

Attachment A

Resolution No. 2021-57 and Exhibit 1 - Proposed Budget Revisions

RESOLUTION NO. 2021-57

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEWPORT BEACH, CALIFORNIA, ADOPTING THE BUDGET FOR THE 2021-22 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 2021-22 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 2021-22;

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 City Charter Section 1102 (Budget Submission to City Council);

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 8, 2021, and has made such revisions to 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 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, 2021, as approved by the City Council in prior years, are hereby appropriated to the 2021-22 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 2021-22 Fiscal Year, including employee salary ranges contained therein, and as revised by the City Council via the proposed budget revisions. Total new appropriations of \$344,508,384 (\$313,151,922 less internal charges) plus any items on the approved proposed budget revisions attached as Exhibit 1, and incorporated herein by reference, have been allocated to the following funds in the amounts hereinafter shown:

	FUND	OPERATING BUDGET	CAPITAL BUDGET	TOTAL BUDGET
010	General Fund	225,851,632	-	225,851,632
012	General Fund - Capital Projects	-	7,350,000	7,350,000
100	Tide & Submerged Lands Fund	3,136,238	2,824,848	5,961,086
101	Harbor & Beaches Capital Plan Fund	-	2,625,000	2,625,000
105	Asset Forfeiture Fund	65,000	-	65,000
111	SLESF Grant Fund	200,000	-	200,000
120	Comm Devl Blk Grant Fund	385,973	-	385,973
121	State Gas Tax Fund	-	2,084,550	2,084,550
122	Measure M Fund	-	2,200,000	2,200,000
126	SB1 Gas Tax RMRA Fund	-	2,000,000	2,000,000
135	Contributions Fund	-	1,499,000	1,499,000
138	Environmental Contributions	-	500,000	500,000
141	Building Excise Tax Fund	-	600,000	600,000
160	Environmental Liability Fund	639,051	-	639,051
164	FiiN Fund	147,000	-	147,000
531	Junior Lifeguards	-	100,000	100,000
535	Balboa Village Parking Mgmt	-	1,000,000	1,000,000
536	Neighborhood Enhancement	-	2,366,000	2,366,000
562	Parks & Community Centers	-	4,761,232	4,761,232
571	Facilities Maintenance Plan (FMP)	-	1,500,000	1,500,000
701	Water Enterprise Fund	27,933,241	-	27,933,241
702	Water Capital Fund	-	3,745,448	3,745,448
711	Wastewater Enterprise Fund	3,956,840	350,000	4,306,840
749	Uninsured Claims Fund	3,669,666	-	3,669,666
750	Workers Compensation Fund	3,570,062	-	3,570,062
751	General Liability Ins Fund	6,080,000	-	6,080,000
752	Equipment Fund	3,382,044	-	3,382,044
753	Police Equipment Fund	926,758	-	926,758
755	Parking Equipment Fund	666,000	-	666,000
756	Fire Equipment Fund	142,000	-	142,000
757	RSS Equipment Replacement Fund	200,000	-	200,000
760	Compensated Absence Fund	2,030,000	-	2,030,000
761	Retiree Medical Fund	335,000	-	335,000
762	Retiree Med Fund Res	7,870,367	-	7,870,367
764	IT ISF	5,240,149	-	5,240,149
765	IT Strategic Fund	1,687,298	-	1,687,298
800	Debt Service Fund	10,882,986	-	10,882,986
831	Ackerman Trust	5,000	-	5,000
		309,002,306	35,506,078	344,508,384

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

Interfund Transfers		
<u>Funds</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	10,727,159	20,200,000
General Fund Capital Projects	5,700,000	
Tidelands Operating		9,442,529
Harbor & Beaches Capital Plan	4,500,000	
Debt Service	8,677,620	
Equipment Operations		472,403
Facilities Financing Plan	8,500,000	13,161,119
Facilities Maintenance Plan	1,500,000	
Information Technology		812,227
Junior Lifeguards	469,637	
Parks & Community Centers	4,013,862	
Total	44,088,278	44,088,278

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 8th day of June, 2021.

Brad Avery
Mayor

ATTEST:

Leilani I. Brown
City Clerk

APPROVED AS TO FORM:
CITY ATTORNEY'S OFFICE



Aaron C. Harp
City Attorney

Attachment: Exhibit 1 - Proposed Budget
Revisions

EXHIBIT 1
PROPOSED BUDGET REVISIONS
FISCAL YEAR 2021-22

GENERAL FUND

	Budget Increase (Decrease)
Expenditures	
Better Beaches Initiative	
1 Additional beach trash cans in high use areas	\$ 25,000
2 Permanently maintain porter service in Balboa Village & Corona del Mar	\$ 40,000
3 Additional trash/street can pickup in summer season	\$ 47,000
Total Expenditure Budget Changes	\$ 112,000
Revenue	
Dissolution of Balboa Village Area Benefit District	
1 Transfer revenue budgeted in Balboa Village Area Benefit District to the General Fund	\$ 395,822
Total Revenue Budget Changes	\$ 395,822
Total General Fund Changes:	\$ 283,822

BALBOA VILLAGE AREA BENEFIT DISTRICT

	Budget Increase (Decrease)
Revenue	
Dissolution of Balboa Village Area Benefit District	
1 Reduce budgeted revenue in Balboa Village Area Benefit District	\$ (395,822)
Total Revenue Budget Changes	\$ (395,822)
Total Balboa Village Area Benefit District Changes	\$ (395,822)