

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

May 7, 2012

TO: HONORABLE CHAIR AND MEMBERS OF THE COMMITTEE

FROM: Finance Department
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SUBJECT: FISCAL YEAR 2012-13 PROPOSED BUDGET OVERVIEW

DISCUSSION:

The City Manager and Finance department have completed a balanced Fiscal Year (FY) 2012-13 Proposed Budget for the City of Newport Beach. We will provide the Committee with the budget overview presentation also scheduled to be discussed at Council's Study Session on Tuesday, May 8, 2012.

BACKGROUND

The City of Newport Beach budget is intended to be a reflection of the City policies, goals and priorities. It communicates to citizens and staff what program allocation decisions have been made by the City Council. The proposed budget continues to maximize existing staff resources and confirms the commitment to maintain the high levels of service that the community expects and deserves.

Recognizing the Council and community's interests, the City's Management Team worked last year to identify what makes Newport Beach unique – along with how to protect those qualities by allocating sufficient funding and staffing. We thought of the city as “the shining city by the bay” and identified these things as important to the Newport Beach community:

- ❖ A high quality physical environment.

This means the natural environment and maintaining quality community centers, parkways and medians, roads, trees, alleys, beaches and more. We believe that Newport Beach has a different look and feel from other communities as you enter it, and we want to maintain that look.

- ❖ Public safety and how City services and programs reinforce safety.

From core public safety services like police and fire to programs (recreation and senior services, CERT and more) and infrastructure (parks, libraries and more) that draw people out into their community, we give our residents great things to

do and enjoy – when people are out and about and involved, bad elements stay away.

❖ Civic engagement

This is a community that loves its many strong community activities, events and groups and wants to be actively engaged with its city government.

❖ Accountable, Responsive City Government

We should be about superior customer service, fiscal sustainability, accountability, transparency and ensuring an accessible and open environment. We want to ensure our community views us as the standard of excellence in city government.

CONCLUSION

This is the third consecutive year of minimal to flat revenue growth. This has again required diligent attention to priorities and the wise distribution of resources. The proposed FY 2012-13 budget was prepared in light of the programs and activities that support the values stated above. It also supports a continued focus on transformation of the Newport Beach city government to a more accountable and performance-based organization. As such, the executive team is not only improving what we are best at, but also what we should “not” be doing. This budget builds in new opportunities to contract out certain services when it can be demonstrated that the private sector can perform these services with the same or better level of service and for less cost.

The development of the City's annual budget takes an enormous amount of staff time and effort. I am proud of how management staff continues to work collaboratively to allocate resources in support of the City Council directed priorities and in support of the core qualities that make Newport Beach special. I also want to thank my finance team; their professionalism, dedication and technical abilities are incredible and it is an honor and a privilege to represent such a great team. My sincere appreciation is extended to the City Council and City Manager for their leadership and support; and, to all department directors, division managers and departmental budget liaisons for their contributions.

Prepared by:

/s/Tracy McCraner
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Finance Director