



CITY OF NEWPORT BEACH

OFFICE OF THE CITY MANAGER

Homer L. Bludau, City Manager

February 12, 2007

Dear Fellow Residents:

Early winter has been a very busy season at the City. The City Council and staff is moving forward with new and ongoing City projects, and working to provide the programs and facilities residents have told us they want. Here's a small sample of what's keeping us occupied this winter:

Tsunami and Natural Disaster Preparedness Enhanced. The City already has response plans in place that will go into effect if our area is struck by earthquake, fire, pandemic, terrorist attack or an airplane crash. Now the City also has a detailed Tsunami Plan to help the City staff and residents respond effectively to a tsunami warning should that threat ever materialize. The City has recently been certified by the U.S. Department of Commerce's National Oceanic & Atmospheric Administration (NOAA) as a TsunamiReady® and StormReady® city, based on a level of preparedness that should provide residents with an extra measure of protection in the event of a tsunami or severe storm. Only five communities along the California coast have been certified as TsunamiReady and StormReady.

NOAA's TsunamiReady® and StormReady® programs help local communities develop the communication, education and safety skills needed to deal with catastrophic natural events. The Fire Department worked with NOAA for over a year to meet requirements that include:

- produce improved communication and evacuation plans
- establish a 24-hour warning point and emergency operations center
- create a system to monitor local weather conditions
- develop community seminars to improve public readiness
- devise a formal hazardous weather plan, which includes training severe weather spotters and holding emergency exercises
- designate tsunami evacuation routes and install signage alerting residents

Although the last significant tsunami to hit Newport Beach happened in 1934, the lingering devastation of the 2004 Sumatra tsunami makes preparation for this type of natural disaster a necessity. Past studies have assessed Newport Beach's tsunami risk as low to moderate, and the majority of tsunami events that have been recorded in Southern California appear to have brought waves to Newport Beach that were no larger than those that regularly pound the Peninsula during a big southern swell. However, an unexpected event like the 1934 tsunami, which produced substantial waves, could cause significant property damage and loss of life.

Our topography complicates planning for evacuations. The densely populated coastal zone is broad, flat and low-lying, and it features a long peninsula and six residential islands with limited egress points. With approximately 35,000 residents to evacuate from the Balboa Peninsula, West Newport and the residential islands, evacuation will undoubtedly take some time.

When a potentially tsunami-generating earthquake is felt, or a tsunami warning is issued, residents need to be prepared to do their part by being aware of the designated tsunami evacuation routes, taking tsunami and storm warnings seriously, following the directions of public safety employees, and evacuating quickly but without panic. Evacuation should proceed either inland and to higher ground, or

upward. The third stories of buildings or parking structures are considered safer than lower elevations under these conditions.

In order to implement one of the General Plan goals, enhanced tsunami and disaster public education programs are being offered to all residents. A specialized seminar geared towards community tsunami awareness has already been given to residents, and another is scheduled in the City Council Chambers on February 21 from 6:00 – 7:30 PM. Residents can register for the February workshop by calling 644-3112.

Our Disaster Preparedness team also regularly provides community training for many other types of disasters, emergencies and mishaps. Our free ten-week Community Emergency Response Training (CERT) is taught by Fire, Police, and Lifeguard employees twice a year to increasingly large groups of Newport Beach residents. In addition, the Fire Department offers a three-hour neighborhood disaster preparedness class for any group or association that requests it. More information on the tsunami and other disaster preparedness classes is available at www.nbcert.org.

Traffic Signal Management Modernization Begins. With the City Council's January 23 approval of a \$263,215 contract for design of the first phase of citywide traffic signal modernization, one of our City's most important long-term projects has begun. The Traffic Signal Modernization Project will be a multi-year, multi-phased effort geared towards reducing congestion and improving the efficiency and flexibility of our traffic signal system. Phase One will improve critical signal coordination on MacArthur Boulevard and the Coast Highway. Coordination between signals on Avocado Avenue and San Miguel Drive will also be improved during this phase. Final design of Phase One is expected by August 2007. The City's traffic signal hardware is quite old, and as a result, many signals can't "communicate" with nearby signals along the same street. Over time, we want to be able to make our traffic signals as responsive as possible to existing traffic conditions, including unusual events, such as accidents, fires, Police closures, etc. Phase One will be our initial effort to implement the traffic management improvements described in the recently adopted General Plan.

Improvements Scheduled for Marian Bergeson Aquatic Center – and You Can Help. Work is scheduled to begin soon on the renovation of the Marian Bergeson Aquatic Center (MBAC), a flagship facility and major community asset located at Corona del Mar High School. MBAC is owned by the District and operated under a joint use agreement between the City and the Newport Mesa Unified School District, and has served the City and the school since it opened in 1990.

To support the aquatic efforts of our city's youth and adults, the City has budgeted \$290,000 towards improvement of MBAC. The improvements include re-plastering the pool, replacing the deck drainage systems, broken or missing pool tiles and the cantilevered decking around the entire perimeter of the pool, remodeling the office to provide work spaces for the high school coaches and City representatives operating the City's on-site programs, building new restrooms, locker rooms and showers, installing shade structures over the bleachers, wiring and updating the score board and public address system, and much more. It is estimated that the entire project will cost almost \$1.8 million. The Newport-Mesa School Unified District is providing nearly \$800,000. Public participation is necessary to raise the remaining funds to accomplish the entire renovation.

The Aquatics Center is used nearly all day, every day, year-round, by many members of our community. Corona del Mar High School's aquatics programs use the pool for its water polo and swim programs, as well as swim instruction during P.E. classes. The City Recreation & Senior Services Department coordinates the use with Sage Hill High School for its boys' and girls' swimming and water polo programs. The City Recreation and Senior Services Department operates the CDM Junior Water Polo Club (ages 9 -14) and the Newport Beach Aquatics Club swim team (ages 5-14) where children

from the entire community participate in and receive instruction and challenging workouts four to five days a week, eleven months of the year. The City Recreation and Senior Services Department also operates an adult lap swim program every weekday evening from 6:00 to 8:00 p.m. and from 8:00 a.m. to noon on weekends, year-round. The swim pass available from our Recreation Department is the best swimming value in town. Finally, the City Recreation and Senior Services Department offers a comprehensive instructional and recreational swim program, including swimming lessons, lifeguard certification, and recreation/open swim at MBAC every weekday throughout the summer. On an average school day, well over 175 adult and youth swimmers and water polo players use the pool after school hours as they participate in the City recreational aquatics programs. On a really busy day, a high school water polo game or swim meet might be in progress while community members churn through the water at the same time.

Newport Beach is clearly a community that values its water sports, and MBAC embodies Newport Beach's rich aquatics traditions. It has served as a venue for numerous national and international aquatics competitions, and has fostered the development of many regional, national, and Olympic aquatics athletes. Any community member who wants to learn more about or contribute to this important project can do so by visiting www.cdmpool.org (donations can even be made online by VISA or MasterCard!), or calling Recreation and Senior Services at 644-3151. There will be a gala fundraising dinner in honor of Marian Bergeson at the Pacific Club on Saturday, May 12, 2007. Contact angela@cdmpool.org or tamie@cdmpool.org for more information or to attend.

New Recreation and Senior Services Director Confirmed. After a successful four months as Acting Director of the City's Recreation and Senior Services Department, Wes Morgan has agreed to continue his service as permanent Director. Over the next few years, the City will be bringing a number of new parks and other facilities into use. Wes' experience will be crucial to succeed with the upcoming challenges new park facilities bring. These include staffing and overseeing operations of the Newport Coast Community Center, working with the Irvine Company to assume ownership of the Coastal Peak Park, working with the public during the planning of Sunset West Park, helping with Phase One of the Newport Center Park development, and involvement in the Marina Park project. There are probably more park facilities for the City on the horizon right now than at any other time in the City's history, and it will be good to have Wes at the department's helm to oversee bringing these projects into public use.

McFadden Square Centennial Legacy Project. The City and its residents have a historic interest in maximizing the beauty and functionality of our original city center – McFadden Square, at the base of the Newport Pier. In the late 1800's, Newport Beach began as a city in this location when the McFadden Brothers built the original Newport Pier and their thriving commercial operation drew the Southern Pacific Railroad and, later, residential development. The first City Hall was located within a block of what is now McFadden Square, and many of the original historic buildings nearby remain intact.

The citizens on the City Arts Commission and McFadden Square Centennial Legacy Project Committee plan to honor that history and enhance the present uses of the area with the permanent installation of a public art feature at McFadden Square. This urban beautification and public art project will raise the profile of McFadden Square as a historic location and help define the site for locals and visitors alike.

McFadden Square Centennial Legacy Project Chairman Bernie Svalstad and his committee have been very creative in devising enduring, tasteful donor recognition inscriptions. Residents and businesses donating to the McFadden Square Centennial Legacy Project will have their names etched in the stone paving and other fixtures surrounding a bronze sculpture representing Newport Beach and the

Centennial. Donor recognition opportunities begin at \$250. If you're interested in this project, visit www.newportbeach100.com, or call Cultural Arts Coordinator Jana Barbier at 717-3870.

City Plans for Funding Employee Health Benefit Program. Cities throughout California have discovered the problems that arise with a combination of unfunded pension programs and retiree benefits and the rising cost of health care and retiree longevity. Medical insurance coverage for retirees is a long-standing element of employee compensation for most public sector entities in California. With rising health-care costs, these programs have gotten more expensive for cities, as well their employees. Newport Beach is no exception.

Throughout the nation, employee groups have been pushing for benefit increases to keep pace with increased costs. At the same time, cities have needed to gain control of this growing post-employment liability, much of which was unfunded. The Governmental Accounting Standards Board (GASB) has issued a new requirement that all such unfunded liabilities be recognized as such on the Annual Financial Statements of the reporting entities. That has a potential adverse impact on bond ratings, financing costs and other factors which affect the City's bottom line. Addressing this matter is a significant and widespread challenge.

I am pleased to be able to report that our City has developed and implemented a program to deal with this complicated situation. It is a unique approach that puts a stop to future increases in the unfunded liability, establishes a schedule for funding the existing liability, and implements a revised program in which future retirees will receive an increased benefit, most of which they will fund themselves while they are still employed.

All new employees, as well as current employees who are relatively new to the City, will participate in a new "Defined Contribution" Retiree Medical Program. Employee associations will select the percentage of salary that will be deposited in their own Retiree Medical Account. The City will provide limited matching funds as part of the overall compensation package. After employees retire, the City will cease funding this benefit. From each employee's standpoint, what has been set aside in their account during employment becomes available to offset their medical costs in retirement, on a tax exempt basis. Departments must include funds for these programs as part of their annual operating budgets.

The specific details of this change are complex, and it took extensive time and creativity to successfully negotiate it and to put it in place. However, as a result of this change, the City's unfunded liability has been reduced to about half what it would have been, and a funding schedule to eliminate the remainder has been established.

Although every city starts from a different position, the "Newport Beach" model is being recognized as THE solution to emulate by many cities. Our staff receives frequent queries from other cities, and our finance gurus have been asked to make presentations regarding the program at this year's California Society of Municipal Finance Officers (CSMFO) seminar. This was a tough, complicated issue to take on. I'm proud of our finance experts Dennis Danner and Dick Kurth for their hard work and perseverance, and for the City Council's support of this program.

Sincerely,



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