term Funding Solutions**

**FY 2020-21**

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## **Proposed Revenues**

**\$ 199,583,904**

Total Salaries And Benefits

155,864,381

Total Maintenance And Operations

73,635,453

Total Transfers Out

(1,711,171)

Capital Transfer

5,000,000

Contingency Reserve

-

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## **Total General Fund Expenditures**

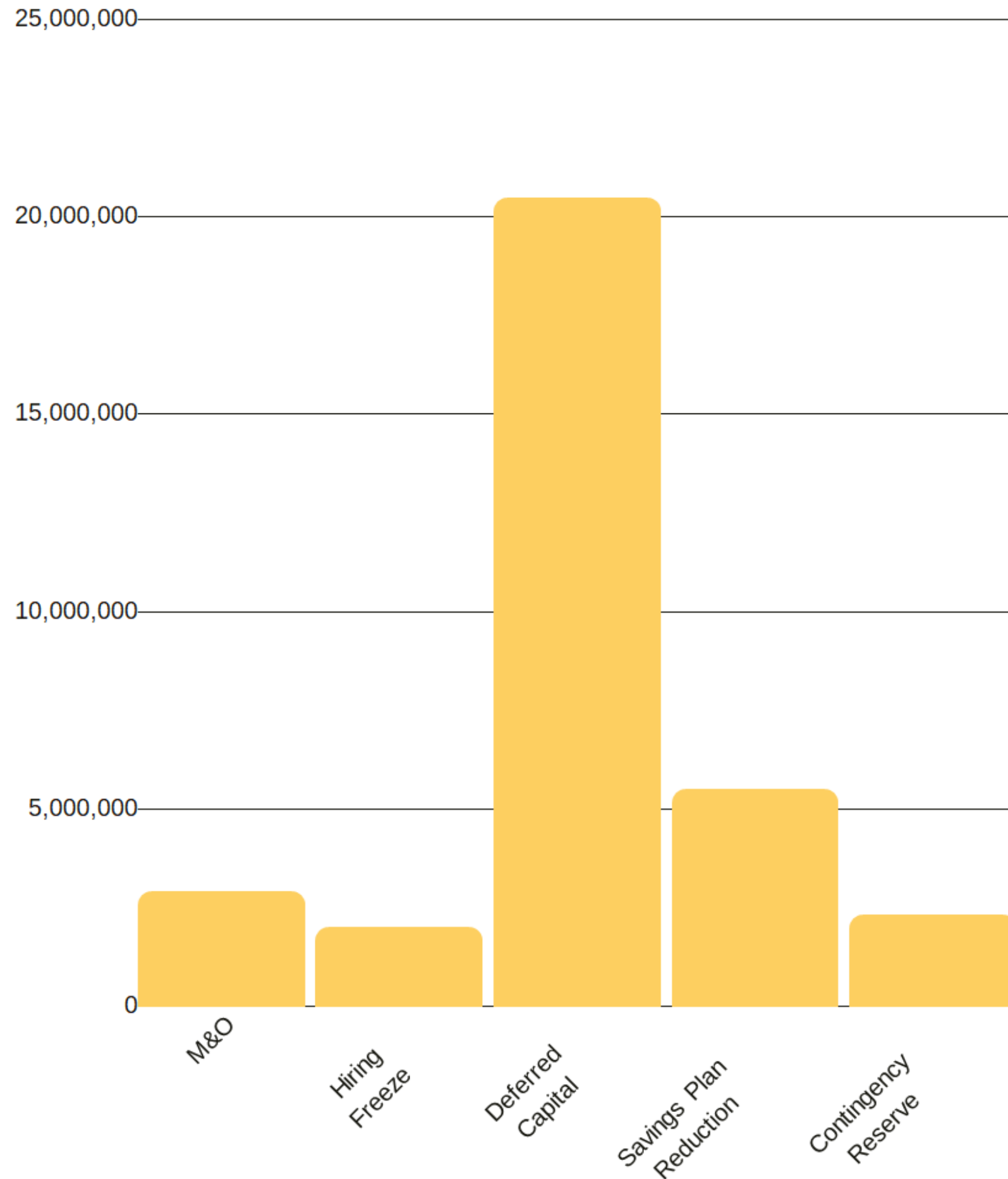
**\$ 232,788,663**

**Revenues Less Expenditures**

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**\$ (33,204,759)**





# Short-term Budgetary Solutions

## Tiered Approach

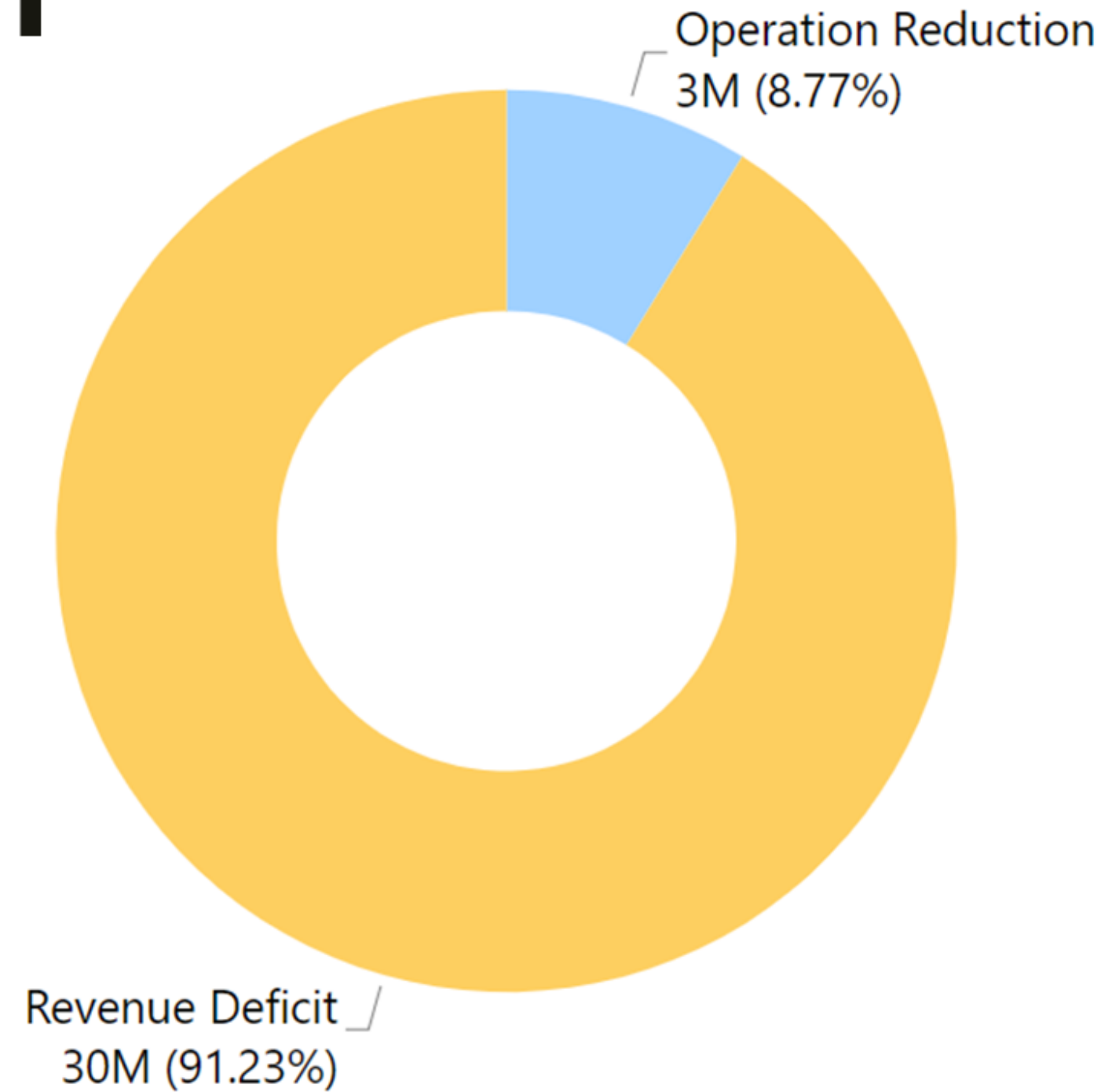
Proposed Short-term solutions made to Operations, Capital Funding and Capital Expenditures by way of reversible levers as an initial bridge to financial recovery.

# Tiered Short-term Budgetary Solutions

Financial First Aid - Initial Bridging Options	Operating Cuts No Service Level Change Tier 1	Temp Hiring Freeze Tier 2	Deferred Capital Funding & Spend Tier 3	ISF Charge Reductions Tier 4	Contingency Reserve Tier 5	Discretionary Trust Contributions Tier 6	Service Level Cuts Tier 6	BUDGETARY GAP FUNDING OPTIONS
Salaries And Benefits								
Salaries, Benefits and Other Pays	-	(2,000,000)						(2,000,000)
Discretionary Pension Payments	-				2,101,656			2,101,656
Total Salaries And Benefits	-	(2,000,000)	-	-	2,101,656	-	-	101,656
Maintenance And Operations					215,028			215,028
Professional & Contract Services	(1,774,131)							(1,774,131)
Internal Service Premiums	(17,511)	-	-	(4,500,000)	-	-	-	(4,517,511)
Maintenance & Repair	(179,009)							(179,009)
Supplies & Materials	(289,671)							(289,671)
Utilities	(361,201)							(361,201)
General Expenses	(98,300)							(98,300)
Travel & Training	(151,115)							(151,115)
Grant Operating Expenses	(40,000)							(40,000)
Total Maintenance And Operations	(2,910,938)	-	-	(4,500,000)	215,028	-	-	(7,195,910)
Total Transfers Out	-		(18,477,137)	(500,000)	-	-	-	(18,977,137)
Capital			(2,500,000)					(2,500,000)
General Fund Discretionary Reserves					(52,403,031)	(5,000,000)		(57,403,031)
Total by Tier	(2,910,938)	(2,000,000)	(20,977,137)	(5,000,000)	(50,086,347)	(5,000,000)	-	(85,974,422)
Cumulative by Tier	(2,910,938)	(4,910,938)	(25,888,075)	(30,888,075)	(80,974,422)	(85,974,422)	(85,974,422)	

# Pre-Budget Operations Reduction

**No Service Level Interruptions**





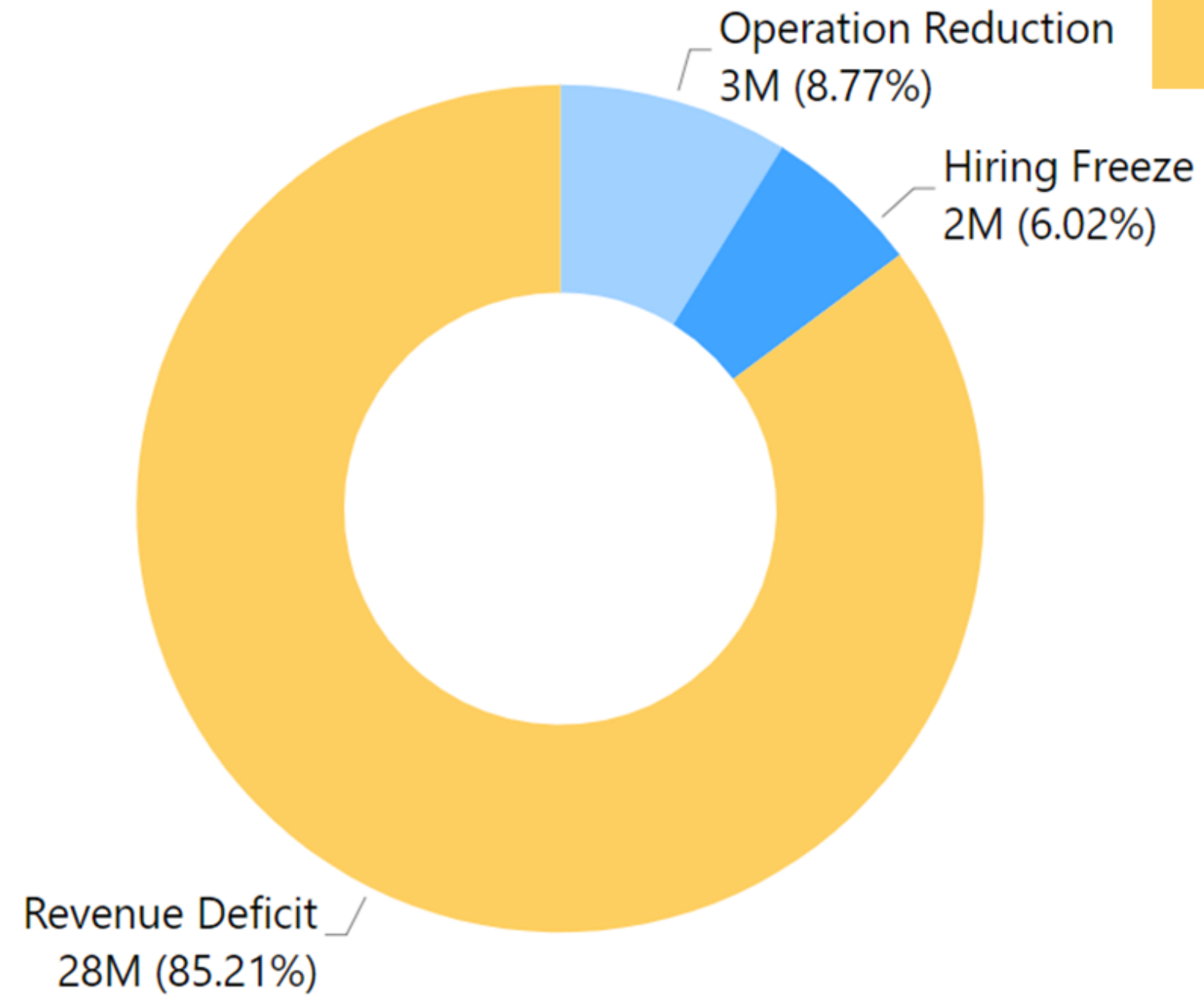


# Operations Reductions

<b>Expenditures by Category</b>	<b>Operations Reductions</b>
Professional & Contract Services	(1,774,131)
Internal Service Premium	(17,511)
Maintenance and Repair	(179,009)
Supplies & Materials	(289,671)
Utilities	(361,201)
General Expenses	(98,300)
Travel & Training	(151,115)
Grant Operating Expenses	(40,000)
<b>TOTAL</b>	<b><u><u>\$ (2,910,938)</u></u></b>

# Salary Savings

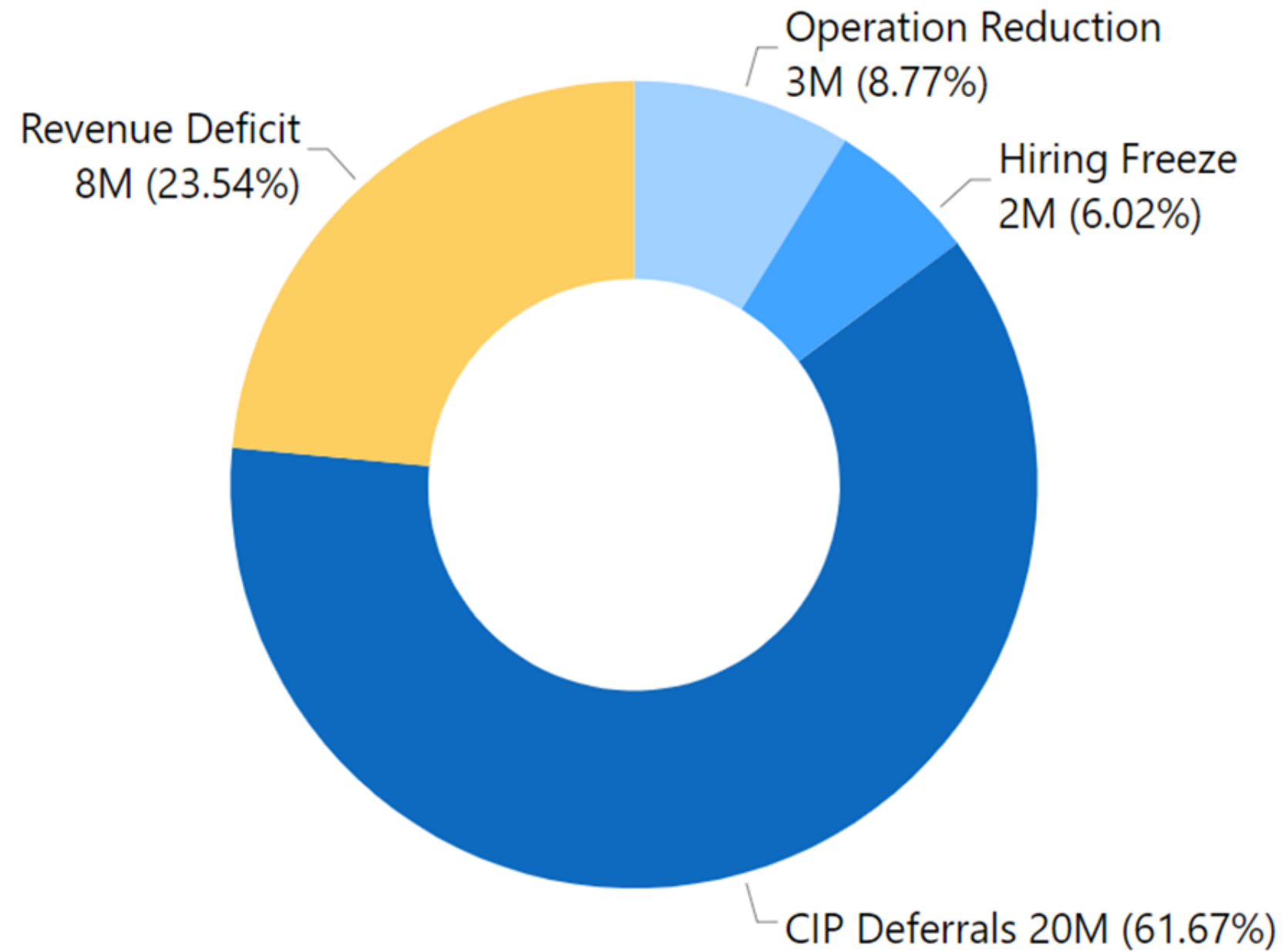
**Hiring Freeze through  
January 2021**





# Deferred Capital Spending

**Reduce Capital  
Funding and  
Capital Spend**



# FY 2019-20 & 2020-21 Project Adjustments per Council Direction

Project Title	Council Direction	Notes	RETURN TO FUND BALANCE	CONTINUE IN FY2020-21	DEFERRED TO FY2021-22
<b>PROJECTS CANCELLED/CLOSED - RETURN TO FUND BALANCE</b>					
Balboa Village Enhanced Maint	Cancel/Close	Added cleaning & temporary Summer Restrooms	\$10,097		
Balboa Village Facade Program	Cancel/Close	No Recent Activity. PW suggests closure	\$80,414		
Dover Shores Traffic Study	Cancel/Close	No Community Agreement/PW suggests close	\$130,000		
Ocean Front Bike Safety Improvement	Cancel/Close	Originally intended for minor boardwalk	\$75,000		
<b>Subtotal</b>			<b>\$295,511</b>	<b>\$0</b>	<b>\$0</b>
<b>PROJECTS TO CONTINUE - PARTIAL FY2020-21</b>					
Alleys Reconstruction	Continue Partial	Defer Gen. Fund/Apropriate Water & Sewer Fund		\$1,350,000	\$400,000
Facilities Maintenance Master Plan	Continue Partial	Retain FY20 and FY21 Funds		\$2,555,720	\$500,000
Ocean Boulevard Concrete Pavement	Continue Partial	Retain Gas Tax Funds for New Sidewalk on Ocean		\$200,000	\$1,600,000
Streetlight Rehabilitation Program	Continue Partial	Award July. Defer \$700K designated for future		\$864,866	\$700,000
Vessel Pump Outs Replacement	Continue Partial	Retain matching funds for grant. Grant award July	\$90,000	\$35,000	
<b>Subtotal</b>			<b>\$90,000</b>	<b>\$5,005,586</b>	<b>\$3,200,000</b>
<b>PROJECTS TO CONTINUE - FULL FY2020-21</b>					
Concrete Replacement Program	Continue	Continue with program		\$750,000	
Grant Howald Park Rehabilitation	Continue	Continue with bidding and award in July 2020.		\$7,281,138	
Jamboree Road Pavement Rehab	Continue	Continue with design		\$300,000	
Lido Fire Station 2	Continue (Finance)	Intend to Award Construction in Fall/Winter 2020	\$9,564,500		
Newport Pier Bldg. Platform / Piles	Continue	Award design 5/26. Move funding to Tidelands Cap		\$1,978,051	
Slurry Seal Program	Continue	Continue with program		\$1,100,000	
Storm Drain System Repair	Continue	Continue with program		\$200,000	
Via Lido Outer Ring Roadway Rehab	Continue	Continue with design		\$150,000	
<b>Subtotal</b>			<b>\$9,564,500</b>	<b>\$11,759,189</b>	<b>\$0</b>
<b>PROJECTS DEFERRED - REPROGRAM TO FY2021-22</b>					
Balboa Boulevard Median Improvement	Defer	Continue with design only FY21 (encumbered)			\$1,872,236
Balboa Island Enhancements	Defer	Intended for Benches			\$88,400
Balboa Peninsula Summer Trolley	Defer	Defer Program - Roll Funds (Grant Related)			\$700,761
Central Library Lecture Hall	Defer	Continue with design only in FY21 (encumbered)			\$7,360,052
Cliff Drive Mobility Improvements	Defer	Defer design to FY22			\$250,000
Cliff Drive Park Clubhouse	Defer	Continue with design only in FY21 (encumbered)			\$500,000
Collins Islands Bridge Replacement	Defer	Design deferred to FY22			\$150,000
Facilities Strategic Planning	Defer	Proposed to use for Pool Study			\$50,000
Junior Lifeguards Building	Defer	Continue with design only in FY21 (encumbered)			\$3,179,991
Landscape Enhancement Program	Defer	Request additional funds as needed			\$623,512
Marine Ave Rehabilitation	Defer	Continue work on Trees, Benches and Island			\$231,129
Newport Blvd Landscape Rehab	Defer	Continue with design only in FY21 (encumbered)			\$697,830
Ocean Boardwalk / Parking Lot Improv	Defer	Award deferred			\$350,000
Orange Coast River Park Vision Plan	Defer	City Council Approved Funding Match Assistance			\$20,000
Park Walls and Staircases Rehab	Defer	Intend for various deteriorated Park Walls &			\$500,000
Santa Ana Avon Slope Improvements	Defer	Continue with design only in FY21 (encumbered)			\$335,070
West Newport Park Rehabilitation	Defer	Replacement of glass panels			\$225,500
West Newport Streetscape	Defer	Continue with design only in FY21 (encumbered)			\$486,560
WC Highway Median Landscaping	Defer				\$100,000
<b>Subtotal</b>			<b>\$0</b>	<b>\$0</b>	<b>\$17,721,041</b>
<b>Total</b>			<b>\$9,950,011</b>	<b>\$16,764,775</b>	<b>\$20,921,041</b>

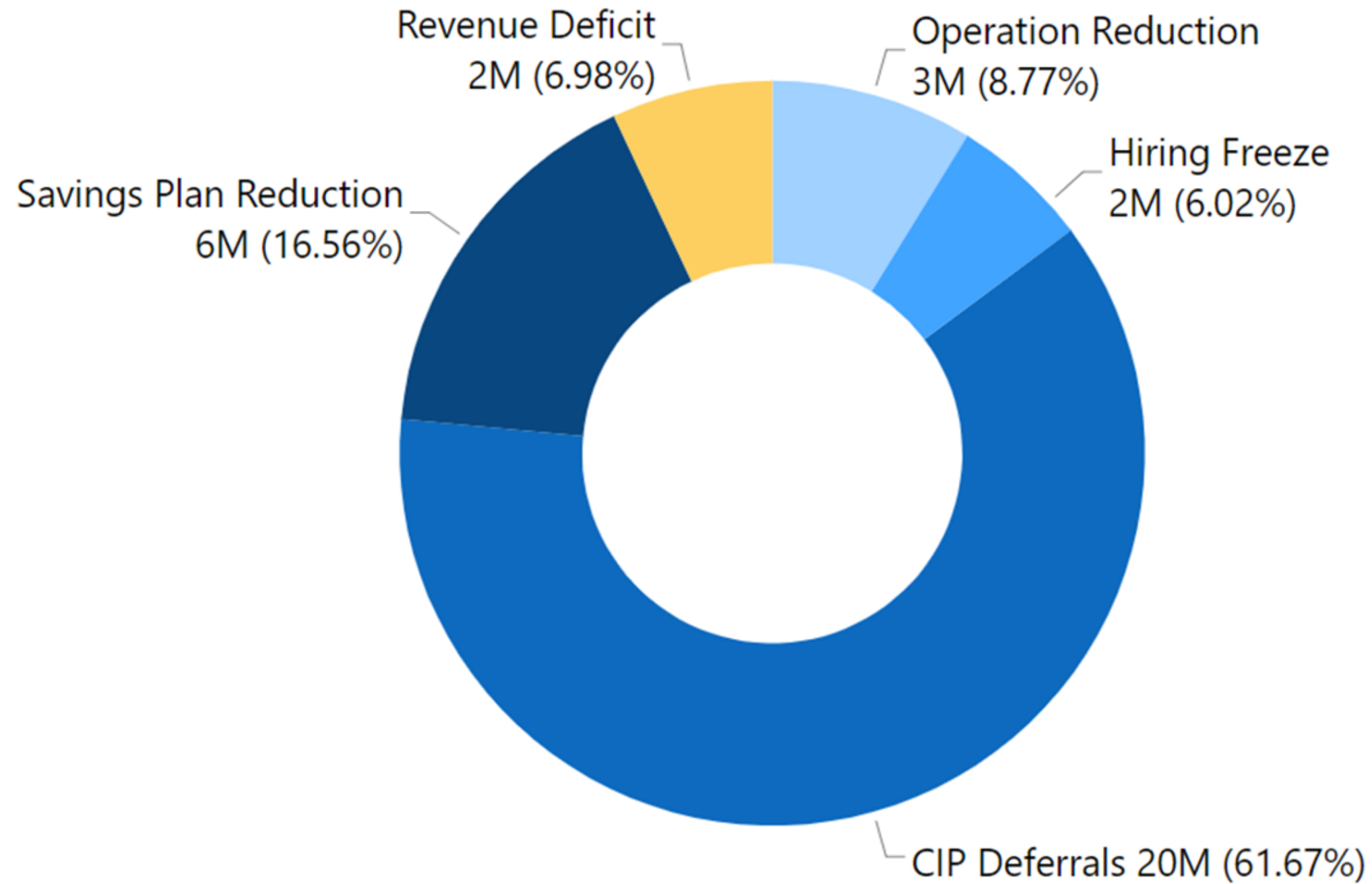
Projects Highlighted Denote Potential Councilmember Conflicts



# Deferred Capital Funding & Spend

Transfer to Fund:	FY20 ORIGINAL	FY20 REVISED	FY21	FY21	FY21 PROPOSED	% VARIANCE
			ORIGINAL	RETURN TO GENERAL FUND		
Facilities Financing Plan (FFP)	8,500,000	8,500,000	8,500,000	(8,500,000)	-	-100%
Facilities Maintenance Plan (FMP)	3,000,000	2,301,391	1,500,000	(500,000)	1,000,000	-57%
General Fund CIP	5,500,000	5,438,412	5,000,000	(2,500,000)	2,500,000	-54%
Neighborhood Enhancement	5,000,000	5,025,724	2,353,888	(4,977,137)	(2,623,249)	-152%
Tidelands	5,071,115	5,414,939	4,500,000	(4,500,000)	-	-100%
<b>TOTAL</b>	<b>\$ 27,071,115</b>	<b>\$ 26,680,466</b>	<b>\$ 21,853,888</b>	<b>\$ (20,977,137)</b>	<b>\$ 876,751</b>	<b>-97%</b>

# Saving Plans Reduction



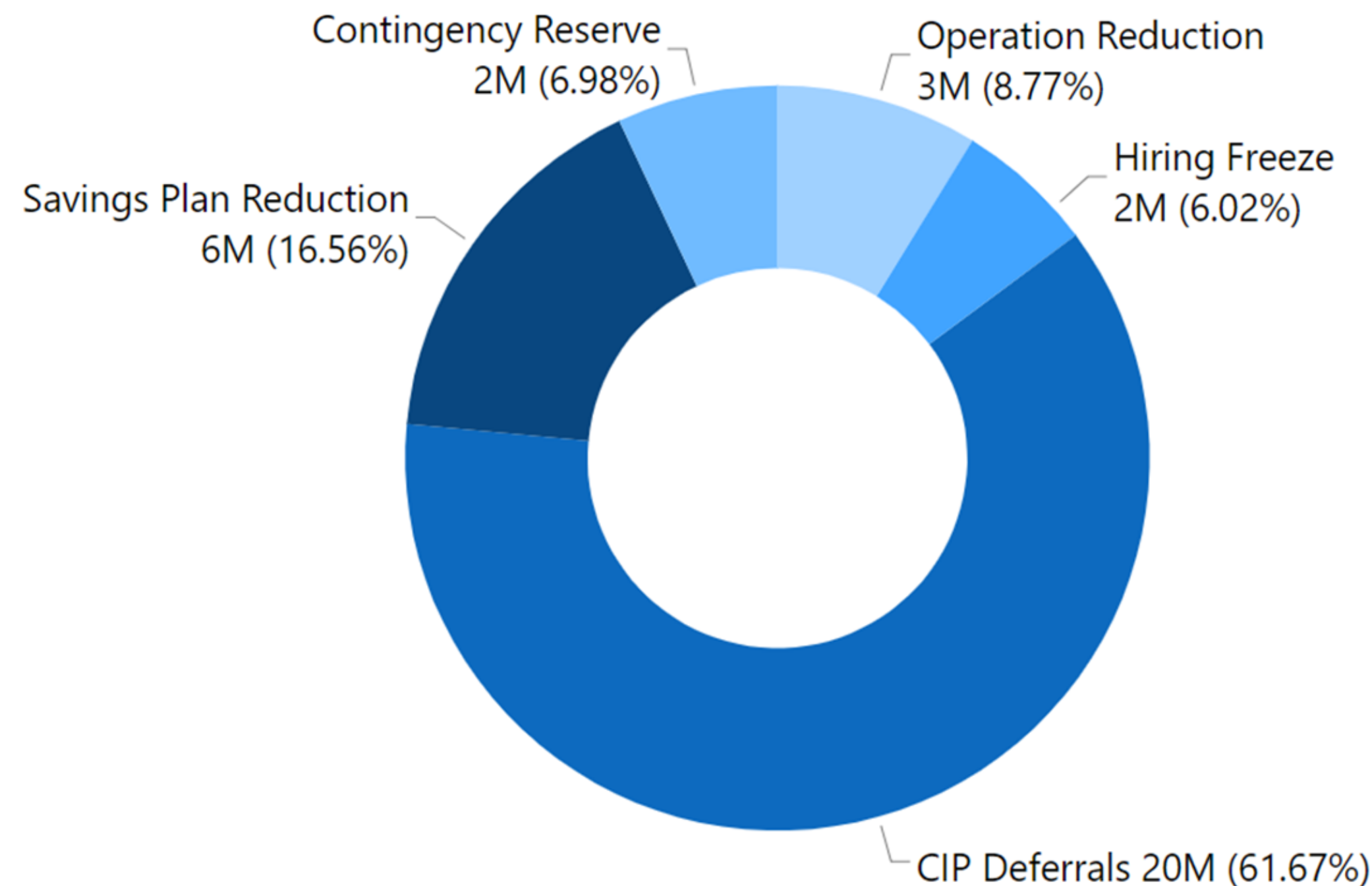
**Return to General  
Fund Balance of  
accrued savings  
in Internal  
Service Funds**

# Reduced Internal Service Savings Plans

ISF FUND:	FY 19 ACTUALS	FY 20 REVISED	FY 21 ORIGINAL	FY 21 RETURN TO GENERAL FUND	FY21 PROPOSED	% Change
800 MHz Radio Fund	500,000	-	500,000	(500,000)	-	0%
Comp Absences	2,533,649	2,625,002	2,669,303	-	2,669,303	101.7%
General Liability	6,239,000	5,115,000	4,737,000	-	4,737,000	92.6%
IT Operations & Equipment	5,964,619	7,149,136	7,232,902	(2,000,000)	5,232,902	73.2%
OPEB	3,834,916	3,852,251	4,924,163	-	4,924,163	127.8%
Other Equipment Replacement	800,893	832,535	961,535	(400,000)	561,535	67.4%
Uninsured Claims	-	1,500,000	2,040,000	(1,000,000)	1,040,000	69.3%
Vehicle Maint & Replacement	4,958,798	5,097,724	5,810,622	(100,000)	5,710,622	112.0%
Workers Comp	3,753,921	4,610,000	4,448,000	(1,000,000)	3,448,000	74.8%
<b>TOTAL</b>	<b>\$ 28,585,796</b>	<b>\$ 30,781,648</b>	<b>\$ 33,323,525</b>	<b>\$ (5,000,000)</b>	<b>\$ 28,323,525</b>	<b>92.0%</b>



# Contingency Reserve



**Available  
Contingency  
Reserve Balance is  
\$50,301,375, nearly  
25% operations  
After proposed used  
of \$2.3M**

# General Fund by Department

DEPARTMENT	FY 19 ACTUALS	FY 20 ORIGINAL	FY 20 REVISED	FY 21 BUDGET	% CHANGE FROM FY20 ORIGINAL
City Attorney	2,420,343	2,623,784	2,510,537	2,708,230	3.2%
City Clerk	1,111,032	1,065,439	1,060,584	1,206,539	13.2%
City Council	1,101,666	881,199	868,492	848,125	-3.8%
City Manager	2,697,374	3,344,155	2,954,093	3,543,321	6.0%
Community Development	12,173,841	12,952,728	13,153,346	12,525,476	-3.3%
Finance	8,349,216	9,461,368	9,436,826	9,485,406	0.3%
Fire	51,976,395	53,193,484	53,581,304	54,790,911	3.0%
Human Resources	2,881,734	3,293,238	2,975,728	3,423,267	3.9%
Library	9,327,737	9,265,651	9,858,056	9,559,849	3.2%
Misc Non Operating	230,942	121,896	(2,878,104)	(956,556)	-884.7%
Police	63,147,778	66,040,641	66,006,058	67,002,345	1.5%
Public Works	35,120,194	38,255,532	37,850,633	37,362,740	-2.3%
Recreation and Sr Svs	12,784,585	13,853,165	13,071,967	13,325,836	-3.8%
Utilities	4,841,424	4,759,656	4,665,575	5,033,549	5.8%
<b>TOTAL</b>	<b>\$ 208,164,261</b>	<b>\$ 219,111,936</b>	<b>\$ 215,115,095</b>	<b>\$ 219,859,038</b>	<b>0.3%</b>

# Staffing Levels

## THREE-YEAR DEPARTMENT EMPLOYEE INFORMATION

FULL TIME			
DEPARTMENT	FY 19 F/T	FY 20 F/T	FY 21 F/T
City Attorney	7.00	7.00	7.00
City Clerk	5.00	5.00	5.00
City Manager	21.50	21.50	21.50
Community Development	50.10	50.10	49.20
Finance	32.00	32.00	32.00
Fire	143.90	143.90	143.80
Harbor	1.00	1.00	2.00
Human Resources	11.00	11.00	11.00
Library	36.00	36.00	36.00
Police	231.00	231.00	232.00
Public Works	92.50	93.00	93.00
Recreation & Sr Svcs	42.00	42.00	42.00
Utilities	53.00	53.50	53.50
<b>TOTAL</b>	<b>726.00</b>	<b>727.00</b>	<b>728.00</b>

PART TIME			
DEPARTMENT	FY 19 FTE	FY 20 FTE	FY 21 FTE
City Attorney	1.00	1.60	1.60
City Clerk	1.00	1.00	1.00
City Manager	2.00	1.80	1.80
Community Development	7.86	10.20	10.20
Finance	4.26	4.55	4.55
Fire	42.17	43.12	43.12
Harbor	9.89	8.89	9.39
Human Resources	0.50	1.25	1.25
Library	22.83	22.83	22.83
Police	13.87	14.87	14.87
Public Works	6.05	6.35	7.55
Recreation & Sr Svcs	38.13	38.00	38.00
Utilities	1.46	3.96	3.96
<b>TOTAL</b>	<b>151.02</b>	<b>158.42</b>	<b>160.12</b>



# Program Enhancements by Fund

FUND	BUDGETED ONE-TIME INCREASES	BUDGETED ONGOING INCREASES	FY 21 INCREASES
General	109,523	1,793,582	1,903,105
Equipment	-	122,768	122,768
Fire Equipment	-	102,000	102,000
Environmental Liability	-	106,658	106,658
General Liability/ Uninsured Claims	-	355,395	355,395
IT ISF	-	5,496	5,496
Tidelands	-	43,316	43,316
Water	130,000	54,937	184,937
Wastewater	-	29,957	29,957
<b>TOTAL</b>	<b>\$ 239,523</b>	<b>\$ 2,614,109</b>	<b>\$ 2,853,632</b>

# Program Enhancements

## **City Wide - \$1,476,440 (Multiple Funds)**

- Increased overtime budget in accordance with the Flores v. City of San Gabriel legal decision implemented in FY 2016 -17

## **Fire Department - \$425,523 (Multiple Funds)**

- Paramedic School –attendance of two personnel per MOU, including overtime to back-fill positions (One-time)
- Increased appropriations to Fire Equipment Replacement fund for purchase of EMS Cardiac monitors, gurneys, and stair chairs

## **Harbor Department - \$43,316 (Tidelands Fund)**

- Transfer of Code Enforcement Supervisor from the Community Development Department
- Additional part-time Code Enforcement Officer Trainees, offset by reduction of Department Assistant and Harbor Service Workers - total overall increase of .5 FTE



# Program Enhancements

## **Public Works - \$106,658 (Environmental Liability Fund)**

- Added 1.5 part-time Code Enforcement Trainee positions to be funded by the Environmental Liability Fund

## **Recreation - \$110,000 (Recreation Equipment Fund)**

- Fund the Marine Education Field Trip Program in lieu of traveling tide pool programming (cost-neutral)
- Increased appropriations in the Recreation Equipment fund for the purchase of boats and major pieces of equipment

## **Human Resources - \$355,395**

- Increased appropriations in GL/UC funds based on actuarial estimated increase in premiums.

# Program Enhancements

## Utilities Department - \$336,300 (Multiple Funds)

- Replacement of two Monochloramine water analyzers, and three chlorine water analyzers for the 16th Street Pump Station and Big Canyon Reservoir (One-time)
- Additional appropriations for contract services for street sweeping contract
- Additional appropriations for Wonderware software license renewal for the SCADA system
- Additional appropriations for telephone expenditures to support the alarm systems at the wastewater pump stations

# Capital Appropriations by Category

Category	Total CIP Budget
Assessment Districts	9,699,197
Facilities	10,064,500
Miscellaneous	3,555,011
Parks, Harbor, Beaches	24,353,538
Streets & Drains	16,573,200
Transportation	3,466,977
Waste Water	1,800,000
Water	12,733,475
Water Quality & Environment	4,741,344
<b>Grand Total</b>	<b>\$ 86,987,242</b>

**Critical Capital Infrastructure Maintenance Carries on!**



# Continued Funding for Major Projects



## Grant Howald Park

Rebudget      \$5,502,013  
New Funding   \$1,780,000  
Total Funding   \$7,282,013

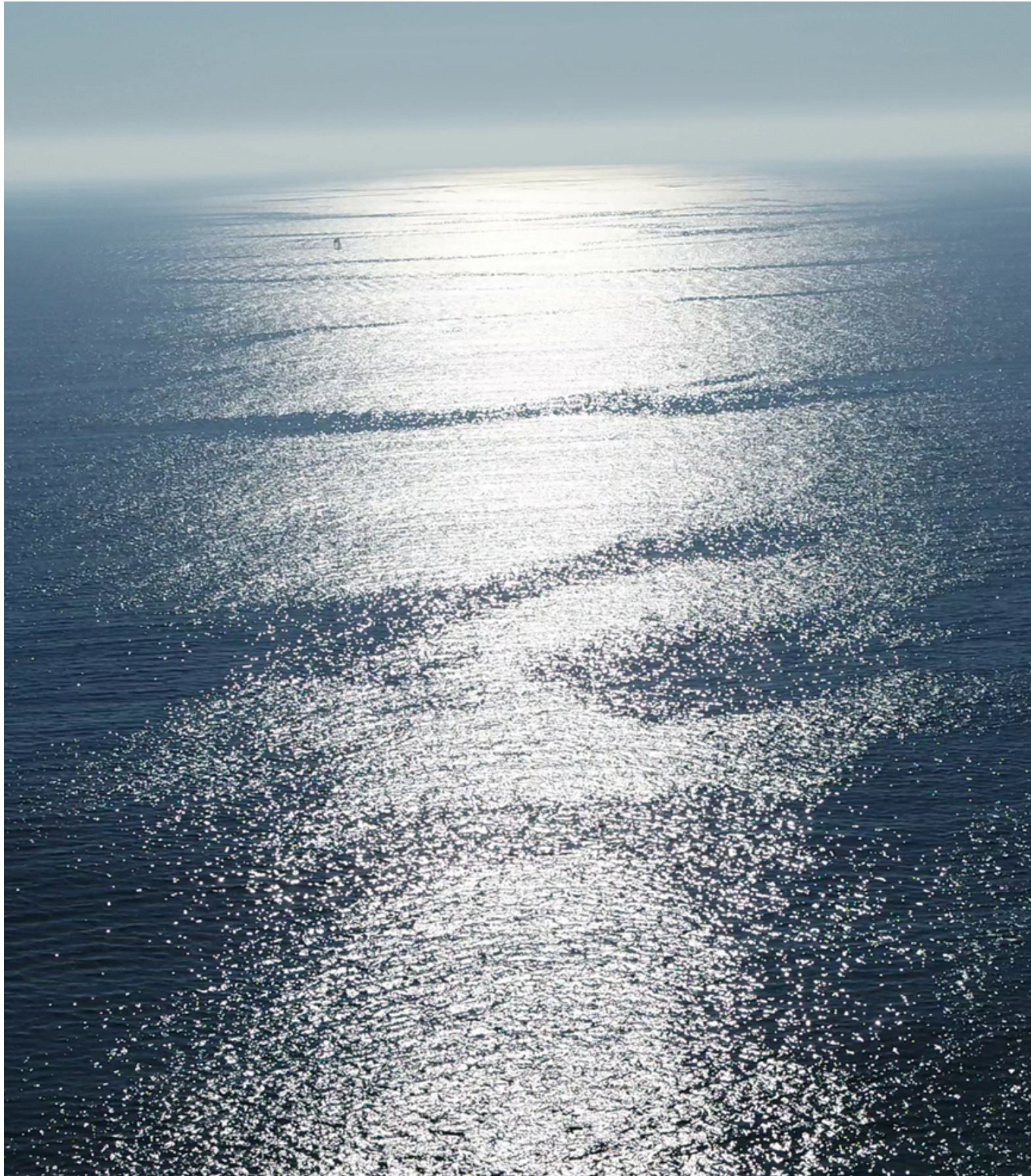


## Fire Station Two

Rebudget      \$9,103,819  
New Funding   \$ 460,681  
Total Funding   \$9,564,500\*

\*To be financed





# Other Funds

## Reduced Capital Funding & Revenue

While the greatest loss of revenue was focused in our General Fund, the City expects a loss of revenue in other funds as well.



# Other Funds Impacted by COVID related Revenue Losses

	TIDELANDS			
	CAPITAL	GAS TAX	MEASURE M	SB1-RMRA
FY 21 Beginning Balance	\$ 15,688,317	\$ (184,226)	\$ 524,902	\$ (1,457,136)
Sources:				
Operations	2,756,176	1,885,478	1,703,259	1,485,221
Uses:				
CIP	1,946,972	1,980,995	2,200,000	-
Interfund debt service	1,250,000	-	-	-
Total Uses	\$ 3,196,972	\$ 1,980,995	\$ 2,200,000	\$ -
FY 21 Ending Balance	<b>\$ 15,247,521</b>	<b>\$ (279,743)</b>	<b>\$ 28,161</b>	<b>\$ 28,085</b>



# Major Master Plan Funds

	FACILITIES FINANCING PLAN (FFP)	HARBOR & BEACHES MASTER PLAN (HBMP)	FACILITIES MAINTENANCE (FMP)	NEIGHBORHOOD ENHANCEMENT (NEF)
FY 21 Beginning Balance	\$ 16,447,240	\$ 5,011,658	\$ 334,399	\$ 3,323,210
Sources:				
Operations	804,559	2,756,176	11,644	39
Transfer In from GF	-	-	1,000,000	-
Transfer In from other projects	11,321,140	-	-	-
Total Sources	\$ 12,125,699	\$ 2,756,176	\$ 1,011,644	\$ 39
Uses:				
CIP	\$ -	\$ 1,946,972	\$ -	\$ 700,000
Transfer out for debt service	7,919,055	-	-	-
Transfer out for parks and community services	6,901,299	-	-	-
Transfer out to GF	-	-	-	2,623,249
Total Uses	\$ 14,820,354	\$ 1,946,972	\$ -	\$ 3,323,249
FY 21 Ending Balance	<b>\$ 13,752,585</b>	<b>\$ 5,820,862</b>	<b>\$ 1,346,043</b>	<b>\$ -</b>

# Proposed Pension Funding

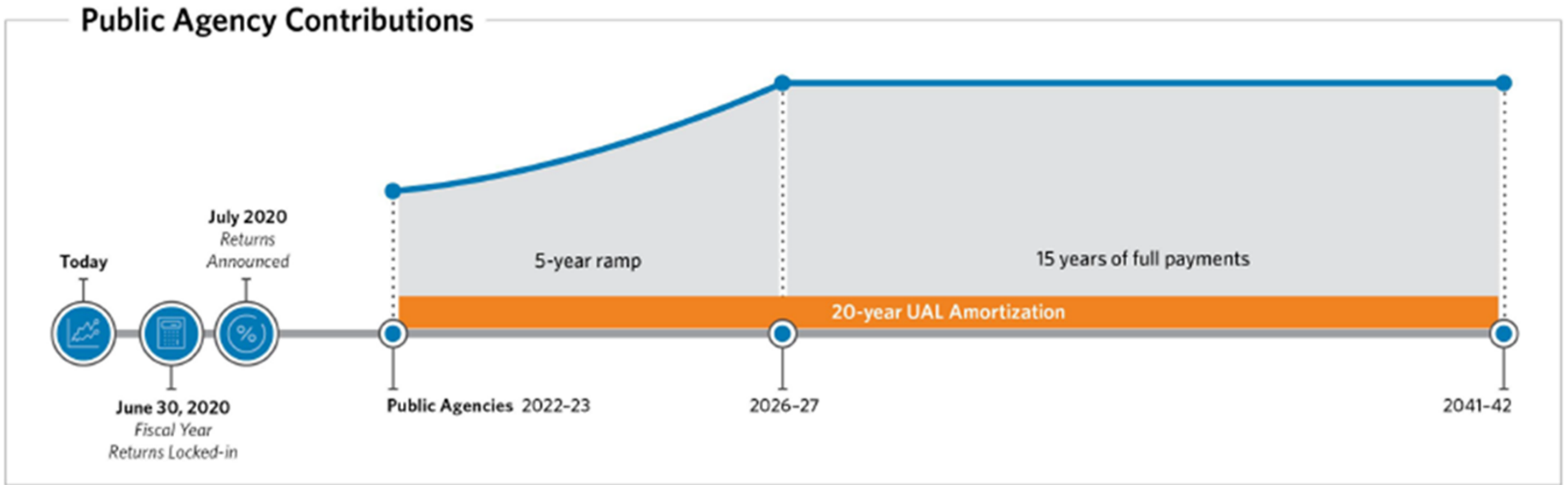
	Normal Cost Rate		Expected Normal Cost		Change	
	2019-20	2020-21	2019-20	2020-21	Dollars	Percent
Misc	16.9%	17.7%	7,696,069	8,440,953	744,884	9.7%
Safety	28.1%	29.2%	10,253,205	10,776,028	522,823	5.1%
Total Normal Expected Cost			\$17,949,274	\$ 19,216,981	\$ 1,267,707	7.1%

	Amortization of UAL		Change	
	2019-20	2020-21	Dollars	Percent
Minimum Unfunded Liability Contribution	26,196,003	29,753,088	3,557,085	13.6%
Additional Discretionary Payment (ADP)	8,803,997	5,246,912	(3,557,085)	-40.4%
Additional Discretionary Payment (ADP)*	-	5,000,000	5,000,000	-
Total Planned UAL Payment	\$35,000,000	\$ 40,000,000	\$ 5,000,000	14.3%

	Total Expected Pension Cost		Change	
	2019-20	2020-21	Dollars	Percent
Total Expected PERS Contribution	52,949,274	59,216,981	6,267,707	11.8%
Less: Expected Employee Contributions	10,632,010	11,072,300	440,290	4.1%
Net Employer cost "Projected"	\$42,317,264	\$ 48,144,681	\$ 5,827,417	13.8%

\* Includes set aside of \$5,000,000 Discretionary Payment

# CalPERS – How Investment Losses are Amortized



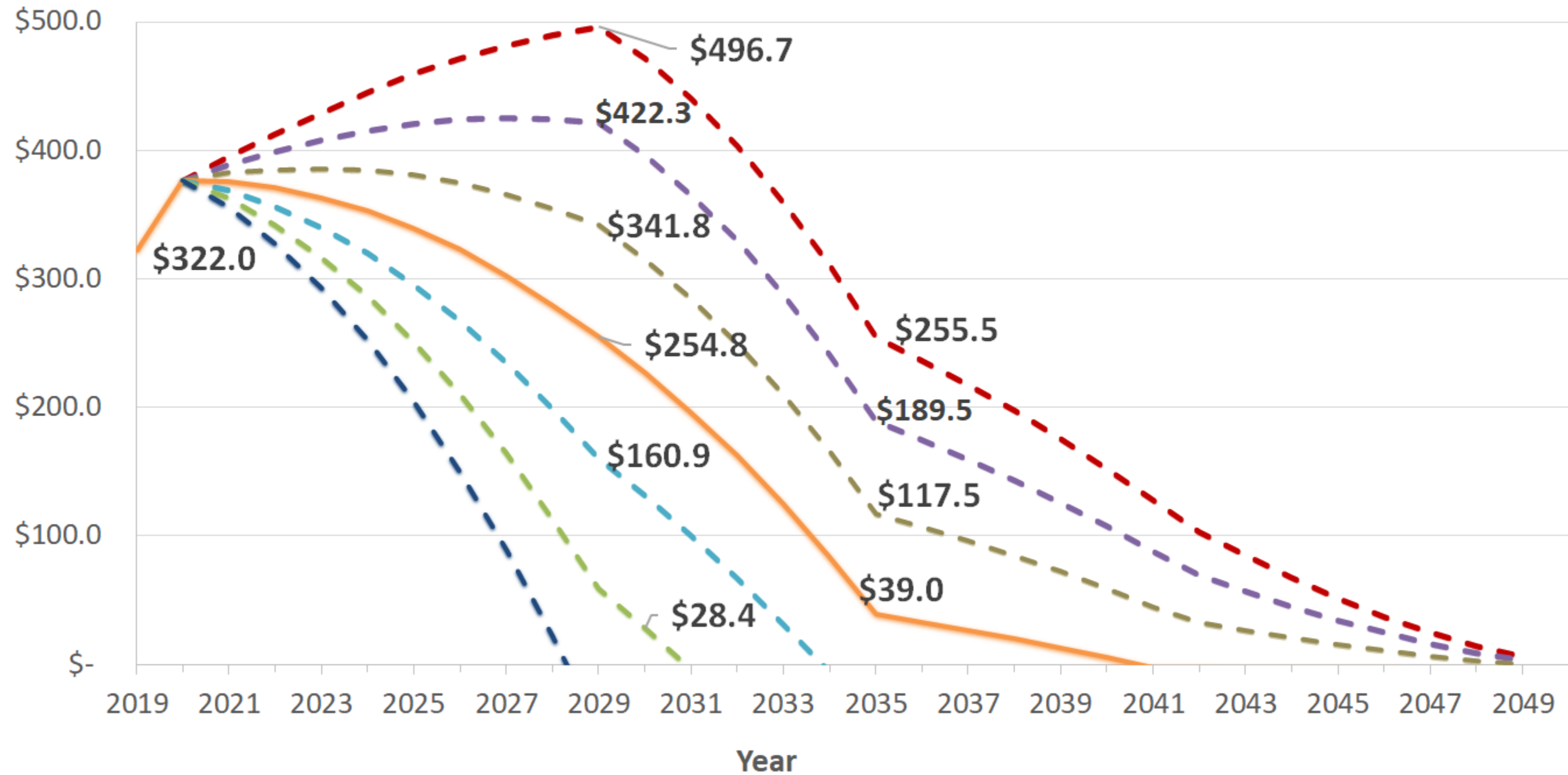


# Pension Unfunded Liability Balance

Assumed Investment Return:

-4% -5% -6% -7% -8% -9% -10%

UAL Balance (Millions)



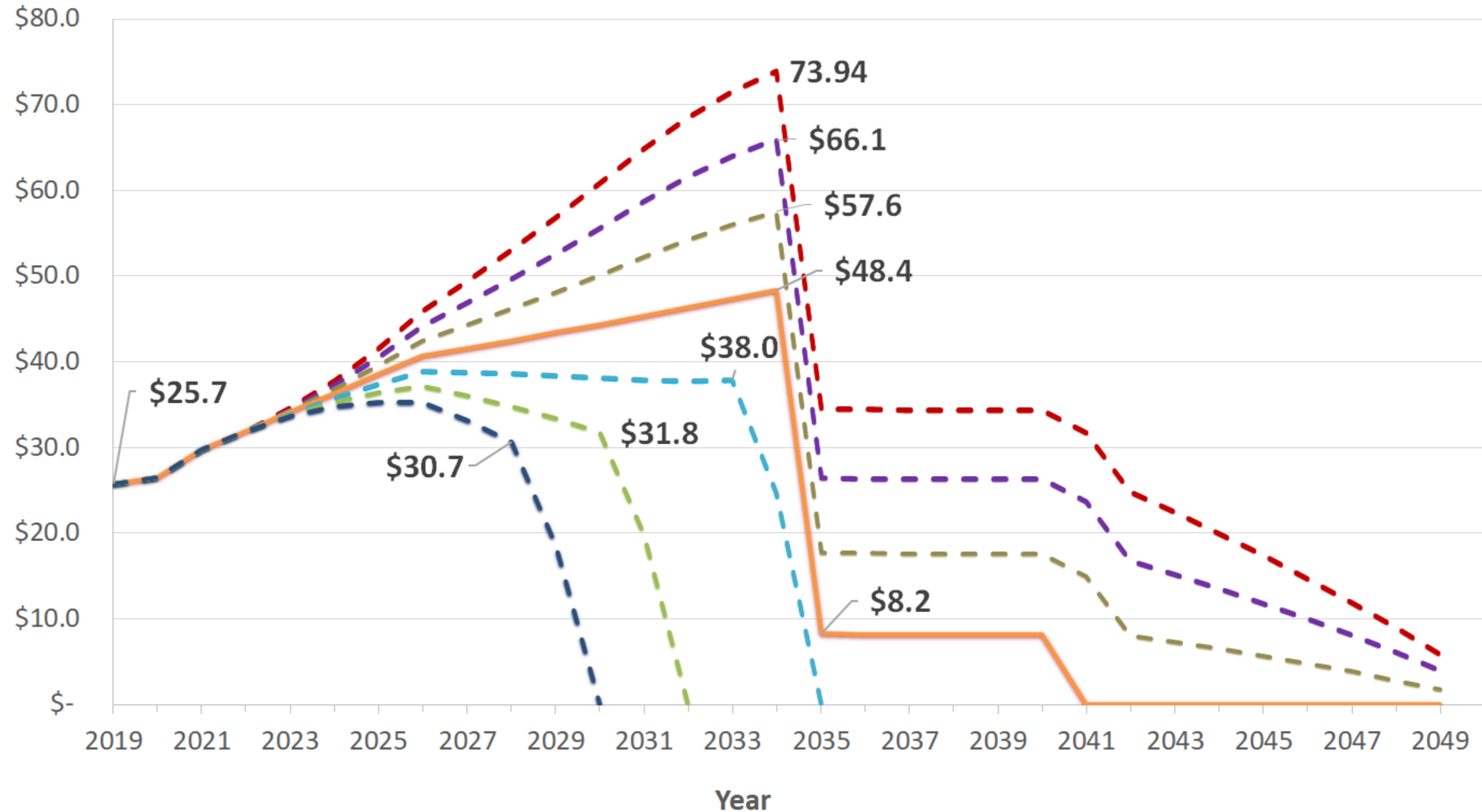
Assumes 0% Investment Return for FYE 6/30/20, no further ADPs and linear investment returns

# Unfunded Pension Liability Payment

Assumed Investment Return:

-4% -5% -6% -7% -8% -9% -10%

UAL Payment (Millions)



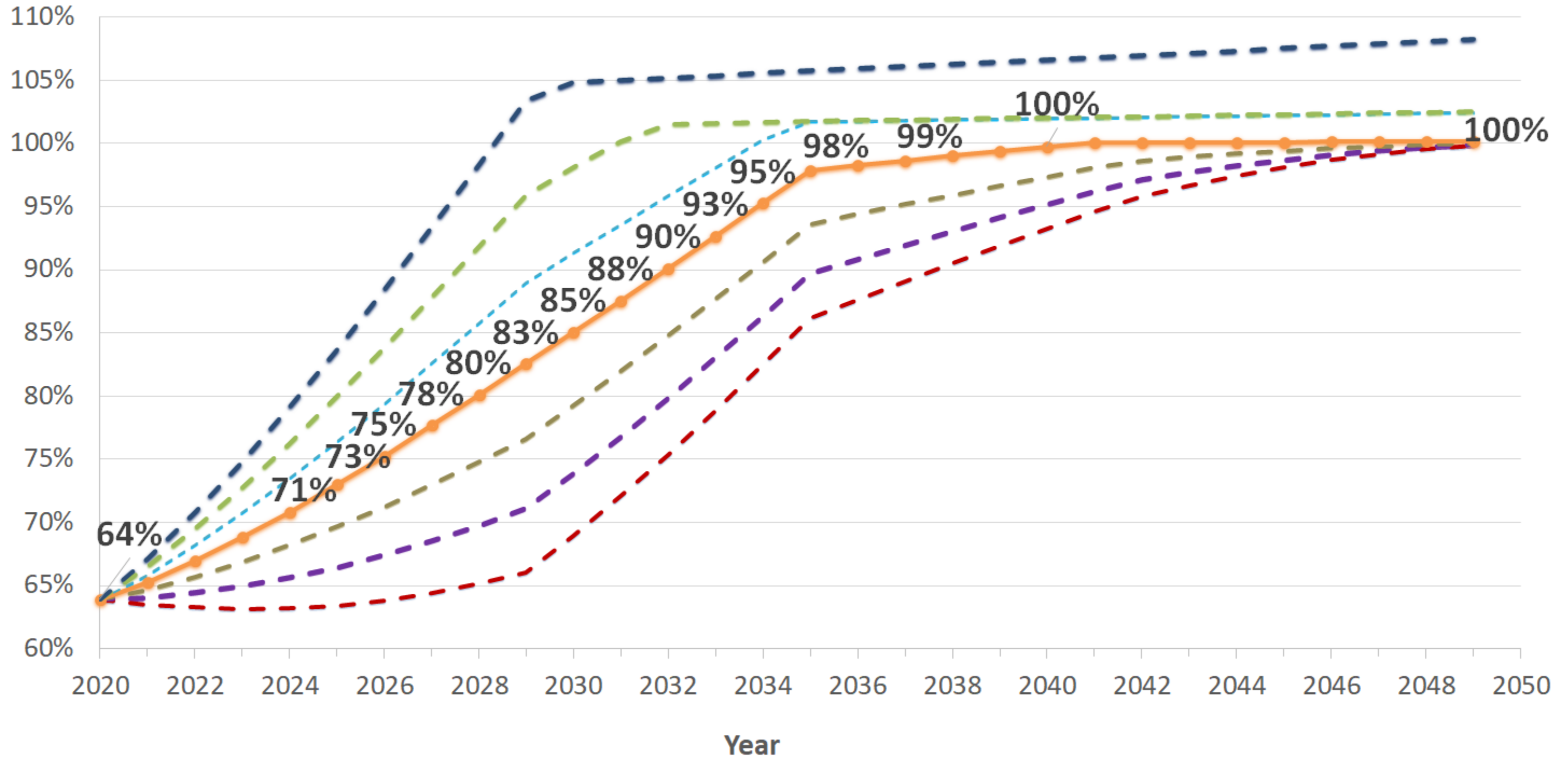
Assumes 0% Investment Return for FYE 6/30/20, no further ADPs and linear investment returns

# Pension Funded Status Projection

Assumed Investment Return:

-4% -5% -6% -7% -8% -9% -10%

Funded Status



Assumes 0% Investment Return for FYE 6/30/20, no further ADPs and linear investment returns

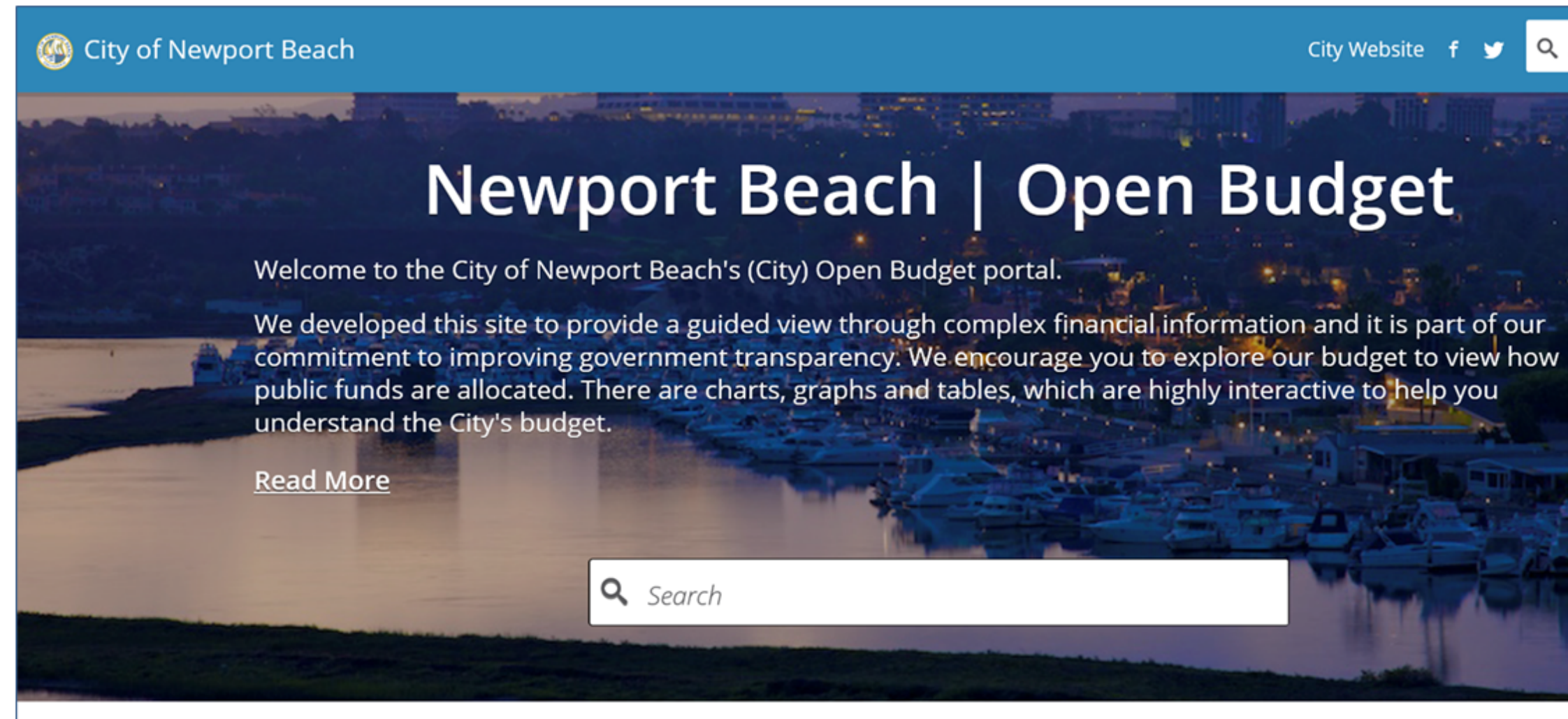


# Open Budget

[www.newportbeachca.gov/openbudget](http://www.newportbeachca.gov/openbudget)

## Citizen Transparency Portal

- Easy public access via any internet browser
- Dynamic data for Fiscal Year 2020-21 and historical searches
- Includes Proposed FY 2020-21 comparison to FY 2019-20
- Transaction details for granular inquiries
- Data export options via Excel, PDF, or image files



# Next Budget Milestones

- **Tuesday, May 26** – Council Study Session - 1st Council Review of Proposed Budget (Joint Council/Finance Committee).
- **Thursday, May 28** – Finance Committee to develop written comment on City Manager's Proposed FY 2020-21 Budget. Recommendations for changes to Proposed budget will be presented via Proposed Budget Revision (PBR).
- **Tuesday June 9** – City Council Budget Adoption and GANN limit public hearing.

